Remuneration Committee report

Gwyn Burr
Chair of the Remuneration Committee

Remuneration Committee summary

The Committee is chaired by Gwyn Burr. On 31 December 2021, the Committee consisted of three Non Executive Directors and the Chairman of the Board. Committee meetings were also attended, by invitation, by the Chief Executive, Group General Counsel and Company Secretary, Group HR Director, Head of Reward and Pensions, Assistant Company Secretary and representatives from Korn Ferry.

Committee members	Meetings attended
Gwyn Burr (Chair)	5/5
Irene Dorner[a]	4/5
Jitesh Gadhia[b]	4/4
Angela Knight[a]	4/5

(a) Irene and Angela were unable to attend one of the additional meetings outside the Committee's ordinary meeting calendar. Both were consulted in advance of the meeting.
(b) Appointed to the Committee on 1 March 2021.

Main objectives

- Establish and maintain formal and transparent procedures for developing policy on executive remuneration to deliver the Company's strategy and value for shareholders; and to agree, monitor and report on the remuneration of Executive Directors and senior executives
- Review wider workforce remuneration and other policies in accordance with the 2018 Corporate Governance Code (the Code)

2022 objectives

- Determine the remuneration arrangements for the incoming Chief Executive
- Review the existing Remuneration Policy and submit the revised Policy for shareholder consideration at the 2023 Annual General Meeting (AGM)
- Review wider workforce remuneration arrangements and take into account as part of the Remuneration Policy review
- Ensure there is an effective induction process for the new Remuneration Committee Chair

Dear Shareholder

As Chair of the Remuneration Committee (the Committee), I am pleased to present our 2021 Directors' Remuneration Report on behalf of the Board. This Report provides detailed disclosures in relation to our Directors' remuneration and an overview of wider workforce remuneration for the year ended 31 December 2021.

Policy

Our current Remuneration Policy (the Policy) was approved at the 2020 AGM with 98.6% of shareholders voting in favour. Despite the unprecedented challenges to the business posed by the COVID-19 pandemic, we have continued to operate the Policy flexibly and we are satisfied that it remains appropriate for the third and final year of this policy period. Other than discretion being used to treat the Chief Executive as a 'good leaver' within the Policy for the purpose of determining incentive plan pay outs, no discretion was used by the Committee during the year to adjust incentive outturns.

During 2022 we will be reviewing the current Policy and will be seeking shareholder approval for a new Policy at our 2023 AGM. As part of this review, we will ensure that our Policy continues to address the factors in Provision 40 of the Code and that reward is clearly linked to the successful delivery of our long term strategy.

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 have 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, culture, values and strategy.

We have continued to support our employees through the pandemic and have regularly reviewed staff salaries through benchmarking exercises, resulting in salary increases for 1,307 employees in addition to the 2% annual salary increase in 2021 (as at 31 December 2021 there were 5,144 employees). We have also approved a 3% salary increase for all eligible employees with effect from 1 April 2022 and will continue to benchmark key roles throughout the year when necessary. Chris Carney, our Group Finance Director, will also receive this 3% increase.

We are pleased to have increased several elements of our benefits provision that are important to our employees, including the introduction of new incentive arrangements, enhancements to our Maternity Policy, our wellbeing provisions, and other benefits that assist our employees financially. We were delighted that the Living Wage Foundation accredited Taylor Wimpey as a Living Wage Employer in November 2021.

During the year I attended three National Employee Forum (NEF) meetings in my capacity as Employee Champion. At one meeting I used this as an opportunity to seek feedback on behalf of the Committee on wider workforce remuneration arrangements and also to explain how the Executive Director remuneration arrangements align with the wider workforce.

We have taken the opportunity to expand our disclosures in this area and more information can be found on pages 121 to 123.

Executive Director remuneration decisions and outcomes

Executive Incentive Scheme (EIS)

As detailed on page 2, we delivered an excellent performance in 2021. Throughout 2021 we experienced strong demand for our homes underpinned by continued low interest rates and good mortgage availability. The business performed very well in the year, with significant improvement in operating margin, as we focused on optimising sales prices, alongside increased volume, driving strong growth in operating profit. Importantly our excellent performance was not just financial but also in delivering quality homes and in our levels of customer service. The quality of our homes, as recognised through the independent NHBC Construction Quality Review score, is an area where we continue to lead the volume industry. We are also delighted to be recognised as a five-star builder once again in the independent HBF customer satisfaction survey. Subsequently, the outturn for the 2021 EIS is 95% of the maximum following the stretch target being achieved for four of the five measures.

The Committee has considered the Company's performance against the targets and the business performance more generally and is satisfied that the payment received by the Executive Directors is aligned with the Company's performance during the year and also the bonus outturns for the rest of the business. Full disclosure of the targets can be found on page 108.

Performance Share Plan (PSP)

The PSP awarded in 2019, measuring performance in the 2019 to 2021 period, will vest at 22.1% following the achievement of four of the five measures above threshold performance. The pandemic, and specifically financial performance in 2020, had a significant impact on the outcome of the PSP. When approving this outcome, the Committee reviewed the performance measures and respective targets for the 2019 Award, and is satisfied that this represents an appropriate outcome based on the challenging business environment over the three year period.

Outcomes linked to performance

The Committee has reviewed the EIS and PSP outcomes and consider that they accurately reflect 2021 performance therefore the performance targets were not adjusted during the year and nor was Committee discretion used to adjust the formula-driven outturn.

Salaries

As disclosed in the 2018 Directors' Remuneration Report, at the time of his appointment the Committee initially set Chris Carney's salary below that of his predecessor and positioned it between the lower quartile and median of comparable market data, recognising that this was his first appointment as a plc Director. The Committee also stated then that it intended to keep his salary under periodic review as he developed further into the role.

Given the continued impact of the pandemic providing material uncertainty at the time of the 2020 and 2021 salary reviews, a prudent approach was taken in respect of Chris's salary, with inflationary salary increases cancelled in 2020 and then an inflationary increase of 2% in 2021, in line with the other Executive Directors and the wider workforce.

The Committee announced in the 2020 Directors' Remuneration Report that it would undertake a review of Chris Carney's salary during 2021. The Committee recognised the development of Chris's role since his appointment, particularly where it has broadened to support the revised Divisional Chairman structure introduced in 2020. This has been particularly focused on cost control, land strategy and our data management systems to further enhance our customer strategy. More generally the Committee considered that this increase was appropriate to recognise his strong performance over the three years since his appointment and concluded that Chris has been performing in line with an experienced FTSE director for some time now.

Given the more stable corporate and economic outlook in 2021, the Committee decided in the summer that it was the right time to move his base salary towards the desired mid-market level. The Committee therefore determined that his salary should be increased from £447,372 to £490,000 with effect from 1 July 2021.

We consider that this represents a sensible progression of Chris's base salary, effectively on a phased basis since his appointment in 2018, and having set the package at the desired mid-market level we anticipate that future increases will ordinarily be in line with the percentage increase for the wider workforce.

Chief Executive succession

On 8 December 2021, we announced that Pete Redfern, our Chief Executive, would be leaving the business once a suitable candidate had been identified and a full handover has taken place. Following a thorough recruitment and selection process, Jennie Daly, our Group Operations Director, was selected to take over from Pete as Chief Executive of Taylor Wimpey, effective from 26 April 2022 (the date of the 2022 AGM). Pete will step down from the Board at this point and will remain available to the business to ensure an orderly transition until his notice period ends on 8 December 2022.

The Committee, at the request of the Board, reviewed and approved the remuneration arrangements for Pete on his departure. Pete will be treated as a good leaver in line with our shareholder approved Policy for the purpose of incentive plan pay outs. He will be eligible to receive a pro rata bonus for 2022 for the proportion of the year he will be actively employed, up to the AGM, subject to the achievement of the performance conditions measured at the end of the year. Outstanding PSP Awards will be pro-rated as appropriate, and will be capable of vesting, at the normal time and subject to the achievement of performance conditions and the requirement to retain vested shares for two years. Moreover, he will be required to retain a shareholding in the business worth the equivalent to 200% of his base salary, for two years after his employment ceases. His contractual entitlements, including base salary, pension and benefits are payable in full until the expiry of his notice period on 8 December 2022. Further details of his remuneration arrangements can be found on page 118.

