Remuneration Committee report

Key activities of the Remuneration Committee in 2022

- **Reviewed the Directors' Remuneration Policy, agreed minor amendments and engaged with major shareholders**
- **Approved the remuneration arrangements for Jennie Daly on appointment as Chief Executive**
- **Reviewed base salary levels for Senior Management**
- **Approved the fee for Robert Noel on becoming Chair of the Board**
- **Considered wider workforce remuneration arrangements in light of the cost of living crisis**
- **Ensured a smooth succession and induction process for the Committee Chair**

Committee members	Meeting attendance
1. Lord Jitesh Gadhia (Chair)	●●●●●●
2. Irene Dorner	●●●●●●
3. Robert Noel[a]	●●●●●
4. Gwyn Burr[b]	●●
5. Angela Knight[b]	●●

(a) Robert Noel did not attend one meeting as it was convened to agree his fee on becoming Chair.
(b) Stood down from the Committee on 26 April 2022.

Dear Shareholder

As Chair of the Remuneration Committee (the Committee), I am pleased to present our 2022 Directors' Remuneration Report on behalf of the Board.

Directors' Remuneration Policy Review

Following a thorough review of the current Directors' Remuneration Policy (the Policy) and how it operated within the current three year policy period, the Committee agreed that the Policy has successfully accommodated the significant changes that have taken place to the business and its leadership during its period. The Committee considers that the current remuneration levels are appropriately positioned and therefore do not propose any material amendments to the Policy, other than two minor amendments to align with market practice.

These changes are to accelerate the reduction in the Group Finance Director's pension contribution to the same percentage rate as the wider workforce from 1 January 2023, instead of 1 April 2024, and to increase the level of threshold vesting for the long term Performance Share Plan (PSP) awards from 20% to 25%. As a Committee, we consider that these changes are appropriate and further details on the rationale can be found on page 128.

In line with the 2018 UK Corporate Governance Code (the Code) we consulted with shareholders and employees on our proposed changes to the Policy. I wrote to all shareholders owning 1% or more of our shares, representing c.60% of our ownership, to provide an overview of the proposed minor amendments. Feedback received from shareholders was positive and constructive, and we thank them for their continued support.

We will seek shareholder support for the new Policy at our Annual General Meeting (AGM) on 27 April 2023. Further details on the Resolution can be found in our Notice of Meeting on page 210.

Wider workforce remuneration

We continue to review the remuneration arrangements for the wider workforce and take these into account when considering remuneration arrangements for the Executive Directors and Senior Management. We again reviewed the performance measures in the various annual bonus schemes available across the business and we are confident that they drive behaviours that are consistent with our purpose, values, culture and strategy.

The Committee reviewed the approach taken in respect of wider workforce remuneration in light of the widely reported cost of living challenges. The Board closely monitored the impact of rising inflation and the predicted increase in fuel bills over the winter months for our employees. As a result, the Board approved a timely cost of living payment of up to £1,000 for our lower paid employees.

The Committee has also approved a tiered approach to the salary review process for 2023, ensuring that lower paid employees receive a higher percentage. The salary increases approved by the Committee range from 6% to 3%, and the Executive Directors and Senior Management will all receive 3%.

We are confident that the variable incentive arrangements available for the wider workforce are aligned to Senior Management, including the Executive Directors.

For more information on our approach to wider workforce remuneration, see pages 145 to 147.

Executive Director remuneration decisions and outcomes

Variable incentive schemes

Under the 2022 annual bonus, Executive Incentive Scheme (EIS), the Company performed strongly against each of the financial performance measures. Performance against the customer service metric fell slightly below the stretching target that was set, although we retained our five star status and we made good progress against our ESG strategy. Overall the outcome achieved was 76% of maximum.

The PSP awarded in 2020, measuring performance in the 2020 to 2022 period, will vest at 32.3% of maximum, with the Company having delivered resilient performance in the circumstances, despite the impact of COVID-19 on financial performance in 2020 and the changing market environment in the second half of 2022.

No discretion was used or deemed to be required by the Committee under either the EIS or PSP. The Committee has also determined that the PSP Award value on vesting was not inflated by windfall gains, as the Awards were made in early March 2020 using a share price of 204.3 pence per share, which was prior to the share price (and stock market generally) being impacted by the COVID-19 pandemic. The Committee did not adjust performance targets during 2022.

Further details on both outcomes can be found on pages 138 and 139.

Incoming Chief Executive salary

As disclosed in the 2021 Directors' Remuneration Report, in February 2022 the Committee considered the appropriate remuneration package for Jennie Daly when she became Chief Executive. The package approved was in line with the Policy and provides a salary of £750,000, a 10% pension allowance, and annual bonus and PSP opportunities of up to 150% and 200% of salary respectively.

Looking ahead to 2023

Salary and pension

As noted above, the salaries for the Executive Directors will be increased by 3% with effect from 1 April 2023. This is in line with the Senior Management population. The Group Finance Director's pension has reduced to 10% of salary from 1 January 2023 (instead of 1 April 2024 as previously agreed). I am grateful to Chris Carney for his constructive co-operation in accelerating this previously agreed position. Both Executive Directors will therefore have a pension allowance at the same percentage rate as the wider workforce.

EIS

Executive Directors will be able to earn up to 150% of salary under the 2023 EIS. The EIS performance measures for 2023 also remain broadly in line with 2022, albeit with the ESG based measure now moving from the EIS to the PSP. The measures are set out on page 141 together with the strategic rationale. We consider carefully the target ranges each year, ensuring an appropriate balance between achievability and stretch. Due to uncertain market conditions, at the time of writing, the precise weightings and final target ranges have not been finalised by the Committee, although we have agreed that the percentage based on financial measures should be increased from 60% to 70% of the overall bonus opportunity. However, detailed retrospective disclosure of the weightings, targets and performance against them will be provided next year in the usual way.

PSP

The PSP will operate in accordance with the Policy as set out on pages 128 to 134. It is expected that Executive Directors will be granted awards to the value of 200% of salary.

As part of the review of the Policy, the Committee has considered the mix of the different performance measures and their link to strategy. Following careful consideration, as noted above, the Committee has concluded that an element of the PSP should be based on an ESG measure for the first time and, for the 2023 Award this should be based on a reduction in our Scope 1 and 2 emissions linked to our net zero carbon strategy.

As noted above in relation to the EIS, due to uncertain market conditions, at the time of writing, the precise weightings of the measures and final target ranges for the 2023 PSP Award have also not been finalised by the Committee. We anticipate that these will be determined soon, allowing the Awards to be granted and there will be full details contained within the RNS announcement when the Awards are granted and again in next year's report.

Chair and Non Executive Director

The Committee considered the appropriate fee for Robert Noel on becoming Chair. It was agreed that Rob would receive a fee of £335,000 per annum from appointment at the conclusion of the forthcoming AGM.

New All-Employee Share Plans

Our Save As You Earn option scheme and our Share Incentive Plan, both of which are all-employee share plans with modest individual participation limits, are reaching the end of their ten year life and, accordingly, new scheme rules are being proposed for shareholder approval at the 2023 AGM. Executive Directors may participate in both schemes, alongside all eligible employees.

Committee changes

Following the changes to the composition of the Board announced after the Company's 2022 AGM, when Gwyn Burr and Angela Knight stepped down as Non Executive Directors, there was a period of transition during which the composition of the Board and its Committees was reviewed by the Nomination and Governance Committee. During that period, the Remuneration Committee's three members included the Chair. As the Code does not count the Chair as one of the required three independent Non Executive Director members of the Remuneration Committee, arrangements are in hand to add additional members to the Committee. We will announce the required Committee membership changes, to align with the Code requirements for three independent Non Executive Directors, ahead of the AGM.

Stakeholder engagement

As previously mentioned, the Committee consulted our major shareholders during the Policy review process. Irene Dorner, in her capacity as Chair of the Board, continued to engage with shareholders during 2022 and shared any remuneration related matters with the Committee for consideration. Rob Noel, in his capacity as Employee Champion, engaged with the workforce throughout the year and brought this perspective into the Committee discussions.

Closing remarks

On behalf of the Committee, I would like to thank shareholders for their constructive engagement on remuneration matters throughout the past year and look forward to continuing our dialogue during 2023, especially in the context of implementing the new Policy being presented for approval at the AGM.

Jitesh Gadhia

Lord Jitesh Gadhia
Chair of the Remuneration Committee

1 March 2023

Introduction

This Report has been prepared by the Committee on behalf of the Board. The 2022 Remuneration Report includes disclosures which reflect in full the Regulations (as defined below) on remuneration reporting, divided into three sections:

– The annual statement from the Remuneration Committee Chair.
– Remuneration Policy: this sets out the new Remuneration Policy (the 2023 Policy) that will be proposed to shareholders at the 2023 AGM, describing the framework within which the Company remunerates its Directors. If approved by shareholders, the 2023 Policy will apply for a period of three years from the date of the 2023 AGM or until a revised Policy is approved by shareholders.
– Annual Report on Remuneration: this sets out how the current Policy was applied during 2022 and how the 2023 Policy will be operated during 2023.

The Policy and these remuneration reports have been prepared in accordance with the relevant provision of the Companies Act 2006 and on the basis prescribed in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations (Amendment) 2008 (the Regulations). Where required, data has been audited by PwC and this is indicated.

