

Governance

# Remuneration Committee report



Vanda Murray OBE  
Remuneration Committee Chair

### Using this report

We have sought to make our Remuneration Committee report as straightforward to access as possible. The content of the report is governed by various legislation and listed company disclosure requirements and, on occasion, this results in duplication of information. We have tried to reduce this wherever possible and present the information in an accessible and more intuitive way. The report is split into three sections:

1. **This Committee Chair's Statement**
2. **The Directors' Remuneration Policy** (summary)
3. **The Directors' Remuneration Report**
  - Part 1 Company performance and stakeholder experience
  - Part 2 Application of policy in 2025
  - Part 3 Implementation of policy in 2026
  - Part 4 Additional disclosures

We believe that this format clearly differentiates each of the relevant sections of the Remuneration Committee report, directs users to the sections relevant to their use, and is also fully compliant with all applicable rules.

Throughout this report, items shown in dark blue relate to fixed elements of remuneration (base pay, benefits, pension) and items shown in light blue are related to variable elements of pay (such as bonuses and long-term incentives).

## Committee meeting attendance in 2025

Vanda Murray	(5/5)	
Andrew Cripps	(3/3)	Retired 1 May 2025
Roisin Currie	(5/5)	
Louis Eperjesi	(5/5)	
Louise Fowler	(5/5)	
Tim Lodge	(4/5) <sup>1</sup>	Appointed 1 January 2025
Suzy Neubert	(5/5)	

<sup>1</sup> Tim was unable to attend the January meeting due to commitments entered into before his appointment. He was provided with all the Committee papers ahead of the meeting and provided his feedback to the Committee Chair and Company Secretary.

## Key Committee activities in the year ahead

- Governance updates from advisors.
- Performance updates on in-flight awards.
- Agree fees for Chair of the Board.
- Review active Group pension benefits.
- Agree 2026 annual bonus and LTIP targets.
- Review of the Remuneration Committee Terms of Reference.
- Approval of the 2027 Remuneration Committee calendar.
- Planning for 2027 incentives (taking into account risk and other matters).

## Committee evaluation in 2025

### Areas of focus:

- Role and operations
- Composition
- Leadership
- Process and procedures

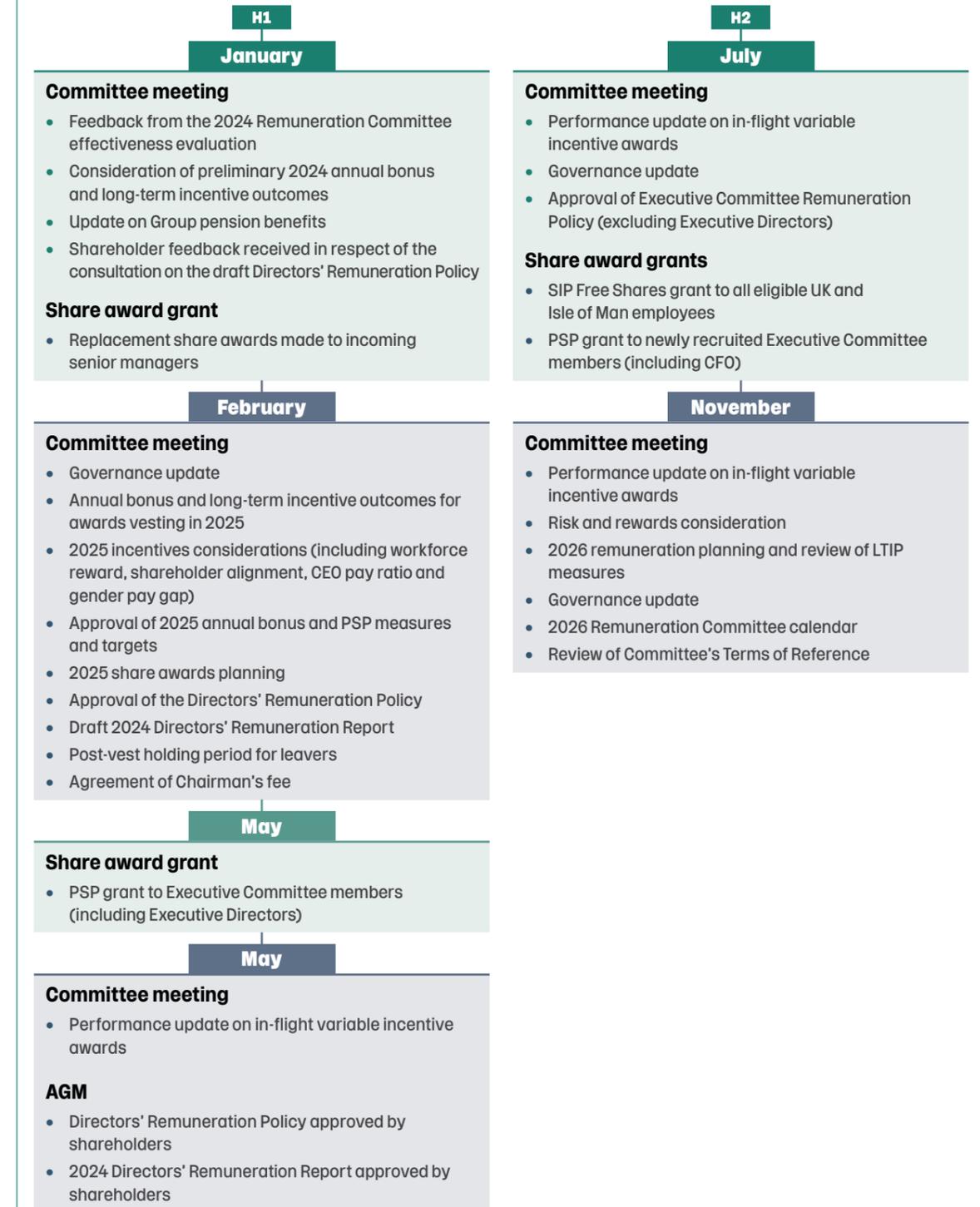
### Methodology:

See page 100 of the Nominations Committee report.

### Outcomes:

The Remuneration Committee evaluation showed that the Committee is efficient and covering expected issues. It operates in an inclusive manner and is well-facilitated, with strong NED engagement. There is informed discussion and effective Chair leadership that balances efficiency with challenge. Meetings are handled in a very time-efficient manner and the Remuneration Committee Chair is widely credited for recent improvements.

## 2025 Remuneration Committee activity



## Governance

**Remuneration Committee report** continued**Annual Remuneration Committee Chair's Statement**

I am pleased to present the Howden Joinery Group Plc Remuneration Committee report for 2025. The report has been prepared in compliance with the requirements of the Large and Medium-sized Companies and Groups Regulations 2013 and incorporates changes made under the updated EU Shareholder Rights Directive (SRD II).

2025 was another busy but successful year for the Remuneration Committee. As reported in our 2024 Committee report, we had become concerned that a disconnect had developed between the remuneration experience of our CEO and CFO and the overall shareholder experience in recent years. In 2025 we took the necessary steps to address that disconnect and I was pleased with the high levels of shareholder support we received for both the 2024 Remuneration Committee Report and the updated Directors' Remuneration Policy at the AGM in May. I would like to thank all our shareholders who took part in the consultation process during 2024 and 2025. This engagement was invaluable in ensuring that Howdens has a total remuneration package in place for our top talent which provides reward outcomes commensurate to performance. I am confident that we now have a reward framework in place which is sufficiently stretching and supports our ambitious growth plans.

I would also like to take this opportunity to thank all members of the Committee for their support during the year and to Korn Ferry, our Committee advisors, who continue to update and support the Committee with its endeavours.

**2025 reward outcomes**

2025 saw strong performance from Howdens in challenging market conditions.

Management delivered profits that were in line with market expectations and the Company continued to invest in strategic initiatives, which included depot openings and refurbishments, investment in the international business and the purchase of the Runcorn manufacturing site. Our increased market share and investment in strategic initiatives means that Howdens is well placed to take advantage of any market opportunities that arise.

During the year, the Committee received updates on the wider employee benefit landscape, including on the Group pension scheme and Howdens' gender pay gap. The Gender Pay Gap Report can be found on [www.howdenjoinerygroupplc.com/governance/gender-pay-gap-reports](http://www.howdenjoinerygroupplc.com/governance/gender-pay-gap-reports).

It was not necessary or appropriate to invoke any malus or clawback provisions during the reporting period.

**Annual bonus**

Consistent with prior years, the 2025 annual bonus performance was based on the delivery of both profit and cash flow targets.

2025 followed a similar trading pattern to prior years, with the kitchen market contracting more than had been forecast when the budget was agreed with management. Despite this, PBT performance has resulted in an above target level of achievement across bonus plans for Executive Directors and across the Company more widely where employees are incentivised on Group performance.

Cash flow performance remained robust and demonstrated the continued focus of management on this key measure. The cash flow outturn was above the maximum outperformance target for this measure, resulting in a bonus of 15% of the maximum annual bonus opportunity being achieved.

This strong performance meant that a total annual bonus of 100% of the maximum annual bonus opportunity for our Executive Directors was earned. Further details of the annual bonus outturn for 2025 can be found on page 115.

**Performance Share Plan (PSP)**

The 2023 PSP was based on the delivery of both a three-year adjusted PBT growth measure, relative total shareholder returns (TSR), return on capital employed (ROCE) and environmental (ESG) measures. The weightings for the four performance measures were 60% PBT, 20% TSR, 10% ROCE and 10% ESG. This was the first PSP award which included ROCE and ESG measures as part of a broader basket of incentive measures. The 2023 PSP performance was measured to FY 2025. In aggregate, the 2023 PSP will vest at 98.4% of the maximum opportunity.