The Committee also considered the appropriate remuneration package for Jennie Daly when she assumes the role of Chief Executive in April 2022. The package approved, which is in line with the Policy, provides a salary of £750,000 with a pension allowance in line with the rate applicable to the majority of the workforce, at 10% of salary. The annual bonus opportunity and PSP opportunity will be 150% of salary and 200% of salary, respectively, as is applicable for each Executive Director. Full details can be found on pages 115 to 117.

Chairman and Non Executive Director fees

During the year the Committee, with the assistance of Korn Ferry, reviewed the Chairman's fee. Recognising that the fee level had not been reviewed since July 2018 (and Irene Dorner was brought into the role on the same fee as her predecessor) and that the time commitment required for the proper performance of the role over this period has significantly increased, the fee was increased from £320,000 to £335,000 effective from 1 July 2021.

The Board (excluding the Non Executive Directors) also reviewed the fee level for the Non Executive Directors with the assistance of Korn Ferry. Again recognising that the base fee had not been reviewed since 2016 and the material increase in Non Executive Director time commitment required since then, the base fee level was increased from £60,000 to £65,000 effective from 1 July 2021.

Shareholder engagement

We consulted with our major shareholders (representing almost 50% of our share register) and shareholder representative bodies during the year in respect of the salary for the Group Finance Director, performance targets and weightings for variable pay arrangements in 2022 and the terms of the Chief Executive's exit package when he leaves the business in 2022. Feedback received from shareholders was positive and we thank them for their support.

Irene Dorner, in her capacity as Chairman of the Board, continued to engage with shareholders during 2021, as noted on page 84. As a member of the Committee, Irene was also able to engage with shareholders on remuneration related matters, and provide feedback to the Committee.

Looking ahead at 2022

EIS

We believe that we are now sufficiently advanced in relation to the Board's environmental, social and governance (ESG) strategy to enable an environmental measure to be included in the 2022 EIS and have included an environmental measure for 10% of the overall annual bonus opportunity.

In setting an environmental measure this year, our principal objective for the end of 2022 will be the preparation and approval by the Board of a credible 'Road to Zero Carbon Plan' which will be submitted to the Science Based Targets initiative for approval, leading to a published commitment to achieve net zero carbon emissions for our direct operations. In addition, for this year we have also incorporated a tangible and stretching target for a reduction in our carbon intensity.

Our continued focus on build quality and customer service has enabled us to further raise standards whilst maintaining the right level of production and to retain the overall split between financial measures (60%) and non-financial measures (40%), we have reduced the weighting on these two elements from 20% to 15% each, to accommodate the new ESG measure.

PSP

The PSP performance measures are unchanged for the 2022 Award cycle to reflect current market conditions, business forecasts for the Group, and progression towards our strategic priorities. We are confident that these continue to provide a good overall balance in assessing our longer term performance. The target range for each measure is set out on page 117. The financial measures represent what would be a record year for the Company and significant progression towards our target of delivering an operating profit margin of 21-22% in the medium term. The customer measure requires us to retain our strong longer term customer scores.

Alignment to strategy

The Committee considered the performance measures and targets for the EIS and PSP to ensure they are aligned with the key performance indicators (KPIs) and strategic priorities being used across the business.

As set out in the Strategic report on pages 9 to 11, our focus remains on returning the business to a 21-22% operating profit margin in the medium term, increasing cash returns for shareholders over the long term and delivering sustainable growth.

The measures also support our commitment to run the business in the long term interests of all our stakeholders. The performance measures place a focus on delivering quality homes, providing the highest level of customer service and minimising the impact we have on climate change and protecting the planet for future generations.

Approach to executive pension provision

During the year the Committee reviewed our Policy approach to reducing the Executive Directors' pensions over time so that they will align to the percentage rate applicable to most of the workforce by 1 April 2024, which was agreed in line with guidance at that time.

At our 2020 AGM over 98% of shareholders voted in favour of our Policy, which set out the above approach. At our 2021 AGM over 97% of shareholders approved the Directors' Remuneration Report, which reiterated this approach to pensions alignment.

As referenced above, and in line with the Policy, on appointment as Chief Executive Jennie Daly will receive a pension provision in line with the rate applying to the majority of the workforce, of 10% of salary. The pension rate for the Group Finance Director will continue to step down to this workforce rate in line with the previously stated approach.

Committee changes

I will be stepping down from the Board following the conclusion of the 2022 AGM. Jitesh Gadhia will succeed me as Chair of the Remuneration Committee. Jitesh is an experienced Remuneration Committee Chair and has provided invaluable input into the Committee's discussions since he joined the Committee in March 2021. Angela Knight will also step down from the Board and the Committee at the conclusion of the AGM and I'd like to take the opportunity to thank her for her valued counsel over the last five years. Robert Noel will join the Committee from 26 April 2022 and will add to the Committee's skill sets and further enhance the quality of its work.

Policy review during 2022

2022 is the last year for the current Policy, therefore the Committee, led by Jitesh, will be conducting a thorough review of the Policy during the year ahead. As part of this review, the Committee will consult with shareholders and employees to gain input on any proposed changes. The Policy will be tabled for approval by shareholders at our 2023 AGM.

Closing remarks

On behalf of the Committee, I would like to thank our shareholders for their continued support during the year. On a personal note, I would like to also express my gratitude for the support and engagement from our shareholders and also our employees, that has taken place during my tenure as Chair of the Remuneration Committee.

Gwyn Burr
Chair of the Remuneration Committee

2 March 2022

Remuneration at a glance

EIS in respect of 2021 (audited)

The chart below shows the performance against the 2021 EIS measures.

Measure	Weighting	Summary of targets: Entry (10% vesting)	Target (50% vesting)	Stretch (100% vesting)	Result	% of maximum
Operating profit (£)	35%	£700m	£780m	£820m	£828.6m	35%
Operating profit margin (%)	15%	17%	18%	19%	19.3%	15%
Cash conversion (%)	10%	170%	180%	190%	199.4%	10%
Build quality	20%	4.25	4.4	4.5	4.67	20%
Customer service	20%	90%	91%	92%	91.5%	15%
Total	**100%**					**95%**

One third of any EIS amount payable will be deferred into shares for three years.

2019 PSP Award (audited)

The 2019 PSP Award performance period ended on 31 December 2021 and the chart below shows the outcome.

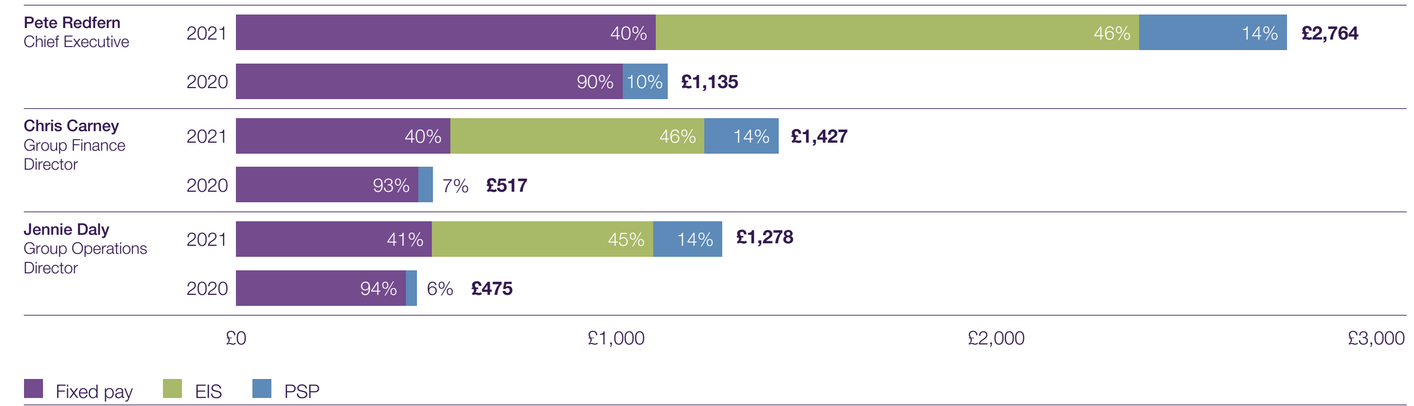
Measure	Weighting	Threshold (20% vesting)	Maximum (100% vesting)	Performance achieved	% of maximum
TSR v FTSE 100	20%	Median	Upper quartile	TW: 25.7% Median: 20.3%	5.8%
TSR v peer group[(a)]	30%	Median	Upper quartile	TW: 25.7% Median: 39.9%	0%
RONOA (2021)[(b)]	20%	26%	33%	27.9%	8.3%
Operating profit margin (2021)	15%	19%	23%	19.3%	3.9%
Cash conversion (2019-2021)[(b)]	15%	70%	80%	70.9%	4.1%
Total	100%				22.1%

(a) The peer group is comprised of Barratt Developments, Bellway, Berkeley Homes, Countryside Partnerships, Crest Nicholson, Galliford Try, Persimmon, Redrow and Vistry Group.