Remuneration at a glance

Our remuneration strategy

Our remuneration strategy is centred around three core objectives:

1 Attraction
Attracting talent to our Company through a competitive compensation package

2 Engagement
Incentivising, motivating, and recognising success

3 Retention
Remaining agile to employee needs and market changes

Overview of key elements included in the Directors' Remuneration Policy

Fixed pay

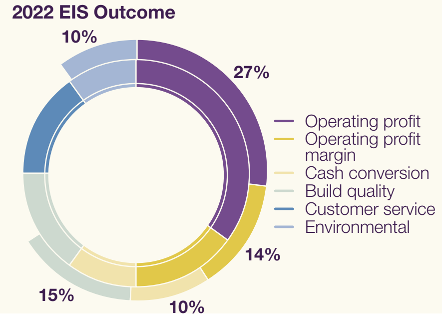
Remuneration element	Element timeline (years)	Implementation in 2022
Base salary Recruit and reward executives of a suitable calibre for the role and duties required. **Pensions** Executive Director pension contributions are in line with the wider workforce. **Benefits** Competitive package to assist with recruitment and retention.	1 2 3 4 5 — Base salary	**3%** salary increase for the Executive Directors effective 1 April 2022

Variable pay

Executive Incentive Scheme (EIS)
Rewards the achievement of stretching financial performance targets and other objectives that support the Company's annual and strategic goals.
Maximum: 150% of salary
Deferral: One third deferred into shares for three years

Element timeline (years): 1 2 3 4 5 — Two thirds cash; One third deferred into shares for three years

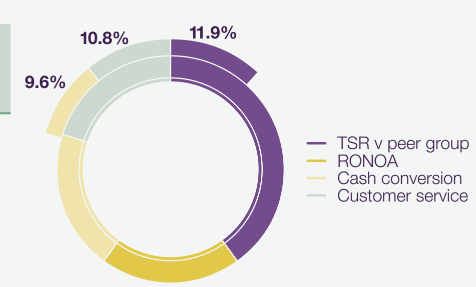
2022 EIS Outcome



Performance Share Plan (PSP)
Assists with retention, incentivisation and motivation to achieve long term sustainable returns for shareholders.
Maximum: 200% of salary
Performance period: Three years
Holding period: Two year holding period post vesting

Element timeline (years): 1 2 3 4 5 — Performance period; Holding period post vesting

2020 PSP Award Outcome



Proposed application of the Policy in 2023

	Measure	Rationale	Link to strategic cornerstone	Link to KPI	Link to stakeholder
EIS	**Operating profit**	Maximise aggregate profit	O		•
	Operating profit margin	Optimise sales prices and improve cost discipline	O		•
	Cash conversion	Maximise the generation of cashflow from profits	C		•
	Build quality	Deliver high quality homes with the need for less remediation	S O	•	•
	Customer service (8-week)	Maintain customer trust and endorse Company reputation	S	•	•
PSP	**TSR v peer group**	Align the rewards received by executives with the returns received by shareholders	S C		•
	Operating profit margin	Optimise sales prices and improve cost discipline	O		•
	RONOA	Maintain focus on driving increased capital efficiency	C		•
	Customer service (9-month)	Maintain customer trust and endorse Company reputation	S	•	•
	Carbon emissions reduction	Support the Company's strategy on carbon emissions reductions across our operations	S	•	•

For more information, please refer to our strategic cornerstones and Key Performance Indicators on pages 21 to 33

Proposed changes to the Directors' Remuneration Policy

Minor amendments proposed to the existing Directors' Remuneration Policy:

- Group Finance Director's pension contribution to be aligned to the wider workforce from 1 January 2023
- PSP threshold vesting to increase from 20% to 25% in line with market practice

Further information on the rationale for these changes can be found on page 128.

Key wider workforce highlights in 2022:

c.90% of employees received a cost of living payment of up to £1,000

58% of employees are either shareholders or participate in an all-employee share plan

3% salary increase awarded effective 1 April 2022

4.6% increase in average salary below the GMT

For further information on wider workforce remuneration see page 145

Remuneration Policy Report

The current Policy was subject to a binding shareholder vote at the AGM of the Company on 23 April 2020 and was approved by over 98% of shareholders who voted. The three year life of the current Policy will expire at the 2023 AGM when we will be required to seek binding shareholder approval for a new Policy (the 2023 Policy). If approved by shareholders, the 2023 Policy will apply from the date of the 2023 AGM or until a revised Policy is approved by shareholders if sooner.

The 2023 Policy is designed to ensure that the remuneration framework will support and drive forward the Taylor Wimpey strategy by both challenging and motivating the Executive Directors and Senior Management to deliver it, and this will in turn drive value for our shareholders whilst having due regard to our other stakeholders. The 2023 Policy is set out in this report and is also available to view on the Company's website.

When the Committee designed the 2023 Policy and its operation, it has considered the factors in Provision 40 of the Code. Full details on how clarity, simplicity, risk, predictability, proportionality and alignment to culture are addressed can be found on page 135.

Policy review

Following a thorough review of the current Policy, the Committee concluded that it had operated well and, in particular, had successfully accommodated the significant changes that have taken place to the business and its leadership during its three year term. Current remuneration levels are appropriately positioned and, structurally, the Policy aligns with market practice, the Code requirements and investor guidelines. Accordingly, two minor amendments are proposed under the 2023 Policy, which are set out in the table at the bottom of this page.

No Director or other executive is involved in any decisions about his or her own remuneration. Conflicts of interest are managed carefully and a register is maintained by the Company Secretary in accordance with the Company's Conflicts Policy. The Committee also ensures that external advice is independent.

Policy overview

A key part of the Committee's role is to ensure that the remuneration of Executive Directors and Senior Management is aligned to the Company's strategic objectives. It is key that the Company is able to attract and retain leaders who are focused and also appropriately incentivised to deliver the Company's strategic objectives, within a framework that is aligned with the long term interests of the Company's shareholders.

This alignment is achieved through a combination of:

- Performance measures for the EIS and PSP aligned with Key Performance Indicators, the Company's strategic objectives and measures of sustainable performance.
- Deferral into shares of a percentage of the EIS.
- A two year retention period for vested PSP Awards.
- Share ownership guidelines which require executives to build up holdings of Taylor Wimpey shares, either directly or by retaining vested PSP Awards and deferred EIS amounts.
- A post-employment shareholding requirement.
- Robust clawback and malus provisions.

The above requirements ensure that a significant percentage of the overall remuneration package of our Executive Directors and Senior Management is subject to performance and delivered in shares which must be held long term. With all packages for our Executive Directors substantially geared towards meeting challenging targets set under the EIS and PSP, the Committee believes that the pay and benefits of its Executive Directors and Senior Management adequately balance reward and risk.

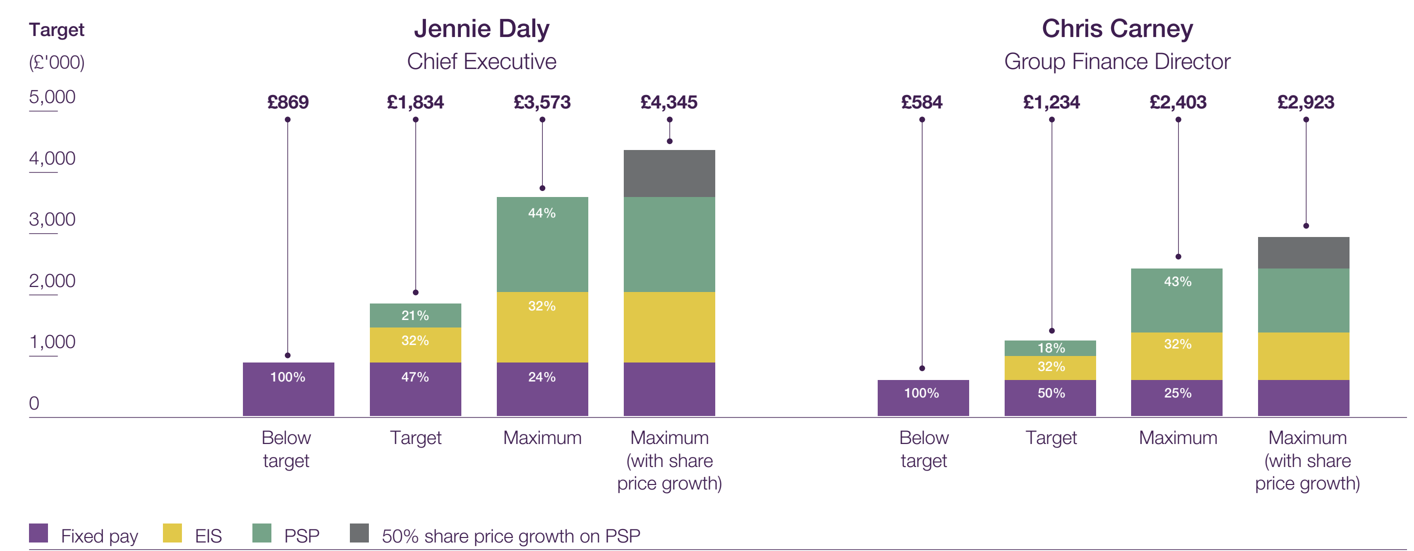
In line with best practice, the Committee structures the incentives for Executive Directors and Senior Management in a way that ensures they will not raise ESG risks by inadvertently motivating irresponsible behaviour. More generally, the Committee under its Terms of Reference may, where it considers appropriate, take ESG matters into account when considering the overall remuneration structure and as part of its overall discretion.

The proposed changes and rationale are set out below. Other minor drafting changes have also been made to provide more clarity on the operation of the 2023 Policy.

