

REMUNERATION COMMITTEE REPORT



Our incentive outcomes for FY25 represent the excellent set of results considering the difficult trading conditions and inflationary headwinds.

JILL CASEBERRY

Chair of the Remuneration Committee



Remuneration Committee meetings held:

4

Committee composition

During the year the Committee comprised:



Jill Caseberry (C)



Tanvi Gokhale



Tom Singer

Chair's letter

On behalf of the Remuneration Committee, I am pleased to present the Remuneration report for the financial year ended 28 March 2025.

The report consists of four sections:

- This Chair's statement providing a summary of pay outcomes for FY25 and our approach for FY26;
- Remuneration at a glance;
- A summary of our Directors' Remuneration Policy – The Company's Directors' Remuneration Policy (the "Policy") was approved at the 2023 Annual General Meeting (the "AGM"). A copy of our full Policy is available on our website (Remuneration Policy – Halfords Group plc (www.halfordscompany.com/environment-social-and-governance/governance/policies/remuneration-policy/); and
- The annual Directors' Remuneration report – this summarises the remuneration outcomes for FY25 and explains how we intend to apply the Remuneration Policy in FY26.

Performance in the year

Our outcomes for FY25 represent an excellent set of results considering the difficult trading conditions.

The focus of the management team has been to deliver on the areas that are within its control, focusing on our customers, driving efficiency in our operations to offset £32m of inflationary cost and the continued delivery of strategic initiatives including our Fusion motoring services offer.

This has delivered bottom line growth and an underlying profit before tax increase of 6.4% to £38.4m year on year.

Looking forward to FY26, the management team has a continued focus on improving health and safety standards following the two fatalities in FY25 and to continue delivering the strategic initiatives that have created the foundations for growth.

Remuneration outcomes in respect of the year

The annual bonus for FY25 was based 90% on financial measures (60% Underlying Group Profit Before Tax, 20% Free Cash Flow and 10% Cost as a percentage of sales) and 10% on non-financial metrics (5% Customer NPS and 5% Colleague Engagement).

Reflecting the strong business performance, the on-target performance targets for underlying PBT was exceeded. Free cash flow performance was £43.0m which exceeded the maximum. Whilst the Group delivered material central costs savings, cost as a percentage of sales performance was below threshold. This resulted in 74.4% of the maximum opportunity payable for the financial measures.

For the non-financial measures, whilst inflation and associated price rises were expected to negatively impact Customer NPS, the focus on customer service across the Group delivered a Customer NPS score of 67.5 up 200bps versus FY24, exceeding the maximum target set. Colleague engagement continues to be strong, delivering a year-on-year improvement above our retail peers. This resulted in the maximum opportunity being payable across these two measures.

When determining the final bonus payable outcome, in addition to considering the overall stakeholder experience, performance against financial metrics and payouts for colleagues, the Committee also considered the Group's health and safety record for FY25. As a result of the two fatalities, the Committee has reduced the bonus payable to the Executive Directors by 6% of maximum opportunity. Further details on health and safety can be found on page 51.

Therefore, the annual bonus payable for Executive Directors for FY25 was reduced from 84.4% to a final 78.4% of the maximum opportunity.

The 2022 Performance Share Plan ("PSP") was based on Underlying EPS performance (50% of the award), Group services-related sales (20% of the award) and Relative TSR (30% of the award). Whilst the threshold for vesting was not achieved for the Underlying EPS and Relative TSR measures, following the continued growth of our Services proposition, including the ongoing success of our Fusion concept roll-out, the threshold performance for Group services-related sales was exceeded. This results in 12.71% of the maximum award vesting. Vested

awards will be subject to a two-year holding requirement. The Committee also considered the outcome in the context of windfall gains. However, noting that the awards were reduced to 175% of salary (from 200%) for the CEO to mitigate this and that the share price is broadly similar to that on grant, it was determined that the overall outcome was appropriate, and no discretion was applied.

Leaving arrangements for Graham Stapleton

Graham Stapleton stepped down as Chief Executive Officer effective from 15 April 2025. Graham will receive remuneration in line with his contractual entitlements which includes payment in lieu of salary and benefits for his six months' notice period.

Graham will receive an annual bonus for FY25 and a pro-rated annual bonus for FY26 with any bonus payable in cash, subject to the agreed performance conditions. Graham will be treated as a "good leaver" in respect of his outstanding awards under the DBP and PSP and treatment of the awards was in accordance with the Policy and the relevant plan rules. Further details of remuneration arrangements in respect of Graham's departure can be found on page 118.

Joining arrangements for Henry Birch

Henry Birch was appointed as Chief Executive Officer on 15 April 2025. Henry's remuneration arrangements are consistent with the Remuneration Policy approved by shareholders at the 2023 AGM and his predecessor in the role. Henry's basic annual salary will be £650,000 and he will be eligible for a maximum annual bonus of 150% of base salary and a PSP award of 200% of base salary. Pension and benefits are in line with Policy. There is no buyout of any remuneration or incentives relating to Henry's previous roles.

Remuneration for FY26

The Committee reviewed the performance measures for FY26, and in order to better align with key strategic priorities the Committee determined that it is appropriate to revert to the previous structure whereby 80% of the bonus is based on financial measures and 20% on strategic and non-financial measures. The financial measures for FY26 will be 60% Group profit before tax, 10% free cash flow and 10% cost as a percentage of sales. In addition, 10% of the bonus will be based on the Committee's assessment of progress against key

2024 PSP awards

- PSP awards were granted on 3 December 2024 at 200% of base salary to the CEO and CFO.
- Awards were based on Underlying EPS Growth (40%), Relative TSR (40%) and Group Services-Related Sales (20%). In light of the macroeconomic uncertainty around the time of award, the Committee was still reviewing the performance measures and targets for the 2024 PSP awards and these were not disclosed with the FY24 Remuneration report. These targets were determined before the award was made and are now set out on page 118.

strategic milestones during the year which are necessary for the long-term success of the business (payout of bonus against this measure will be subject to a PBT underpin). 5% will continue to be based on customer net promoter score and for the final 5% a health and safety measure has been introduced (replacing colleague engagement). This change reflects a renewed focus on improving health and safety standards.

The non-financial component of the annual bonus plan (20%) now includes Health and Safety (5%), replacing Colleague Engagement. This change reflects both a continued focus on improving health and safety standards and allows for a broader internal reassessment of the methodology for measuring colleague engagement. The remaining non-financial metrics will include Customer Net Promoter Score (5%, maintained from the prior year) and a new personal strategic objectives measure (10%).

The inclusion of personal strategic objectives directly link bonus payouts to the delivery and success of key strategic initiatives that are critical as a foundation for our long-term success. Payout of bonus against this measure will be subject to a PBT underpin.

As the targets for FY26 are commercially sensitive, they will be disclosed in full in the FY26 Directors' Remuneration report.

The PSP metrics will remain unchanged for FY26 (40% EPS, 40% Relative TSR, and 20% Service-Related Sales), reflecting their continued alignment with the Company's strategy and the successful delivery of the Fusion plan. Targets for the FY26 PSP will be included in the RNS at the date of award.