(b) The RONOA and cash conversion measures were assessed on the basis that the impact of the equity raise in 2020 was neutralised.

Executive Directors' total remuneration (audited)

The chart below compares the 2021 single figure for total remuneration for each of the Executive Directors with the equivalent figure for 2020. During 2020, and in light of the COVID-19 pandemic, the Executive Directors took a voluntary 30% reduction in base salary and pension from 1 April 2020 to 31 July 2020 and the 2020 EIS was cancelled.



Proposed application of the Policy in 2022

	Policy element	Purpose	Measure	Medium term goals	KPI	Stakeholders
Variable pay	Executive Incentive Scheme (Annual bonus) (EIS)	To reward the achievement of stretching objectives that support the Company's annual and strategic goals	Operating profit			●
			Operating profit margin	●		●
			Cash conversion	●		●
			Build quality		●	●
			Customer service		●	●
			Environmental		●	●
	Long Term Incentive Plan (PSP)	To assist with retention and the incentivisation and motivation of senior executives to deliver long term returns to shareholders	TSR v peer group			●
			RONOA	●		●
			Operating profit margin	●		●
			Customer service		●	●
Fixed pay	Base salary	To recruit and reward executives of a suitable calibre for the role and duties required				
	Benefits	To provide a competitive package of benefits to assist with recruitment and retention of staff				
	Pension	To provide competitive retirement benefits to assist with recruitment and retention of staff				

Award timeline: Year 1 Year 2 Year 3 Year 4 Year 5

Performance period / Deferral / holding periods

Read more about our medium term goals on page 9

Read more about our KPIs on pages 24 to 27

Read more about our stakeholders on pages 34 to 47

Read more about our financial definitions on page 71

Introduction

This Report has been prepared by the Committee on behalf of the Board. The 2021 Remuneration Report includes disclosures which reflect in full the Regulations (as defined below) on remuneration reporting, divided into two sections:

- Remuneration Policy Report: this sets out the Policy that was approved by shareholders at the AGM on 23 April 2020, describing the framework within which the Company remunerates its Directors.
- Annual Report on Remuneration: this sets out how the Policy was applied during 2021 and how it is proposed to be implemented during 2022.

The Directors' Remuneration Policy (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) (Amendment) Regulations 2008 (the 'Regulations'). Where required, data has been audited by PwC and this is indicated.

Remuneration Policy Report

Remuneration Policy Report (Unaudited information)

Our 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 that Policy will expire at the 2023 AGM when we will be required to seek binding shareholder approval for a new Policy.

The Policy has been included within this report for readers to assess how we have implemented remuneration arrangements during 2021 and how we intend to implement arrangements in 2022. Factual and implementation data has been updated where relevant (e.g. scenario charts and details of service contracts). The Policy, as approved by shareholders, can be found on pages 112 to 120 of the 2019 Annual Report and Accounts.

The 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 the senior management team to deliver it, and this will in turn drive value for our shareholders whilst having due regard to our other stakeholders. The Policy is set out in this report and is also available to view on the Company's corporate website.

When the Committee designed the Policy, they considered the factors in Provision 40 of the Code. Full details on how clarity, simplicity, risk, predictability, proportionality, and alignment to culture are addressed in the Policy can be found on page 121.

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:

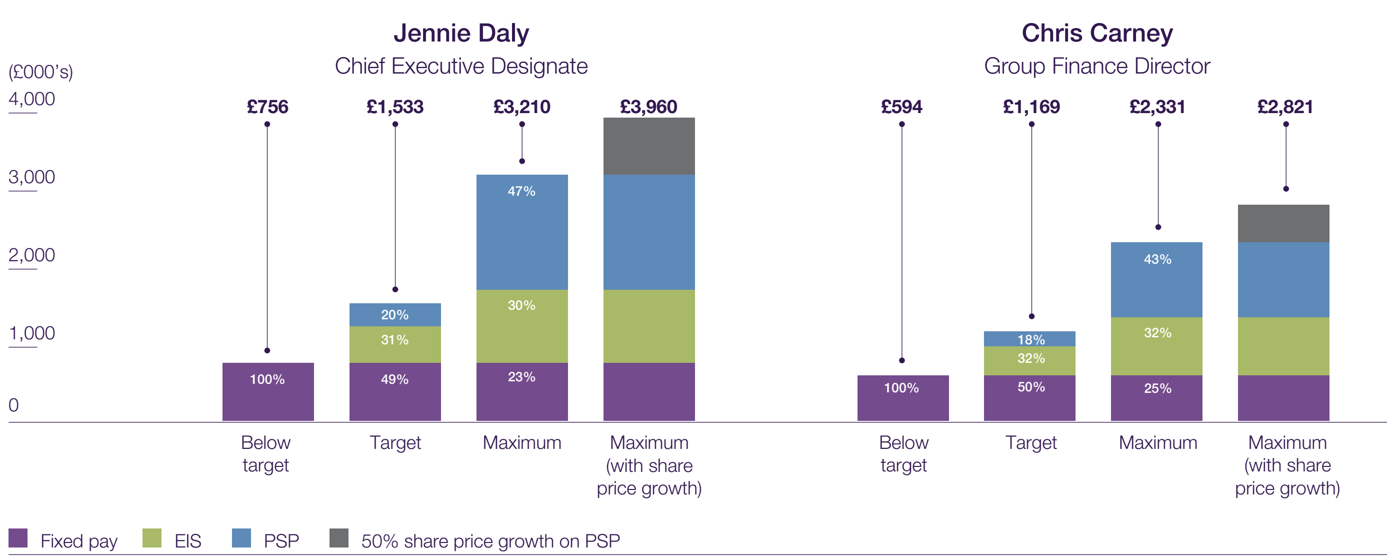
- Deferral into shares of a percentage of the EIS.
- A two year retention period for vested PSP Awards.
- Share ownership guidelines which require executives to build up holdings of Taylor Wimpey shares, either directly or by retaining vested PSP Awards and deferred EIS amounts.
- Post-employment shareholding requirement.

The above requirements ensure that a significant percentage of the overall remuneration package of our Executive Directors and senior management is subject to performance. 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.

Illustration of the Remuneration Policy for 2022

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



1. Salary is £642,247 and £501,025 for Jennie Daly and Chris Carney. Jennie Daly's salary is pro rata between her salary as Group Operations Director and Chief Executive. Chris Carney's salary is the salary he will receive in 2022.
2. Benefits are £41,938, and £20,581 for Jennie Daly and Chris Carney, respectively, being the 2021 value.
3. Pension is 10% for Jennie Daly and 14% of salary for Chris Carney.
4. For the EIS the target and maximum award is 75% and 150% of base salary, respectively, as applicable for 2022.
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, as applicable for 2022. 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.

Our Remuneration Policy

Element	Purpose and link to strategy	Operation	Maximum	Performance targets
Salary	To recruit and reward executives 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 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 Director. – Where the Director's salary has fallen below the market positioning.	Company and individual performance are factors considered when reviewing salaries.
Chairman of the Board and Non Executive Director fees	The Chairman and Non Executive Directors' fees should be 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 Executives and additional fees for roles such as the Chair of the Audit Committee, Chair of the Remuneration Committee and Senior Independent Director. 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 Committee and / or the Audit Committee and / or 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, benefits-in-kind or pension arrangements.	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 staff.	The main benefits offered: – Company-provided car or a cash allowance in lieu. – Provision of a fuel card. – Life assurance. – Private medical insurance. – A 5% discount on the price of a new home acquired from the Group.	The value of a company-provided car or a cash allowance in lieu is of a level appropriate to the individual's role and is subject to review from time to time. The fuel card covers the cost of all fuel, for both business and personal use. Life assurance of up to four times basic salary. 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 Directors with shareholders.	EIS awards are determined by the Committee after the year end, based on annual performance against targets set at the beginning of each year. One-third of any EIS is payable in shares which are held in trust for three years. A malus and clawback mechanism applies to all participants in the event of a material misstatement of the Group's accounts, error, misconduct, reputational damage or corporate failure. 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 set at 150% of salary. Target is set at 75% of salary and threshold at 0% if performance targets fail to be achieved. 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 measures.

