


Policy on the appointment of the Company's external Auditor for the provision of non-audit services

The Board of Taylor Wimpey plc will monitor the effectiveness of this Policy and will review the Policy on a regular basis and at least every two years

Approved by		CEO, Taylor Wimpey plc	Feb 2024
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Introduction and objectives

The Audit Committee has determined that, for reasons of maintaining the independence and objectivity of the Company's external Auditor, this Policy shall be followed when considering whether it is appropriate for the external Auditor to be appointed by the Company to undertake work outside the scope of their annual audit.

The Company's general policy complies with the Revised Ethical Standard 2019 issued by the Financial Reporting Council (FRC) in December 2019 (the "Standard") whereby Taylor Wimpey plc's independent external Auditor and its affiliates (collectively referred to as the "Auditor") should only be used for non-audit work in circumstances, and to the extent, permitted by the Standard.

This Policy provides guidelines dealing with non-audit services that may, subject to meeting certain criteria or receiving appropriate approval, be provided by the Auditor. It should be noted that these guidelines also apply to any other accounting firm which expresses an opinion or attestation report on the financial statements of Taylor Wimpey plc ("Taylor Wimpey") or any of its subsidiaries ("the Group").

Purpose

The purpose of this Policy is to ensure that the Group complies with applicable guidelines and best practice for maintaining Auditor independence.

General principles

In order not to impair the independence of the Auditor, the Standard limits the services which may be performed by an audit firm carrying out the statutory audit of a public interest entity (i.e. Taylor Wimpey plc as a FTSE listed company) to the services set out in Appendix 1.

Prior consideration by the Audit Committee

Any proposed services to be provided by the Auditor in accordance with Appendix 1 are subject to the prior approval of the Audit Committee, or its chairperson or delegate, after it has properly assessed potential threats to independence and the safeguards applied in accordance with the Standard.

Contingent fee arrangements

The Auditor shall not be engaged to provide any non-audit / additional services, to or in respect of a Group company, wholly or partly on a contingent fee basis.

Contingent fees are fees calculated on a predetermined basis relating to the outcome or result of a transaction, or other event, or the result of the work performed. Additional or supplementary fees paid over and above an agreed engagement fee, which do not cover the cost of additional work, but reward an outcome which was not agreed at the time of the engagement letter are also, for the purposes of this Policy, contingent fees.

Fees shall not be regarded as being contingent if a court, competent authority, or other public authority has established them.

Limitation as to fees

The total fees for services provided shall be limited to no more than 70% of the average of the fees paid:

a) in the last three consecutive financial years for the audit(s) of the relevant Group company including (if relevant) its subsidiary group; and

b) in the last three consecutive financial years for the audit(s) of the relevant Group company and, where applicable, of its parent undertaking, of its controlled undertakings and of the consolidated financial statements of that group of undertakings.

The Auditor may not be engaged in circumstances where the fee, for the proposed services, either alone or in aggregate with fees to date for other non-audit services, does or will exceed the amount permitted by the Standard in relation to the audit fee.

Personal use of the Auditor

The use of the Auditor by Directors or Group executives for personal reasons must be notified to, and approved by, the Audit Committee Chairman in advance of any such usage.

Audit Committee approval

It is the Audit Committee's responsibility for considering and, if appropriate, approving all non-audit services provided by the Auditor.

Appendix 1 provides a description of the types of permitted service which the Auditor may be requested to perform for the Group. Where the proposed services fall within the scope of Appendix 1, they may proceed subject to prior approval from the Audit Committee or its chairperson or delegate.

In addition, where such services have an initial or forecast fee value in excess of £10,000, the proposed assignment must be reviewed and authorised by the Group Finance Director.

Any services not included on this list which nonetheless comply with the Standard or other relevant auditor independence rules in force from time to time, will need to be pre-approved individually by the Audit Committee or its chairperson or delegate.

In addition, in order to manage the Group's relationships with the Auditor, the provision of all non-audit services (including those listed in Appendix 1) must be notified to and approved by the Group Financial Controller.

Tendering process

In all circumstances set out in this Policy where a competitive tendering process for the provision of non-audit services is required, such process may, in appropriate circumstances set out in this Policy, include a tender from the Auditor.

Review process

Following Audit Committee approval for any work being undertaken by the Auditor pursuant to this Policy, the Audit Committee or the Chairman of the Audit Committee will obtain and assess confirmations from the Company from time to time sufficient to ensure that the independence and objectivity of the Auditor is not being jeopardised thereby.

Appendix 1 - Services that the Auditor may be invited to perform

This Appendix sets out the type of services which the Auditor may be invited to perform, subject to the prior approval of the Audit Committee in the circumstances set out in the Policy.

Description of Service
Financial statement audit and interim reviews – the recurring audit or review of consolidated and non-consolidated financial statements including statutory audits and interim reviews, tax services and accounting consultations required to perform an audit or review in accordance with Generally Accepted Auditing Standards.
Reporting required by a competent authority or regulator under law or regulation <ul style="list-style-type: none"> • reporting to a regulator on the Company’s assets; • reporting to a regulator on regulatory financial statements; • reporting on a solvency and financial condition report.
Reporting on internal financial controls when required by law or regulation.
Reporting on the iXBRL tagging of financial statements in accordance with the European Single Electronic Format for annual financial reports.
Reports, required by or supplied to competent authorities / regulators supervising the audited entity, where the authority / regulator has either specified the auditor to provide the service or identified to the Company that the auditor would be an appropriate choice for service provider.
Services which support the Company in fulfilling an obligation required by UK law or regulation, including listing requirements, where: the provision of such services is time critical; the subject matter of the engagement is price sensitive; and it is probable that an objective, reasonable and informed third party would conclude that the understanding of the Company obtained by the auditor for the audit of the financial statements is relevant to the service, and where the nature of the service would not compromise independence.
Reviews of interim financial information; and providing verification of interim profits not otherwise required by law or regulation.
Where not otherwise required by law or regulation, non-audit and additional services, as defined in the Standard provided as auditor of the entity, or as reporting accountant, in relation to information of the audited entity for which it is probable that an objective, reasonable and informed third party would conclude that the understanding of the entity obtained by the auditor is relevant to the service, and where the nature of the service would not compromise independence.
Extended audit or assurance work that is authorised by those charged with governance performed on financial or performance information and/or financial or operational controls, in an entity relevant to an engagement or a third-party service provider, where this work is closely linked with the audit work.
Additional assurance work or agreed upon procedures, authorised by those charged with governance performed on material included within or referenced from the annual report of an entity relevant to an engagement.
Reporting on government grants.
Reporting on covenant or loan agreements, which require independent verification, and other reporting to third parties with whom the entity relevant to an engagement has a business relationship in accordance with Appendix C of the Standard.
Assurance work linked to Company reporting and disclosures in appropriate areas, such as Environmental, Social and Governance; and climate change.

Services which have been the subject of an application to the Competent Authority in accordance with Regulation 79 of The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019 (SI 2019/177).

Generic subscriptions providing factual updates of changes to applicable law, regulation or accounting and auditing standards.