Policy element	Proposed change	Rationale	Outcome
Group Finance Director's pension contribution	The Group Finance Director's pension contribution to align with the wider workforce by 1 January 2023 instead of 1 April 2024.	In light of the deadline set by the Investment Association of 31 December 2022 (that was set after our current Policy had been approved) Chris Carney volunteered to accelerate the time frame for his pension reduction so that it would reduce to 10% of salary, by 1 January 2023.	With effect from 1 January 2023, the Company will be compliant with Provision 38 of the Code.
Threshold vesting level for PSP	Proposed threshold vesting of PSP Awards to increase from 20% to 25%.	We have reviewed the overall competitiveness of the package as well as market practice on the structure of long term incentive plans, where all housebuilders' long term incentive plans and the vast majority of the FTSE begin vesting at a 25% threshold level. We propose to increase the level of threshold vesting from 20% to 25% of the award. We have a track record of setting stretching target ranges and will continue to do so.	Threshold performance vesting level for PSP awards to be 25% of the total Award.

Illustration of the Remuneration Policy for 2023

The charts below illustrate the level and mix of remuneration based on the Policy depending on the achievement of below target, target and maximum performance for the Executive Directors in 2023.



1. Salary is £772,500 and £519,841 for Jennie Daly and Chris Carney, respectively, as at 1 April 2023.
2. Benefits are £19,313, and £11,933 for Jennie Daly and Chris Carney, respectively, being the 2022 value.
3. Pension is 10% for Jennie Daly and Chris Carney.
4. For the EIS the target and maximum award is 75% and 150% of base salary, respectively.
5. For the PSP the target (assumed for these purposes to be at threshold performance) and maximum are 40% and 200% of base salary, respectively.
6. An indication of the maximum remuneration receivable assumes a share price appreciation of 50% during the period in which the award is subject to underpins. The basis of the calculation of the share price appreciation is that the share price embedded in the calculation for the 'maximum' bar chart is assumed to increase by 50% across the performance period.

Remuneration Committee report *continued*

Element	Purpose and link to strategy	Operation	Maximum	Performance targets
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. Salary level and increases take into account the following: – The performance, role, and responsibility of each individual Executive Director. – The economic climate, general market conditions and the performance of the Company. – The level of pay awards across the rest of the business. – 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. However, larger increases may be awarded in certain circumstances including but not limited to: – Increase in scope or responsibilities of the role. – To apply salary progression for a newly / recently appointed Executive Director. – 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. 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. Reviewed periodically but generally annually and at least every other year. Takes into account levels in comparably-sized companies and other major housebuilders. Non Executive Directors do not participate in any incentive, share scheme, employee benefits or pension arrangements. Any reasonable expenses incurred in carrying out duties will be fully reimbursed including any personal taxation associated with such expenses.	Aggregate annual limit of £1 million imposed by the Company's Articles of Association.	N/A
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: – Company-provided car or a cash allowance; – Healthcare; and – Life assurance. Benefits offered to the wider workforce may also be offered to Executive Directors. 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. 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. 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. 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. One-third (net) of any EIS is payable in shares which are held in trust for three years. 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. 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. 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
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. Performance is normally measured over three financial years. 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. 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. 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. Awards vest at 25% for threshold performance.	The performance conditions are aligned to the long term business strategy. 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: – Personal Choice Plan; or – 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. SIP: Employees can elect to contribute an amount per month or by one or more lump sums per tax year. 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
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. 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.

How the EIS and PSP measures and targets are chosen

The performance measures selected for the EIS and PSP are set each year to reflect the Group's key strategic goals and are designed to align the Executive Directors' and Senior Management's interests with those of the Company's shareholders and wider stakeholders. The Committee consults with major shareholders where any significant changes are proposed.

The Committee will continue to review the choice of performance measures and the appropriateness of the performance targets each year. Targets are set based on a sliding scale that takes account of internal planning and external market expectations for the Company. Maximum rewards require substantial out-performance of our challenging plans approved at the start of each year, with a significantly lower level of rewards available for delivering threshold and target performance levels.

The proposed measures for the 2023 EIS and PSP are set out on page 141.

Committee discretion

The Committee recognises that the exercise of discretion must be undertaken in a careful and considered way as it is an area that will rightly come under scrutiny from shareholders and other stakeholders. The Committee confirms that any exercise of discretion would be within the available discretions set out in this Report and that the maximum levels available under any relevant plans would not be exceeded. There would be full disclosure in the following Directors' Remuneration Report and major shareholders would be consulted if appropriate.

With regard to both the EIS and the PSP, the Committee, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of these plans but in all cases within the applicable scheme rules. This includes the ability to apply malus, clawback, and responsible discretion to override formulaic outcomes to ensure they are aligned to performance and broader stakeholder experience.

How shareholder views are taken into account

The Committee regularly engages with the Company's largest shareholders and shareholder representative bodies regarding the ongoing Policy and its implementation, and will take into account any feedback when determining any changes that might apply.

The last such consultation took place in December 2022, when we consulted with major shareholders representing c.60% of our issued share capital in relation to the 2023 Policy. Overall shareholders were positive in their feedback.

Wider workforce policies and practices

The Committee is mindful of remuneration arrangements across the business and regularly receives reports regarding wider workforce policies and pay practices. Further details on this can be found on pages 145 to 147.

Many of our employees can elect to take their bonus payments in shares (and benefit from a 20% uplift) rather than in cash, further enhancing the link and alignment between shareholder value and employee reward throughout the Company, which both the Board and the Committee consider important.

How our employees' voice is taken into account

There are clear links between the Executive Directors, Senior Management and wider workforce remuneration arrangements. As part of the Policy review, the Head of Reward and Pensions attended a meeting of the Company's National Employee Forum (the NEF) to provide an update to members on how the Committee has reviewed the Policy. Rob Noel in his capacity as Employee Champion also attended this meeting and was able to feed back to the Committee on the views of the NEF members. Overall feedback from the NEF was positive and they confirmed that they understood the links between the different levels of remuneration in the business. Many employees are also shareholders in the Company and have the opportunity to vote on remuneration related resolutions at the Company's AGMs.

External non executive director positions

Subject to Board approval and provided that such appointments fall within the general requirements of the Code (and do not give rise to any conflict issues which cannot be managed by the Board and the Executive Director), Executive Directors are permitted to take on one non executive position with another company. Executive Directors are permitted to retain their fees in respect of such positions. Details of any external positions held by the Executive Directors can be found in their biographies on pages 88 and 89.

Remuneration Policy on recruitment or promotion

Component	Policy and operation
Remuneration	**Base salary** Base salary levels will be set in accordance with the Policy, taking into account the experience and calibre of the individual. Where appropriate, the Company may offer a below market salary initially with a view to making above market and workforce increases over a number of years to reach the desired salary positioning, subject to individual and Company performance. **Benefits** Benefits will be provided in accordance with the Policy and relocation expenses will be provided if necessary. Tax equalisation may also be considered if a new Executive Director is adversely affected by taxation due to their employment with the Company. Legal fees and other costs incurred by the individual may also be paid by the Company, if considered appropriate and reasonable to do so. **Pension** Pension contributions will be provided in accordance with the Policy. **EIS and PSP** EIS and PSP may be offered in accordance with the Policy and will be subject to the maximum levels described in the Policy table on pages 130 and 131. The Company may also consider applying different performance measures if it feels these more appropriately meet the strategic goals and aims of the Company whilst incentivising the new appointee.
Buy-out Awards	In the case of an external hire, the Company may choose to buy-out any incentive pay or benefit arrangements which would be forfeited on leaving the previous employer. This will only occur where the Company feels that it is a necessary requirement to aid the recruitment. The replacement value would be provided for, taking into account the form (cash or shares), timing and expected value (i.e. likelihood of meeting any existing performance criteria) of the remuneration being forfeited. Replacement share awards, if used, will be granted using the Company's existing share plans wherever and to the extent possible, although in exceptional circumstances awards may also be granted outside of these plans if necessary and permitted under the Listing Rules. To ensure alignment from the outset with shareholders, malus and clawback provisions may also apply where appropriate and the Committee may require new Executive Directors to acquire Company shares up to a pre-agreed level. Shareholders will be informed of any buy-out payments and awards at the time of appointment.
Internal promotion	In the case of an internal hire including a promotion, the Company will honour any commitments entered into prior to their appointment to the Board even where it is not consistent with the Policy prevailing at the time such commitment is fulfilled.

Service contracts and letters of appointment

The tables below set out the dates of each of the Executive Directors' service contracts and the dates of the Non Executive Directors' letters of appointment. Directors are required to retire at each AGM and seek re-election by shareholders.

Service contracts for each Executive Director and letters of appointments for each Non Executive Director are available for inspection at the Company's registered office during normal business hours and at the AGM.

Executive Director	Service contract commencement date	Unexpired term (months)
Jennie Daly[(a)]	26 April 2022	12
Chris Carney	20 April 2018	12

Non Executive Director	Date of appointment	Notice period by Company and Director (months)
Irene Dorner	1 December 2019	6
Robert Noel	1 October 2019	6
Mark Castle	1 June 2022	6
Jitesh Gadhia	1 March 2021	6
Scilla Grimble	1 March 2021	6
Clodagh Moriarty	1 June 2022	6
Humphrey Singer	9 December 2015	6

(a) Jennie Daly signed a new service contract when she was appointed as Chief Executive that superseded her original service agreement dated 20 April 2018.