Our Remuneration Policy continued

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 senior executives to achieve long term sustainable returns for shareholders. A post-vesting holding period helps align the interests of senior executives with those of the Company's shareholders.	Executive Directors and other designated senior executives can receive annual PSP awards. PSP awards provide alignment with shareholders as they deliver (subject to meeting performance conditions) the full value of the shares, which can increase and decrease in value over the three year performance period. The value of dividends or other distributions will accrue during the performance and holding periods and will be received with any shares that vest in favour of participants after the applicable performance period. Dividends will normally be accrued and paid in shares. Performance measures are normally measured over three financial years. A malus and clawback mechanism applies to all participants in the event of a material misstatement of the Group's accounts, error, misconduct, reputational damage or corporate failure. The discovery period for the event that would give rise to the clawback is three years from the date of payment.	The maximum award (currently in performance shares) is normally over shares with a face value of 200% of salary. In exceptional circumstances this can be increased up to 300% of salary.	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. Awards vest at 20% for threshold performance.
Pension	The Company aims to provide competitive retirement benefits that represent an appropriate level of cost and risk for the Group's shareholders. Over five years the pension contributions will reduce to the level of the workforce pension.	Pension benefits are provided through one or more of the following arrangements: – Personal Choice Plan; – Taylor Wimpey Pension Scheme; or – as a cash allowance.	Pete Redfern: cash allowance from 1 April 2022 of 15.62% of salary. Chris Carney: cash allowance of 14% of salary from 1 April 2022 and then reducing annually thereafter by 2% of salary until the pension rate is the same as the majority of the workforce. Jennie Daly: 10% of salary from 26 April 2022, aligned to the rate applicable to the majority of the workforce. Company contributions to any pension scheme in respect of 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 set by legislation or by HMRC. 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 per tax year by one or more lump sums. The maximum saving or contribution level is set by legislation or Government from time to time and the Committee reserves the right to increase contribution levels to reflect any approved Government legislative changes.	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 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.

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 investors 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.

During the year, other than to determine that Pete Redfern should be treated as a good leaver for incentive plan purposes, the Committee did not exercise any discretion to adjust any formula driven remuneration outturns.

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 2021, when we consulted with major shareholders representing 50% of our issued share capital, and included the salary for the Group Finance Director, performance targets and weightings for variable pay arrangements proposed for 2022 and summarised the terms of the Chief Executive's exit package for when he leaves the business in 2022.

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 121 to 123.

How the EIS and PSP measures and targets are chosen

The performance measures that are used for each of the EIS and PSP have been selected 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 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 performance levels.

The proposed measures for the 2022 EIS and PSP are set out on pages 116 and 117.

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 74 and 75.

Remuneration Policy on recruitment or promotion

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 will be provided in line with those offered to other Executive Directors and pension will be provided in line with the wider workforce, 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.

The variable pay elements that may be offered will be subject to the maximum levels described in the Policy table on pages 111 and 112. 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.

How the EIS and PSP measures and targets are chosen

Set performance measures aligned with the strategy

Set stretching targets to drive performance and taking into account the wider environment

Engage with shareholders and employees on proposed arrangements

Ensure that there is connectivity with the wider workforce's annual arrangements to drive consistent performance

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 Taylor Wimpey'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 at the time of appointment.

In the case of an internal hire including a promotion, as previously reported, 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.

Details of the remuneration arrangements for Jennie Daly as Chief Executive can be found on page 106.

Directors' contracts and policy on payments for loss of office

It is the Company's policy that Executive Directors should have contracts of employment providing for a maximum of one year's notice period either way consistent with Provision 39 of the Code.

Name	Date of appointment	Notice period
Pete Redfern	3 July 2007	12 months
Chris Carney	20 April 2018	12 months
Jennie Daly	20 April 2018	12 months

As previously announced Pete Redfern will be stepping down from the Board on 26 April 2022 and will remain available to ensure an orderly transition until the end of his notice period on 8 December 2022. Pete's leaving arrangements are in line with the Policy and further details are provided on page 118.

Jennie Daly and Chris Carney are proposed for re-election at the 2022 AGM. Chris and Jennie will have at that date an unexpired service contract of one year.

Each of the Executive Directors' service contracts provides for:

- The payment of a base salary.
- An expensed company car or a cash allowance in lieu, a fuel 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.
- Participation in one or more long term incentive plan.

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.

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.

With regard to long term incentive plan awards, 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.

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 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.

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

Legacy arrangements

Any commitment which is consistent with the approved Remuneration Policy in force at the time that the commitment was made will be honoured, even where it is not consistent with the policy prevailing at the time such commitment is fulfilled.

Terms of engagement

The terms of engagement of the Chairman 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 aforementioned Directors (including the Chairman) 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 out.

Name	Date of appointment as Director	Term of appointment	Notice period by Company (months)	Notice period by Director (months)
Irene Dorner	1 December 2019	3 years, reviewed annually	6	6
Gwyn Burr	1 February 2018	3 years, reviewed annually	6	6
Jitesh Gadhia	1 March 2021	3 years, reviewed annually	6	6
Scilla Grimble	1 March 2021	3 years, reviewed annually	6	6
Angela Knight	1 November 2016	3 years, reviewed annually	6	6
Robert Noel	1 October 2019	3 years, reviewed annually	6	6
Humphrey Singer	9 December 2015	3 years, reviewed annually	6	6

Annual Report on Remuneration

The Annual Report on Remuneration will (together with the Chair's Statement and Remuneration at a Glance on pages 105 to 109) be put to an advisory shareholder vote at the AGM on 26 April 2022. Details of the resolution are set out in the Notice of Meeting on page 186.

Total single figure of remuneration (audited)

The table below sets out the total single figure of remuneration received by each Executive Director for their service and performance in 2021 (or for the performance period ending 31 December 2021 in respect of the PSP) and 2020 comparison, and total fees received by the Chairman and each Non Executive Director in 2021 and 2020.

£'000	Year	Fees / salary[(a)]	Benefits[(b)]	EIS[(c)]	PSP[(d)]	Pension[(e)]	All-employee plans[(f)]	Total	Total fixed remuneration	Total variable remuneration
Executive										
Pete Redfern	**2021**	**887**	**45**	**1,270**	**390**	**170**	**2**	**2,764**	**1,104**	**1,660**
	2020	787	55	—	118	173	2	1,135	1,017	118
Chris Carney	**2021**	**467**	**8**	**668**	**195**	**77**	**12**	**1,427**	**564**	**863**
	2020	395	9	—	39	73	2	518	479	39
Jennie Daly	**2021**	**406**	**19**	**581**	**182**	**67**	**23**	**1,278**	**515**	**763**
	2020	360	17	—	29	67	2	475	446	29
Non Executive										
Irene Dorner	**2021**	**328**	**—**	**—**	**—**	**—**	**—**	**328**	**328**	**—**
	2020	248	—	—	—	—	—	248	248	—
Gwyn Burr	**2021**	**90**	**—**	**—**	**—**	**—**	**—**	**90**	**90**	**—**
	2020	70	—	—	—	—	—	70	70	—
Jitesh Gadhia (appointed 1 March 2021)	**2021**	**53**	**—**	**—**	**—**	**—**	**—**	**53**	**53**	**—**
	2020	—	—	—	—	—	—	—	—	—
Scilla Grimble (appointed 1 March 2021)	**2021**	**53**	**—**	**—**	**—**	**—**	**—**	**53**	**53**	**—**
	2020	—	—	—	—	—	—	—	—	—
Angela Knight	**2021**	**63**	**—**	**—**	**—**	**—**	**—**	**63**	**63**	**—**
	2020	54	—	—	—	—	—	54	54	—
Robert Noel	**2021**	**80**	**—**	**—**	**—**	**—**	**—**	**80**	**80**	**—**
	2020	65	—	—	—	—	—	65	65	—
Humphrey Singer	**2021**	**80**	**—**	**—**	**—**	**—**	**—**	**80**	**80**	**—**
	2020	70	—	—	—	—	—	70	70	—
Total	**2021**	**2,507**	**72**	**2,519**	**767**	**314**	**37**	**6,216**	**2,930**	**3,286**
	2020	2,049	81	—	186	313	6	2,635	2,449	187

