**Taylor Wimpey plc Remuneration Policy**

First approved by shareholders: 2014 Annual General Meeting held on 17 April 2014

Approved by shareholders: 2017 Annual General Meeting held on 27 April 2017

Approved by shareholders: 2020 Annual General Meeting held on 23 April 2020

Approved by shareholders: 2023 Annual General Meeting held on 27 April 2023

Next three-yearly vote: 2026 Annual General Meeting

(unless the Company seeks to vary the Policy at an earlier date)

## Introduction

The UK Government's Department of Business Innovation and Skills introduced, with effect from 2013 reporting year, a requirement for each UK company to:

- State its policy on remuneration;
- Invite shareholders to vote on the policy at its introduction; whenever varied; and at least every three years;
- Treat the vote as binding unless and until a subsequent policy was approved by shareholders;
- Only vary the policy by way of a further vote by shareholders;
- Publish the current policy, either by inclusion in full in each year's Annual Report and Accounts or on its website.

The Company's policy was first approved by shareholders at its 2014 Annual General Meeting on 17 April 2014, where the vote in favour, including all valid proxy votes and with all those allowing discretion being voted in favour, was over 98% (58% of the Company's ordinary shares were voted at that meeting).

The Policy was re-approved by shareholders at its 2017 Annual General Meeting on 27 April 2017, where the vote in favour, including all valid proxy votes and with all those allowing discretion being voted in favour, was over 98% (61% of the Company's ordinary shares were voted at that meeting).

The Policy was re-approved at its 2020 Annual General Meeting on 23 April 2020, where the vote in favour, including all valid proxy votes and with all those allowing discretion being voted in favour, was again over 98% (over 61% of the Company's ordinary shares were voted at that meeting).

The Policy was re-approved at its 2023 Annual General Meeting on 27 April 2023, where the vote in favour, including all valid proxy votes and with all those allowing discretion being voted in favour, was over 91% (over 66% of the Company's ordinary shares were voted at that meeting).

| Element | Purpose and link to strategy | Operation | Maximum | Performance targets |
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| **Salary** | To recruit and reward Executive Directors of a suitable calibre for the role and duties required. | Salaries are normally reviewed annually to ensure that they remain positioned appropriately. There is no automatic entitlement to an increase each year.<br>Salary level and increases take into account the following:<br>- The performance, role, and responsibility of each individual Executive Director.<br>- The economic climate, general market conditions and the performance of the Company.<br>- The level of pay awards across the rest of the business.<br>- Salary levels in comparably-sized companies and other major housebuilders. | The maximum annual salary increase will not normally exceed the average increase which applies across the wider workforce.<br>However, larger increases may be awarded in certain circumstances including but not limited to:<br>- Increase in scope or responsibilities of the role.<br>- To apply salary progression for a newly / recently appointed Executive Director.<br>- Where the Director's salary has fallen below the market positioning. | Company and individual performance are factors considered when reviewing salaries. |
| **Chair of the Board and Non Executive Director fees** | The Chair and Non Executive Directors' fees should be structured in line with recognised best practice and be sufficient to attract and retain high calibre non executives. | Fees consist of a single consolidated fee for the Chair, an annual fee for the other Non Executive Directors and additional fees for roles such as the Chair of the Audit Committee, Chair of the Remuneration Committee, Senior Independent Director and Employee Champion.<br>Set by reference to the responsibilities undertaken by the non executive, taking into account that each Non Executive Director is expected to be a member of the Nomination and Governance Committee and / or the Audit Committee and / or the Remuneration Committee.<br>Reviewed periodically but generally annually and at least every other year. Takes into account levels in comparably-sized companies and other major housebuilders.<br>Non Executive Directors do not participate in any incentive, share scheme, employee benefits or pension arrangements. | Aggregate annual limit of £1 million imposed by the Company's Articles of Association. | N/A |