Directors' contracts and policy on payments for loss of office

Component	Policy and operation
Unexpired term	The unexpired term of Executive Director contracts is 12 months. Jennie Daly and Chris Carney are proposed for re-election at the 2023 AGM. Chris and Jennie will have at that date an unexpired service contract of 12 months.
Notice period	Executive Directors have contracts of employment providing for a maximum of 12 months notice period either way, consistent with Provision 39 of the Code.
Provisions in the contract	The payment of a base salary. An expensed company car or a cash allowance, life assurance, and private medical insurance. Employer's contribution to a pension. A notice period by either side of 12 months. A provision requiring a Director to mitigate losses on termination. Participation in the EIS annual bonus scheme. Participation in a long term incentive plan.
Termination	The Company has the right to terminate contracts by making a payment in lieu of notice. Any such payment will typically reflect the individual's salary, benefits in kind, and pension entitlements. The Company will be mindful, on termination of an Executive Director's employment, of the need to mitigate costs and phase payments, which cease when the individual obtains an alternative role. There are no change of control provisions that apply in relation to the service contract of any Executive Director.
Executive Incentive Scheme (EIS)	Other than in certain 'good leaver' circumstances (which could include redundancy, ill-health, or retirement), no payment would usually be due under the EIS unless the individual remains employed at the payment date. Any payment to a good leaver under the EIS would be based on an assessment of their and the Company's performance over the applicable period and pro-rated for the proportion of the EIS year worked.
Performance Share Plan (PSP)	The rules of the PSP provide that, other than in certain good leaver circumstances, awards lapse on cessation of employment. Where an individual is a good leaver, the Committee's normal policy is for the award to vest at the normal time following the application of performance targets, and a pro-rata reduction to take account of the proportion of the applicable performance period outstanding post the cessation. The Committee also has discretion for both early vesting and reducing the impact of pro-rating. In doing so, it will take account of the reason for the departure and the performance of the individual through to the time of departure.
Exit payments	In situations where an Executive Director is dismissed, the Committee reserves the right to make additional exit payments where such payments are made in good faith: – In the discharge of an existing legal obligation (or by way of damages for breach of such an obligation). – By way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment. – To contribute towards the individual's legal fees and fees for outplacement services.
Legacy arrangements	Any commitment which is consistent with the approved Remuneration Policy in force at the time that the commitment was made, or made to a current Director prior to appointment, and not in connection therewith, will be honoured, even where it is not consistent with the policy prevailing at the time such commitment is fulfilled. There are no legacy commitments in place for the Directors.
Non Executive Directors	The terms of engagement of the Chair of the Board and the Non Executive Directors are regulated by letters of appointment over a term of three years, which are reviewed annually. Both the Company and the Directors (including the Chair) have a notice period of six months and the Directors are not entitled to compensation on termination other than for the normal notice period if not worked.

Annual Report on Remuneration

This section sets out how the current Policy was applied for the year ended 31 December 2022. The Annual Report on Remuneration, including the Chair's annual statement on pages 124 and 125, will be put to an advisory shareholder vote at the AGM on 27 April 2023. Details of the resolution are set out in the Notice of Meeting on page 211.

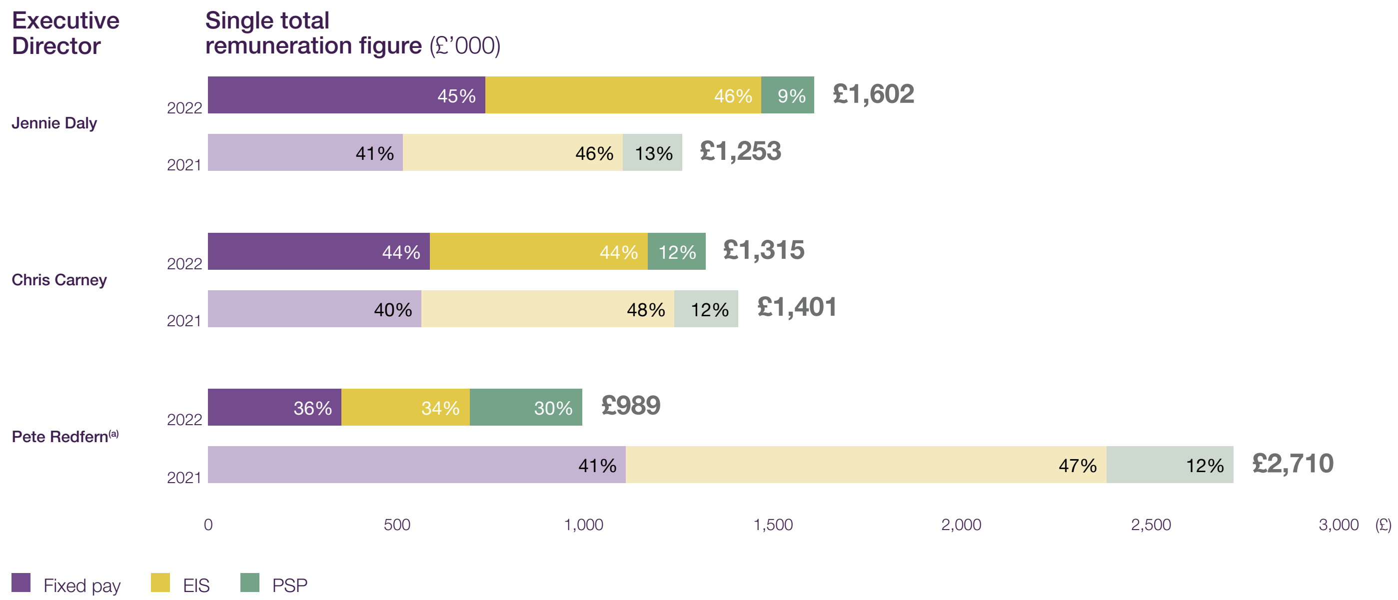
During the year, the Policy (as approved by shareholders at the 2020 AGM), operated as intended in terms of Company performance and quantum and the Committee has not used discretion during the year.

Complying with the UK Corporate Governance Code in 2022

Clarity	Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	We have operated a consistent approach to Directors remuneration over many years and our disclosures in the Directors' Remuneration Reports are set out in a transparent manner. We also adopt a proactive approach to engaging with shareholders and the wider workforce, and further details on the mechanisms used can be found on page 132.
Simplicity	Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	Executive Director remuneration arrangements have been designed to be as simple as possible. The table on page 127 shows the different elements of Executive Director remuneration and how the performance measures are linked to our strategic cornerstones, KPIs and stakeholders.
Risk	Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based plans, are identified and mitigated.	Risk is mitigated through careful plan design, including long term performance measurement, deferral, shareholding requirements (including post cessation of employment requirements), discretion and clawback mechanisms. The Committee also carefully considers the performance measures and targets for the incentive plans to ensure that they do not encourage the Executive Directors to take reputational or behavioural risks.
Predictability	The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the policy.	We look carefully at the range of likely performance outcomes when setting performance target ranges and use discretion where necessary.
Proportionality	The link between individual awards, the delivery of strategy and the long term performance of the Company should be clear. Outcomes should not reward poor performance.	Incentive plans are determined based on a proportion of base salary so there is a sensible balance between fixed pay and performance-linked elements. Performance conditions are aligned to the business strategy and shareholder experience. There are provisions to override the formula-driven outcome of incentive arrangements, as well as deferral and clawback mechanisms to ensure that poor performance is not rewarded.
Alignment to culture	Incentive arrangements should drive behaviours consistent with Company purpose, values and strategy.	Our overall reward framework embeds our purposes and values. Decisions on executive pay need to be taken in the context of the wider stakeholder experience.

Total remuneration received (£'000) (audited)

The chart below compares the 2022 single figure total remuneration for each of the Executive Directors with the equivalent figure for 2021.



(a) The 2022 figure for Pete Redfern is for the time spent as a Director.

Single total figure of remuneration for Executive Directors (audited)

The table below sets out the single total figure of remuneration received by each Executive Director for their service and performance in 2022 and 2021.

	Jennie Daly[a]		Chris Carney		Pete Redfern[b]	
£'000	2022	2021	2022	2021	2022	2021
Base salary	642	406	501	467	287	887
Benefits[c]	19	42	12	20	14	47
Pension[d]	71	67	73	77	51	170
Total fixed pay	**732**	515	**586**	564	**352**	1,104
EIS[e]	730	581	575	668	339	1,270
PSP[f]	140	157	154	169	298	336
Total variable pay	**870**	738	**729**	837	**637**	1,606
Total pay	**1,602**	1,253	**1,315**	1,401	**989**	2,710

(a) Jennie Daly - Jennie became Chief Executive on 26 April 2022 and her 2022 EIS payment has been pro-rated to time as Group Operations Director and Chief Executive.
(b) Pete Redfern - Pete stepped down as Chief Executive and as a Director of the Company on 26 April 2022. The 2022 figures are for the period of time spent as a Director, with the exception of the PSP, which is the total value of his 2020 PSP Award.
(c) Benefits - corresponds to the value of taxable benefits in respect of the year ended 31 December 2022, as set out in the table on page 137.
(d) Pension - For Jennie Daly and Chris Carney these figures represent pension contributions up to the amount permissible under HMRC rules and cash allowances beyond that level. For Pete Redfern these figures represent the cash allowance payable.
(e) EIS - The 2022 EIS outcome was 76% and further details can be found on page 138. The 2021 EIS outcome was 95%. For both years, one third of the Executive Directors bonus is deferred into shares for three years. These shares will not be subject to any further performance or non-performance measures.
(f) PSP - The outcomes of the 2019 and 2020 PSP Awards included in the 2021 and 2022 columns can be found on page 139. Both figures include the value of dividends accrued during the performance period and are payable in shares. There is a compulsory two year holding period for any vested PSP shares and the dividend shares will also be subject to this holding period. The 2021 figure has been restated to reflect the share price on the date the Award vested. The 2022 figure has been calculated using a share price of 98.28 pence as this was the average share price for the dealing days in the last three months of the financial year.

Salaries in 2022 (audited)

Jennie Daly's base salary was increased from £408,000 to £750,000 per annum on appointment to Chief Executive on 26 April 2022. The Committee also awarded Chris Carney a 3% increase, with effect from 1 April 2022, which was in line with general workforce increases. As Pete Redfern was serving his notice period, he did not receive a salary increase in 2022.