(a) The 2020 figure takes into account the voluntary 30% reduction in salaries and fees from 1 April to 31 July 2020.
(b) Benefits include non-cash payments to Pete Redfern, Chris Carney and Jennie Daly for private medical insurance, life assurance and company car provision (the benefit value of the Company car provided was £29,925, £806 and £14,516 respectively).
(c) The 2021 EIS outcome can be found on page 108. The 2020 EIS for the Executive Directors was cancelled in light of the COVID-19 pandemic. One third of the 2021 EIS will be deferred into shares for three years. These shares will not be subject to any further performance or non-performance measures.
(d) This column shows the vesting in respect of PSPs with performance periods ending in 2021 and 2020 as set out in the table on the next page. The 2020 figure includes the value of dividends accrued during the performance period and payable on vesting and has been restated to reflect the share price on the date the award vested. The 2021 figure includes the value of dividends accrued during the performance period and this amount will be paid in shares and will be subject to the same two year holding period.
(e) For Pete Redfern these figures represent the cash allowance payable. For Chris Carney and Jennie Daly these figures represent pension contributions up to the amount permissible under HMRC rules and cash allowances beyond that level.
(f) These figures represent the value of the matching shares under the Share Incentive Plan, the value of the 20% discount on the Sharesave option price, and the payment of Special Dividends accrued on Sharesave Options exercised by Chris Carney and Jennie Daly and grossed-up for Income Tax and National Insurance.

Salaries (audited)

As explained on page 106, during 2021 the Committee reviewed Chris Carney's salary and in light of his excellent performance and the expanded remit of his role, increased his salary from £447,372 to £490,000, with effect from 1 July 2021. The Committee reviewed the Executive Directors' salaries and decided to award an increase of 3% to Chris Carney, with effect from 1 April 2022, in line with general workforce increases. Pete Redfern will not receive this increase given he is currently serving his notice period. Upon assuming the role of Chief Executive on 26 April 2022, Jennie Daly's salary will be set at £750,000.

The salaries of the Executive Directors as at 1 April 2022 will therefore be as follows:

Executive Director	Salary at 1 April 2021	Salary at 1 April 2022[(a)]	Increase
Pete Redfern	£891,644	£891,644	0%
Chris Carney	£447,372	£504,700	13%
Jennie Daly	£408,000	£750,000	84%

(a) As at 26 April 2022 for Jennie Daly.

Executive Incentive Scheme (Annual bonus) (EIS) (audited)

EIS in respect of 2021

The outcome of the 2021 EIS is 95% of the maximum and detailed disclosure of the targets and performance against them can be found on page 108. One third of this amount 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.

EIS for 2022

In line with the Policy, the Directors will have the opportunity to earn up to 150% of salary under the 2022 EIS. The opportunity for Jennie Daly will be based on her pro-rata salary following her promotion to Chief Executive from 26 April 2022. Pete Redfern will be eligible to participate in the 2022 EIS for the period he is actively employed in the business up to 26 April 2022 and further details can be found on page 118.

The EIS performance measures and their weightings for 2022 are shown in the table below. The precise details of the targets themselves are deemed to be commercially sensitive as they relate to the current financial year. However, detailed retrospective disclosures of the targets and performance against them will be provided next year in the usual way. The targets for the financial measures have been set so that entry performance is well ahead of 2021 outturn and achieving target will be at the top end of market expectations; the achievement of the stretch targets would require strong outperformance in favourable market conditions. The Committee is satisfied that the targets are sufficiently challenging. The Committee has introduced an environmental measure which will focus the business on the delivery of a credible plan and committed date to reach zero carbon and reduce our carbon intensity from our operations by 10% from the 2019 baseline data.

	Weighting	Rationale
Operating profit[(a)]	35%	Increase aggregate profit.
Operating profit margin[(a)]	15%	Prioritise focus on capturing house price increases and improving cost discipline throughout the business.
Cash conversion[(a)]	10%	To maximise the generation of cashflow from profits.
Build quality[(b)]	15%	Deliver high quality homes with the need for less remediation to underpin our strategic objective.
Customer service[(c)]	15%	Continue to deliver high levels of customer service.
Environmental	10%	The preparation and approval by the Board of a credible 'Road to Zero Carbon Plan' and a reduction in carbon intensity.

(a) Read more about our financial definitions on page 71.
(b) The average score, out of six, achieved during an in-depth annual review of construction quality on a site-specific basis.
(c) Percentage of customers who would recommend Taylor Wimpey to a friend as measured by the National New Homes Survey undertaken by the NHBC on behalf of the Home Builders Federation (HBF) eight weeks after legal completion.

Performance Share Plan (PSP) (audited)

PSP awards included in the 2021 and 2020 total remuneration figures

The outcome for the 2019 PSP Award against the performance measures can be found on page 108. The table below sets out the number of shares each Executive Director received after the vesting of the 2018 and 2019 PSP Awards.

	Name	Number of shares granted	Value of award at grant (£'000)	End of performance period	Standard proportion of award vesting[(a)]	Number of shares vesting	Vesting date	Value attributable to share price increase	Value of PSP shares vesting (£'000)	Value of dividend equivalents (£'000)	Value of standard proportion of PSP (single figure) (£'000)
2021[(a)]	Pete Redfern	947,769	1,714	31/12/2021	22.1%	209,456	03/03/2022	—	334	56	390
	Chris Carney	475,532	860	31/12/2021	22.1%	105,092	03/03/2022	—	167	28	195
	Jennie Daly	442,355	800	31/12/2021	22.1%	97,760	03/03/2022	—	156	26	182
2020[(b)]	Pete Redfern	898,423	1,672	31/12/2020	6.6%	59,295	02/03/2021	—	98	20	118
	Chris Carney	294,149	548	31/12/2020	6.6%	19,413	02/03/2021	—	32	7	39
	Jennie Daly	225,648	420	31/12/2020	6.6%	14,892	02/03/2021	—	24	5	29

(a) The 2019 PSP Award is included in the 2021 total remuneration figure. The performance against each of the performance measures are set out on page 108. A share price of 159.4 pence was used to calculate the value of the award vesting on 3 March 2022 as this was the average share price for the dealing days in the last three months of the performance period. This figure will be recalculated in the 2022 Annual Report to reflect the share price on the date the Award vests. Dividend equivalents will be paid in shares.
(b) The 2018 PSP Award is included in the 2020 total remuneration figure. The overall performance of the award can be seen on page 114 of the 2020 Annual Report and Accounts. The closing share price on the date the Award vested has been used (165.9 pence). Dividend equivalents were paid in cash.

PSP awards granted during 2021

	Type	% of salary	Face value of award (£'000)	Number of shares[(a)]	End of performance period	Performance measures	Threshold (20%)	Maximum (100%)
Pete Redfern	Nil-cost options	200%	1,748	1,004,687	31/12/2023	TSR v peer group (40%)	Median	Upper quartile
Chris Carney	Nil-cost options	200%	877	503,400	31/12/2023	RONOA (20%)	18.5%	20.5%
						Cash conversion (20%)	22%	25%
Jennie Daly	Nil-cost options	200%	800	459,726	31/12/2023	Customer service (20%)	78%	81%

(a) The share price used to determine the number of shares awarded was based on the average closing share price (174.02 pence) over the three days prior to grant (4, 5 and 8 March 2021).

PSP awards to be granted in 2022

In line with the Policy, Chris Carney and Jennie Daly will each receive a PSP Award over shares worth 200% of salary in 2022 which will be subject to the performance measures shown in the table below. Given the long term nature of the Award, this will be based on Jennie Daly's salary as Chief Executive as she will be in the role for the majority of the performance period. As noted on page 118, Pete Redfern will not receive an Award in 2022. The performance measures remain the same as the 2021 Award as the Committee consider that these provide a good overall balance in assessing our longer term performance against the business strategy. The targets have been reviewed to reflect current market conditions and business forecasts for the Group.

The PSP will operate in accordance with the Policy as set out on pages 111 and 112. Awards vest on a straight-line basis between the above threshold and maximum vesting levels. Malus and clawback provisions are in line with the Code requirements and the Committee is satisfied that they remain fully enforceable if ever needed. Performance will be measured over a three year performance period and will be subject to a two year post-vesting holding period. The Committee has reviewed the targets and is confident they are stretching and appropriate in the present market outlook for the medium term.

