

**Remuneration Committee**

**Terms of Reference**

The Board of Taylor Wimpey plc will monitor the effectiveness of this Policy and the Remuneration Committee will review and approve the Policy on a regular basis.			
Approved by:	Remuneration Committee, Board of Directors.	Last reviewed:	25 February 2025

## **Introduction**

The Taylor Wimpey plc (the “Company”) Remuneration Committee is a committee of the Taylor Wimpey plc Board of Directors (“the Board”) The objectives and responsibilities of the Remuneration Committee are set out below in its Terms of Reference.

## **Review and Approval**

These Terms of Reference shall be reviewed annually and any amendment shall require the approval of the Board.

## **Objective**

The objective of the Taylor Wimpey plc Remuneration Committee (“the Committee”) is:

1. To establish and maintain formal and transparent procedures for developing policy on executive remuneration.
2. To set, monitor and report on the remuneration packages of individual directors and senior management.
3. To review wider workforce remuneration and other policies in accordance with the UK Corporate Governance Code 2024.

## **Membership of the Committee**

The Committee’s specific operational duties and responsibilities, underlying each of these areas, are detailed below in “Duties and Responsibilities of the Committee”.

The Committee, whose members shall be appointed by the Board on the recommendation of the Nomination & Governance Committee in consultation with the Chair of the Remuneration Committee, shall comprise no fewer than three members, all of whom shall be Independent Non Executive Directors.

Appointments to the Committee shall be made by the Board on the recommendation of the Nomination and Governance Committee and in consultation with the Committee Chair and shall be for a period of up to three years, which may be extended for two further three-year periods, provided the director remains independent.

The Board shall appoint the Committee Chair who shall be an Independent Non Executive Director and should have served on a remuneration committee of a UK listed company for at least 12 months. The Chair of the Board may also be a member of the Remuneration Committee if they were considered independent on appointment as Chair of the Board but may not chair the Committee.

In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

## **Meetings**

The Committee shall hold not less than three meetings per year or otherwise as required by the agenda framework as the Committee Chair, in consultation with the Company Secretary, shall deem necessary, in order for the Committee to fulfil its duties. The Committee Chair is required to call a meeting if requested to do so by any Committee member, or by any other Director.

A quorum of the Committee is two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

Committee members must declare any conflicts of interest at the beginning of each meeting.

Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than 5 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

## **Attendance at Meetings**

Only members of the Committee shall have the right to attend Committee meetings, to form part of the quorum and to vote.

However, other individuals such as the Chief Executive, the Group Human Resources Director and external advisers may be invited to be in attendance for all or part of any meeting as and when the Committee considers it appropriate.

The Committee may request that non-members withdraw from any part of a meeting.

## **Engagement with shareholders**

The Committee Chair shall attend the Annual General Meeting, prepared to respond to any shareholder questions on the Committee's activities. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility, and ensure shareholder views are considered.

## **Secretary**

The Company Secretary of the Company or his/her nominee shall be Secretary of the Committee and shall attend each meeting.

In accordance with the Committee's agenda framework, the Secretary shall be responsible for drawing up the agenda and circulating it with supporting documentation to Committee members, and the external auditors prior to each meeting. Relevant extracts will be circulated to any other attendees.

The Secretary shall be responsible for keeping the minutes of meetings of the Committee and circulating them to members of the Committee. The minutes will be made available via a secure portal to all those granted access by the Committee Chair and Secretary to the Committee papers.

## **Duties and Responsibilities of the Committee**

The Committee shall:

1. Consider the fees payable to the Chair and make a recommendation to the Board of the Company.

2. Determine and agree with the Board the framework and policy for the remuneration of the individuals under their remit, collectively known as “Senior Management”.

Senior Management is defined as the Chief Executive, the executive directors, the Company Secretary, the Group Management Team and such other individuals as the Board or the Committee shall determine from time to time.

The remuneration of non-executive directors shall be a matter for the Chair and the executive members of the Board. No director or individual shall be involved in any decisions as to their own remuneration.

3. In determining such policy, take into account all factors which it deems necessary, including the policy’s clarity and simplicity.