Benefits (audited)

£'000	Jennie Daly	Chris Carney	Pete Redfern
Benefits	2022	2022	2022
Car	11	2	8
Healthcare	3	5	4
Life assurance	3	3	1
All-employee share schemes[a]	2	2	1
Total	**19**	**12**	**14**

(a) These figures represent the value of matching shares under the Share Incentive Plan. The Executive Directors did not exercise any Sharesave options during the year.

Directors' pension entitlements (audited)

With effect from 1 January 2023, the Executive Directors' pension contributions will be 10%, which is the same available to the majority of the workforce (10%) and as such, the Company will be compliant with Provision 38 of the Code from 1 January 2023.

The value of Company pension contributions in 2022 for Jennie Daly and Chris Carney was:

Director	2022 (£)	2021 (£)
Jennie Daly	**3,974**	4,029
Chris Carney	**3,994**	4,003

Jennie and Chris also received pension allowances of £67,407 (2021: £62,930) and £68,600 (2021: £72,828) respectively in lieu of Company pension contributions over the Tapered Annual Allowance limited introduced in April 2016.

Pete Redfern received a cash allowance of £51,141 (2021: £169,666) in lieu of Company pension contributions until he stepped down from the Board on 26 April 2022. He also received a cash allowance of £85,786 for the period 27 April 2022 to 8 December 2022 inclusive.

Pete Redfern was a deferred member of the Taylor Wimpey Pension Scheme (TWPS). The following table sets out the benefits payable in accordance with the rules of the TWPS.

Director	Normal Retirement Age[a]	Accrued pension as at 31/12/2021 (£)	Increase in accrued pension from 31/12/2021 to 26/04/2022 (£)	Accrued pension as at 26/04/2022[b][c] (£)
Pete Redfern	62	16,406	156	16,562

(a) In the event of early retirement before Normal Retirement Age, no additional benefits are paid. Pensions that are put into payment before Normal Retirement Age are reduced on actuarial advice to reflect early payment in line with the rules of the TWPS.
(b) The pension benefits are based on service up to 31 August 2010 when the George Wimpey Staff Pension Scheme (GWSPS) closed to future accrual.
(c) Pete Redfern's accrued pension on leaving Company employment on 8 December 2022 was £16,917, a further increase in pension of £355 per annum.

Executive Incentive Scheme (EIS) in 2022 (audited)

The outcome of the 2022 EIS is 76% of the maximum and detailed disclosure of the targets and performance against them is set out below. Overall financial performance was strong against a challenging backdrop in the second half of the year. Despite falling just short of the challenging customer service entry level, we are pleased to have maintained our 5-star builder status again which demonstrates a high level of customer service. During the year, the Committee did not exercise any discretion to adjust any formula driven remuneration outturns in relation to the EIS.

The chart below shows the performance against the 2022 EIS measures.

Performance measure	Weighting	Summary of targets: Entry (10%)	Target (50%)	Stretch (100%)	Result	Payout (%)
Operating profit	35%	£860m	£905m	£940m	£923.4m	27%
Operating profit margin	15%	19.5%	20.2%	21.0%	20.9%	14%
Cash conversion	10%	130%	140%	150%	149.7%	10%
Build quality	15%	4.50	4.55	4.60	4.81	15%
Customer service[a]	15%	90.50%	91.00%	92.00%	90.1%	0%
Environmental						
Carbon intensity targets[b]	5%	1.52	1.49	1.43	1.37	5%
The Board to approve the Net Zero Transition Plan and for it to be submitted to SBTi	5%	The Board approved the Net Zero Transition Plan and it was submitted to SBTi in December 2022[c]				5%
Total	**100%**					**76%**

(a) Percentage of customers who would recommend Taylor Wimpey to a friend from the independently measured NHBC 8-week survey.
(b) The carbon intensity targets were independently verified by The Carbon Trust.
(c) The Board strongly supported the Net Zero Transition Plan submitted by Management. See pages 56 and 57 for further information on our Net Zero Transition Plan.

One third of the Executive Directors' EIS will be paid in shares and be required to be retained in the Company's Employee Benefit Trust for three years. These shares will not be subject to any further performance or non-performance measures.

Performance Share Plan (PSP) in 2022 (audited)

2020 PSP Award outcome

The PSP awarded in 2020, measuring performance in the 2020 to 2022 period, will vest at 32.3%. Performance was impacted by COVID-19 in 2020 and the changing market environment in the second half of 2022. The Committee has carefully considered whether the vesting outcome is inflated by windfall gains caused by the COVID-19 pandemic. The Committee has determined that the outcome was not inflated by windfall gains as the Awards were made in early March 2020 using a share price of 204.3 pence per share, which was prior to the share price being impacted by the COVID-19 pandemic.

The chart below shows the performance against the 2020 PSP Award measures.

Performance measure	Weighting	Threshold (20% vesting)	Maximum (100% vesting)	Result	% of maximum
TSR v peer group[a]	40%	Median	Upper quartile	TW: -36.6% Median: -37.0%	11.9%
RONOA (2020 - 2022)[b]	20%	26%	33%	22.9%	0%
Cash conversion (2020 - 2022)[b]	20%	70%	80%	73.5%	9.6%
Customer service (2020 - 2022)[c]	20%	83%	87%	84.7%	10.8%
Total	**100%**				**32.3%**

(a) The peer group is comprised of Barratt Developments, Bellway, Berkeley Homes, Countryside Partnerships (formerly Countryside Properties), Crest Nicholson, Persimmon, Redrow and Vistry Group. Countryside Partnerships was acquired by Vistry Group in November 2022. For the purpose of assessing the TSR performance of Countryside Partnerships, its performance has been tracked forward using the performance of Vistry Group (the acquirer) from the date trading in the shares was suspended (11 November 2022).
(b) The target ranges for the RONOA and cash conversion measures, which are based on the average annual performance over the three-year performance period, were set before the significant equity raise in 2020. The FY2020 and FY2021 outturns were adjusted to neutralise the impact of the equity raise in 2020 and a further adjustment was made to the FY2022 RONOA and cash conversion outturns to neutralise the impact of the Company's increased WIP due to the additional land acquired. These adjustments ensure that the targets were equally challenging after the overall impact of the equity raise as they were before, in the view of the Committee (and confirmed by the Audit Committee).
(c) The customer service measure was based on five key questions from the independently measured NHBC 8-week survey.

PSP Awards included in the 2021 and 2022 single total figure of remuneration table

The table below sets out the number of shares each Executive Director received after the vesting of the 2019 and 2020 PSP Awards.

	Name	Number of shares granted	Value of award at grant (£'000)	End of performance period	Proportion of award vesting	Number of shares vesting	Number of dividend equivalent shares	Total number of shares	Vesting date	Value attributable to share price increase	Value of proportion of PSP (single figure)(£'000)
2022[a]	Jennie Daly	391,581	800	31/12/2022	32.3%	126,480	16,395	142,875	02/03/2023	–	140
	Chris Carney	429,368	877	31/12/2022	32.3%	138,685	17,977	156,662	02/03/2023	–	154
	Pete Redfern[c]	855,762	1,748	31/12/2022	32.3%	268,733	34,838	303,571	02/03/2023	–	298
2021[b]	Jennie Daly	442,355	800	31/12/2021	22.1%	97,760	15,544	113,304	03/03/2022	–	157
	Chris Carney	475,532	860	31/12/2021	22.1%	105,092	16,709	121,801	03/03/2022	–	169
	Pete Redfern	947,769	1,714	31/12/2021	22.1%	209,456	33,306	242,762	03/03/2022	–	336

(a) The 2020 PSP Award is included in the 2022 single total remuneration figure. The performance against each of the performance measures is noted in the table above. A share price of 98.28 pence was used to calculate the value of the Award vesting on 2 March 2023 as this was the average share price for the dealing days in the last three months of the financial year. This figure will be recalculated in the Annual Report and Accounts 2023 to reflect the share price on the date the Award vests. Dividend equivalents will be paid in shares.
(b) The 2019 PSP Award is included in the 2021 single total remuneration figure. The overall performance of the Award can be seen on page 108 of the Annual Report and Accounts 2021. The closing share price on the date the Award vested (138.55 pence) has been used to recalculate the Award. Dividend equivalents were paid in shares.
(c) Pete Redfern's 2020 PSP Award was pro-rated to the date he left the business on 8 December 2022.

PSP Awards granted during 2022

The tables below set out the PSP Awards granted during the year and the performance measures for the Award. The Committee consider that they provide a good overall balance in assessing our longer term performance against the business strategy. The targets were reviewed to reflect current market conditions and business forecasts for the Group.

Executive Director	Award type	% of salary	Grant date	Face value of award at maximum vesting	Number of shares granted	End of performance period
Jennie Daly[a]	Nil-cost option	200	26/04/2022	£1,500,000	1,141,552	31/12/2024
Chris Carney[b]	Nil-cost option	200	10/03/2022	£980,000	749,713	31/12/2024

(a) The share price (131.40 pence) used to calculate the number of shares awarded to Jennie was based on the average closing share price over the three business days prior to grant (21, 22 and 25 April 2022).
(b) The share price (130.72 pence) used to calculate the number of shares awarded to Chris was based on the average closing share price over the three business days prior to grant (7, 8 and 9 March 2022).