**PBT (60% of total award)**

The calculation of adjusted PBT excludes any costs or income that the Remuneration Committee assesses to be exceptional in nature so that the vesting outcome results in a fair reflection of the performance achieved over the period. The full year 2025 PBT target range was determined by the Committee with reference to a combination of analyst consensus estimates, internal forecasts and long-term strategic goals and was a change from the automatic use of the prior year PBT figure as the base for targets for the following year.

Over the three-year period, adjusted PBT increased by 6.9% per annum, which equated to vesting at 100% of the total opportunity for this measure. In considering this outcome, the Committee noted specific expenditure that was incurred during the performance period as well as costs which were outside of management's control. These costs and the expenditure that was invested in driving future growth and profitability rather than into 2025 PBT was excluded from the PBT figure for the purposes of the PSP.

**TSR (20% of total award)**

To determine TSR performance, Howdens was ranked against a comparator group of similar sized companies, those being 50 above and 50 below Howdens by market capitalisation in the FTSE All Share index at or shortly before the start of the performance period (excluding Investment Trusts). There is zero payout for below median performance and threshold vests at 15% of the maximum opportunity at median. 100% of the opportunity is paid out when performance is equal to or more than upper quartile performance and there is straight-line vesting between the threshold and maximum opportunities. Howdens' TSR performance during the three-year period equated to vesting at 91.9% of the total opportunity for this measure.

**ROCE (10% of total award)**

The ROCE measure was calculated by dividing the Group operating profit by the average capital employed under management's control, expressed as a percentage. The capital employed will include investments in assets, working capital and related balances but will exclude balances that relate to historic or long-term financing or are outside the control of current management. A performance target of 25% was set by the Committee with 15% of the maximum value of the award vesting at this point. At 30% the award vests at 100% of the maximum value and straight-line vesting is applied between these points. Performance outturn below 25% results in the award lapsing in full.

Over the three-year period, ROCE outturn was 36%, which equated to vesting at 100% of the total opportunity for this measure.

**ESG (10% of total award)**

The ESG measure included three separate carbon emission targets and an underpin related to waste from UK operations. The three carbon emission measures were:

- i) Year-on-year cumulative average Scopes 1 and 2 carbon emissions reduction, based on tCO<sub>2</sub>e per £m (carbon intensity ratio).
- ii) Fleet emissions reduction from UK primary fleet, based on CO<sub>2</sub>KG/km.
- iii) Achieving carbon neutral status (or equivalent) across manufacturing sites by maintaining certified carbon neutrality or, in newly acquired sites, achieving certified carbon neutrality.

Each of the three emissions measures accounted for one third each of the total award available.

During the performance period, the Group successfully improved its carbon intensity ratio by an average 11.7% per annum and reduced fleet emissions from its UK primary fleet by 23%. This was ahead of the maximum targets for these measures of 4.2% and 15%, respectively. The Group also achieved equivalent carbon neutral status across all manufacturing sites. This strong performance equated to vesting at 100% of the total opportunity for this measure.

The Group also achieved a target of a minimum average over three years of 99% waste avoiding landfill across UK operations which meant that it was not appropriate for the Committee to apply a downward modifier to the outcome under this measure.

**2026 reward and incentives****Salary**

The salary increase for Andrew Livingston, CEO, will be 5% in 2026. This reflects Andrew's experience and performance leading the Howdens business. In determining this increase, the Committee had regard to the increase awarded to the wider workforce. The additional performance increase of 2% was awarded as a result of Andrew's strong leadership of the business in the year and was cross checked against external benchmarking of similar sized companies.

The Committee also felt that it was important that the CEO's base pay did not fall behind market again. The business has continued to perform extremely well in what continues to be a challenging environment, with changes made to strengthen the management team and continued long term investment in product range, our depots and production facilities. Jackie Callaway, CFO, will receive a 3% salary increase which is in line with the wider workforce. These increases will be effective from 1 April 2026 which is also aligned to increases for the wider workforce.

The Committee continues to review the Executive Director remuneration packages annually against companies that operate in the same or similar sectors to Howdens and companies of a similar size and complexity.

**Annual bonus**

The Committee has maintained the annual bonus opportunity of 200% of base salary for Executive Directors. The Committee believes that this remains appropriate having reviewed the position with reference to market data for companies that operate in the same or similar industries and UK listed companies of a similar size and complexity.

For the 2026 annual bonus, we replicated the tried and tested methodology of PBT and cash flow measures used in the 2025 annual bonus. The measures retain their previous weighting: PBT represents 85% of maximum opportunity and cash flow represents 15% of maximum opportunity. This maintains the focus on profit in incentives and alignment with our depot teams, while maintaining a healthy stretch between 'target' and 'maximum' bonus levels to ensure strong shareholder alignment. These targets will be disclosed in the 2026 Annual Report and Accounts.

**PSP**

In 2025, the Committee introduced strategic performance measures to complement the existing measure set of PBT, TSR, ROCE and a basket of complementary environmental measures. These measures and their respective weightings (60% PBT, 10% each for TSR, ROCE, ESG and strategic measures) for the 2026 award. The Committee believes that these measures and their respective weightings are appropriate for the 2026 PSP award, but this will be kept under review by the Committee in future years.

The strategic performance measures remain based on the achievement of quantifiable targets over the three-year performance period and include international sales growth and vertical integration (as a % of product sales that are manufactured in-house). The strategic measure used in 2025 of the percentage of sales generated from new product initiatives has been updated with a vitality measure which includes new product innovation but also the growth of our Click & Collect service.

The Committee have decided to make these changes to incentivise management to ensure strong returns on the new products being brought to market and ensuring there is also sufficient focus on delivering growth from our core product portfolio. The weighting for each strategic measure remains 3.3% of the total award.

Governance

Remuneration Committee report continued

Annual Remuneration Committee Chair's Statement continued

The Committee considered the impact on the weighting of financial and non-financial measures when selecting the new strategic measures. The metrics used are either entirely financial or based heavily on financial information and therefore the Committee is satisfied that the weighting of financial measures remains comfortably above the Policy minimum of 75% financial measures for the PSP.

As agreed by shareholders at the 2025 AGM, the maximum long-term incentive opportunity for the Executive Directors has increased to 300% of salary. For the 2026 PSP award, the CEO will receive a maximum award equivalent to 300% of salary and the CFO will receive an award of 250% of salary. This increase of 15% of salary reflects the performance of both individuals and the Group in 2025.

Performance targets for the 2026 PSP are set out on pages 120 and 121 of this report.

Board Chair and NED fees

The Committee has reviewed the Board Chair's fee and, reflecting on his time commitment to the business, felt that a below lower quartile level against similarly sized listed companies was not appropriate. Compared to a group of 40 companies with market capitalisations averaged over the whole of 2025, whose median equalled Howdens', his fee was below the lower quartile level of £355,000. His fee has been increased to £411,000, which is a 20% increase and moves it to 6% above the median level.

The Board (excluding the NEDs) has reviewed the fees payable to NEDs and, also reflecting on their time commitment to the business, decided that their base fee should increase to £82,000 (a 15% increase) and the SID and Committee Chair fees should increase to £22,000 each.

The Board Chair and NEDs have all agreed that the cash from this increase in their fees (net of income tax and national insurance deductions) will be used each year going forward to purchase shares in the Company, which they intend to retain whilst they remain on the Board. This programme of regular share purchases will further align their interests with shareholders over the longer term.

Senior management and the wider workforce

In addition to the Executive Directors, the Remuneration Committee also sets remuneration for senior management. We classify 'senior management' as members of the Executive Committee (excluding Executive Directors), the Company Secretary, and the Director of Risk and Assurance. During the year, the Committee reviewed and approved an updated Executive Committee Remuneration Policy which applies to members of the Executive Committee who are not Executive Directors. The Committee agreed that the share ownership requirement for this cohort be increased to 200% of salary, following the increased requirement of 300% for Executive Directors.

The Committee also received updates on all-employee remuneration policies to provide the context for, and to ensure alignment with Executive remuneration. The Committee considers a dashboard of measures and metrics based on the requirements of Provision 33 of the UK Corporate Governance Code (and supporting guidance). This is intended to showcase some of the key internal and external measures that the Committee consider when determining Executive Director and senior management remuneration (further detail on the dashboard may be found on page 113).

The Committee did not consult with the wider workforce on Executive Director pay arrangements in 2025 (as in previous years). The Committee has safeguards in place (as considered in this report), which ensure good alignment on remuneration across the organisation. All UK employees with shares in the Share Incentive Plan (SIP) (which is the significant majority of employees as SIP free shares have been granted to all UK employees since 2015) have a de facto say on Executive Director pay at general meetings. We are satisfied there remains strong alignment between Executive remuneration and that of the wider workforce due to Howdens' unique incentive culture across all roles and, when setting Executive pay, the Committee has regard to factors including wider workforce pay, CEO and gender pay gap ratios, and the experience of our shareholders.

The Committee considers that the policy has operated as intended in terms of pay for performance for 2025.

Board changes

Jackie Callaway joined as our CFO on 2 June 2025 and received remuneration in line with our Policy, a summary of which begins on page 107. Her salary was £525,000 on appointment, which was 1.9% higher than Paul Hayes' salary.