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Salaries will be reviewed in the year with increases effective from 1 October 2025. The Committee's intentions are that increases will not exceed those for the wider workforce. Pension allowances for both Directors have been aligned with the maximum employer pension contribution currently available to the majority of the workforce of 3%.

Review of Policy

During the year, we will be undertaking a review of the Directors' Remuneration Policy to ensure that it remains fit for purpose and continues to support the delivery of the business strategy and the creation of shareholder value. We will be submitting a revised policy to shareholders at the 2026 AGM, and we look forward to engaging with shareholders in advance in relation to the Policy.

Concluding remarks

The Committee is committed to an open dialogue with shareholders and institutional investor bodies on remuneration matters and is also aware of the importance of considering broader stakeholder experiences in the year, including shareholders and our colleagues. This is reflected in our consistent use of discretion where outcomes are not representative of business performance or colleague experience in the year.

The Committee also considers voting on AGM resolutions and is pleased with the high level of support received, historically, both for its Annual Reports on Remuneration and for the renewal of the Remuneration Policy in 2023.

Additionally, the Committee has sought to promote a remuneration environment that strongly aligns the commercial direction of the Group with the interests of shareholders and regularly keeps up to date with best practice developments and market trends.

I look forward to your support for the FY25 Annual Directors' Remuneration report at the AGM.

Jill Caseberry

Chair of the Remuneration Committee

25 June 2025

Remuneration at a glance

At Halfords, the reward principles and framework are consistent across all colleague populations, although remuneration levels vary to reflect market salary and benefits benchmarks across all roles.

| | Colleagues | Managers | Senior Managers | Executive Team |
|-----------------------------|------------|------------------|-----------------|----------------|
| Salary | Y | Y | Y | Y |
| Pension | Y | Y | Y | Y |
| Paid holiday | Y | Y | Y | Y |
| Share plans | Y | Y | Y | Y |
| Bonus/incentives | Y | Y | Y | Y |
| Death in service | Y | Y | Y | Y |
| Car allowance or car | Job need | Market dependent | Y | Y |
| Private medical | N | N | Y | Y |

Why is reward structured differently at senior levels?

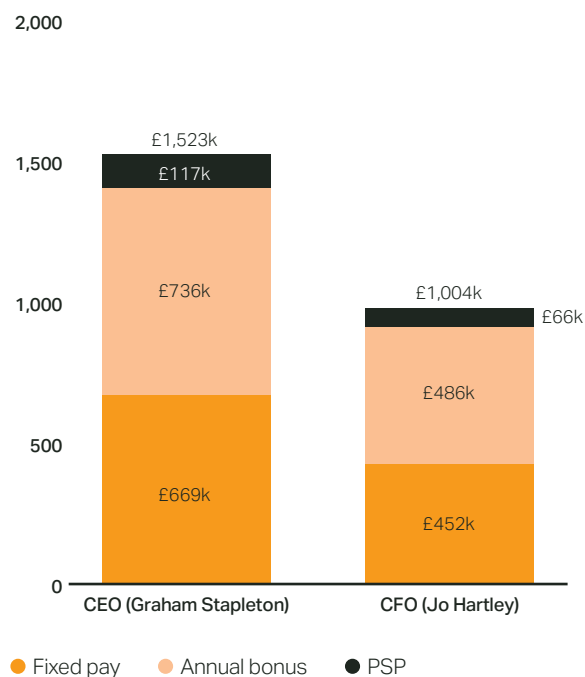
The UK Corporate Governance Code protects the interests of shareholders by ensuring that reward is structured in a way that ensures Executives make the right long-term decisions for the business to deliver sustainable long-term shareholder value in a way that is consistent with our culture and values. As a consequence, a high proportion of Executive reward is directly linked to long-term performance, resulting in "variable pay", which only pays out when the Company does well. The Executive Directors participate in two variable reward plans as follows (further details can be found on pages 110 to 112):

| | |
|---------------------------------------|---|
| Annual Bonus | Targets are assessed over the financial year based on performance against financial and strategic measures (one-third of any payment is deferred into a Deferred Bonus Plan for three years after payment). |
| Performance Share Plan ("PSP") | Targets are assessed over three financial years. Vested awards are subject to a two-year holding period. |

Single total figure of remuneration for Executive Directors for the year ended 28 March 2025

Fixed pay comprises base salary, benefits and pension. Variable pay comprises the annual bonus and PSP award. Further information on the single figure of remuneration can be found on page 114.

FY25 Executive Directors' remuneration



Aligning pay with performance

Discretion applied to the annual bonus so final outturn was 78.4%. See pages 114 and 115 for further detail.

| Key Performance Indicator | Result | Outturn |
|---------------------------|--------|---------|
|---------------------------|--------|---------|

FY25 Annual Bonus

| | | |
|--------------------|--------|-------|
| Profit before tax | £38.4m | 90.6% |
| Free cash flow | £43.0m | 100% |
| Cost (% sales) | 48.5% | nil |
| Strategic measures | n/a | 100% |
| Discretion applied | n/a | (6)% |

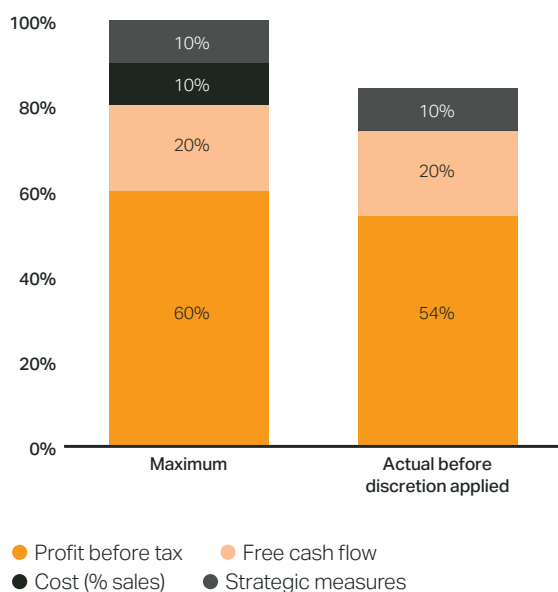
2022 PSP

| | | |
|--------------------------------|--------------|-------|
| Relative TSR | Below median | nil |
| Underlying basic EPS | 13.8p | nil |
| Group services-related revenue | £888m | 12.7% |

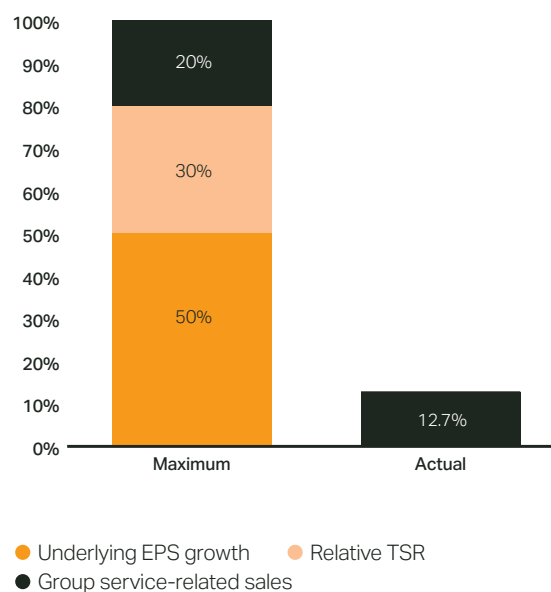
Annual bonus and long-term incentive plan outcomes

The charts below show the results of the performance targets for the annual bonus and PSP. Further information on the outcomes for the annual bonus is shown on page 114 and for the PSP on page 115.

