

Nomination & Governance Committee

Terms of Reference

The Board of Taylor Wimpey plc will monitor the effectiveness of this Policy and the Nomination & Governance Committee will review and approve the Policy on a regular basis.

Approved by:	Nomination Committee	Last reviewed	22 April 2020
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Introduction

The Taylor Wimpey plc Nomination & Governance Committee is a Committee of the Taylor Wimpey plc Board of Directors ("the Board") with the following Terms of Reference, which outline its underlying objective and responsibilities.

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 Nomination & Governance Committee ("the Committee") is:

1. To ensure that there shall be a formal, rigorous and transparent procedure for the appointment of new Directors to the Board, its committees and other senior offices in the Company.
2. To keep the Board's corporate governance arrangements under review and to ensure that both the Company and the Board operate in a manner consistent with corporate governance best practice.

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

Membership of the Committee

The Committee, whose members shall be appointed by the Board shall comprise no fewer than three members, the majority of whom shall be Independent Non Executive Directors. Appointments to the Committee 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 should be either the Chair of the Board or an Independent Non Executive Director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting. The Chair of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

Meetings

The Committee shall hold at least 2 meetings per year or otherwise as the Chair of the Committee shall require, in order for the Committee to fulfill its duties.

Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chair of the Committee or if requested to do so by any Committee member.

A quorum of the Committee is two members both of whom must be Independent Non Executive Directors. 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. 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.

Only members of the Committee shall have the right to attend Committee meetings.

Attendance at Meetings 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 guests as and when the Committee considers it to be appropriate.

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

Annual General Meeting The Chair of the Committee shall attend the Annual General Meeting, prepared to respond to any shareholder questions on the Committee's activities.

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 minuting the proceedings and resolutions of the Committee and circulating minutes to members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists and to other attendees of the meeting.

Duties and Responsibilities of the Committee

1. In respect of senior appointments to the Company, including the Board, and people initiatives, the Committee shall:

- 1.1 Regularly review the structure, size, diversity and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- 1.2 Give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, the diversity of the Board and what skills, backgrounds and expertise are therefore needed on the Board in the future, including producing a written succession plan;
- 1.3 Be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- 1.4 Before appointment is made by the Board, evaluate the balance of skills, knowledge, diversity and experience on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
 - 1.4.1 Use open advertising or the services of external advisers to facilitate the search;
 - 1.4.2 Consider candidates from a wide range of backgrounds; and
 - 1.4.3 Consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- 1.5 Keep under review the leadership needs of the organisation, both executive and non-

executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;

- 1.6 Keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates;
- 1.7 Review annually the time required from non-executive directors and bear this in mind when identifying and nominating candidates for the approval of the Board. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfill their duties;
- 1.8 Review and make whatever recommendations to the Board it deems appropriate in relation to a director's request for permission for an additional external appointment, taking into account the director's current time commitments;
- 1.9 Keep under review the Diversity and Inclusion Policy, and work with Human Resources in setting and meeting diversity objectives and strategies for the Company as a whole, and monitoring the impact of diversity initiatives;
- 1.10 Assess the diversity balance of those in the Group Management Team and their direct reports to ensure a diverse pipeline for succession;
- 1.11 The Chair of the Committee should engage with shareholders on significant matters relating to their area of responsibility; and
- 1.12 Ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.

2. In respect of corporate governance, the Committee shall:

- 2.1 Report to the Board on the Company's corporate governance practices and procedures to ensure they, and their development and implementation, remain appropriate for the Company and reflect best practice principles;
- 2.2 Review and make recommendations to the Board at least once a year on any changes to the documents and policies within the corporate governance framework including its constitutional documents and Board Committees' Terms of Reference;
- 2.3 Monitor the content of the Conflicts of Interest Register annually and confirm to the Board that there are no entries where a conflict or perceived conflict of interest cannot be managed;
- 2.4 Monitor, and require Directors and proposed appointees to the Board to disclose, (i) any conflict, or possible conflict, with the interests of the Company and (ii) significant commitments, with an indication of the time involved; and
- 2.5 Approve the process for the annual appraisal of the Board and its Committees. This should include a review of the competencies and experience requirements for membership to

ensure that each Committee has the appropriate levels of skills and knowledge to be effective in discharging its duties. A periodic review of the action plan should be undertaken to monitor progress.

3. The Committee shall also make recommendations to the Board concerning:

- 3.1 Formulating plans for succession for both executive and non- executive directors and in particular for the key roles of Chairman and Chief Executive (but see 3.8 below);
- 3.2 Suitable candidates for the role of senior independent director;
- 3.3 Membership of the Audit and Remuneration Committees, in consultation with the chairmen of those committees;
- 3.4 Make recommendations to the Board on the independence of Non Executive Directors and the individual's ability to perform his or her duties independently without undue influence from other persons, the number of responsibilities and consequent call on the time of the individual concerned;
- 3.5 The re-appointment of any non-executive director at the conclusion of their specified term of office, having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- 3.6 The re-election by shareholders of any director under the 'retirement by rotation' provisions in the company's articles of association having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- 3.7 Any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the company subject to the provisions of the law and their service contract;
- 3.8 The appointment of any director to executive or other office other than to the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of the full board;
- 3.9 Review AGM resolutions and recommend to the Board for approval;
- 3.10 To review and recommend to the Board the Corporate Governance report for inclusion in the Annual Report and Accounts; and
- 3.11 The application of the provisions of the Code and all applicable laws and regulations, including the Companies Act 2006, the Market Abuse Regulation (MAR) and the requirements of the UKLA's Listing, Prospectus and Disclosure and Transparency Rules.

Reporting to the Board

The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The Committee shall make whatever recommendations to the Board it deems appropriate on

any area within its remit where action or improvement is needed.

The Committee shall make a statement in the annual report about its activities, the process used to make appointments, how board evaluations were conducted, and explain if external advice or open advertising has not been used. If an external consultancy has been engaged, it should be identified in the Annual Report alongside a statement about any other connection it has with the Company or individual Directors.

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.

Authority

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

The Committee is authorised to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.

In connection with its duties the Committee is authorised by the Board to obtain, at the company's expense, appropriate and timely external training and advice for new members and on an ongoing basis for all members.