Paul Hayes retired from the Board at the end of May 2025. He will retire from the Group in April 2026 and remains available until then, but receives only salary, benefits, and allowances. Paul did not earn any bonus in respect of 2025 and was not granted an award under the 2025 PSP. He will also not be eligible for any bonus in respect of 2026, nor will he be granted an award under the 2026 PSP. Paul will be treated as a good leaver in respect of any unvested share plan incentives.

We continue to be committed to an open and transparent dialogue with our stakeholders, and the Committee would welcome any feedback or comments you have on this report or how we intend to implement the Directors' Remuneration Policy in 2026. In the meantime, I look forward to answering any questions on the work of the Committee from shareholders at our AGM in May.

Vanda Murray OBE  
Remuneration Committee Chair

Fixed Variable

Summary of the Directors' Remuneration Policy

Howdens' Directors' Remuneration Policy, as set out in our 2024 Annual Report and Accounts, was approved by shareholders at our 2025 AGM. Below is a summary of that policy, how that policy links to strategy, and consideration of some of the factors the Committee addressed when formulating the policy. How the policy has been applied during 2025 and will be applied during 2026 can be found on subsequent pages in the report. The full Directors' Remuneration Policy can be viewed at [www.howdenjoinerygroupplc.com/governance/remuneration-policy](http://www.howdenjoinerygroupplc.com/governance/remuneration-policy).

When determining the Directors' Remuneration Policy, the Committee was mindful to ensure that the policy and other remuneration practices were clear, simple, predictable, proportionate, safeguarded the reputation of the Company and were aligned to Company culture and strategy.

Executive Directors

The table below sets out the key components of Executive Directors' pay packages, including why they are used and how they are operated in practice. Remuneration is benchmarked against rewards available for equivalent roles in a suitable comparator group. In addition to benchmarking, the Committee considers general pay and employment conditions of all employees within the Group and is sensitive to these, to prevailing market conditions, and to governance requirements.

BASE SALARY	
How this element of remuneration supports our strategy	Recognises the market value of the Executive Director's role, skill, responsibilities, performance and experience.
Operation	Salaries are normally reviewed annually.
Opportunity	Reviews take into account the performance of the individual, any changes in their responsibilities, pay increases for the wider workforce and internal relativities.  Increases will normally be only for inflation and/or in line with the wider employee population. Salaries are set with consideration of each Executive Director's performance in role and responsibilities, and within a range defined by a market benchmark derived from companies of a comparable size, including those operating in a similar sector. The peer group used is reviewed whenever benchmarking is performed, and the Committee applies judgement in identifying appropriate peer group constituent companies. The individual's level of total remuneration against the market is considered at the same time.
Performance measures	None.
BENEFITS	
How this element of remuneration supports our strategy	Provides a competitive level of benefits.
Operation	Howdens pays the cost of providing the benefits on a monthly basis or as required for one-off events.
Opportunity	Benefits are based upon market rates and currently include receipt of a company car or car allowance, health insurance and death-in-service insurance payable by the Company.  Other benefits may be provided where appropriate and reasonable business-related expenses can be reimbursed if determined to be a taxable benefit.
Performance measures	None.
PENSION	
How this element of remuneration supports our strategy	Provides competitive long-term savings opportunities.
Operation and opportunity	Executive Directors will be entitled to participate in the Howdens Retirement Savings Plan with contribution rates in line with the wider workforce. The level of salary supplement is aligned to the maximum pension benefit available to the Executive Director.
Performance measures	None.

## Governance

Remuneration Committee report continuedSummary of the Directors' Remuneration Policy continued

ANNUAL BONUS	
<b>How this element of remuneration supports our strategy</b>	Incentivises performance over the financial year and deferral links bonus payout to share price performance over the medium term.
<b>Operation</b>	<p>At least 30% of any bonus earned is deferred into shares. Shares are paid out on the second anniversary of deferral date.</p> <p>The Committee has the discretion to adjust the bonus outcome if it feels that the formulaic outcome is not reflective of overall underlying performance. Any adjustment made using this discretion will be explained in the following Annual Report on Remuneration.</p> <p>Payment is normally subject to continued employment.</p> <p>Malus provisions apply for the duration of the performance period and to shares held under deferral. Clawback provisions apply to cash amounts paid for two years following payment. Therefore, clawback and/or malus will operate on the award for a total period of up to two years after the performance period<sup>1</sup>. Clawback may be applied in the following scenarios:</p> <ul style="list-style-type: none"> <li>material misstatement of accounts;</li> <li>erroneous assessment of a performance target;</li> <li>where the number of plan shares under an award was incorrectly determined;</li> <li>gross misconduct by a Director;</li> <li>corporate failure; or</li> <li>serious reputational damage.</li> </ul>
<b>Opportunity</b>	The threshold payout for the annual bonus will be up to 20% of salary. The maximum opportunity under the annual bonus is 200% of salary.
<b>Performance measures</b>	At least 75% of the bonus will be based on financial metrics.

PERFORMANCE SHARE PLAN (PSP)	
<b>How this element of remuneration supports our strategy</b>	Focuses management on longer-term financial growth than addressed by the annual bonus. Long-term financial growth is key to the generation of shareholder value.
<b>Operation</b>	<p>Executives have the opportunity to participate in the PSP on an annual basis. The PSP operates over a three-year vesting cycle. Awards will generally be granted towards the beginning of the performance period and vest based on performance over a three-year performance period.</p> <p>The Committee has the discretion to adjust the PSP outcome if it feels that the formulaic outcome is not reflective of overall underlying performance. Any adjustment made using this discretion will be explained in the following Annual Report on Remuneration.</p> <p>Vested awards are subject to a two-year holding period following vesting, during which no performance measures apply. The holding period continues to apply post-employment.</p> <p>Malus provisions apply for the duration of the vesting period. Clawback provisions apply for the duration of the holding period<sup>1</sup>, through which vested awards may be reclaimed in the event of:</p> <ul style="list-style-type: none"> <li>material misstatement of accounts;</li> <li>erroneous assessment of a performance target;</li> <li>where the number of plan shares under an award was incorrectly determined;</li> <li>gross misconduct by a Director;</li> <li>corporate failure; or</li> <li>serious reputational damage.</li> </ul> <p>A payment equivalent to the dividends accrued on vesting performance shares may be made at the point of vesting, normally in shares.</p>
<b>Opportunity</b>	The threshold vesting for the PSP will be up to 15% of maximum. The maximum opportunity under the PSP is 300% of salary.
<b>Performance measures</b>	At least 75% of the PSP will be based on financial metrics.

1. The Committee considers this time period to be appropriate as it is a reasonable period in which the specified circumstances would be discovered, and the period is in line with FTSE 100 market practice.

■ Fixed ■ Variable

SHAREHOLDING REQUIREMENT	
<b>How this element of remuneration supports our strategy</b>	Shareholding requirement strengthens alignment of interests between participants and shareholders.
<b>Operation</b>	<p>Executive Directors are expected to retain vested shares from deferred bonus and long-term incentive awards (net of income tax and National Insurance contributions) until they reach the minimum requirements.</p> <p>Unvested long-term incentive shares are not taken into account. PSP shares and deferred bonus shares (net of income tax and National Insurance contributions) within a holding period are counted towards the requirement.</p>
<b>Opportunity</b>	The Executive Directors will be required to retain a minimum shareholding of 300% of base salary. Post-cessation of employment, Executive Directors will be required to retain 300% of base salary, or full actual holding if lower, for two years post-cessation from the Board of Howden Joinery Group Plc.

ALL-EMPLOYEE SHARE INCENTIVE PLAN	
<b>How this element of remuneration supports our strategy</b>	To encourage employee share ownership.
<b>Operation</b>	Executive Directors are able to participate in the tax-advantaged Share Incentive Plan available to all eligible UK employees.
<b>Opportunity</b>	The maximum participation levels will be set based on the applicable limits set by HMRC.
<b>Performance measures</b>	None.

## Remuneration policy for other employees

The remuneration policy described above applies specifically to Executive Directors of the Group. However, the Remuneration Committee believes it is appropriate that all reward received by senior management is directly linked to the performance of the Company and aligned with shareholder value. Accordingly, Executive Committee members and selected senior managers participate in the same incentive schemes as the Executive Directors, at a reduced level, to ensure alignment between the leadership team and our shareholders.

Below Executive Committee level, certain senior management grades participate in a similar annual bonus plan that is linked to PBT and cash flow. The promotion of employee share ownership is also cascaded through all tiers of management. Since 2023, a deferred bonus share arrangement replaced the PSP for these employees. Free shares grants are made at a reduced level to a wider population within Howdens that do not use performance conditions to encourage share ownership throughout the Company. Employees can also purchase additional shares in the Company in a tax efficient way through our Buy As You Earn scheme, which operates under the Share Incentive Plan.

## Non-Executive Directors' Remuneration Policy

The Group's policy on Non-Executive Director (NED) and Chairman fees and benefits is set out below.