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| | | Any reasonable expenses incurred in carrying out duties will be fully reimbursed including any personal taxation associated with such expenses. | | |
| **Element** | **Purpose and link to strategy** | **Operation** | **Maximum** | **Performance targets** |
| **Other benefits, including benefits-in-kind** | Provides a competitive package of benefits to assist with recruitment and retention of high calibre Executive Directors. | Benefits normally include, but not limited to:<br>Company-provided car or a cash allowance;<br>Healthcare; and<br>Life assurance.<br>Benefits offered to the wider workforce may also be offered to Executive Directors.<br>Other market competitive benefits may also be offered by the Committee should it deem it appropriate to secure the appointment of a new Executive Director or retain an Executive Director (including legacy benefits) and to ensure that the benefits package for existing Executive Directors remains competitive in the market.<br>A 5% discount on the price of a new home acquired from the Group. | There is no formal maximum. The level of a benefit provided will be aligned to the wider workforce but may vary depending on seniority. Benefits are provided based on market rates.<br>For home purchases, the price discount is calculated at the plot release price less the average discount to third party buyers for that house type on that development, less a further 5% employee discount. No more than one home per annum can be acquired at a discount under the scheme; and no more than three homes can be acquired in a five-year period. The maximum discount over a five-year period is £100,000. | N/A |
| **Executive Incentive Scheme (EIS)** | Rewards the achievement of stretching financial performance targets and other objectives that support the Company's annual and strategic goals.<br>Compulsory deferral in shares further aligns the interests of Executive Directors with shareholders. | EIS awards are normally determined by the Committee after the year end, based on annual performance against targets set at the beginning of each year.<br>One-third (net) of any EIS is payable in shares which are held in trust for three years.<br>The Committee has the ability to adjust the amount of a bonus if the formulaic outcome is not considered reflective of individual or business performance or the broader shareholder experience.<br>A malus and clawback mechanism applies to all participants. The discovery period for the event that would give rise to the clawback is three years from the date of payment. | The maximum EIS opportunity for Executive Directors is 150% of salary. Target is 75% of salary.<br>If an entry level of performance is achieved up to 10% of maximum is payable under each metric. | The EIS measures are based on a scorecard of designated key annual financial, operational and environmental, social, or governance measures. |

| Element | Purpose and link to strategy | Operation | Maximum | Performance targets |
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| **Performance Share Plan (PSP)** | Annual grants of share-based long term incentives assist with retention, incentivisation and motivation of Executive Directors to achieve long term sustainable returns for shareholders. A post vesting holding period helps align the interests of Executive Directors with those of the Company's shareholders. | Executive Directors can receive PSP Awards, granted annually.<br>Performance is normally measured over three financial years.<br>The value of dividends or other distributions will accrue during the performance and holding periods and will be received with any shares that vest. Value of accrued dividends will normally be accrued and paid in shares.<br>The Committee has the ability to adjust the awards if the formulaic outcome is not considered reflective of individual or business performance or the broader shareholder experience.<br>A malus and clawback mechanism applies to all participants. The discovery period for the event that would give rise to the clawback is three years from the date of payment. | The maximum award is normally over shares with a face value of 200% of salary. In exceptional circumstances this can be increased up to 300% of salary.<br>Awards vest at 25% for threshold performance. | The performance conditions are aligned to the long term business strategy.<br>The Committee may vary the measures that are included in the plan and the weightings between the measures from year to year. |
| **Pension** | The Company aims to provide competitive retirement benefits. | Pension benefits are provided through one or more of the following arrangements:<br>Personal Choice Plan; or<br>as a cash allowance. | Company contributions to any pension scheme, or any amount paid as a cash allowance, in respect of current Executive Directors or a new Executive Director will be in line with the pension contribution rate applying to the majority of the workforce, currently 10% of salary. | N/A |
| **All-employee share plans** | All employees including Executive Directors are encouraged to become shareholders through the operation of all-employee share plans such as the HMRC tax-advantaged Sharesave plan and a Share Incentive Plan (SIP). | The Sharesave plan and SIP have standard terms under which all UK employees with at least three months' service can participate. | Sharesave: Employees can elect for a savings contract of either three or five years, with a maximum monthly saving. Options can be exercised during the six months following the end of the contract.<br>SIP: Employees can elect to contribute an amount per month or by one or more lump sums per tax year.<br>The maximum saving or contribution level for the Sharesave and SIP are approved by the Remuneration Committee and the Board within the limits prescribed by legislation or Government from time to time. | N/A |

| Element | Purpose and link to strategy | Operation | Maximum | Performance targets |
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| **Shareholding guidelines** | Encourages greater levels of shareholding and aligns employees' interests with those of shareholders. | Executive Directors are expected to achieve and maintain a holding of the Company's shares at least equal to 200% of salary and until this level is achieved, are required to retain no less than 50% of the value of any vested EIS, deferred bonus shares or PSP Awards, after tax.<br>A post-employment shareholding requirement will require Executive Directors to hold 200% of salary, or their shareholding level at the time of cessation if their 200% shareholding requirement has not yet been met, for at least two years. This requirement may be reduced by the Committee in exceptional circumstances, such as serious ill-health. | Executive Directors: 200% of salary. | N/A |

The Committee may amend this shareholder approved policy to take account of changes to legislation, taxation and other supplemental and administrative matters without the necessity to seek shareholder approval for those changes.