FY25 annual bonus



2022 PSP



REMUNERATION COMMITTEE REPORT

Aligning our performance measures to our strategy

Over the past few years, our strategy has remained unchanged with motoring and cycling products and services remaining at the core of our proposition. However, as we continue to evolve into a consumer and B2B services-focused business, we placed greater emphasis on motoring, generating higher and more sustainable financial returns.

As such, we have sought to ensure that the performance measures for our incentive awards reflect our strategic ambitions. The table below provides a summary of our alignment.

| FY26 | Alignment to strategy | Alignment to Our stakeholders' interests |
|--------------------------------------|---|---|
| Annual bonus | | |
| Underlying Group PBT | PBT is one of the main KPIs assessing the profitability of our business and provides stakeholders with information on trends and performance before the effect of non-underlying items. | Financial, shareholders |
| Free cash flow | Strong cash flow enables investment in our plan and returns to shareholders, whilst aligning with broader aims to maintain a strong balance sheet. | Financial, shareholders |
| Cost as a percentage of sales | Cost management remains a key focus for FY26, aligned with delivering our profit ambitions and shareholder value generation | Financial, shareholders |
| Group NPS | As our business continues to evolve to be more consumer and B2B services focused, this measure focuses our commitment to customer service. | Customers, shareholders |
| Health and safety | Creating a safety-first environment for our colleagues and customers. | ESG, financial, customers, shareholders, colleagues |
| Strategic measures | The delivery of key strategic priorities in FY26 is critical as a foundation for our long-term success. | Financial, customers, shareholders |
| Performance share plan | | |
| Relative TSR | Aligns management with the wider shareholder experience and reinforces our ongoing focus in shareholder value creation. | Financial, shareholders |
| EPS | EPS is a measure of our investment thesis and indicates whether we are achieving our aim to manage revenues, margins and invest in long-term growth. | Financial, shareholders |
| Group services-related sales | An indicator of our progress towards the ambition to become a consumer and B2B services-focused business with over half our business in services. | Financial, customer, shareholders |

Directors' Remuneration Policy summary report

Our Directors' Remuneration Policy (the "Policy") was approved by shareholders at the 2023 AGM. The full Policy is available on the Company's website but as context for the rest of this report, the main elements of the Policy, as well as how the Policy was implemented during the year and how it will be implemented in FY26, are summarised below:

| Elements | Objective | Key features | Implementation in FY25 | Implementation in FY26 |
|---------------------|--|---|--|--|
| Base salary | To attract and retain management of a high calibre. | Normally reviewed annually with increases effective from 1 October. Salary increases generally in line with the wider employee workforce. | Graham Stapleton: £635,202 Jo Hartley: £419,055 Increased by 3%, with effect from 1 October 2024. | Henry Birch: £650,000 Jo Hartley: £419,055 Salaries will next be reviewed with effect from 1 October 2025 and it is expected that any increase will not exceed the increase received for the wider workforce. |
| Benefits | Provide market competitive benefits consistent with the role. | Set at an appropriate level taking into account the individual's circumstances, market practice and other employees in the Group. | Executive Directors received benefits in relation to a car plus fuel or a cash allowance, private health insurance and life assurance. Jo Hartley also receives a travel allowance. | Remain unchanged. |
| Pension | To provide individuals with retirement arrangements. | Pension is aligned with the maximum employer pension contribution available to the majority of the UK workforce (currently 3% of base salary). | Executive Directors received a 3% base salary pension contribution. | Henry Birch and Jo Hartley will receive a pension opportunity of 3% of salary. |
| Annual bonus | Incentivise the achievement of annual financial targets and key strategic, operational and ESG objectives. | Maximum opportunity of 150% of salary with one-year performance period. One-third deferred into shares for three years. The Committee may, in its discretion, adjust payments, if it considers that the outcome does not reflect underlying financial or non-financial performance. Malus and clawback provisions apply. | Based on 90% financial measures and 10% strategic measures (full details on page 114). The Committee considered the overall outcome in the context of wider business performance in the year including our health and safety performance and, in light of the two fatalities during the year, determined that downwards discretion should be applied by 6%, reducing the outcome to 78.4% of maximum opportunity. | Henry Birch: 150% of salary (pro-rated from date of joining), reducing the outcome to 78% of maximum opportunity. Jo Hartley: 150% of salary. For FY26, measures will be 80% financial measures and 20% strategic measures: <ul style="list-style-type: none"> Underlying Group profit before tax 60%; Free cash flow 10%; and Cost as a percentage of sales 10%. Personal strategic objectives 10%, customer NPS 5% and health and safety 5%. |

REMUNERATION COMMITTEE REPORT

| Elements | Objective | Key features | Implementation in FY25 | Implementation in FY26 |
|--------------------------------|--|---|--|--|
| PSP | Align Executive Directors' interests with those of our shareholders by incentivising them to deliver the Company strategy and to create a sustainable business and maximise returns to shareholders. | <p>Maximum opportunity of 200% of salary.</p> <p>Three-year performance period.</p> <p>Two-year holding period after vesting.</p> <p>The Committee may, in its discretion, adjust payments, if it considers that the outcome does not reflect underlying financial or non-financial performance.</p> <p>Malus and clawback provisions apply.</p> | <p>Graham Stapleton and Jo Hartley were granted awards of 200% of salary in the year.</p> <p>Awards granted in December 2024 were based on:</p> <ul style="list-style-type: none"> • EPS growth 40%; • Group services-related revenue 20%; and • Relative TSR vs. the FTSE All Share General Retailers Index 40%. <p>Targets are disclosed on page 115.</p> | <p>Henry Birch and Jo Hartley will be granted awards of up to 200% of salary.</p> <p>Consideration will be given to share price performance and stakeholder experience when determining the award prior to the date of grant.</p> <p>FY26 awards will be subject to the following performance conditions:</p> <ul style="list-style-type: none"> • EPS growth 40%; • Group services-related revenue 20%; and • Relative TSR vs. the FTSE All Share General Retailers Index 40%. |
| Shareholding guidelines | Align individuals with shareholders. | <p>Executive Directors are expected to build and retain a shareholding with a value equal to at least 200% of their annual base salary.</p> <p>Expectation that 75% of any post-tax shares that vest from incentive plans is retained until the guideline is met.</p> <p>Executive Directors will normally be expected to maintain a minimum shareholding of 200% of salary (or actual shareholding if lower) for two years following stepping down as an Executive Director.</p> | Executive Directors were subject to a 200% of salary shareholding guideline. | <p>No change in the shareholding guidelines.</p> <p>In line with the Remuneration Policy, Henry Birch will be expected to build and retain a shareholding of 200% of annual base salary with 75% of any post-tax shares that vest from incentive plans retained until the guideline is met.</p> |

Structure and content of the Remuneration report

This Remuneration Report has been prepared in accordance with the provisions of the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Group (Accounts and Reports) (Amendment) Regulations 2013 (the "Regulations"). This Remuneration Report meets the requirements of the UK Listing Rules and the Disclosure Guidance and Transparency Rules.