FEES	
<b>How this element of remuneration supports our strategy</b>	To attract NEDs who have a broad range of experience and skills to oversee the implementation of our strategy.
<b>Operation</b>	<p>The fees for the Non-Executive Directors are determined by the Chairman and Chief Executive and approved by the Board.</p> <p>The fee for the Chairman is determined by the Remuneration Committee while the Chairman is absent.</p> <p>No other services are provided to the Group by Non-Executive Directors.</p>

Governance

Remuneration Committee report continued

Summary of the Directors' Remuneration Policy continued

<b>Opportunity</b>	<p>Fees for Non-Executive Directors are set out in the statement of implementation of policy on page 119.</p> <p>The fees reflect the time commitment and responsibilities of the roles. Accordingly, committee chairmanship and the Senior Independent Director (SID) are paid in addition to the NEDs' basic fee. Committee chairmanship fees currently apply only to the Audit and Remuneration Committees. The Chairman receives no fees in addition to the Chairman's fee. In exceptional circumstances, additional fees may be paid where there is a substantial increase in the temporary time commitment required of NEDs.</p> <p>Fees may be reviewed every year and are set within a range defined by a market benchmark of comparably sized companies and having regard to the base salary increase payable to the wider workforce.</p>
<b>Performance measures</b>	NEDs are not eligible to participate in any performance-related arrangements.

BENEFITS	
<b>How this element of remuneration supports our strategy</b>	To attract NEDs who have a broad range of experience and skills to oversee the implementation of our strategy.
<b>Operation and opportunity</b>	NEDs are entitled to receive expenses in respect of reasonable travel and accommodation costs and any income taxes charged on these.
<b>Performance measures</b>	None.

Service contracts and letters of appointment

Executive Directors' employment contracts are not fixed term, but have a maximum of twelve months' notice of termination on both sides. In the event of termination by the Company, there will be no compensation for loss of office due to misconduct or normal resignation. In other circumstances, Executive Directors may be entitled to receive compensation for loss of office, which will be paid monthly for a maximum of twelve months equivalent to the monthly salary that the Executive Director would have received if still in employment with the Company. Executive Directors will be expected to mitigate their loss within a maximum twelve month period, as appropriate, of their departure from the Company.

Non-Executive Director appointments are for an initial period of three years. They are subject to re-appointment annually. They are not entitled to any form of compensation in the event of early termination. Copies of the Directors' service contracts and letters of appointment are available at the Company's registered office during usual business hours.

Executive Director	Date of service contract	Notice from the Company	Notice from the individual
Andrew Livingston	6 July 2017	12 months	12 months
Jackie Callaway	2 June 2025	12 months	12 months

Non-Executive Director	Original date of appointment	Effective appointment date in most recent letter	Unexpired term at 27 December 2025
Peter Ventress	1 July 2022	1 July 2025	2.5 years
Roisin Currie	1 July 2024	1 July 2024	1.5 years
Louis Eperjesi	1 June 2023	1 June 2023	0.4 years
Louise Fowler	1 November 2019	1 November 2025	2.8 years
Tim Lodge	1 January 2025	1 January 2025	2.0 years
Vanda Murray	1 February 2024	1 February 2024	1.1 years
Suzu Neubert	1 July 2024	1 July 2024	1.5 years

Directors' Remuneration Report - Part 1: Company performance and stakeholder experience

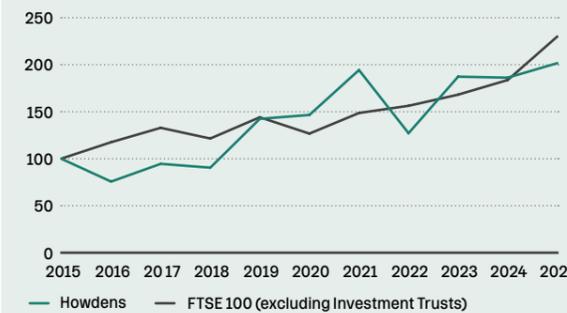
In this section of the Directors' Remuneration Report, we detail some of the considerations the Committee has regard to when implementing the Directors' Remuneration Policy. Contained in this section are specific disclosures on Group performance, as well as comparative disclosures on the relative importance of spend on pay, historic CEO single figure, CEO ratio and all-Director remuneration relative to average employees.

Group performance

Total shareholder return (TSR)

The graph below illustrates the Company's TSR performance relative to the constituents of the FTSE 100 (excluding investment trusts) of which the Company is a constituent.

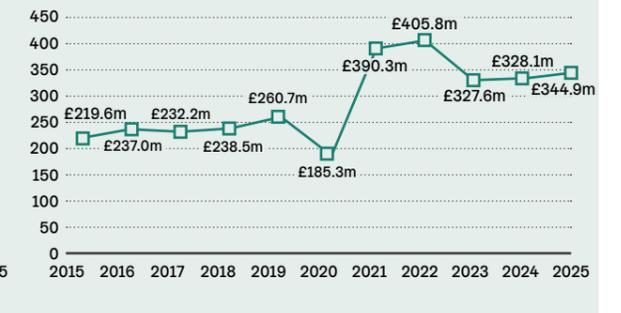
Howdens historical TSR



Profit before tax (PBT)

The graph below illustrates the Company's historical PBT performance.

Howdens historical PBT (£m)



Relative importance of spend on pay

The graph below sets out the change in the Group's total remuneration spend from 2024 to 2025 compared to the total returns to shareholders of the Group and the two incentive performance measures PBT and cash flow.



1 See consolidated income statement on page 157.  
2 Net cash flow from operating activities is the definition used for the annual bonus scheme (see page 119).

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# Remuneration Committee report continued

Directors' Remuneration Report - Part 1: Company performance and stakeholder experience continued

Fixed Variable

## CEO historical pay reporting

### Historical single figure

The table below shows the historical CEO single figure and incentive payout levels. They show that the performance of the annual bonus and long-term incentives have reflected the challenging market conditions.

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
CEO single figure (£'000)	3,098	1,268	2,569	1,391	816	3,951	2,571	2,517	3,155	5,051
Annual bonus (% of maximum)	48%	35%	75%	76%	0%	100%	100%	24%	58%	100%
LTIP vest (% of maximum)	100%	0%	0%	0% <sup>1</sup>	0%	100%	43%	100%	74%	98%

1 Andrew Livingston was appointed as CEO in April 2018 and therefore he was not granted an award under the LTIP in 2017.

## CEO pay ratio reporting

Howdens has calculated the CEO pay ratio for 2025 in line with the Directors' Remuneration Reporting Regulations. The data used to calculate the CEO pay ratio and the pay and benefits of the reference employees was accurate as at 31 December 2025.

### CEO pay ratio

Year	Method	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2025	A <sup>1</sup>	145:1	128:1	104:1
2024	A	90:1	79:1	65:1
2023	A	76:1	65:1	54:1
2022	A	74:1	64:1	53:1
2021	A	135:1	113:1	93:1
2020	A	31:1	25:1	21:1
2019	A	71:1	58:1	48:1
2018	A	122:1	100:1	81:1

1 In accordance with section 17 of The Companies (Miscellaneous Reporting) Regulations 2018, method A was used in the calculation of the pay ratios; ranking the pay and benefits of all our UK employees for the relevant financial year to identify the 25th, 50th, and 75th percentile-ranked employees and using the pay and benefits figures for these employees to determine the pay ratios at each quartile. Method A has been used as it has been identified by the Department for Business and Trade in its guidance as the most statistically accurate method for identifying the pay ratios.

## Pay and benefits of reference employees

The total pay, benefits, and salary of each employee who is the best equivalent of the 25th, 50th, and 75th ranked employee is as follows:

	25th percentile	50th percentile	75th percentile
Total pay and benefits (FTE) <sup>2</sup>	£34,771	£39,592	£48,539
Salary (including overtime) (FTE) <sup>2</sup>	£26,870	£31,095	£39,491

2 The pay and benefits of employees was calculated in line with the Single Total Figure of Remuneration methodology. In our calculations we used actual pay from 1 January 2025 to 31 December 2025. Joiners, leavers and part-time employees' earnings have been annualised on an FTE basis (excluding any payments of a one-off nature). Where bonus payments are made on a monthly or quarterly basis, we included payments made in the 2025 compensation year; however, for annual bonus payments, we estimated the bonus due to employees for the 2025 compensation year (payment is due in March 2026). P11D values are based on the 2024-25 reportable values; however, they have been annualised accordingly.

## 2025 pay ratio explanation<sup>3</sup>

A significant proportion of the CEO's remuneration for 2025 is made up of variable pay (i.e. annual bonus and share awards). Since the 2023 Performance Share Plan (PSP) award was granted, the Company's share price (three-month average to 27 December 2025) has increased by just under 25% and it is the three-month average share price on 27 December 2025 on which the value of the PSP award, which is reported in the single figure of remuneration table on page 114, is based. The annual bonus is also due to pay out at 100% of maximum for the CEO. In the previous year, the CEO's bonus paid out at 58% of maximum.

3 Explanations for the CEO ratios of previous years may be found in the respective annual report for that year.

## How executive pay relates to pay and reward throughout the Company

Howdens' vertically integrated business means that our workforce is made up of a wide range of roles from kitchen designers to skilled engineers, and from warehouse staff to senior management. We work on the premise that Howdens must be worthwhile for all concerned and our reward structures across the business are designed to reflect the levels of personal autonomy and outperformance we expect from every individual. Our pay structures vary between roles to deliver an appropriate balance between fixed and variable pay. Emphasis on profit in our reward structures, from the depots to the Executive Directors, helps to provide some alignment of reward across the business.

It is a feature of our pay structure that senior management often receive a larger proportion of their total pay through incentives and the outcome of incentives is likely to be the main cause of variability in the ratio in future years. The Remuneration Committee is regularly updated on the benefits provided across the business and is mindful that consistency of approach and fairness are two key principles and important drivers for change.