Performance measure	Weighting	Threshold (20%)	Maximum (100%)
TSR v peer group[a]	40%	Median	Upper quartile
Operating profit margin (2022-2024)[b]	20%	19%	21%
RONOA (2022-2024)	20%	23%	25%
Customer service (2022-2024)[c]	20%	78%	81%

(a) The peer group comprises Barratt Developments, Bellway, Berkeley Homes, Countryside Partnerships (formerly Countryside Properties), Crest Nicholson, Persimmon, Redrow and Vistry Group. Countryside Partnerships was acquired by Vistry Group in November 2022. For the purpose of assessing the TSR performance of Countryside Partnerships, its performance has been tracked forward using the performance of Vistry Group (the acquirer) from the date trading in the shares was suspended (11 November 2022).
(b) The metrics for the 2022 PSP Awards are the same as for the 2021 PSP Awards. It is noted that page 116 of the Annual Report and Accounts 2021 had a typographic error which stated cash conversion as a metric for the 2021 PSP Awards rather than operating profit margin.
(c) This will be based on the single question 'Would you recommend your builder to a friend?' from the independently measured NHBC 9-month survey, therefore is measured on a different basis to the 2022 EIS customer service measure.

Payments for loss of office and payments to former Directors (audited)

As disclosed in the 2021 Annual Report and Accounts, Pete Redfern stepped down from the Board on 26 April 2022 and remained available to the business until his notice period ended on 8 December 2022. The terms of his remuneration on leaving were in line with his contractual entitlements and the shareholder approved Policy. The amounts disclosed in the single total figure of remuneration table on page 136 relate to the period up until Pete stood down on 26 April 2022, with the exception of the PSP, which is the total value of his 2020 PSP Award.

Pete Redfern continued to receive salary, benefits and pension in accordance with his contractual entitlement from 26 April 2022 when he stepped down from the Board until he left the business on 8 December 2022, which totalled £662,614. Pete had 18,863 sharesave options which lapsed on him leaving the business.

The Committee determined that Pete would be treated as a 'good leaver' in respect of the EIS and PSP. Pete received a bonus for 2022 performance pro-rated to the time he was actively employed in the business up to 26 April 2022 and subject to the achievement of the performance measures. One third of any amount paid will be deferred in shares for three years. This is included within the single total figure of remuneration table.

Pete's outstanding 2020 and 2021 PSP Awards will be pro-rated to the date he left the business and will be subject to the performance measures over the relevant three year period. He will be required to retain any shares that vest for the two year holding period. The details of the 2020 Award are set out on page 139.

In addition, Pete is required to retain 1,735,561 shares for two years post employment, which has been calculated with reference to the share price and Pete's annual salary on his last day of employment. Clawback and malus provisions will continue to apply post cessation of employment.

Approach to remuneration in 2023

2023 salary review

The Committee has approved a tiered approach to the Group salary review process for 2023, ensuring that lower paid employees receive a higher percentage. The salary increases approved by the Committee range from 6% to 3%, and the Executive Directors and Senior Management will all receive 3%.

Executive Director	As at 1 April 2022[a]	As at 1 April 2023	% Change
Jennie Daly	£750,000	**£772,500**	**3%**
Chris Carney	£504,700	**£519,841**	**3%**

(a) As at 26 April 2022 for Jennie Daly on becoming Chief Executive.

2023 EIS

Directors will be able to earn up to 150% of salary under the 2023 EIS. The EIS performance measures for 2023 also remain broadly in line with 2022, albeit with the ESG based measure now moving from the EIS to the PSP. The measures are set out below together with the strategic rationale. We carefully consider the target ranges each year, ensuring an appropriate balance between achievability and stretch. Due to uncertain market conditions, at the time of writing, the precise weightings and final target ranges have not been finalised by the Committee, although we have agreed that the percentage based on financial measures should be increased from 60% to 70% of the overall bonus opportunity. However, detailed retrospective disclosure of the weightings, targets and performance against them will be provided next year in the usual way.

Performance measure	Rationale
Operating profit	Maximise aggregate profit
Operating profit margin	Optimise sales prices and improving cost discipline
Cash conversion	Maximise the generation of cashflow from profits
Build quality	Deliver high quality homes with the need for less remediation
Customer service (8-week)	Maintain customer trust and endorse Company reputation

2023 PSP Approach

The 2023 PSP awards will operate in accordance with the Policy as set out on pages 128 to 134. It is expected that Directors will be granted awards to the value of 200% of salary.

As part of the review of the policy the Committee has considered the mix of the different performance measures and their link to strategy. Following careful consideration, the Committee has concluded that an element of the PSP should be based on an ESG measure for the first time and, for the 2023-25 award this should be based on a reduction to our Scope 1 and 2 targets linked to our zero carbon strategy.

As noted above in relation to the EIS, due to uncertain market conditions, at the time of writing, the precise weightings of the measures and final target ranges for the PSP awards have not been finalised by the Committee. We anticipate that these will be finalised soon, allowing the awards to be granted and there will be full details contained within the RNS announcement and again in next year's report.

Performance measure	Rationale
TSR v peer group (2023-2025)	Align the rewards received by executives with the returns received by shareholders
Operating profit margin (2023-2025)	Optimise sales prices and improving cost discipline
RONOA (2023-2025)	Maintain focus on driving increased capital efficiency
Customer service (9-month) (2023-2025)	Maintain customer trust and endorse Company reputation
Carbon emissions reduction	Support the Board strategy on carbon emissions reductions across our operations

Customer Service continues to be an extremely important area of focus for the Company and we are comfortable that this should be incorporated in both the EIS and PSP. The customer service element of the EIS will continue to be based on the one key question in the shorter term NHBC 8-week survey focusing on the customers' service before and moving in experience. The customer service element of the PSP will continue to be based on the one key question in the longer term NHBC 9-month survey focusing on the customers' experience of living longer term in one of our developments. In this way we will be capturing different aspects of our customer service performance, measured over different timeframes and measuring different customer experiences and there is no doubling up of reward for the same performance.

An operating profit margin measure will also operate in both the EIS and PSP for FY23. As there continues to be uncertainty in relation to the housing market, we believe that this is a critical measure at both an operational level for the EIS and for the longer term for the PSP (where margin will be assessed as an aggregate across the full three-year period). This will ensure that our priority remains delivering our sustained profitability with an unremitting focus on long term decisions with cost and process discipline to drive shareholder returns over the medium term.

Remuneration Committee report *continued*

Executive Directors' interests in the Company's share schemes (audited)

Details of the options and conditional awards over shares held by the Executive Directors who served during the year are as follows:

	Maximum potential shares as at 01/01/2022	Additional maximum potential awarded during the year	Dividend re-investment shares added during the year	Exercised / released during the year	Lapsed during the year	Maximum potential shares as at 31/12/2022[a]	Maximum shares vesting / available in: 2023	2024	2025	2026	2027
Jennie Daly											
Deferred shares (EIS)[b]	180,278	–	7,366	88,974	–	98,670	98,670	–	–	–	–
PSP[c]	1,293,662	1,141,552	–	97,760	344,595	1,992,859	391,581	459,726	1,141,552	–	–
Sharesave plan[d]	21,091	36,057	–	–	21,091	36,057	–	–	–	–	36,057
Total	1,495,031	1,177,609	7,366	186,734	365,686	2,127,586	490,251	459,726	1,141,552	–	36,057
Chris Carney											
Deferred shares (EIS)[b]	226,970	–	8,076	126,855	–	108,191	108,191	–	–	–	–
PSP[c]	1,408,300	749,713	–	105,092	370,440	1,682,481	429,368	503,400	749,713	–	–
Sharesave plan[d]	19,976	36,057	–	–	10,545	45,488	9,431	–	–	–	36,057
Total	1,655,246	785,770	8,076	231,947	380,985	1,836,160	546,990	503,400	749,713	–	36,057
Pete Redfern											
Deferred shares (EIS)[b]	465,787	–	–	266,251	–	199,536	199,536	–	–	–	–
PSP[c]	2,808,218	–	–	209,456	1,124,888	1,473,874	831,991	641,883	–	–	–
Sharesave plan	18,863	–	–	–	–	18,863	18,863	–	–	–	–
Total	3,292,868	–	–	475,707	1,124,888	1,692,273	1,050,390	641,883	–	–	–

(a) All outstanding awards are options. The Directors do not hold any vested but unexercised share options, with the exception of Chris Carney who holds 9,431 vested but unexercised Sharesave options. Pete Redfern stood down as Chief Executive and a Director on 26 April 2022. Pete's interests in the Company's share schemes is as at the date he stood down from the Board on 26 April 2022.

(b) The Executive Directors exercised an EIS deferred share award on 25 March 2022 when the share price was 132.77 pence. These shares were awarded on 25 March 2019 using a share price of 174.50 pence to calculate the number of shares awarded.

(c) The Executive Directors exercised their 2019 PSP Award on 3 March 2022 when the share price was 145.51 pence. These shares were awarded on 5 March 2019 using a share price of 180.85 pence to calculate the Award. As noted on page 139, Pete Redfern's outstanding PSP Awards have been pro-rated to the date he left the business. For transparency, these lapses are shown in the 'lapsed during the year' column.

(d) Jennie Daly and Chris Carney cancelled Sharesave options over 21,091 and 10,545 respectively. Jennie and Chris were granted 36,057 Sharesave options each on 3 October 2022 at an option price of 83.20 pence, which offered a 20% discount to the share price at the start of the invitation window. The face value of these options on the date of grant for Jennie and Chris was £32,603 each.

Vesting of the deferred shares and Sharesave options are not dependent on any performance conditions. The vesting of the PSP is subject to the achievement of performance conditions and 20% will be receivable if threshold performance is achieved. There have been no variations to the terms and conditions or performance criteria for outstanding share awards during the financial year. The closing share price on 30 December 2022 was 101.65 pence and the range during the year was 85.08 pence to 178.00 pence.