The information set out below represents auditable disclosures referred to in the Independent Auditor's Report on pages 132 to 141, as specified by the UK Listing Authority and the Regulations.

Committee composition

During the year, the Committee consisted of:

- Jill Caseberry (Chair)
- Tom Singer
- Tanvi Gokhale

Four scheduled Committee meetings were held during the year and were attended by all relevant members at the time of the meeting.

After each Committee meeting, the Remuneration Committee Chair reported to the Board on the key issues that had been discussed.

A number of informal discussions were also held with the Committee members throughout the year when the need arose.

Activities during the year

During the year, the Policy operated as intended. The Committee undertook the following activities:

- Reviewed and approved the Directors' Remuneration Report published in the FY24 Annual Report and Accounts.
- Discussed and approved incentive outcomes for FY24.
- Reviewed and approved organisational design changes.
- Approved grants under the Company's share schemes.
- Considered the approach to implementing the Remuneration Policy for FY25, including setting Executive Director and Chair salaries/fees from 1 October 2024. Non-Executive Director fees are determined by the Chair and the Executive Directors.

- Reviewed considering and setting the approach to performance measures for the FY25 annual bonus and performance share plans.
- Reviewed the mechanics and assets of the Employee Benefit Trust and hedging arrangements.
- Discussed and approved remuneration arrangements for the Executive Management team below the Board.
- Reviewed the Committee's Terms of Reference.
- Reviewed and approved new share plan rules for the UK Sharesave, the International Sharesave and the Company Share Option Scheme.
- Reviewed remuneration arrangements for the wider workforce and took these into account when considering Executive pay.
- Received a market update on the Executive pay landscape.
- Received an update on the gender pay report.
- Reviewed and approved the appointment of remuneration advisors and set the appropriate fee.

Advisors and other attendees

During the year, the Committee has been supported by the Chief Property and People Officer and the Reward Director together with the Company Secretary (who acts as secretary to the Committee). The Chief Executive Officer and Chief Financial Officer also attend Committee meetings on occasion, at the request of the Committee; they are not present when their own remuneration is discussed. In carrying out its responsibilities, the Committee is authorised to obtain the advice of external independent remuneration consultants and is solely responsible for their appointment, retention and termination. During the year, the Committee has taken advice from Deloitte LLP ("Deloitte"), which advised on remuneration reporting, share option evaluations and other remuneration matters. Deloitte also provided unrelated advice on debt advisory work, tax services, financial reporting and legal support during the year. Total fees paid to Deloitte in respect of remuneration advice were £51,875 charged on a time and materials basis.

Deloitte is a founding member of the Remuneration Consultants Group and adheres to the Remuneration Consultants Group Code of Conduct when providing

services. The Committee considers Deloitte's advice independent and impartial and is also satisfied that the Deloitte engagement team that advises the Remuneration Committee does not have connections with the Company or its Directors that might impair their independence. The Committee considered the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts.

Shareholder dialogue

The voting outcome from the 2024 AGM held on 6 September 2024 showed strong support for the revised Directors' Remuneration Policy (the "Policy"). Furthermore, the voting outcome from the 2023 AGM showed strong support for our FY23 Directors' Remuneration report. The following table sets out the votes cast at the 2023 AGM in respect of the Policy and the FY24 Directors' Remuneration report.

| | % of Votes For | % of Votes Against |
|--------------------------------------|----------------------|--------------------------|
| FY24 Directors' Remuneration report* | 99.16% | 0.84% |
| FY23 Remuneration Policy** | 99.23% | 0.77% |

* 16,021 votes (0.009% of votes) were withheld in relation to this resolution.

** 40,189 votes (0.02% of votes) were withheld in relation to this resolution.

We continue to be mindful of the views of our shareholders and other stakeholders and encourage discussion with shareholders on any issue related to Executive remuneration.

In the event of a substantial vote against a resolution in relation to Directors' remuneration, we would seek to understand the reasons for any such vote to determine appropriate actions and detail any such actions in response to it in the Directors' Remuneration report.

REMUNERATION COMMITTEE REPORT

Annual Report on Remuneration

How the Remuneration Policy was Implemented in FY25 – Executive Directors

Single remuneration figure (audited)

| | Base Salary (£) | Benefits (£) | Pension (£) | Other (£) | Total Fixed (£) | Bonus (£) | PSP (£) | Total Variable (£) | Total "Single Figure" (£) |
|------------------|-----------------|---------------|---------------|-----------|-----------------|----------------------------|----------------------------|--------------------|---------------------------|
| 2024/25 | | | | | | | | | |
| Graham Stapleton | 625,951 | 25,234 | 18,509 | – | 669,694 | 736,118¹ | 117,106³ | 853,224 | 1,522,918 |
| Jo Hartley | 412,953 | 27,299 | 12,211 | – | 452,463 | 485,632² | 66,220³ | 551,852 | 1,004,315 |
| 2023/24 | | | | | | | | | |
| Graham Stapleton | 607,719 | 24,758 | 17,962 | – | 650,440 | – | – | – | 650,440 |
| Jo Hartley | 400,940 | 12,225 | 11,850 | – | 425,015 | – | – | – | 425,015 |

¹ Bonus payable for Graham Stapleton will be paid fully in cash and not deferred.

² One-third of bonus payable for Jo Hartley will be deferred into shares for a period of three years.

³ For 2024/25, the 2022/23 PSP has been valued based on the average share price during the three-month period to 28 March 2025 of £1.298 and a vesting outcome of 12.71% as referenced on page 115. The share price used to determine the level of award was £1.671; therefore, no portion of the value disclosed is attributable to share price appreciation over the performance period. No discretion has been exercised in relation to share price changes.

Benefits

Benefits include payments made in relation to a car cash allowance and fuel and private health insurance. For Graham Stapleton, the car allowance plus fuel came to £21,699 and for Jo Hartley £11,200. Jo Hartley also received a taxable travel allowance of £14,783.

Pension

Pension payments represent contributions made either to defined contribution pension schemes or as a cash allowance. Both Graham Stapleton and Jo Hartley received an allowance of 3% of base salary to ensure alignment with the maximum employer pension contribution available to the majority of the workforce.

FY25 annual bonus

The annual bonuses for FY25 for the Executive Directors were as follows:

| Measures | Weighting | Threshold (15%) | Target (50%) | Maximum (100%) | FY25 Achievement | FY25 Outturn |
|----------------------------|-----------|-----------------|--------------|----------------|------------------|--------------|
| Underlying PBT (£m) | 60% | £23.0m | £31.5m | £40m | £38.4m | 54.4% |
| Free Cash Flow (£m) | 20% | £15.9m | £23.4m | £30.9m | £43.0m | 20.0% |
| Cost (% of Sales) | 10% | 48.25% | 48.00% | 47.75% | 48.5% | 0% |
| Group Colleague Engagement | 5% | 71% | 72%-73% | 74% | 75% | 5.0% |
| Group NPS | 5% | 66.1% | 66.3% | 66.5% | 67.5% | 5.0% |
| Total | 100% | | | | | 84.4% |

In determining the outcome of the annual bonus plan, the Committee and the Executive Directors took into account a number of factors including overall stakeholder experience, performance against financial metrics, payouts for colleagues and our health and safety record.