## All-Director remuneration relative to average employees

Listed companies are required to disclose the annual change in each director's pay in comparison to the average change in employee pay. This comparison is made on salary, bonus, and taxable benefits, so does not include some of the elements disclosed under the single figure of remuneration table such as pension contribution or long-term incentives. While there is only a requirement for a listed entity to provide employee pay information for that entity (i.e. not on a Group-wide basis), a 'Group' comparator has instead been included in the table below as this provides a more representative comparison as Howden Joinery Group Plc did not employ any individuals during 2020 to 2025.

Footnotes have been included beneath the table in relation to the 2024 to 2025 period. Footnotes relating to prior years can be found in the previous applicable annual report.

	% change in basic salary					% change in benefits					% change in bonus				
	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021
<b>Average Howdens Group employee remuneration</b>	9%	3%	9%	5%	1%	(14)%	(17)%	5%	(9)%	(15)%	12%	6%	(18)%	(4)%	38%
<b>Executive Directors</b>															
Andrew Livingston	18%	2%	6%	3%	12%	53%	(18)%	40%	5%	(85)%	103%	152%	(67)%	3%	100%
Jackie Callaway <sup>1</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Non-Executive Directors</b>															
Roisin Currie <sup>2</sup>	103%	-	-	-	-	75%	-	-	-	-	-	-	-	-	-
Louis Eperjesi	8%	83%	-	-	-	(100)%	100%	-	-	-	-	-	-	-	-
Louise Fowler	4%	13%	0%	3%	4%	17%	20%	25%	300%	0%	-	-	-	-	-
Tim Lodge <sup>3</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vanda Murray <sup>4</sup>	36%	-	-	-	-	33%	-	-	-	-	-	-	-	-	-
Suzy Neubert <sup>2</sup>	103%	-	-	-	-	(100)%	-	-	-	-	-	-	-	-	-
Peter Ventress	2%	2%	101%	-	-	0%	0%	0%	-	-	-	-	-	-	-
<b>Former Directors</b>															
Paul Hayes <sup>5</sup>	(55)%	2%	6%	3%	-	(58)%	(26)%	(6)%	80%	-	(100)%	152%	(67)%	3%	-
Andrew Cripps <sup>6</sup>	(65)%	24%	11%	6%	3%	0%	0%	0%	0%	0%	-	-	-	-	-

1 Jackie Callaway was appointed to the Board in June 2025 and therefore comparative figures cannot be calculated for any of the periods reported above.  
 2 Roisin Currie and Suzy Neubert were appointed to the Board in July 2024 and so did not receive a full year of fees or benefits in 2024.  
 3 Tim Lodge was appointed to the Board in January 2025 and therefore comparative figures cannot be calculated for any of the periods reported above.  
 4 Vanda Murray was appointed to the Board in February 2024 and was appointed Chair of the Remuneration Committee in May, for which she was paid an additional fee for the remainder of the year. In May 2025, Vanda was also appointed Senior Independent Director and therefore received the additional fee in respect of this role for the remainder of the year.  
 5 Paul Hayes retired from the Board at the end of May 2025. His basic salary and benefits were therefore significantly lower in 2025 than in 2024 and he did not receive a bonus in respect of 2025.  
 6 Andrew Cripps retired from the Board at the beginning of May 2025 and therefore did not receive a full year of fees in 2025.

## Wider workforce considerations

When determining the base salary, benefits and variable pay awards for the Executive Directors and senior management, the Committee had regard to the information referred to in a 'Provision 33 of the UK Corporate Governance Code Dashboard', which includes information such as the CEO pay ratio, gender pay gap statistics, and the salary, bonus, pensions, benefits and share plan arrangements available to the wider workforce.

Governance

# Remuneration Committee report continued

## Directors' Remuneration Report - Part 2: Application of policy in 2025

In this section of the Directors' Remuneration Report we set out how the Committee has executed the policy for 2025. Disclosures in this section are retrospective and where applicable are shown against prior year comparator.

### Single figure of remuneration (audited)

£'000	Salary/fees		Taxable benefits <sup>1</sup>		Pension		Total fixed		Bonus		LTIP		Total variable		Total remuneration	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024 <sup>2</sup>	2025	2024 <sup>2</sup>	2025	2024 <sup>2</sup>
<b>Executive Directors:</b>																
Andrew Livingston	855	726	35	23	103	87	993	836	1,710	841	2,348	1,160	4,058	2,001	5,051	2,837
Jackie Callaway <small>Appointed June 2025</small>	306	-	14	-	37	-	357	-	613	-	-	-	613	-	970	-
Paul Hayes <small>Retired May 2025</small>	213	474	10	26	26	57	249	556	-	550	1,251	618	1,251	1,168	1,500	1,724
<b>Total</b>	<b>1,374</b>	<b>1,200</b>	<b>59</b>	<b>49</b>	<b>166</b>	<b>144</b>	<b>1,599</b>	<b>1,392</b>	<b>2,323</b>	<b>1,391</b>	<b>3,599</b>	<b>1,778</b>	<b>5,922</b>	<b>3,169</b>	<b>7,521</b>	<b>4,561</b>
<b>Non-Executive Directors:</b>																
Andrew Cripps <small>Retired May 2025</small>	36	102	0	0	-	-	36	102	-	-	-	-	-	-	36	102
Roisin Currie	71	35	7	4	-	-	78	39	-	-	-	-	-	-	78	39
Louis Eperjesi	71	66	0	1	-	-	71	67	-	-	-	-	-	-	71	67
Louise Fowler	71	68	7	6	-	-	78	74	-	-	-	-	-	-	78	74
Tim Lodge <small>Appointed Jan 2025</small>	85	-	0	-	-	-	85	-	-	-	-	-	-	-	85	-
Vanda Murray	103	76	4	3	-	-	107	79	-	-	-	-	-	-	107	79
Suzy Neubert	71	35	0	1	-	-	71	36	-	-	-	-	-	-	71	36
Peter Ventress	340	332	0	0	-	-	340	332	-	-	-	-	-	-	340	332
<b>Total</b>	<b>848</b>	<b>741</b>	<b>18</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>866</b>	<b>756</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>866</b>	<b>756</b>

1 Executive Directors' taxable benefits are based upon market rates and include receipt of a company car or car allowance, non-exclusive use of a company driver, health insurance, and death-in-service insurance payable by the Company. Non-Executive Directors are entitled to receive expenses in respect of reasonable travel and accommodation costs.  
2 The vesting value of the 2022 PSP award for the Executive Directors has been restated to reflect the actual share price on vesting on 6 April 2025 of £6.65672.

Fixed Variable

### Notes to the single figure table

#### Annual bonus (audited)

Our annual bonus for 2025 was based on PBT and cash flow measures subject to an aggregate maximum of 200% of salary. The PBT and cash flow measures were weighted as follows, with the actual outcome set out below:

	PBT component		Cash flow component		Total
	Target	% of salary	Target	% of salary	% of salary
Threshold	£279m	17%	£404m	3%	20%
Target	£310m	85%	£421m	15%	100%
Outperformance	£325.5m	170%	£430m	30%	200%
<b>Actual outcome:</b>	<b>£344.9m</b>	<b>170%</b>	<b>£511.3m</b>	<b>30%</b>	<b>200%</b>

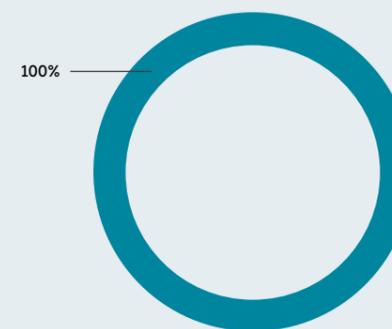
70% of the total bonus will be paid in cash and 30% will be deferred into Company shares for two years following the deferral date (subject to continued employment).

	Andrew Livingston	Jackie Callaway
<b>Total bonus (£'000)</b>	<b>1,710</b>	<b>613<sup>1</sup></b>

1 Jackie Callaway joined Howdens as CFO on 2 June 2025 and her annual bonus reflects pro-rata to that date. Paul Hayes, who was CFO for the period until Jackie's appointment, did not receive any annual bonus in respect of the year.