Performance measure	Weighting	Threshold (20%)	Maximum (100%)	Rationale
TSR v peer group[(a)]	40%	Median	Upper quartile	Align the rewards received by executives with the returns received by shareholders.
Operating profit margin (2022-2024)	20%	19%	21%	Maintain focus on cost and process discipline.
RONOA (2022-2024)	20%	23%	25%	Maintain focus on driving increased capital efficiency.
Customer service (2022-2024)[(b)]	20%	78%	81%	To improve and deliver enhanced customer service.

(a) The peer group is an unweighted index comprising Barratt Developments, Bellway, Berkeley Homes, Countryside Partnerships, Crest Nicholson, Persimmon, Redrow and Vistry Group.
(b) 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 will be on a different basis to the EIS customer service measure.

Directors' pension entitlements (audited)

The Group Finance Director's pension contribution will be further reduced in 2022 in line with the agreed incremental reduction over a five year period to 10% of base salary, the level of pension contribution available to the majority of the wider workforce. Therefore, from 1 April 2022 Chris Carney's pension contribution will be 14% of base salary. Jennie Daly's pension contribution will be 14% of base salary from 1 April until 25 April, when she assumes the role of Chief Executive, at which point it will reduce to 10% of salary. As such, whilst the Directors' rate of pension contribution continues to reduce to the workforce rate as previously agreed, the Company was not fully compliant with Provision 38 of the Code during 2021 whilst the rate for incumbent Directors was above that of the workforce.

Defined benefit scheme

Pete Redfern is 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 31/12/2020 (£)	Increase in accrued pension from 31/12/2020 to 31/12/2021 (£)	Accrued pension as at 31/12/2021[(b)] (£)
Pete Redfern	62	16,335	71	16,406

(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. Members of the GWSPS were transferred into the Taylor Wimpey Pension Scheme (TWPS) on 1 October 2013 and there was no change to members' benefit entitlement. Pensions for all deferred members accrued up to 5 April 2009 will revalue in deferment in line with inflation subject to an overall cap of 5% per annum. Pensions accrued after 5 April 2009 will revalue in deferment in line with inflation subject to an overall cap of 2.5% per annum. Once in payment, pensions accrued up to 5 April 2006 are guaranteed to increase in line with inflation limited each year to 5%, pensions accrued after 5 April 2006 are guaranteed to increase in line with inflation limited each year to 2.5%.

Pete Redfern received a cash allowance of £169,666 (2020: £173,244) in lieu of Company pension contributions.

Non-Group pension arrangements

The value of Company pension contributions in 2021 for Chris Carney and Jennie Daly was:

	2020 (£)	**2021 (£)**
Chris Carney	5,501	**4,003**
Jennie Daly	5,501	**4,029**

Chris Carney and Jennie Daly also received pension allowances of £72,828 (2020: £67,745) and £62,930 (2020: £61,299) respectively in lieu of Company pension contributions over the Tapered Annual Allowance limit introduced in April 2016.

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 01/01/2021	Additional maximum potential awarded during the year	Dividend re-investment shares added during the year	Exercised during the year	Lapsed during the year	Maximum potential shares as at 31/12/2021[a]	Maximum shares vesting in: 2022	2023	2024	2025	2026
Pete Redfern											
Deferred shares (EIS)[b]	625,225	–	21,875	181,313	–	465,787	266,251	199,536	–	–	–
PSP[c]	2,701,954	1,004,687	–	59,295	839,128	2,808,218	947,769	855,762	1,004,687	–	–
Sharesave Plan	18,863	–	–	–	–	18,863	18,863	–	–	–	–
Total	**3,346,042**	**1,004,687**	**21,875**	**240,608**	**839,128**	**3,292,868**	**1,232,883**	**1,055,298**	**1,004,687**	**–**	**–**
Chris Carney											
Deferred shares (EIS)	216,311	–	10,659	–	–	226,970	126,855	100,115	–	–	–
PSP[c]	1,199,049	503,400	–	19,413	274,736	1,408,300	475,532	429,368	503,400	–	–
Sharesave Plan[d]	20,891	10,545	–	11,460	–	19,976	9,431	–	–	–	10,545
Total	**1,436,251**	**513,945**	**10,659**	**30,873**	**274,736**	**1,655,246**	**611,818**	**529,483**	**503,400**	**–**	**10,545**
Jennie Daly											
Deferred shares (EIS)	171,811	–	8,467	–	–	180,278	88,974	91,304	–	–	–
PSP[c]	1,059,584	459,726	–	14,892	210,756	1,293,662	442,355	391,581	459,726	–	–
Sharesave Plan[d]	22,921	21,091	–	22,921	–	21,091	–	–	–	–	21,091
Total	**1,254,316**	**480,817**	**8,467**	**37,813**	**210,756**	**1,495,031**	**531,329**	**482,885**	**459,726**	**–**	**21,091**

(a) All outstanding awards are options. The Directors do not hold any vested but unexercised share options.
(b) Pete Redfern exercised his EIS deferred shares on 26 March 2021 and the closing share price was 180.1 pence. These shares were awarded on 23 March 2018 using a share price of 183.60 pence to calculate the number of shares awarded.
(c) The Executive Directors exercised their 2018 PSP Award on 2 March 2021 and the closing share price was 165.9 pence. These shares were awarded on 6 March 2018 using a share price of 186.13 pence to calculate the Award.
(d) Chris Carney and Jennie Daly both exercised their Sharesave Plan on 13 December 2021 and the closing share price was 167.3 pence. These shares were granted on 5 October 2016 and the option price was 130.88 pence.

Vesting of the deferred shares and Sharesave Plan 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 31 December 2021 was 175.5 pence and the range during the year was 146.4 pence to 191.7 pence.

Pete Redfern’s remuneration arrangements in relation to his departure

On 8 December 2021 the Company announced that Pete Redfern would be stepping down from the Board as Chief Executive in 2022 once a suitable successor had been found and following a full handover. Following a thorough recruitment and selection process Jennie Daly was appointed as Pete’s successor with effect from the 2022 AGM. As such Pete will step down from the Board on 26 April 2022 and will remain available to the business to ensure an orderly transition until his notice period ends on 8 December 2022.

On behalf of the Board, the Committee considered his remuneration arrangements and can confirm that they are in line with his contractual entitlements and the shareholder approved Policy.

Base salary, benefits and pension

Pete will continue to receive salary, benefits and pension in accordance with his contractual entitlements until he leaves the business.

He will not receive the 3% salary increase for 2022 which was approved for the wider workforce and Chris Carney, and his pension contributions will reduce to 15.62% of salary, on 1 April 2022 as previously agreed. Outstanding interests in all-employee share plans will be treated in line with standard leaver terms.

EIS

He will be treated as a ‘good leaver’ in respect of the EIS and may receive a bonus for 2022 performance pro-rated to the time he is actively employed in the business up to 26 April 2022 and subject to the achievement of the performance measures. Any award made will be paid at the usual time in March 2023, with one-third being deferred in shares and released to him after three years.

Pete’s unvested EIS deferred shares from the 2019 EIS will vest at the normal time, with any shares added via the Dividend Re-Investment Plan, in March 2023. One-third of his 2021 EIS will be paid in shares in March 2022, and will be released at the normal time after three years.

PSP

Pete will also be treated as a ‘good leaver’ in respect of his outstanding PSP awards. His 2019 Award vested at the normal time in March 2022. Pete’s 2020 and 2021 Awards will be pro-rated to the date he leaves the business and will be subject to the performance measures (as currently applicable) over the relevant three year period. He will be required to retain any shares that vest for the two year holding period.

No PSP Award will be made for 2022.

Post employment shareholding requirements

Pete will be required to retain shares worth at least 200% of his salary for two years post employment. The number of shares will be calculated based on the share price on his last day of employment.

Clawback and malus

Clawback and malus provisions will continue to apply post cessation of employment.

Details of Jennie Daly’s remuneration package as Chief Executive are set out on page 106.

Payments for loss of office and to former Directors

No payments have been made for loss of office or to former Directors during 2021.

Chairman and Non Executive Director Fees (audited)

Fee review in 2021

During the year the fees for the Chairman of the Board and Independent Non Executive Directors were reviewed and increased, recognising the increased time commitment required since the last reviews took place in 2018 and 2016 respectively. The increases noted below took effect on 1 July 2021.