As a result of our health and safety record including two fatalities for FY25, the Committee has applied discretion and reduced the FY25 bonus outturn by 6%. Therefore, the final percentage of opportunity payable for Graham Stapleton and Jo Hartley will be 78.4%.

For Jo Hartley, one-third of the total bonus payable will be deferred for three years into shares through an equivalent award under the deferred bonus plan. For Graham Stapleton, as per the terms of his departure, the total bonus payable will be paid in cash. All bonuses remain subject to malus and clawback conditions.

Performance outcomes for 2022 PSP awards

| Metric | Weighting | Threshold targets (25% vesting) | Maximum targets (100% vesting) | Performance | % total award vesting |
|--|-----------|---------------------------------|--------------------------------|--------------|-----------------------|
| Group services-related sales (total of sales for FY23 to FY25) | 20% | £840.6m | £934.0m | £888.6m | 12.71% |
| Underlying EPS growth – CAGR | 50% | 24.7p | 34.5p | 13.8p | 0% |
| Relative TSR | 30% | Market median | Upper quartile | below median | 0% |
| Total | | | | | 12.71% |

Share awards granted during the year (audited)

Performance Share Plan

During the period, the following awards were granted to the Executive Directors under the Performance Share Plan ("PSP") as follows:

| | Date of award | Type of award | Number of shares ¹ | Maximum face value of award ² | Threshold vesting (% of award) | Performance period |
|------------------|---------------|-------------------------------------|-------------------------------|--|--------------------------------|--------------------------|
| Graham Stapleton | 3 Dec 2024 | Nil cost option (0p exercise price) | 857,800 | £1,270,402 | 25% | 1 Apr 2024 to 3 Apr 2027 |
| Jo Hartley | 3 Dec 2024 | Nil cost option (0p exercise price) | 565,908 | £838,110 | 25% | 1 Apr 2024 to 3 Apr 2027 |

¹ Awards based on 200% of salary.

² Based on the average mid-market price on three preceding days of the awards of £1.481 on 3 December 2024.

Performance conditions

The performance conditions and targets for PSP awards granted during FY25 are as follows:

| | | Underlying EPS growth – CAGR (40% of the award) | Relative TSR (40% of the award) | Group services-related sales (total of sales for FY25 to FY27) (20% of the award) |
|--------------|-----------------------|---|--|---|
| | 100% vesting | 22.4 pence or higher | Upper quartile | Above £1,021m |
| | Straight-line vesting | Between 13.0 pence and 22.4 pence | Between market median and upper quartile | Between £924m and £1,021m |
| Award (200%) | 25% vesting | 13.0 pence | Market median | £924m |
| | 0% vesting | Below 13.0 pence | Below market median | Below £924m |

The award shares that vest will become exercisable in 2027. The shares that vest will be subject to a two-year holding period.

Deferred Bonus Plan

During the period, no awards were granted under the Deferred Bonus Plan ("DBP").

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Outstanding share awards (audited)

Performance Share Plan ("PSP")

The following summarises outstanding awards under the PSP:

| | Award date | Grant price ⁷ (£) | Awards held 30 Mar 2024 | Awarded during the period | Dividend reinvestment ⁸ | Forfeited during the period | Lapsed during the period | Exercised during the period | Awards held 28 Mar 2025 | Performance period years to | Holding period to |
|------------|---------------------------|---------------------------------|-------------------------|---------------------------|------------------------------------|-----------------------------|--------------------------|-----------------------------|-------------------------|-----------------------------|-------------------|
| Graham | 20 Sept 2019 ¹ | 1.696 | 667,149 | – | – | – | – | 667,149 | – | 1 Apr 2022 | 1 Apr 2024 |
| Stapleton | 16 Oct 2020 ² | 2.425 | 260,976 | – | 15,083 | – | – | – | 276,059 | 31 Mar 2023 | 31 Mar 2025 |
| | 7 Oct 2021 ³ | 2.921 | 434,140 | – | – | – | 434,140 | – | – | 29 Mar 2024 | – |
| | 21 Oct 2022 ⁴ | 1.671 | 671,055 | – | 38,785 | 619,620 | – | – | 90,220 | 28 Mar 2025 | 28 Mar 2027 |
| | 12 Dec 2023 ⁵ | 1.91 | 656,697 | – | 37,955 | – | – | – | 694,652 | 3 Apr 2026 | 3 Apr 2028 |
| | 3 Dec 2024 ⁶ | 1.48 | – | 857,800 | 20,042 | – | – | – | 877,842 | 30 Mar 2027 | 30 Mar 2029 |
| Jo Hartley | 21 Oct 2022 ⁴ | 1.671 | 379,463 | – | 21,931 | 350,377 | – | – | 51,017 | 28 Mar 2025 | 28 Mar 2027 |
| | 12 Dec 2023 ⁵ | 1.91 | 433,236 | – | 25,039 | – | – | – | 458,275 | 3 Apr 2026 | 3 Apr 2028 |
| | 3 Dec 2024 ⁶ | 1.48 | – | 565,908 | 13,222 | – | – | – | 579,130 | 30 Mar 2027 | 30 Mar 2029 |

¹ The 2019 award granted on 20 September 2019 vested at 100% in April 2022, a two-year deferral period was attached to the award. The deferral was applied as a gross holding retention period, which meant the award could not be exercised until the second anniversary of vesting (April 2024). The award continued to attract dividend reinvestment shares during the deferral period. Graham exercised the award on 12 July 2024.

² The 2020 award granted on 16 October 2020 vested at 50% in April 2023, a two-year deferral period is attached to the award. The deferral is applied as a gross holding retention period, which means the award cannot be exercised until the second anniversary of vesting (April 2025). The award continues to attract dividend reinvestment shares during the deferral period.

³ The 2021 award granted on 7 October 2021 lapsed in full, and therefore previous outstanding shares held have been forfeited.

⁴ The 2022 award granted on 21 October 2022 will vest at 12.71% in April 2025. A two-year deferral period is attached to the award. The deferral will be applied as a gross holding retention period, which means the award can not be exercised until the second anniversary of vesting (April 2027). The award continues to attract dividend reinvestment shares during the deferral period.

⁵ The 2023 award granted on 12 December 2023 is subject to 40% underlying EPS growth (25% vesting at 26.6p in FY26, 100% vesting at 35.5p in FY26), 40% to Relative TSR (25% vesting achieving below market median, 100% vesting achieving upper quartile), and 20% to Group services-related sales (25% vesting for £851.4m, 100% vesting for £946.0m).

⁶ The 2024 award granted on 3 December 2024 is subject to 40% underlying EPS growth (25% vesting at 13.0p in FY27, 100% vesting at 22.4p in FY27), 40% to Relative TSR (25% vesting achieving below market median, 100% vesting achieving upper quartile), and 20% to Group services-related sales (25% vesting for £924m, 100% vesting for £1,021m).