#### PBT outcome

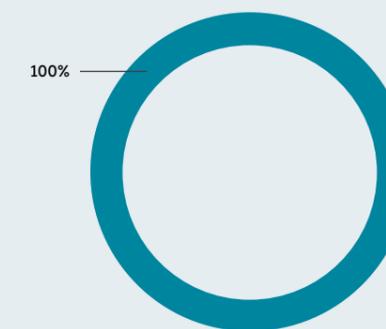
Worth 85% of maximum bonus opportunity (170% of salary)



● Actual outcome ● Target not reached

#### Cash flow outcome

Worth 15% of maximum bonus opportunity (30% of salary)



● Actual outcome ● Target not reached

## Governance

Remuneration Committee report continuedDirectors' Remuneration Report - Part 2: Application of policy in 2025 continued

## Performance Share Plan (PSP) (audited)

## Targets and actual outcomes

2023 PSP AWARD							
	Performance Period	Grant Date	Vest Date	Additional Post-Vest Holding Period			
	Three Years	6 April 2023	6 April 2026	Two years			
Performance Conditions							
<b>Profit Before Tax (PBT)</b> 60% weighting	<b>PBT at end of Performance Period</b>		<b>Proportion of PBT component of Award that may vest</b>				
	£484m		100%				
<b>Performance Period:</b> FY2022 to FY2025	Straight-line vesting between these two points						
	£400m		15%				
	Less than £400m		0%				
<b>Actual Outcome:</b>	<b>£495.9m</b>		<b>100%</b>				
<b>Relative Total Shareholder Returns (TSR)</b> 20% weighting	<b>Howdens' rank versus comparator group</b>		<b>Proportion of TSR component of Award that may vest</b>				
	At or above upper quartile		100%				
<b>Performance Period:</b> FY2022 to FY2025	Straight-line vesting between these two points						
	At median		15%				
	Below median		0%				
<b>Actual Outcome:</b>	<b>Between median and upper quartile</b>		<b>91.9%</b>				
<b>Return on Capital Employed (ROCE)</b> 10% weighting	<b>ROCE achieved</b>		<b>Proportion of ROCE component of Award that may vest</b>				
	30% or above		100%				
<b>Performance Period:</b> FY2022 to FY2025	Straight-line vesting between these two points						
	25%		15%				
	Less than 25%		0%				
<b>Actual Outcome:</b>	<b>36%</b>		<b>100%</b>				
<b>Environmental Measure (EM)</b> 10% weighting	<b>Improving our carbon intensity ratio</b>		<b>Fleet emissions reduction</b>		<b>Carbon neutral status of manufacturing sites</b>		<b>Waste avoiding landfill</b>
	<b>Per annum reduction</b>	<b>Proportion of EM that may vest</b>	<b>Reduction</b>	<b>Proportion of EM that may vest</b>	<b>Number of sites</b>	<b>Proportion of EM that may vest</b>	A target of a minimum average over three years of 99% waste avoiding landfill across UK operations will apply which, if not achieved, will result in a downward modifier to the outcome under this Environmental measure.
<b>Performance Period:</b> All carbon emission and waste targets to be achieved by 31 December 2025. Base year for all targets is 2021.	4.2%	33.3%	15%	33.3%	Four	33.3%	
	Straight-line vesting between these points		Straight-line vesting between these points		Straight-line vesting between these points		
	4.0%	7.5%	12%	7.5%			
	Below 4.0%	0%	Below 12%	0%	Two	0%	
<b>Actual Outcome:</b>	<b>11.7%</b>	<b>33.3%</b>	<b>23%</b>	<b>33.3%</b>	<b>Four</b>	<b>33.3%</b>	<b>99%</b>

Further detail on outcomes can be found on the next page.

Fixed Variable

Performance Share Plan (PSP) (audited) continued

## Outcome

## PBT - 60%

FY 2025 PBT was £495.9m, equivalent to 6.9% p.a., calculated on an adjusted basis, excluding those costs and income that the Remuneration Committee assessed to be exceptional in nature so that the vesting outcome results in a fair reflection of the performance achieved over the period. The costs that were assessed to be exceptional in nature related to a combination of strategic investments made to deliver growth beyond 2025 and one-off costs linked to events not envisaged when the targets were set in 2023. This component of the award will vest at 100% of maximum opportunity.

## TSR - 20%

Based on three-year performance to FY 2025, the Company was ranked 24th compared to the comparator group and therefore 91.9% of the TSR component of the award will vest.

## ROCE - 10%

Based on performance to FY 2025, the Company achieved a ROCE of 36% and therefore 100% of this component of the award will vest.

## ESG - 10%

The Company outperformed all of the carbon emission reduction and waste targets (see below) and therefore 100% of the 2023 PSP award will vest.

- Improvement in carbon intensity ratio: The Company achieved an average reduction of 11.7% and therefore 100% vests.
- Fleet emissions reduction: The Company achieved an average reduction of 23% and therefore 100% vests.
- Certified carbon neutral status (or equivalent) across manufacturing sites: The Company achieved carbon neutral status (or equivalent) across all of its manufacturing sites by 31 December 2025 and therefore 100% of the component of the award vests.
- Avoiding waste to landfill: The Company achieved an average of greater than 99% over the three-year period and therefore no downward modifier was applied.

The overall final vesting of the 2023 PSP award is 98.4% of the maximum opportunity.

The share price at the date of grant was 664.6p and the three-month average to 27 December 2025, the price on which the value of the award is calculated, was 827.8p. Therefore, £463,022 of Andrew Livingston's PSP award, as shown in the single figure of remuneration table, is attributable to share price appreciation and £246,681 of Paul Hayes's PSP award.

Governance

# Remuneration Committee report continued

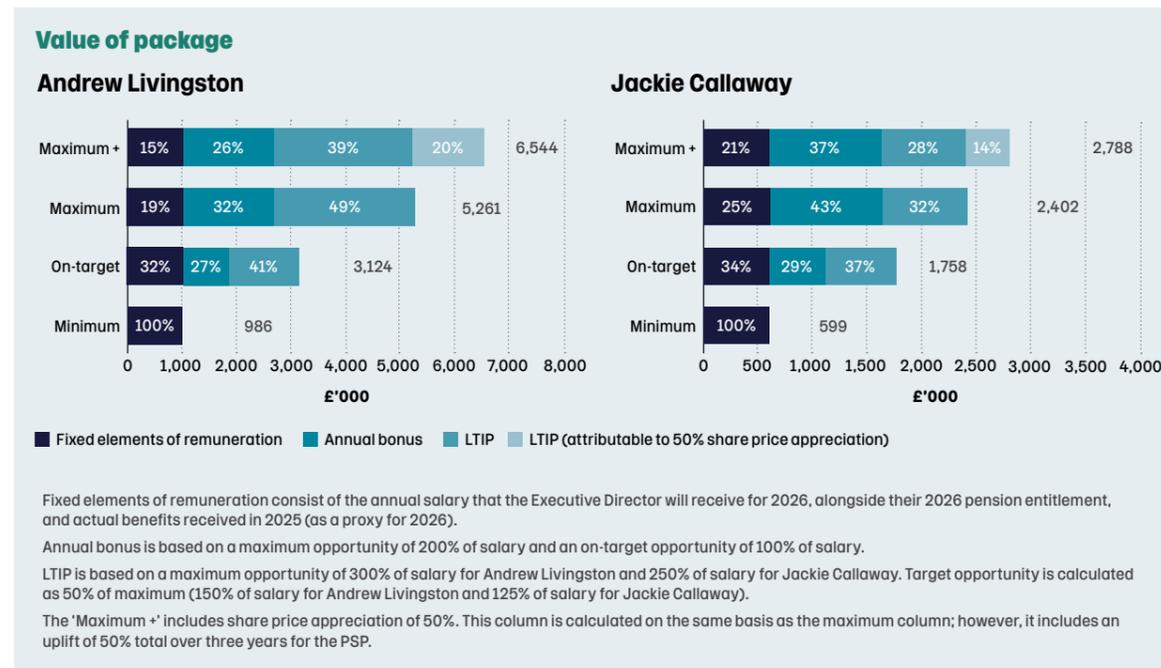
## Directors' Remuneration Report - Part 3: Implementation of policy in 2026

In this section of the Directors' Remuneration Report we set out how the Committee has implemented policy for 2026. Disclosures in this section are forward looking. The outcome of any variable award for Executive Directors will be reported in the Remuneration Committee report for the financial year 2026.

### 2026 remuneration scenarios

The remuneration package for the Executive Directors is designed to provide an appropriate balance between fixed and variable performance-related components, with a significant proportion of the package weighted towards long-term variable pay. The Committee remains satisfied that the composition and structure of the remuneration packages is appropriate, clearly supports the Company's strategic ambitions and does not incentivise inappropriate risk-taking. The Committee reviews this on an annual basis.

The composition and value of the Executive Directors' remuneration packages in a range of performance scenarios are set out in the charts below. These charts show that the proportion of the package delivered through long-term performance is in line with our proposed new Remuneration Policy and changes significantly across the performance scenarios. As a result, the package promotes the achievement of superior long-term performance and aligns the interests of the Executive Directors with those of other shareholders. A brief description of the remuneration scenarios and the elements they are made up of is set out below the charts.



### Non-Executive Director fees

Current fee levels for Non-Executive Directors are set out in the table below. The Committee has reviewed the Chair's fee and, reflecting on his time commitment to the business, increased it to £411,000, which is a 20% increase. The Board (excluding the NEDs) has reviewed the fees payable to NEDs and, also reflecting on their time commitment to the business, increased the base fee to £82,000 (a 15% increase) and the SID and Committee Chair fees to £22,000 each. These increases (after the payment of taxation) will be used to purchase shares in the Company, which the individuals intend to retain while they remain on the Board.

	Basic NED fee <sup>1</sup>	Chair fee	SID fee	Committee Chair fee	
2026	Annual fee - cash	£71,400	£341,445	£17,340	£20,400
	Annual fee - to be used to purchase shares in the Company	£10,600	£69,555	£4,660	£1,600
	<b>Total fee remuneration</b>	<b>£82,000</b>	<b>£411,000</b>	<b>£22,000</b>	<b>£22,000</b>
	Effective date	1 April 2026			
2025	Annual fee	£71,400	£341,445	£17,340	£20,400
	Effective date	1 April 2025			

<sup>1</sup> The Chair of the Board of Directors does not receive the basic Non-Executive Director fee or an additional fee for chairing the Nominations and Sustainability Committees.

### Executive Director base salaries

Executive Directors' base salary increases are set out in the table below. The rationale for the increases may be found in the Annual Remuneration Committee Chair statement on page 105.