Single total figure of remuneration for the Chair and Non Executive Directors (audited)

	Total fees (£'000) 2022	2021
Irene Dorner	335	328
Robert Noel[a]	89	80
Mark Castle[b]	38	–
Jitesh Gadhia[c][d]	77	53
Scilla Grimble[c]	65	53
Clodagh Moriarty[b]	38	–
Humphrey Singer	83	80
Gwyn Burr[e]	30	90
Angela Knight[e]	21	63

(a) Rob became the Employee Champion with effect from 26 April 2022 and therefore received the additional Employee Champion fee for the remainder of the year.

(b) Mark Castle and Clodagh Moriarty both joined the Board on 1 June 2022.

(c) Scilla Grimble and Jitesh Gadhia both joined the Board on 1 March 2021.

(d) Jitesh Gadhia became Chair of the Remuneration Committee with effect from 26 April 2022 and therefore received the additional Remuneration Committee Chair fee for the remainder of the year.

(e) Gwyn Burr and Angela Knight stepped down from the Board and as Non Executive Directors on 26 April 2022.

Chair and Non Executive Director fees

Role	
Chair of the Board	£335,000
Independent Non Executive Director	£65,000
Senior Independent Director	£17,500
Audit / Remuneration Committee Chair	£17,500
Employee Champion	£10,000

Statement of Directors' shareholdings and share interests (audited)

In line with the Policy, Executive Directors' shareholding requirement is to hold 200% of their base salary. Further details on how this element of the Policy is operated can be found on page 131. In addition, a post-employment shareholding guideline requires Executive Directors to retain shares worth 200% of their base salary, or their shareholding at the time of cessation if their shareholding requirement has not yet been met, for at least two years.

The Chair and the Non Executive Directors are also encouraged to hold shares in the Company in order to align their interests with those of shareholders.

Director	Beneficially owned at 01/01/2022[a]	at 31/12/2022[a][b]	Outstanding interests in share schemes EIS deferred shares (gross)	PSP[c]	Sharesave	Value of shares (including EIS deferred shares on a net basis) as at 31/12/2022[d]	Share interests expressed as a % of shareholding requirement
Irene Dorner	125,440	164,952	–	–	–	–	–
Jennie Daly[e]	212,446	423,374	98,670	1,992,859	36,057	£482,013	32%
Chris Carney[e][f]	400,351	625,770	108,191	1,682,481	45,488	£692,733	69%
Robert Noel	46,674	84,100	–	–	–	–	–
Mark Castle	–	41,678	–	–	–	–	–
Jitesh Gadhia	100,000	100,000	–	–	–	–	–
Scilla Grimble	15,000	15,000	–	–	–	–	–
Clodagh Moriarty	–	25,025	–	–	–	–	–
Humphrey Singer	31,896	31,896	–	–	–	–	–
Pete Redfern	2,396,991	2,827,094	199,536	1,860,449	18,863	£3,772,188	212%
Gwyn Burr	17,241	17,241	–	–	–	–	–
Angela Knight	16,896	16,896	–	–	–	–	–

(a) Or date appointed or stood down from the Board.

(b) Shares owned outright includes the net-of-tax shares received by the Executive Directors in March 2022 following the one third deferral of the EIS paid in respect of 2021 performance.

(c) Vesting is subject to the achievement of performance conditions.

(d) This has been calculated on the basis of beneficially owned shares and the net amount of EIS share awards. The share price on 30 December 2022 (101.65 pence) has been used to calculate Jennie Daly and Chris Carney's share interest expressed as a percentage of salary as at 31 December 2022. The share price on 26 April 2022 (128.75 pence) has been used to calculate Pete Redfern's share interest expressed as a percentage of salary when he stood down from the Board.

(e) A proportion of shares are held by a connected person.

(f) 9,431 of Chris Carney's Sharesave options are vested but unexercised.

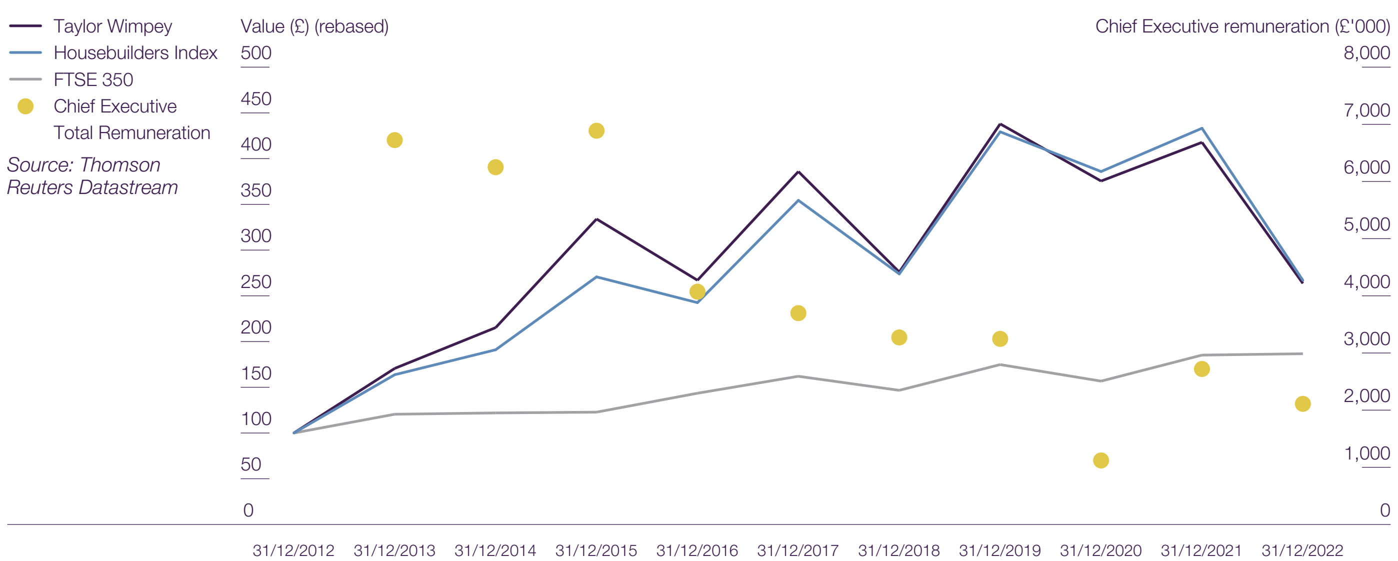
The only changes to the Directors' interests as set out above during the period between 31 December 2022 and 1 March 2023 were the regular monthly purchases of shares and 1:1 matching by the Company under the Share Incentive Plan by Jennie Daly and Chris Carney who both acquired 524 shares each.

Historic TSR performance and Chief Executive historic remuneration

The graph below shows Taylor Wimpey's total shareholder return (TSR) performance against the performance of the FTSE 350 and the average of the Housebuilders Index. These benchmarks have been chosen as Taylor Wimpey is a constituent of both.

The graph also shows the Chief Executive's single total figure of remuneration over the same ten-year period.

Total shareholder return



Single total figure (£'000)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Jennie Daly	–	–	–	–	–	–	–	–	–	1,175[a]
Pete Redfern	6,724	6,250	6,888	4,072	3,697	3,272	3,247	1,120	2,720	925[b]
Annual bonus (% of maximum)										
Jennie Daly	–	–	–	–	–	–	–	–	–	76
Pete Redfern	90	90	78	80	66	96	50.6	–	95	76
PSP (% of maximum)										
Jennie Daly	–	–	–	–	–	–	–	–	–	32.3
Pete Redfern	85	94	100	81	78	50	62.8	6.6	22.1	32.3

(a) Relates to the period Jennie Daly was Chief Executive from 26 April 2022.
(b) Relates to the period Pete Redfern was Chief Executive from 1 January 2022 to 26 April 2022.

Wider workforce remuneration

The Committee regularly monitors and reviews the Company-wide remuneration arrangements to ensure the Executive Directors' remuneration is aligned to incentives and rewards across the Company. During 2022, the Committee reviewed by employee level, the different elements of pay and benefits across the Company. The Committee considers that all employees receive a reward package that is aligned to the Company's purpose and culture; and is market competitive, transparent and fair. A summary of the remuneration arrangements across the workforce can be found below. In addition, when considering the performance measures for variable incentive schemes, the Committee ensures that there is a clear link between the performance measures in the various variable incentive schemes.

Executive Directors, GMT and senior managers		Wider workforce
Increases commensurate with wider workforce increases	Salary	Increases approved by the Committee
All employees eligible for a bonus. Performance measures aligned with strategy	Bonus	All employees eligible for a bonus. Performance measures aligned with strategy
Executive Directors and GMT members defer one third of any annual bonus paid for three years	Deferred shares	Many employees can elect to take their bonus payment in shares (and benefit from a 20% uplift) and are required to retain the shares for one year
Eligible to participate in a long term incentive plan, SIP and Sharesave	Share based incentive schemes	Eligible for SIP and Sharesave
10% pension contribution	Pension	10% pension contribution
All employees receive private medical healthcare	Private healthcare	All employees receive private medical healthcare

Response to the cost of living crisis

The Committee has been particularly mindful of the impact of the cost of living crisis on our employees. The Committee welcomed and supported the Board's decision to award a one off cost of living payment of up to £1,000 for lower paid employees. During 2022, the average salary for monthly paid employees increased by 4.6% following the 2022 salary increase of 3% and also targeted benchmarking exercises for key functions.

In recognition of the high levels of inflation that have created the cost of living crisis impacting lower paid employees most, the Committee has approved a tiered approach to the 2023 salary review, to ensure that those that are impacted most receive higher levels of support. The salary increases approved by the Committee range from 6% to 3% and the Executive Directors and Senior Management will all receive 3%.