⁷ The grant price is calculated by taking the mid-market average across the three preceding days prior to the grant date.

⁸ The interim and final dividends have been reinvested in shares at prices between £1.284 and £1.486.

Deferred Bonus Plan ("DPB")

| | Award date | Grant price ¹ (£) | Awards held 30 Mar 2024 | Awarded during the period | Dividend reinvestment ³ | Forfeited during the period | Lapsed during the period | Exercised during the period | Awards held 28 Mar 2025 | Vesting |
|-----------|---------------------------|---------------------------------|-------------------------|---------------------------|------------------------------------|-----------------------------|--------------------------|-----------------------------|-------------------------|---------------|
| Graham | 30 June 2021 ² | 4.312 | 68,488 | – | – | – | – | 68,488 | – | 30 June 2024 |
| Stapleton | 30 June 2022 | 1.429 | 176,133 | – | 10,179 | – | – | – | 186,312 | 15 April 2025 |

¹ The grant price is calculated by using the mid-market quotation on the date of grant.

² Graham exercised the 2021 DBP on 12 July 2024.

³ The interim and final dividends have been reinvested in shares at prices between £1.284 and £1.486.

CEO pay compared to performance

The following graph shows the ten-year TSR performance of the Company since April 2015, against the FTSE All-Share General Retailers Index (which was chosen because it represents a broad equity market index of which the Company is a constituent).



The following table summarises the CEO single figure for the past ten years and outlines the proportion of annual bonus paid as a percentage of the maximum opportunity and the proportion of PSP awards vesting as a percentage of the maximum opportunity. The annual bonus is shown based on the year to which performance related and the PSP is shown for the last year of the performance period.

| | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 |
|------------------------------------|-------|------|-------|------|------|-------|--------|-------|------|---------------|
| CEO Single Figure (£'000) | | | | | | | | | | |
| Graham Stapleton ¹ | – | – | 1,818 | 670 | 678 | 2,699 | 2,752 | 1,189 | 650 | 1,523 |
| Jonny Mason ² | – | – | 236 | – | – | – | – | – | – | – |
| Jill McDonald ³ | 851 | 741 | 295 | – | – | – | – | – | – | – |
| Matt Davies ⁴ | 54 | – | – | – | – | – | – | – | – | – |
| Annual Bonus (% of maximum) | | | | | | | | | | |
| Graham Stapleton ¹ | – | – | 70% | – | – | 92.5% | 79.37% | – | – | 78.4% |
| Jonny Mason ² | – | – | 42.3% | – | – | – | – | – | – | – |
| Jill McDonald ³ | 23.5% | – | – | – | – | – | – | – | – | – |
| Matt Davies ⁴ | – | – | – | – | – | – | – | – | – | – |
| PSP Vesting (% of maximum) | | | | | | | | | | |
| Graham Stapleton ¹ | – | – | – | – | – | 84.9% | 100% | 50% | – | 12.71% |
| Jonny Mason ² | – | – | – | – | – | – | – | – | – | – |
| Jill McDonald ³ | – | – | – | – | – | – | – | – | – | – |
| Matt Davies ⁴ | – | – | – | – | – | – | – | – | – | – |

¹ Graham Stapleton was appointed in January 2018. An incorrect benefits figure was reported for FY19 in error; this was corrected and reflected in the total for FY19.

² Jonny Mason was appointed as interim Chief Executive Officer for the period from September 2017 to the date of Graham Stapleton joining in January 2018, and the figures represent pro-rated amounts of his bonus and overall remuneration for FY18.

³ Jill McDonald was appointed in May 2015 and resigned as CEO in September 2017.

⁴ Matt Davies was appointed in October 2012 and resigned as CEO in April 2015.

REMUNERATION COMMITTEE REPORT

Shareholding guidelines (audited)

The Committee believes that it is important that Executive Directors' interests are aligned with those of the shareholders. Executive Directors are encouraged to acquire and retain shares with a value equal to 200% of their annual base salary. Executive Directors are expected to retain 75% of any post-tax shares that vest under any share incentive plans until this shareholding guideline is met.

| | Graham Stapleton | Jo Hartley |
|---|----------------------|---------------------|
| Shareholding guideline | 200% | 200% |
| Shareholding as at 28 March 2025 | 766,363 ¹ | 27,039 ² |
| Current value (based on share price on 28 March 2025) | £994,691 | £66,220 |
| Current % of salary | 156.6% | 8.38% |

¹ The shareholding figure includes 47,816 vested shares from the 2022 Performance Share Plan awards (on a net of tax basis), which are currently being held in a two-year deferral period in the Employee Benefit Trust ("EBT"). The figure also includes the shares held in the EBT in relation to the Deferred Bonus Plan grant made in 2022 (on a net of tax basis).

² The shareholding figure comprises of 27,039 vested shares from the 2022 Performance Share Plan awards (on a net tax basis), which are currently being held in a two-year deferral period in the Employee Benefit Trust ("EBT").

These figures include those of their spouse or civil partner and infant children, or stepchildren, as required by Section 822 of the Companies Act 2006.

There has been no change in the beneficial interest of Jo Hartley between 28 March and 18 June 2025.

Under the post-employment shareholding guideline, Executive Directors are expected to retain their shareholding guideline (200% of salary) for a period of two years post stepping down as an Executive Director. This post-employment shareholding guideline applies to any performance incentive shares that vested from 1 April 2020.

Executive Directors' appointments

| Director | Date of Service Agreement | Notice Period |
|------------------|---------------------------|---------------|
| Graham Stapleton | 8 September 2017 | 6 months |
| Henry Birch | 15 April 2025 | 6 months |
| Jo Hartley | 1 October 2021 | 6 months |

Outside appointments

Halfords recognises that its Executive Directors may be invited to become Non-Executive Directors of other companies. Such Non-Executive duties can broaden experience and knowledge, which can benefit Halfords. Subject to approval by the Board, Executive Directors are allowed to accept Non-Executive Director appointments and retain the fees received, provided that these appointments are not likely to lead to conflicts of interest.

Loss of office payments (audited)

No loss of office payment was made to a Director during the period.

Payments to former directors (audited)

No payments were made to former Directors during the period.

Remuneration arrangements in respect of Graham Stapleton leaving

Graham Stapleton stepped down as Chief Executive and as a Director of Halfords plc on 15 April 2025.

- Graham will receive a payment in lieu of notice totalling £340,928.50, comprised of six months' salary, pension allowance, private medical insurance, permanent health insurance, car allowance, and fuel payments. This will be paid in six monthly instalments (subject to mitigation).
- Graham received an annual bonus in respect of the 2025 financial year as set out above. He will remain eligible to receive an annual bonus in respect of the 2026 financial year, subject to satisfaction of applicable performance conditions and pro-rated to the date of departure. The FY25 and FY26 annual bonuses will be paid in cash.
- As per the approved good leaver policy, the 2022 DBP vested on departure.
- Graham was treated as a good leaver in respect of his outstanding awards under the LTIP and treatment of the awards was in accordance with the relevant plan rules (including malus and clawback provisions). His LTIP awards granted in 2022, 2023 and 2024 will vest on the original vesting dates subject to the achievement of the applicable performance conditions as determined by the Remuneration Committee following completion of the relevant performance periods. His 2023 and 2024 PSP awards will also be subject to time pro-rating based on the relevant performance periods. Graham will not receive a PSP award for FY26.
- Graham will receive a contribution of up to £15,000 (plus VAT) in respect of his legal fees. Graham will also receive a payment of £75,000 towards outplacement support.
- Graham will be required to comply with the post-employment shareholding requirements outlined in the Policy until 15 April 2027.