Executive Directors	2026		2025	
	Salary (£'000)	Effective date	Salary (£'000)	Effective date
Andrew Livingston (CEO)	898	1 April 2026	855	1 January 2025
Jackie Callaway (CFO) <sup>1</sup>	541	1 April 2026	525	2 June 2025

<sup>1</sup> Jackie Callaway was appointed as an Executive Director on 2 June 2025.

### Executive Director annual bonus measures

The table below sets out annual bonus measures for 2026. Targets for these measures are considered commercially sensitive by the Board and so are not disclosed here. Performance targets, together with achievement against them, will be set out in full in the 2026 Remuneration Committee report.

Bonus measure	Definition	Performance level	Payout level
PBT	Pre-exceptional profit before tax from continuing operations	Threshold	17% of salary
		Target	85% of salary
		Maximum	170% of salary
Cash flow	Net cash flow from operating activities, taking into account the efficiency with which working capital is used, and adjusted for exceptional items	Threshold	3% of salary
		Target	15% of salary
		Maximum	30% of salary

Governance

# Remuneration Committee report continued

## Directors' Remuneration Report - Part 3: Implementation of policy in 2026 continued

### Executive Director Performance Share Plan (PSP) measures

Set out below and on the next page are the performance measures and relative weightings for each of the measures for the 2026 PSP award. Further detail about the measures may be found on pages 105 and 106. The maximum opportunity under the PSP is 300% of base salary for the CEO and 250% of base salary for the CFO. The performance period is three years, measured over the relevant financial years. The award will also be subject to a two-year post-vesting holding period and malus and clawback provisions. See page 124 for scheme interests awarded in 2025.

PBT - 60% weighting		
	PBT performance condition <sup>1</sup>	Payout level
PBT component vesting schedule	£376m	100% of maximum
	<i>Straight-line vesting between these points</i>	
	£323m	15% of maximum
	Less than £323m	0% of maximum

Return on Capital Employed (ROCE) - 10% weighting		
ROCE component measurement details	Calculated by dividing the Group operating profit by the average capital employed under management's control, expressed as a percentage. The capital employed will include investments in assets, working capital and related balances but will exclude balances that relate to historical or long-term financing or are outside the control of current management. Excluded items include: cash, pension deficit repair contributions, deferred tax and long-term financing of the Group, such as lease liabilities and borrowings. Targets are the same as set in 2025, reflecting the period of investment taking place.	
	ROCE performance condition	
Performance assessment	24%	
	<i>Straight-line vesting between these points</i>	
	21%	
	Less than 21%	

Strategic measures - 10% weighting		
	Performance condition	Payout level
<b>International sales growth</b>		
Year-on-year cumulative sales over performance period versus three-year cumulative sales to YE 2025	See note 2 below	Up to 33.3% of the strategic measures component of the award
<b>Vitality revenues</b>		
Absolute £ sales generated from products launched in the performance period plus revenues from click and collect sales	See note 2 below	Up to 33.3% of the strategic measures component of the award
<b>Vertical integration</b>		
Average % of COGS manufactured in-house over the performance period	See note 2 below	Up to 33.3% of the strategic measures component of the award

1 FY2028 is one week shorter than FY2027 and these targets reflect this.  
2 Commercial sensitivity precludes the advance publication of the strategic measures targets; however, they will be disclosed retrospectively in the applicable Remuneration Committee report.

Fixed Variable

Relative TSR - 10% weighting		
Comparator group and averaging period for TSR performance	<ul style="list-style-type: none"> <li>Companies ranked up to 50 above and 50 below Howdens by market capitalisation in the FTSE All Share index at or shortly before the start of the performance period (excluding Investment Trusts).</li> <li>TSR average for the two months preceding the first day of the performance period and two months TSR average for the final two months of the performance period.</li> </ul>	
Performance assessment	Performance against comparator group	
	Equal to or above upper quartile	
	<i>Straight-line vesting between these points</i>	
	Below median	

Environmental measures - 10% weighting		
Environmental component measurement details	All carbon emission and waste targets to be achieved by 31 December 2028. Base year for all targets is 2021.	
	Performance condition	Payout level
<b>Improving our carbon intensity ratio</b>	4.2% p.a. reduction	50% of maximum
	<i>Straight-line vesting between these points</i>	
	4.0% p.a. reduction	7.5% of maximum
<b>Fleet emissions reduction</b>	Below 4.0% p.a. reduction	0% of maximum
	<i>Straight-line vesting between these points</i>	
	15% reduction	50% of maximum
UK primary fleet only, based on CO <sub>2</sub> KG/km	12% reduction	7.5% of maximum
	<i>Straight-line vesting between these points</i>	
	Below 12% reduction	0% of maximum

A target of a minimum average over three years of 99% waste avoiding landfill across UK operations will apply which, if not achieved, will result in a downward modifier to the outcome under this Environmental measure.

Governance

# Remuneration Committee report continued

## Directors' Remuneration Report - Part 4: Additional disclosures

In this section of the Directors' remuneration report, more detail is provided in respect of a number of key disclosures. These disclosures include Executive Director pension entitlements, shareholdings, and external appointments. More detail is also provided on the operation of the Remuneration Committee and AGM voting performance.

### Consideration by the Directors of matters relating to Directors' remuneration

The Committee met five times during 2025 and discussed a number of items for which it is responsible. Under its Terms of Reference, which are reviewed on an annual basis, the Committee is responsible for determining the broad policy and specific remuneration packages for Executive Directors and senior management (that being the members of the Executive Committee, the Company Secretary and the Director of Risk and Assurance), including pension rights and, where applicable, any compensation payments. The Committee is also regularly updated on pay and conditions applying to other employees in the Company.

### Loss of office payments or payments to past Directors (audited)

As announced to the market in April 2025, Paul Hayes retired as Chief Financial Officer and Director with effect from 30 May 2025. From 1 June 2025 to 27 December 2025, Paul received salary and benefits pursuant to his service contract totalling £351,256. The value of Paul's base salary for the period 1 June 2025 to 27 December 2025 was £300,417, the value of the payments received in lieu of pension was £36,050 and his other benefits for the period was £14,765. He did not receive an annual bonus in respect of FY2025 and was not granted an LTIP award in 2025.

Paul will continue to receive his base salary and benefits pursuant to his service contract until 30 April 2026, during which period he will remain at the Company's disposal. The value of Paul's base salary for the period 1 January 2026 to 30 April 2026 will be £171,667, the value of the payments received in lieu of pension will be £20,600 and his other benefits for the period will be £5,009. He will not receive an annual bonus in respect of FY2026.

In accordance with the Company's approved loss of office policy, unvested awards under the 2023 and 2024 LTIP Performance Share Plan will be pro-rated to reflect the period from the respective award date until his terminations date, as a proportion of the period from the award date until the expected vesting date (calculated by reference to whole months). To the extent that the Board determines any performance conditions have been satisfied over the respective performance period, the pro-rated 2023 and 2024 LTIP PSP awards will vest on their normal vesting dates and will be subject to post-vest holding periods. Paul's share awards held in the Share Incentive Plan will be released to him following his termination date and his deferred bonus shares awarded pursuant to his 2023 and 2024 bonus entitlements will vest on the normal vesting date subject to the rules of the Deferred Bonus Plan.

All payments to Paul will be subject to deductions for tax and National Insurance contributions and, other than the amounts disclosed above, Paul will not be eligible for any other payments for loss of office.

### External appointments

Howdens allows Executive Directors and other appropriate senior employees to accept a maximum of one external non-executive appointment outside the Company, subject to permission from the Committee, provided this is not with a competing company nor likely to lead to conflicts of interest. Andrew Livingston was a Non-Executive Director of LondonMetric Property Plc, a FTSE 100 REIT, until 20 May 2025. Andrew received £25,833 in fees in respect of his role as Non-Executive Director. Jackie Callaway is Non-Executive Director and Chair of the Audit Committee for IMI Plc and received £98,500 in fees in respect of this role. Jackie held this appointment upon her appointment.

### Total pension entitlements (audited)

Executive Directors are invited to participate in the Howdens Retirement Savings Plan (the 'Plan') or receive an amount in lieu of membership of the Plan. More information on pension entitlements for Executive Directors can be found in the proposed Directors' Remuneration Policy. The table below sets out the payments made in lieu of membership of the Plan for the Executive Directors who served during the year. No additional benefits become receivable if Executive Directors retire early.

	Current		Former
	Executive Director	Andrew Livingston	Jackie Callaway <sup>1</sup>
Accrued pension at 27 December 2025 (£'000)	-	-	-
Normal retirement date	-	-	-
Pension value in the year from defined benefit component (£'000)	-	-	-
Pension value in the year from defined contribution component (£'000)	-	-	-
Pension value in the year from cash allowance (£'000)	103	37	26
<b>Total</b>	<b>103</b>	<b>37</b>	<b>26</b>

<sup>1</sup> The pension entitlements shown reflect the individual's tenure as an Executive Director.

Fixed Variable

### Executive Director shareholdings (audited)

Executive Directors are currently expected to build up and maintain a personal shareholding in the Company of at least 300% of salary so that their interests are aligned with those of shareholders. The table below sets out the total shares held together with unvested Performance Share Plan awards and those held subject to deferral conditions. Neither of the Executive Directors held share options that were subject to performance conditions or held share options that were vested but unexercised. Unvested deferred bonus shares (net of income tax and National Insurance contributions) are taken into account in calculating the Executive Directors' shareholdings.