Role	Annual fees as at 01/04/2021	**Annual fees as at 01/07/2021**
Chairman of the Board	£320,000	**£335,000**
Independent Non Executive Director	£60,000	**£65,000**
Senior Independent Director	£17,500	**£17,500**
Audit Committee Chair	£17,500	**£17,500**
Remuneration Committee Chair	£17,500	**£17,500**
The Board’s Employee Champion	£10,000	**£10,000**

Directors’ share interest register (audited)

In line with the approved Policy, Executive Directors’ shareholding requirements are 200% of their base salary. They are required to retain at least 50% of their net of taxes gain arising from any shares vesting or acquired pursuant to the Company’s PSP, until such time as the guidelines have been met. Beneficially owned shares count toward the guidelines, together with the portion of the EIS deferred into shares (on a net of tax basis) and any vested but unexercised PSP awards.

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. Any shares that vest from either the PSP or the EIS deferred shares must be held within the Company’s Employee Benefit Trust until the required shareholding level has been achieved. The shares will then be released from the Employee Benefit Trust two years from the date of cessation of employment.

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

	Beneficially owned		Outstanding interests in share plans			Share interests expressed as a % of salary
Director	at 01/01/2021 (ordinary shares)[a]	at 31/12/2021 (ordinary shares)	EIS deferred shares (gross)	PSP[b]	Sharesave	Value of shares (including EIS deferred shares on a net basis) as at 31/12/2021[c]
Irene Dorner	125,440	125,440	–	–	–	–
Pete Redfern	2,363,494	2,396,991	465,787	2,808,218	18,863	520%
Chris Carney[d]	376,484	400,351	226,970	1,408,300	19,976	186%
Jennie Daly[d]	179,511	212,446	180,278	1,293,662	21,091	132%
Gwyn Burr	17,241	17,241	–	–	–	–
Jitesh Gadhia	–	100,000	–	–	–	–
Scilla Grimble	–	15,000	–	–	–	–
Angela Knight	16,896	16,896	–	–	–	–
Robert Noel	46,674	46,674	–	–	–	–
Humphrey Singer	31,896	31,896	–	–	–	–

(a) Or date appointed to the Board.
(b) Vesting is subject to the achievement of performance conditions.
(c) This has been calculated on the basis of beneficially owned shares and the net amount of EIS shares. The share price on 31 December 2021 (165.8 pence) has been used to calculate the Executive Directors’ share interest expressed as a percentage of salary.
(d) A proportion of shares are held by a connected person.

Details of the share options exercised by the Executive Directors during the year can be found on page 118.

The only changes to the Directors’ interests as set out above during the period between 31 December 2021 and 2 March 2022 were the regular monthly purchases of shares and 1:1 matching by the Company under the Share Incentive Plan by Pete Redfern, Chris Carney and Jennie Daly who acquired 372, 374 and 374 respectively.

Remuneration Committee Remit

The role of the Committee is to recommend to the Board a strategy and framework for remuneration for Executive Directors and senior management which will attract and retain leaders who are focused and incentivised to deliver the Company's strategic business priorities within a framework which is aligned with the interests of our shareholders and designed to promote the long term success of the Company. It is also responsible for reviewing wider workforce remuneration practices and policies.

Details of Committee membership and attendance at meetings can be found on page 105.

The Committee reviewed its Terms of Reference in 2021 and evaluated its own performance against them. Following this review, the Committee confirmed that they remain appropriate. The Terms of Reference can be found on the Company's corporate website.

No Director is involved in any decisions about their own remuneration and a conflicts of interest register is maintained by the Company Secretary in accordance with the Company's Conflicts of Interest Policy.

The Remuneration Committee's activities during 2021 are set out in the table below:

Topic	Activity / review	February 2021	September 2021	October 2021	December 2021
Executive and senior management remuneration	Reviewed benchmarking data for various groups of senior management	●	●	●	●
	Considered the forecasts for inflight EIS and PSP awards	●		●	●
	Considered the performance measures and targets for the 2022 EIS and PSP				●
	Considered the remuneration arrangements for Pete Redfern when he leaves the business				●
Wider workforce remuneration	Reviewed the remuneration policies and practices for the wider workforce	●			
	Considered the wider workforce bonus arrangements alignment to senior managements	●			●
	Reviewed and approved the Group-wide salary review	●			●
	Considered the Company's 2021 Gender Pay Gap Report	●			
	Considered the Company's Ethnicity Pay Gap data	●			
Committee governance	Reviewed and agreed the Committee's annual plan for 2022			●	
	Received a market update from Korn Ferry	●	●	●	●
	Reviewed and approved the 2020 Directors' Remuneration Report	●			
	Reviewed the Committee's performance and compliance with its Terms of Reference	●			

Advice to the Committee

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 2021 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. The Committee reviews the performance and independence of its advisers on an annual basis and is satisfied that the advice provided is objective and independent. 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 is satisfied that the advice provided by Slaughter and May is objective and independent.

The fees paid to the Committee's advisers in 2021 were: Korn Ferry £83,370 on a time and materials basis (2020: £62,920); and Slaughter and May £10,000 (2020: £nil).

The Chief Executive, Group HR Director, Group General Counsel and Company Secretary, Assistant Company Secretary and Head of Reward and Pensions each attended the Committee meetings during 2021 by invitation only, but were not present for any discussions that related directly to their own remuneration.

How the Committee addresses the requirements under Provision 40 in the Code

Principle	Committee approach
Clarity	– We have operated a consistent approach which is well reported in our Directors' Remuneration Reports. Our approach is understood internally by employees and externally with strong levels of shareholder support
Simplicity	– Executive Director remuneration arrangements have been designed, in accordance with best practice, to be as simple as possible
Risk	– We mitigate risk through careful plan design, including long term performance measurement, deferral, and shareholding requirements (including post cessation of employment) and discretion and clawback provisions
Predictability	– We look carefully at the range of likely performance outcomes when setting performance target ranges for entry, target and maximum payouts and use discretion where necessary
Proportionality	– 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 plans, as well as deferral and clawback mechanisms to ensure that poor performance is not rewarded
Alignment to culture	– Our overall reward framework embeds our purpose and values. Decisions on executive pay need to be taken in the context of the wider stakeholder experience

Wider workforce remuneration

Key highlights in 2021

5.5%
average salary increase

1,307
employees received salary increases during the year following benchmarking outside of the annual review[(a)]

61%
of employees are either already shareholders or participate in one of our all-employee share plans

Maternity and Paternity Leave Policy
enhancements made during the year

Real Living Wage Employer
accreditation in November 2021

10%
pension contribution available for the majority of the workforce

(a) These increases were in addition to the 2% annual increase in April 2021. As at 31 December 2021 there were 5,144 employees.

Wider workforce remuneration in 2021

The Committee regularly monitors and reviews the Company-wide remuneration arrangements to ensure that they are aligned to incentives and rewards across the Company.

The Committee reviewed, by employee level, the different elements of pay and benefits across the Company. Following this review, 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.

Element	Wider Workforce	Senior Managers	Executive Directors and GMT
Competitive salary	●	●	●
Bonus	●	●	●
Deferred bonus in shares			●
Long Term Incentive Plan / Medium Term Incentive Plan		●	●
Shareholding requirements		●	●
Paid holiday	●	●	●
Pension	●	●	●
All-employee share plans	●	●	●
Flexible benefits	●	●	●
Private healthcare	●	●	●

Engagement with the workforce

As Remuneration Committee Chair and Employee Champion, Gwyn Burr attended three National Employee Forum (NEF) meetings during the year. At one of these meetings, the NEF discussed pay policies and practices across the Group and how they align with the Executive Directors' remuneration arrangements. The performance measures in variable pay arrangements across the Group were discussed in detail to explain how the Executive Directors' remuneration was aligned to that of the wider workforce and our strategy.

CEO Pay Ratios

Year	Method	CEO single figure[a]		Lower quartile	Median	Upper quartile
2021[b]	**Option B**	**£2,764,290**	**Ratio**	**87:1**	**60:1**	**40:1**
			Salary	**£26,883**	**£33,133**	**£50,750**
			Total pay and benefits	**£31,651**	**£46,455**	**£69,721**
2020	Option B	£1,120,451	Ratio	39:1	26:1	20:1
			Salary	£23,233	£30,600	£47,000
			Total pay and benefits	£28,389	£42,492	£56,844
2019	Option B	£3,023,654	Ratio	93:1	73:1	48:1
			Salary	£27,500	£31,277	£45,621
			Total pay and benefits	£32,342	£41,483	£62,418
2018	Option B	£3,151,748	Ratio	103:1	77:1	41:1
			Salary	£26,412	£26,873	£52,458
			Total pay and benefits	£30,745	£41,135	£76,575

(a) The 2018, 2019 and 2020 single figures disclosed have not been restated to reflect the share price on the date the 2016, 2017 and 2018 PSP awards 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 2021.