How the Remuneration Policy was implemented in FY25 – Non-Executive Directors

Non-Executive Director single figure comparison (audited)

During the year, fees for the Non-Executive Directors and the Chair were reviewed to ensure they remained competitive and aligned with those offered at similar-sized companies. As a result of this review, it was determined that the base for the NEDs and Chair would be increased by 3%, effective from 1 October 2024. No increase was applied to the Committee Chair fees.

| Director | Role | Board fees (£) | Senior Independent Director fee (£) | Committee Chair/Employee Voice Director fees (£) | Taxable benefits ¹ (£) | Total "Single Figure" ² 2025 (£) | Total "Single Figure" ² 2024 (£) |
|-----------------------------|---|----------------|-------------------------------------|--|-----------------------------------|---|---|
| Keith Williams ³ | Company Chair | 212,963 | – | – | – | 212,963 | 206,760 |
| Jill Caseberry ⁴ | Senior Independent Director, Remuneration Committee Chair | 57,985 | 15,714 | 10,000 | 238 | 83,937 | 72,047 |
| Tom Singer ³ | Audit Committee Chair | 57,560 | – | 10,000 | – | 67,560 | 65,883 |
| Tanvi Gokhale | ESG Committee Chair and Employee Voice Director | 57,560 | – | 10,000 | 303 | 67,863 | 48,787 |

¹ Includes hotel and travel costs incurred when attending Halfords' meetings and Board visits.

² The Chair and Non-Executive Directors are not entitled to participate in any of the Group's incentive plans or pension plans so all pay is fixed.

³ Keith Williams and Tom Singer did not claim any taxable benefits during the year.

⁴ Due to a payroll error, a portion of fees for Jill Caseberry relating to her appointment as Senior Independent Director from 6 September 2023 were paid in FY25. This amounted to £5,714.

Non-Executive Director shareholding (audited)

| Director | 2025 | 2024 |
|----------------|----------------|---------|
| Keith Williams | 180,000 | 180,000 |
| Jill Caseberry | 20,283 | 20,283 |
| Tom Singer | 30,000 | 30,000 |
| Tanvi Gokhale | – | – |

These figures include those of their spouses, civil partners and infant children, or stepchildren, as required by Section 822 of the Companies Act 2006. There was no change in these beneficial interests between 28 March 2025 and 18 June 2025.

Non-Executive Directors do not have a shareholding guideline, but they are encouraged to buy shares in the Company.

Non-Executive Directors' appointments

None of the Non-Executive Directors has an employment contract with the Company. However, each had entered into a letter of appointment with the Company confirming their appointment for a period of three years, unless terminated by either party giving the other not less than three months' notice or by the Company on payment of fees in lieu of notice.

| Director | Appointed | Date of current appointment | Expiry date | Unexpired term at the date of this report |
|----------------|-----------|-----------------------------|-------------|---|
| Jill Caseberry | 01 Mar 19 | 01 Mar 25 | 28 Feb 28 | 33 months |
| Tom Singer | 16 Sep 20 | 16 Sep 23 | 15 Sep 26 | 14 months |
| Keith Williams | 24 Jul 18 | 24 Jul 24 | 23 Jul 27 | 24 months |
| Tanvi Gokhale | 20 Jun 23 | 20 Jun 23 | 19 Jun 26 | 11 months |

Their appointments are subject to the provisions of the Companies Act 2006 and the Company's Articles of Association and, in particular, the need for re-election. Continuation of an individual Non-Executive Director's appointment is also contingent on that Non-Executive Director's satisfactory performance, which is evaluated annually. The Non-Executive Directors' letters of appointment are available for inspection by shareholders at the Company's registered office.

REMUNERATION COMMITTEE REPORT

How the Remuneration Policy will be Implemented for FY26 – Executive Directors

Salary

The salary for the Executive Directors, Graham Stapleton and Jo Hartley, was increased by 3% with effect from 1 October 2024, which was below the increase received across the wider workforce.

The salaries for the current Executive Directors are as follows:

| | |
|---|----------|
| CEO (to 15 April 2025) – Graham Stapleton | £635,202 |
| CEO (from 15 April 2025) – Henry Birch | £650,000 |
| CFO – Jo Hartley | £419,055 |

Salaries will next be reviewed with effect from 1 October 2025.

Pension

Henry Birch, and Jo Hartley will receive cash pension allowances of 3% of salary, which is in line with the Company contribution rate available for the wider workforce.

Annual Bonus

The normal maximum annual bonus for Executive Directors is 150% of base salary with two-thirds paid in cash and one-third paid in Halfords' shares deferred for three years.

Performance measures for FY26 annual bonus

| | |
|--------------------------------------|-----|
| Financial measures | 80% |
| • Group Profit Before Tax: 60% | |
| • Free Cash Flow: 10% | |
| • Cost as a percentage of sales: 10% | |
| Non-Financial measures | 20% |
| • Health and safety: 5% | |
| • Customer Net Promoter Score: 5% | |
| • Personal strategic objectives: 10% | |

Targets have not been disclosed at the current time as they are considered to be commercially sensitive. The Committee intends to disclose targets in next year's Directors' Remuneration report.

Performance Share Plan ("PSP")

The normal PSP award for Executive Directors is 200% of base salary.

The Committee is mindful of shareholder guidance that award levels should be adjusted where the share price has fallen significantly compared to prior years. Based on the current share price, the Committee is of the view that no adjustment is required; however, the Committee will take this into account when determining award levels in September.

Our normal practice is to grant awards in the autumn.

FY26 PSP awards are due to be granted later in the year. These awards will continue to vest based on relative TSR vs. a comparator group of businesses taken from the FTSE All-Share General Retailers Index (40% weighting), on EPS performance for FY28 (40% weighting), and on Group services-related revenue for FY26 (20% weighting). These weightings are unchanged from FY25. 25% of the TSR element will vest for median performance with 100% vesting for upper quartile TSR performance. Targets for the EPS and Group services-related revenue measures will be determined and disclosed by the Committee in the FY26 Directors' Remuneration report.

How the Remuneration Policy Will Be Implemented for FY26 – Non-Executive Directors' fees

The fees of Non-Executive Directors are reviewed regularly. Any changes to these fees will be approved by the Board as a whole following a recommendation from the Chief Executive Officer and the Remuneration Committee.

The fees of the Non-Executive Directors were reviewed in October 2024, where a 3% fee increase was applied to the Chair's fee and the base Non-Executive Director fee; however, no increase was applied to the Committee Chair fees. The next fee review will be in October 2025.