The objective of such policy is to support the strategy and promote the long-term sustainable success of the Company, including the attraction, retention and motivation of Senior Management of the quality required to run the Company and the group successfully, without offering excessive remuneration packages.

The policy should be aligned to Company purpose and values and be clearly linked to the successful delivery of the long-term strategy. The objective of any performance related share schemes for Senior Management should be to promote long-term shareholdings that support long-term shareholder interests.

4. Ensure the policy allows: (i) the Committee to exercise independent judgement and discretion (whether upwards or downwards) when considering pay outcomes, taking account of Company and individual performance, and wider circumstances; (ii) for formulaic performance related pay and vesting outcomes to be overridden; and (iii) for payments made and shares delivered under performance related schemes to be recovered and/or withheld when it is appropriate to do so.
5. Review, approve and administer malus and clawback arrangements that would enable the Company to reduce outstanding awards or vesting levels or otherwise recover and/or withhold the value of variable pay (including share awards) paid as appropriate for Senior Management in line with the policy and applicable regulatory requirements, including: (i) the specific circumstances in which malus and clawback arrangements could be used; and (ii) the rationale for why the selected period for such arrangements is best suited to the Company.
6. Review the ongoing appropriateness and relevance of the remuneration policy;
7. Approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes.
8. Review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors and other senior executives and the performance targets to be used.
9. Approve a shareholding policy which covers building and maintaining a

shareholding during employment, and its application post employment.

10. Determine the policy for, and scope of, pension arrangements for Senior Management taking into account the wider employee policy.
11. Ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
12. Within the terms of the agreed policy and in consultation with the Chair and/or Chief Executive as appropriate, determine the remuneration for the Senior Management, including bonuses, incentive payments and share options or other share awards.
13. In determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the UK Corporate Governance Code 2024 and the FCA's Listing Rules and associated guidance, including the establishing and application of relevant performance criteria.
14. Review workforce remuneration and related policy and the alignment of incentives and rewards with culture, taking these into account when determining the remuneration policy for Senior Management.
15. Oversee any major changes in employee benefits structures throughout the Company or group.
16. Agree the policy for authorising claims for expenses from the Chief Executive and Chair.
17. Ensure that all provisions regarding disclosure of remuneration including pensions, as set out in the Companies Act 2006; Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Directors' Reports) Regulations 2008; and the UK Corporate Governance Code 2024 are fulfilled.
16. Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee, and to obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.
17. Report the frequency of, and attendance at, meetings of the Committee in the annual reports.
18. Ensure that the views of the workforce are given consideration.
19. Work and liaise as necessary with other Board committees.
20. Make available the Committee's terms of reference on the website.
21. Ensure that a periodic evaluation of the Committee's own performance is carried out, generally as part of the annual Board and Board committees evaluation process.

#### **Reporting to the Board**

The Committee discharges its responsibilities *inter alia* by determining those matters which fall within its authority under these Terms of Reference, and in consultation with the Board and designated officers assisting in the Board's determination of those matters which are reserved to the Board's decision. In relation to any recommendations, the Committee does not have any authority to commit the Board to their implementation.

The Committee shall report to the Board on its activities together with any recommendations through the circulation of its minutes and verbally, via the Committee Chair, at the Board meeting following each Committee meeting.

The Committee, on an annual basis, shall evaluate its own performance against these Terms of Reference and best practice to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

#### **Annual Report to shareholders**

The Committee shall make a statement in the Annual Report about its activities, including: (i) the strategic rationale for executive directors' remuneration policies, including what engagement with the workforce has taken place to explain how executive remuneration aligns with wider Company pay policy; (ii) reasons why the remuneration is appropriate using internal and external measures; (iii) whether the policy operated as intended in terms of Company performance and quantum; (iv) how engagement has taken place with stakeholders; (v) to what extent discretion has been applied to remuneration outcomes; and (vi) a description of its malus and clawback provisions.

#### **Authority**

The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.

In connection with its duties the Committee is authorised by the Board to obtain, at the Company's expense, any outside independent legal or other professional advice and appropriate and timely external training and advice for new members and on an ongoing basis for all members.