Under Option B, using the hourly rate from our 2021 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 less adjustments to calculate full-time equivalent earnings and is more 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 percentiles.

Total pay and benefit figures, during the financial year ending 31 December 2021, 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.

As a result of the COVID-19 pandemic the CEO single figure for 2020 was significantly lower than in 2019. The CEO single figure was impacted by: the voluntary 30% reduction in Executive Directors salaries and pension contributions from 1 April to 31 July 2020, no cash bonus being paid to Executives Directors in response to 2020 performance and a low level of vesting in respect of the 2018 PSP Award. The lower CEO figure caused all three ratios for 2020 to reduce to a greater degree than would otherwise have been expected.

We increased the number of apprentices in 2020 which caused the lower quartile to drop in comparison to 2019. In 2021 the number of apprentices was less than in 2020 but higher than 2019 and this is the reason that the lower quartile has increased on 2020 but remains lower than in 2019. Apprentices are paid lower rates of pay and movements in headcount can impact the lower quartile.

Ratios for 2021 remain lower than our pre-pandemic ratios due to a combination of the CEO single figure being lower, an increase in the average employee salary of 5.5% over the year, and employees receiving higher bonus payments than in previous years. The lower CEO single figure is predominantly due to a lower level of vesting in respect of the 2019 PSP Award.

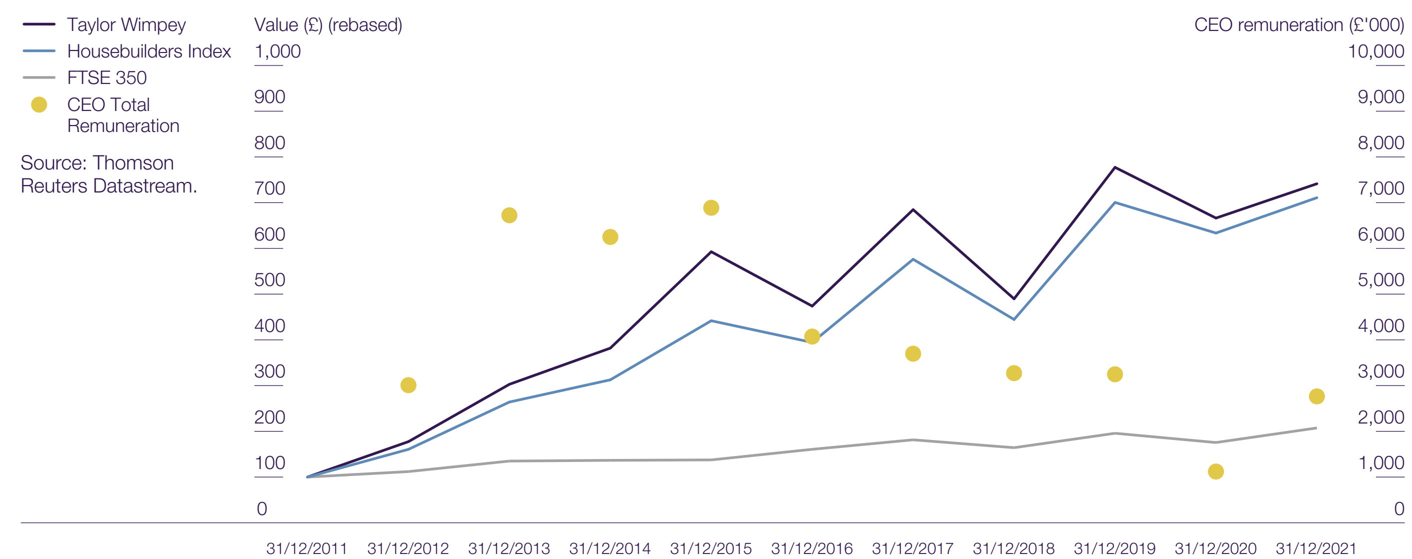
As has been noted on page 105, the Committee has reviewed the remuneration policies and practices for the wider workforce in conjunction with the Directors' remuneration policy review during the year. The Committee is satisfied that there is a good level of consistency in relation to pay policies throughout Taylor Wimpey.

Total shareholder return graph and Chief Executive historic remuneration

The graph below shows the value of £100 invested in Taylor Wimpey plc on 31 December 2011 with the value of a £100 invested in the FTSE 350 and in the average of the Housebuilders Index introduced for the 2012 PSP awards onwards and as varied subsequently for the 2014 and 2016 awards. These benchmarks have been chosen as Taylor Wimpey is a constituent of both.

The graph also shows the Chief Executive's single figure remuneration over the same 10-year period. The total remuneration figure includes the EIS and PSP awards which vested based on performance in those years. The EIS and PSP percentages are the payout for each year as a percentages of the maximum award that could have been paid or received.

Total shareholder return



	Year ending 31 December									
Chief Executive historic remuneration	2012	2013	2014	2015	2016	2017	2018	2019	2020	**2021**
Total remuneration (£'000)	3,009	6,724	6,250	6,888	4,072	3,697	3,272	3,247	1,120	**2,764**
EIS (%)	95	90	90	78	80	66	93	50.6	–	**95**
PSP (%)	40	85	94	100	81	78	50	62.8	6.6	**22.1**

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 individual Director in respect of the financial years ending 31 December 2020 and 31 December 2021, as set out on page 115.

	Salary / fee[a]		Benefits		Annual bonus scheme[b]	
	% change from 31/12/2019 to 31/12/2020 (%)	**% change from 31/12/2020 to 31/12/2021 (%)**	% change from 31/12/2019 to 31/12/2020 (%)	**% change from 31/12/2020 to 31/12/2021 (%)**	% change from 31/12/2019 to 31/12/2020 (%)	**% change from 31/12/2020 to 31/12/2021 (%)**
Pete Redfern	(10)	**13**	2	**(18)**	n/a	**n/a**
Chris Carney[c]	(10)	**18**	(55)	**(11)**	n/a	**n/a**
Jennie Daly	(10)	**13**	(6)	**12**	n/a	**n/a**
Irene Dorner[d]	n/a	**32**	–	**–**	–	**–**
Gwyn Burr[e]	(3)	**29**	–	**–**	–	**–**
Jitesh Gadhia[f]	n/a	**n/a**	–	**–**	–	**–**
Scilla Grimble[f]	n/a	**n/a**	–	**–**	–	**–**
Angela Knight	(10)	**17**	–	**–**	–	**–**
Robert Noel[g]	n/a	**23**	–	**–**	–	**–**
Humphrey Singer	(10)	**14**	–	**–**	–	**–**
Average pay of a Taylor Wimpey Employee[h]	–	**6**	–	**3**	(46)	**163**

(a) The Executive and Non Executive Directors took a voluntary 30% reduction in base salary and fees from 1 April 2021 to 31 July 2021 in light of the COVID-19 pandemic.
(b) The Executive Incentive Scheme was cancelled in light of the COVID-19 pandemic.
(c) 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) Gwyn Burr was appointed as the Board's Employee Champion and received a fee of £10,000 per annum with effect from 1 January 2021.
(f) Jitesh Gadhia and Scilla Grimble were appointed in March 2021.
(g) Robert Noel was appointed in October 2019 and was appointed as the Company's Senior Independent Director on 1 August 2021.
(h) Taylor Wimpey plc does not have any employees and these figures are in relation to Taylor Wimpey UK Limited employees.

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

	2020	2021	Change (%)
Operating profit[a]	£300.3m	**£828.6m**	176
Dividends paid per ordinary share	0.00p	**8.28p**	n/a
Employee pay in aggregate[b]	£280.1m	**£292.1m**	4
Employee pay average per employee[b]	£46,459	**£54,517**	17

(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 149.

Statement of shareholder voting

Votes cast by proxy and at the meeting in respect of the Directors' remuneration were as follows:

Resolution	Votes for	%	Votes against	%	Total votes cast (excluding withheld votes)	Votes withheld
Directors' Remuneration Report for 2020 (2021 AGM)	2,216,612,359	97.67	52,990,912	2.33	2,269,603,271	401,828
Directors' Remuneration Policy (2020 AGM)	2,001,641,568	98.65	27,319,532	1.35	2,028,961,100	583,978

Approved by the Board

Gwyn Burr
Chair of the Remuneration Committee

2 March 2022