Current fees for Non-Executive Directors are as follows:

| | FY25 | FY24 |
|--|-----------------|----------|
| Chair | £216,110 | £209,816 |
| Base fee | £58,411 | £56,709 |
| Additional fees | | |
| Senior Independent Director | £10,000 | £10,000 |
| Committee Chair (Audit and Remuneration) | £10,000 | £10,000 |
| Employee Voice Director | £5,000 | £5,000 |
| Committee Chair (ESG) | £5,000 | £5,000 |

Change in Remuneration of Directors compared to Group colleagues

The table below sets out the increase in total remuneration of the Directors and that of all colleagues in FY25 compared with the prior

| | FY24 to FY25 | | | FY23 to FY24 | | | FY22 to FY23 | | | FY21 to FY22 | | | FY20 to FY21 | | |
|---|-------------------------------|--------------------------|----------------------------|-------------------------------|--------------------------|-------------------|-------------------------------|--------------------------|-------------------|-------------------------------|--------------------------|-------------------|-------------------------------|--------------------------|-------------------|
| | Base salary/ fees % change | Annual bonus % change | Benefits % change | Base salary/ fees % change | Annual bonus % change | Benefits % change | Base salary/ fees % change | Annual bonus % change | Benefits % change | Base salary/ fees % change | Annual bonus % change | Benefits % change | Base salary/ fees % change | Annual bonus % change | Benefits % change |
| Executive Directors | | | | | | | | | | | | | | | |
| Graham | | | | | | | | | | | | | | | |
| Stapleton | 3.00% | 100.00% | 1.9% | 3.00% | 0% | – | 4.00% | -13.00% | – | 1.80% | 100.00% | – | 1.80% | – | – |
| Jo Hartley ¹ | 3.00% | 100.00% | 123.3% ⁵ | 3.00% | 0% | – | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Lorraine | | | | | | | | | | | | | | | |
| Woodhouse ² | N/A | N/A | N/A | N/A | N/A | – | N/A | -13.00% | – | 1.80% | 100.00% | | 1.80% | – | – |
| Non-Executive Directors | | | | | | | | | | | | | | | |
| Keith Williams | 3.00% | – | – | 3.00% | – | – | 4.00% | – | – | 1.80% | – | – | 0.00% | – | – |
| Helen Jones ³ | 3.00% | – | – | N/A | – | – | 4.00% | – | – | 1.80% | – | – | 9.50% | – | – |
| Jill Caseberry | 3.00% | – | – | 3.00% | – | – | 4.00% | – | – | 1.80% | – | – | 0.00% | – | – |
| Tom Singer | 3.00% | – | – | 3.00% | – | – | 4.00% | – | – | 1.80% | – | – | N/A | N/A | N/A |
| Tanvi Gokhale ⁴ | 3.00% | – | – | N/A | – | – | N/A | – | – | N/A | – | – | N/A | N/A | N/A |
| Average pay of all colleagues in the Group | | | | | | | | | | | | | | | |
| | 9.0% | 40.7% | – | 5.7% | -2.7% | – | 5.91% | 8.58% | – | 2.80% | 76.30% | – | 4.02% | 45.42% | – |

¹ Jo Hartley was appointed as Chief Financial Officer on 16 June 2022.

² Lorraine Woodhouse retired from the Board on 1 July 2022.

³ Helen Jones retired from the Board on 6 September 2023.

⁴ Tanvi Gokhale was appointed as a Non-Executive Director on 20 June 2023.

⁵ The increase in this figure is as a result of Jo Hartley's travel allowance as detailed on page 114.

REMUNERATION COMMITTEE REPORT

CEO pay ratio

Halfords is a UK-listed Company with more than 250 employees meaning that the Company is required to disclose, annually, the ratio of its CEO's pay to the median, lower quartile and upper quartile pay of its UK employees. Details of this can be found in the table below.

| Year | Method | 25th percentile pay ratio | Median pay ratio | 75th percentile pay ratio |
|----------------|-----------------|---------------------------|------------------|---------------------------|
| 2024/25 | Option B | 73:1 | 52:1 | 47:1 |
| 2023/24 | Option B | 29:1 | 23:1 | 22:1 |
| 2022/23 | Option B | 61:1 | 56:1 | 34:1 |
| 2021/22 | Option B | 167:1 | 147:1 | 90:1 |
| 2020/21 | Option B | 143:1 | 126:1 | 99:1 |

Of the three options set out in the legislation for calculating the CEO pay ratio, we have chosen Option B using Gender Pay Gap data. This option was chosen as it represents the most efficient method to determine the respective pay ratios. The colleagues at the three quartiles were identified and their respective single-figure values calculated as of 5 April 2024. To ensure the identified colleagues were representative, the total remuneration for a group of individuals above and below the identified colleague at each quartile was also reviewed. The Board has confirmed that the ratio is consistent with the Company's wider policies on employee pay, reward and progression. In order to determine the full-time equivalent salary component for the representative colleagues, the hourly rate was multiplied by full-time hours to calculate the full-time equivalent salary. No component of total remuneration was omitted. The base salary and total remuneration for each representative colleague are outlined below, adjusted to reflect full-time equivalent hours. As has been the case in previous years, the remuneration arrangements for the Executive Directors are more closely linked to performance, and this is reflected in the increase in CEO pay ratio year-on-year, given both the annual bonus and the PSP did not pay out in the previous year.

| Component | P25 | P50 | P75 |
|--------------------|-----------|-----------|-----------|
| Base Salary | 14,776.55 | 26,134.09 | 28,923.48 |
| Total Remuneration | 20,874.20 | 29,491.33 | 32,598.63 |

Workforce engagement in remuneration

Halfords has long-established practices of engaging with colleagues across all areas of the business, including holding regular listening groups, appointing and meeting with local colleague engagement People Champions, and conducting a colleague engagement survey. Although, during FY25, the Committee did not consult directly with colleagues regarding Executive Directors' remuneration, the scope of this engagement will be expanded to include Directors' remuneration where appropriate for FY26 and the future.

During FY25, the Committee did not consult directly with colleagues regarding Executive Directors' remuneration due to the below-average pay increase award. In addition to future engagement with employees, the Committee will continue to consider the broader approach to pay and incentive outcomes for the wider employee base when setting pay policy and determining incentive outcomes for the Executive Directors.

Gender pay gap report

Details of the Group's Gender Pay Gap Report for 5 April 2024 are available at

www.halfordscompany.com/environmental-social-and-governance/our-colleagues/gender-pay-gap/.

Relative importance of pay

The Committee is also aware of shareholders' views on remuneration and its relationship to other cash disbursements. The following table shows the relationship between the Company's financial performance, payments made to shareholders and expenditure on payroll.

| | 2025 | 2024 |
|---|----------------|---------|
| EBITDA (underlying from continuing operations) | £180.9m | £183.4m |
| PBT (underlying from continuing operations) | £38.4m | £43.1m |
| Payments to employees: | | |
| Wages and salaries | £374.1m | £351.6m |
| Executive Directors ¹ | £2.5m | £1.1m |
| Dividend paid to shareholders and share buybacks ² | £17.4m | £21.7m |

¹ Based on the single figure calculation, not all of which is included within wages and salary costs.

² There were no share buybacks during FY24 nor FY25. The dividend amount is on a cash paid in FY25 basis.