	Current		Former
	Executive Director	Andrew Livingston	Jackie Callaway <sup>a</sup>
Shareholding requirement (% of salary)	300%	300%	300%
Shareholding requirement (number of shares) <sup>1</sup>	309,854	190,261	186,637
Shares owned outright (including by connected persons) <sup>2,5</sup>	677,357	28,916	188,684
Current shareholding (% of salary) <sup>1</sup>	656%	46%	303%
Guideline met	Y	N	Y
Share awards subject only to continued employment <sup>3</sup>	160	29	141
Share awards subject to performance conditions and continued employment <sup>4</sup>	801,770	133,211	264,164

- Based on a share price of £8.2781, being the three-month average price to 27 December 2025, and basic salary as at 27 December 2025.
- Includes Share Incentive Plan (SIP) partnership and dividend shares.
- Includes only SIP free and matching shares.
- Performance Share Plan awards under the Long-Term Incentive Plan.
- Between 27 December 2025 (the end of the period) and 25 February 2026, Andrew Livingston has acquired 34 SIP partnership Shares and has been awarded one SIP matching share. No other changes to the Executive Directors' total shareholdings (including any holdings of their connected persons) have occurred between the end of the period and 25 February 2026.
- Jackie was appointed to the Board on 2 June 2025. It is expected that in future she will retain vested shares from deferred bonus and long term incentive awards (net of income tax and National Insurance contributions) until she meets the shareholding requirement.
- Paul retired from the Board on 30 May 2025. His respective reported shareholding is therefore given as at the date he retired from the Board and his share awards subject to performance conditions and continued employment are provided gross of good leaver pro-ration.

### Non-Executive Director shareholdings (audited)

There is no shareholding requirement for Non-Executive Directors. The shareholding figures below include any shares held by connected persons. With the exception of Andrew Cripps, who was not a member of the Board as at 25 February 2026<sup>1</sup>, the Company can confirm that no changes to the Non-Executive Directors' total shareholdings (including any holdings of their connected persons) have occurred between the end of the period and 25 February 2026.

	Non-Executive Director							
	Andrew Cripps <sup>1</sup>	Roisin Currie	Louis Eperjesi	Louise Fowler	Tim Lodge	Vanda Murray	Suzy Neubert	Peter Ventress
Shareholding:	7,500	1,387	3,100	470	7,500	3,000	7,305	20,316

<sup>1</sup> Andrew Cripps retired from the Board on 1 May 2025. His respective reported shareholding is therefore given as at the date he retired from the Board.

## Governance

Remuneration Committee report continued

## Scheme interests awarded during the financial year (audited)

During 2025, the Executive Directors were invited to participate in the Performance Share Plan (PSP) and Share Incentive Plan (SIP), as set out in the table below. Further information on conditional shares and SIP free and matching shares may be found in note 23 of the consolidated financial statements:

Nature of award:	Conditional shares under the PSP				
	CEO		CFO		
Number of shares under award	305,932		133,211		
Face value of award <sup>1</sup>	£2,436,748.38		£1,061,025.62		
	Performance period	Grant date	Vest date	Additional holding period	
	See individual Performance Conditions below	CEO: 2 May 2025 CFO: 18 August 2025	CEO: 2 May 2028 CFO: 18 August 2028	Two years	
Performance Conditions:					
Profit Before Tax (PBT) (60% weighting) Performance period: FY2025 to FY 2027	PBT at end of performance period		Proportion of PBT component of award that can vest		
	£360m		100%		
	Straight-line vesting between these points				
	£320m		15%		
Less than £320m		0%			
Relative Total Shareholder Returns (TSR) (10% weighting) Performance period: FY2025 to FY2027	Howdens' rank versus comparator group		Proportion of TSR component of award that can vest		
	At or above upper quartile		100%		
	Straight-line vesting between these points				
	At median		15%		
Below median		0%			
Return on Capital Employed (ROCE) (10% weighting) Performance period: FY2025 to FY 2027	ROCE achieved		Proportion of ROCE component of award that can vest		
	24%		100%		
	Straight-line vesting between these points				
	21%		15%		
Less than 23%		0%			
Strategic measures (SM) (10% weighting) Performance period: FY2025 to FY 2027	International sales growth	New product introductions	Vertical integration		
	Worth up to 33.3% of the SM component of the award	Worth up to 33.3% of the SM component of the award	Worth up to 33.3% of the SM component of the award		
	Commercial sensitivity precludes the advance publication of the SM targets; however, they will be disclosed retrospectively in the applicable Remuneration Committee report.				
Environmental measures (EM) (10% weighting) Performance period: All carbon emission and waste targets to be achieved by 31 December 2027. Base year for all targets is 2021.	Improving our carbon intensity ratio		Fleet emissions reduction		Waste avoiding landfill  A target of a minimum average over three years of 99% waste avoiding landfill across UK operations will apply which, if not achieved, will result in a downward modifier to the outcome under this Environmental measure.
	Per annum reduction	Proportion of EM that can vest	Reduction	Proportion of EM that can vest	
	4.2%	50%	15%	50%	
	Straight-line vesting between these points		Straight-line vesting between these points		
	4.0%	7.5%	12%	7.5%	
Below 4.0%	0%	Below 12%	0%		

<sup>1</sup> Based on a share price of £7.965, being the closing price on 1 May 2025.

Nature of award:	Free and matching shares under the SIP <sup>1</sup>					
	Award type	Award date	Vest date	Number of shares under award	Award price <sup>2</sup>	Face value of award <sup>2</sup>
CEO	Matching shares	19 May 2025 to 19 Aug 2025	19 May 2028 to 19 Aug 2028	22	Average £8.43	Average £46.31
	Free shares	1 Sep 2025	1 Sep 2028	29	£8.37	£242.73
CFO	Free shares	1 Sep 2025	1 Sep 2028	29	£8.37	£242.73

<sup>1</sup> Free and matching share awards under the SIP do not have performance conditions; however, there is a service condition of three years from the award date during which time the participant must remain employed by a UK Howdens Group company to avoid forfeiting the award.

<sup>2</sup> The face value of the award is calculated using the share price at grant (the 'Award price').

Fixed Variable

## Advisors to the Committee

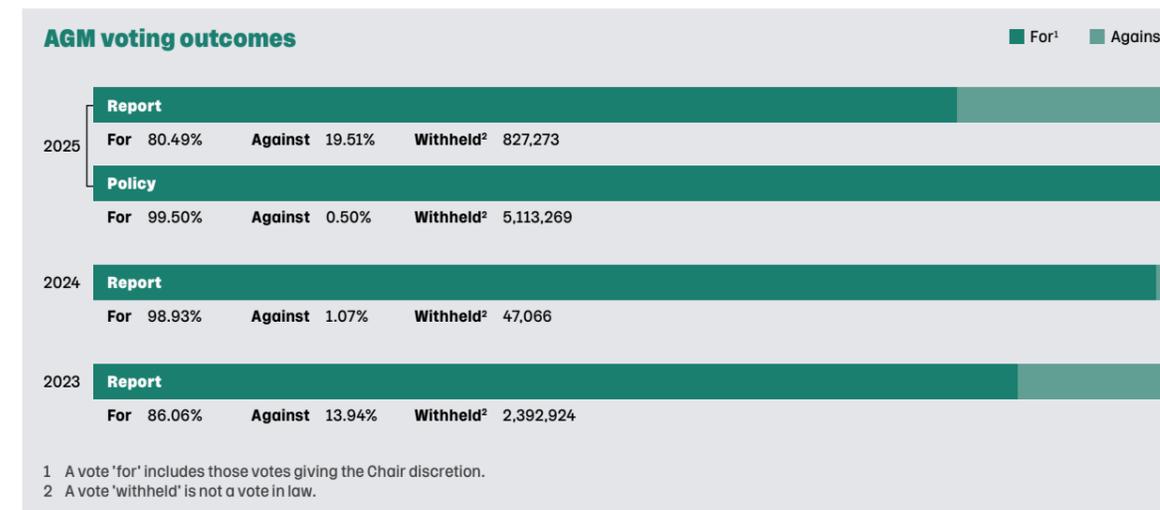
The Committee regularly consults with the CEO and CFO on matters concerning remuneration, although they are never present when their own reward is under discussion. The Company Chair attends the Remuneration Committee by invitation except when his own remuneration is determined. The Company Secretary acts as secretary to the Committee but is never present when his own reward is determined.

The Committee also has access to detailed external information and research on market data and trends from independent consultants. A representative from the Committee's independent advisor usually attends each meeting of the Remuneration Committee. Korn Ferry was appointed by the Committee as its retained independent advisor in September 2022 following a competitive tender process. Korn Ferry is a member of the Remuneration Consultants' Group, which operates a code of conduct in relation to executive remuneration consulting, and it does not provide any other services to the Group.

The Committee is satisfied that Korn Ferry provided robust, objective and independent advice during the year. Work undertaken during the year for the Committee included Directors' Remuneration Policy review, updating the Committee on trends in compensation and governance matters, and advising the Committee in connection with benchmarking of the total reward packages for the Executive Directors and other senior members of staff. Total fees paid to Korn Ferry in relation to remuneration services provided to the Committee totalled £79,995 with fee levels based on the quantity and complexity of work undertaken.

## Voting at the 2025 AGM

The result of the binding vote on the Directors' Remuneration Policy ('Policy') and the advisory vote on the Directors' Remuneration Report ('Report') at the 2025 AGM are shown in the chart below. The 2024 and 2023 AGM results are also shown in the chart below.



By order of the Board

Vanda Murray OBE  
Remuneration Committee Chair

25 February 2026