CEO Pay Ratio

Year	Method	CEO single figure[a]		Lower quartile	Median	Upper quartile
2022[b]	Option B	£2,100,044	**Ratio**	**62:1**	**41:1**	**26:1**
			Salary	**£28,840**	**£37,400**	**£58,450**
			Total pay and benefits	**£34,130**	**£51,838**	**£81,411**
2021	Option B	£2,764,290	Ratio	87:1	60:1	40:1
2020	Option B	£1,120,451	Ratio	39:1	26:1	20:1
2019	Option B	£3,023,654	Ratio	93:1	73:1	48:1
2018	Option B	£3,151,748	Ratio	103:1	77:1	41:1

(a) The previous CEO single figures in this table have not been restated to reflect the share price on the date the relevant PSP Award vested. We have chosen to do this for transparency purposes so that we are comparing the ratios disclosed in previous reports.

(b) The three representative employees were determined on 31 December 2022.

Under Option B, using the hourly rate from our 2022 gender pay gap data, three employees have been identified as the best equivalents of our lower quartile, median and upper quartile. Option B provides a clear methodology involving fewer adjustments to calculate full-time equivalent earnings and is likely to produce more robust reporting year on year.

The Committee has reviewed the results of the calculations and is satisfied that they continue to be representative of the respective quartiles. Total pay and benefit figures, not including temporary allowances, paid during the financial year ending 31 December 2022, have been calculated for the employee at each quartile and for employees either side of the identified employees, to ensure that the employees selected are a reasonable representative based on their full year's remuneration.

Due to a reduction in the CEO single figure for 2022, all three ratios have reduced. The reduction in the CEO single figure was predominately a result of the appointment of our new CEO, Jennie Daly in April 2022, with the new CEO being appointed on a lower salary than her predecessor. The single figure was pro-rated in accordance to the time spent in the CEO role by both individuals. The single figure has been further affected in 2022 by a lower annual bonus payment (76% outcome in 2022 versus 95% in 2021) resulting in lower total CEO remuneration than the previous year.

During 2022, the Company employed fewer apprentices compared to the previous year. As apprentices are paid lower rates of pay, this has impacted the lower quartile range, which has seen the total remuneration figure for our lower quartile representative being higher in comparison to 2021. During 2022, our lower paid employees received a temporary cost of living payment of up to £1,000. This has not been reflected in the pay ratio figures although it was an additional enhancement to employee pay during 2022.

Gender pay gap

As part of its review of wider workforce remuneration, the Committee also considers our gender pay gap. The nature of our industry means many of the high headcount roles (Sales and Production) are heavily male or female weighted which can impact our pay gap results if there are changes to these populations.

Our mean pay gap is -2%, which means that the mean pay is 2% higher for females than males. This is largely down to higher commission payments and the re-balancing of remuneration for sales teams, resulting in more guaranteed pay. Whilst still in favour of females, the gap is slightly smaller than last year (-6%) due to salary alignment activities in the production teams, resulting in a higher average increase of the male hourly rate.

Our median pay gap is 1% higher for males than females. The gap has moved in favour of males this year due to a 36% reduction in apprentices compared to last year's snapshot pay data. Apprentices sit within the lower pay quartile and are predominantly male. Reducing the number of people in these roles, increases the median pay for males.

-2%

Gender pay gap (mean)

(2021: -6%)

1%

Gender pay gap (median)

(2021: -5%)

Further information can be found in our Diversity Report which is available on our website.

Annual percentage change in remuneration of Directors and employees

The table below shows the percentage change in salary or fee, taxable benefits and annual bonus of each current Director and the average Taylor Wimpey employee in respect of 2020, 2021 and 2022.

	Salary / fee[a]			Benefits			Annual bonus scheme[a]		
	2022	2021	2020	**2022**	2021	2020	**2022**	2021	2020
Average pay of a Taylor Wimpey employee[b]	4%	6%	–	3%	3%	–	(10)%	163%	(46)%
Jennie Daly[c]	58%	13%	(10)%	(55)%	12%	(6)%	26%	n/a	n/a
Chris Carney[c]	7%	18%	(10)%	(40)%	(11)%	(55)%	(14)%	n/a	n/a
Irene Dorner[d]	2%	32%	n/a	–	–	–	–	–	–
Robert Noel[e]	11%	23%	n/a	–	–	–	–	–	–
Mark Castle[f]	n/a	n/a	n/a	–	–	–	–	–	–
Jitesh Gadhia[g]	n/a	n/a	n/a	–	–	–	–	–	–
Scilla Grimble[g]	n/a	n/a	n/a	–	–	–	–	–	–
Clodagh Moriarty[f]	n/a	n/a	n/a	–	–	–	–	–	–
Humphrey Singer	4%	14%	(10)%	–	–	–	–	–	–

(a) In light of the COVID-19 pandemic the Executive and Non Executive Directors took a voluntary 30% reduction in base salary and fees from 1 April 2020 to 31 July 2020. The Executive Directors' 2020 annual bonus (EIS) was also cancelled.

(b) Taylor Wimpey plc does not have any employees and these figures are in relation to Taylor Wimpey UK Limited employees.

(c) Jennie Daly was appointed as Chief Executive with effect from 26 April 2022 and Chris Carney received a salary increase on 1 July 2021.

(d) Irene Dorner was appointed in December 2019 and received a fee increase on 1 July 2021.

(e) Robert Noel was appointed in October 2019, appointed as the Company's Senior Independent Director on 20 April 2020 and Employee Champion on 26 April 2022.

(f) Mark Castle and Clodagh Moriarty were appointed to the Board on 1 June 2022.

(g) Jitesh Gadhia and Scilla Grimble were appointed to the Board on 1 March 2021. Jitesh was appointed Chair of the Remuneration Committee on 26 April 2022.

Relative importance of spend on pay

Change in Company performance relative to change in remuneration (audited)

	2022	2021	Change (%)
Operating profit[a]	£923.4m	£828.6m	11
Distributions to shareholders			
Aggregate dividends paid during the year	£323.8m	£301.5m	7
Share buyback	£150.0m	–	n/a
Employee pay in aggregate[b]	£305.4m	£292.1m	5
Employee pay average per employee[b]	£58,327	£54,517	7

(a) Operating profit is defined as profit on ordinary activities before net finance costs, exceptional items and tax, after share of results of joint ventures. Operating profit has been chosen as it is one of the Company's primary measures of performance.

(b) See note 7 to the financial statements on page 173.

The Remuneration Committee

The Remuneration Committee members in 2022

There were six Committee meetings during 2022 and all Committee members attended the meetings they were eligible to attend. We will announce the required Committee membership changes, in accordance with the Code requirements for three independent Non Executive Directors, ahead of the AGM.

Name	Title
Jitesh Gadhia	Committee Chair and Independent Non Executive Director
Irene Dorner	Chair of the Board
Robert Noel	Independent Non Executive Director
Gwyn Burr[(a)]	Independent Non Executive Director (and former Committee Chair)
Angela Knight[(b)]	Independent Non Executive Director

(a) Gwyn Burr was the Committee Chair until she stood down from the Board and the Remuneration Committee on 26 April 2022.
(b) Angela Knight stood down from the Board and the Remuneration Committee on 26 April 2022.

Internal attendees consisted of the Chief Executive, Group HR Director, Head of Reward and members of the Company Secretariat team. These attendees provided important information to the Committee and were not involved in any decisions relating to their own remuneration.

Main activities during 2022

Over the course of the year since the last Annual Report and Accounts, the Committee's work has been focused on:

- Directors' Remuneration Policy review and associated consultation with shareholders ahead of tabling the revised Policy for shareholder approval at the 2023 AGM.
- 2022 EIS and 2020 PSP outcomes.
- 2023 EIS and 2023 PSP performance measures, targets and weightings.
- 2023 salary review for the Executive Directors, Senior Management and wider workforce.
- External benchmarking of Executive Directors and Senior Management remuneration arrangements.
- Alignment of Executive Directors and Senior Management remuneration with the wider workforce.
- Wider workforce remuneration activities including the impact of the cost of living crisis and widespread benchmarking of roles.

Committee's performance

The Committee reviewed its Terms of Reference in 2022 and evaluated its own performance against them. Following this review, the Committee confirmed that the Terms of Reference remain appropriate.

As part of the 2022 internally facilitated Board Evaluation it was concluded that the Committee was fulfilling its terms of reference effectively and the Committee Chair was effective.

Advice to the Committee in 2022

The Committee keeps itself fully informed on developments and best practice in the field of remuneration and it seeks advice from external advisers when appropriate.

The Committee appoints its own independent remuneration advisers and during the year it continued to retain the services of Korn Ferry. Korn Ferry is a member of the Remuneration Consultants Group and signatory to its Code of Conduct. During 2022 Korn Ferry also provided other ad hoc remuneration services outside the scope of the Committee to the Company. Korn Ferry were appointed following a comprehensive tender process. Korn Ferry do not have any connection with the Company or any of the individual Directors.

The Committee also receives legal advice from Slaughter and May as and when necessary. This generally relates to technical advice on share schemes.

The Committee has considered the advice provided by Korn Ferry during the year, and is comfortable that the advice has been objective and independent.

The fees paid to the Committee's advisers in 2022 were: Korn Ferry £139,689 (including VAT) on a time and materials basis (2021: £83,370); and Slaughter and May £nil (2021: £10,000).

Shareholding voting

The table below sets out the voting by shareholders on the Directors Remuneration resolutions.

Resolution	For	Against	Total votes cast	Withheld
Directors' Remuneration Report for 2021 (2022 AGM)	2,089,719,647 (93.73%)	139,842,628 (6.27%)	2,229,562,275	6,595,990
Directors' Remuneration Policy (2020 AGM)	2,001,641,568 (98.65%)	27,319,532 (1.35%)	2,028,961,100	583,978

Lord Jitesh Gadhia
Chair of the Remuneration Committee

1 March 2023