

Corporate Governance Policy

Introduction

Taylor Wimpey is a leading provider of living and working environments in the UK and other chosen markets in our chosen markets of the UK, North America and Spain. Our primary aim is the delivery of sustainable shareholder value.

Wherever Taylor Wimpey operates, the health and safety of our employees, suppliers and customers is our first priority. We work as far as possible to understand the ethos and aspirations of our host countries and communities, respecting all applicable laws and customs. We value our people, recognising their value and contribution to our business.

Objectives

The aim of this policy is to outline the group's corporate governance structure and to state the principles of good governance that underpin our operations. In determining the corporate governance policy, the Board has sought to apply the principles and provisions of the Financial Services Authority Combined Code as well as industry best practice and other codes of conduct.

Policy Statement

The Board


Taylor Wimpey board members are responsible collectively for the success of the Group and the achievement of its objectives. The chairman and non-executive directors form a majority on the board and provide it with a broad base of knowledge and experience. Their participation is vital in guiding the process of setting strategic aims and for maintaining corporate accountability.

The positions of chairman and chief executive are separate, with a clear division of responsibilities. The board determines whether individual non-executive directors are independent and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the directors' judgement. Reasons for such determinations are set out in Taylor Wimpey's Annual Report and Financial Statements.

The board appoints a senior independent non-executive director to provide a conduit between the shareholders and the board.

Taylor Wimpey's directors are elected by shareholders at the annual general meeting following their appointment and, thereafter, are subject to re-election at least once every three years.

The board undertakes an annual review of the division of responsibilities between the board and executive management and an annual assessment and evaluation of its own performance, including that of its committees and individual directors, and explains its evaluation procedures in the Annual Report and Financial Statements.

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Approved by		Chief Executive	Taylor Wimpey plc June 2008

Board committees

The directors have established a number of committees, three of which are fundamental for good corporate governance. The committees' defined terms of reference are published on the company's website. These committees are:

- Audit Committee
- Remuneration Committee
- Nomination Committee

Reports of their activities are given regularly to the board and minutes are circulated to all directors.

The Audit committee consists solely of independent non-executive directors, excluding the Chairman of the board. It is responsible for helping the board fulfil its corporate governance responsibilities relating to the Group's internal control framework and any other matters referred to it by the Board.

The Remuneration committee consists solely of independent non-executive directors. It is responsible for establishing policy on executive remuneration and for settling the remuneration packages of individual directors and other senior executives, to ensure that these are sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

The Nomination committee consists of independent non-executive directors, together with the Chief Executive, who is also a member. It is responsible for ensuring that there is a formal and rigorous procedure for the appointment of new directors to the board, its committees and other senior offices in the Company. The Committee also gives full consideration to succession planning for directors and senior executives.


Management structure

Taylor Wimpey's management structure is designed to facilitate a clear focus on business performance and the achievement of the Group's objectives. The Executive Committee comprises the executive directors, the Group Secretary and Group General Counsel and the President and CEO of North America Housing.

Communications

The Group's affairs are conducted in the interests of shareholders, employees, local communities and customers as well as others affected by the Group's activities. Our commitment, both in principle and practice, is for maximum transparency consistent with good governance and commercial confidentiality. We treat shareholders equally in their access to information and seek to avoid making any information available on a selective basis.

Any request for information not already in the public domain is referred to Taylor Wimpey's investor and media relations executives. Only designated executives are allowed to act as

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“spokesperson” for the Group to ensure that selective disclosures are avoided at all times. Taylor Wimpey follows the disclosure guidelines and regulations of the London Stock Exchange.

Taylor Wimpey also provides, publicly, information about a wide range of subjects within its annual report and corporate social responsibility report.


Taylor Wimpey makes full use of its annual general meetings and other forums to inform shareholders and those with specific interests about past performance and current developments through appropriate presentations. These events also provide opportunities for questions. Taylor Wimpey maintains a comprehensive website, www.taylorwimpey.com from which reports and publications can be viewed and/or downloaded. Results presentations and other significant events are available on the website, as they happen and as an archive. Taylor Wimpey welcomes questions, concerns and criticism from all its stakeholders, which can be made through a variety of communication channels.

Complaint, whistleblowing and grievance procedures exist for both customers and employees and these are detailed in our external and internal websites.

Our vision and values statement provides all Group employees with direction as to how we do business and the principles to be applied in our behaviour. This statement is supported by a set of key policies and procedures to help ensure that high standards are met. The Company has established core competencies as metrics of appropriate behaviour and these have been published within the company for use in evaluation of individual employee performance.

Risk management

The directors maintain a sound system of internal control to safeguard the Group’s assets but recognise that the creation of shareholder value is the reward for taking and accepting risk. The directors are responsible for the Group’s system of internal control and for reviewing its effectiveness in providing a responsible assessment and mitigation of risks. They have established procedures to identify, evaluate and manage significant risks faced by the Group. These procedures include the review of financial, operational and compliance controls and risk management procedures. They are designed to manage rather than eliminate risk because of the limitations inherent in any such system. Accordingly, the procedures provide reasonable but not absolute assurance against material misstatement or loss. The process is reviewed annually by the directors and accords the Combined Code guidance. The Executive committee reviews information on the Group’s significant risks, with relevant control and monitoring procedures, for completeness and accuracy. This information is presented to the Audit committee to enable them to assess the effectiveness of the internal controls. In addition, the board and its committees monitor the Group’s significant risks on an ongoing basis. Assurance functions, including internal auditors and health, safety and environmental

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auditors, perform reviews of control activities and provide regular written and oral reports to directors and management committees.

Certain risks, for example natural disasters, cannot be mitigated to an acceptable degree using internal controls. Such major risks are transferred to third parties in the international insurance markets, to the extent considered appropriate.

The Executive Committee has responsibility for reviewing material risks and controls on a structured basis.

Financial Reporting


The directors are responsible for maintaining proper accounting records in accordance with the UK Companies Act 1985. The directors, senior management, senior financial managers and other employees preparing financial statements are required not only to conduct themselves with integrity and honesty but also in accordance with the ethical standards of their profession and/or business. They must promote full, fair, accurate, timely and understandable disclosures in compliance with all applicable laws, rules and regulations in all financial statements.

Taylor Wimpey's financial statements are prepared in accordance with International GAAP and use the most appropriate accounting policies consistently applied and supported by reasonable and prudent judgements.

The board is responsible for establishing and maintaining internal control over financial reporting to provide reasonable assurance regarding the reliability of financial statements. The directors have a general responsibility for taking such steps as are reasonably open to them to safeguard assets, and to prevent and detect fraud and other irregularities. They conduct an annual review of the effectiveness of the Group's system of internal controls and produce an annual statement on internal control that is published in the Annual report and financial statements.

Dealing in Taylor Wimpey securities

Persons Discharging Managerial Responsibility (PDMRs) including Directors and specified company insiders are prohibited from dealing in Taylor Wimpey securities during specified periods and in certain other circumstances. Taylor Wimpey has in place policies to govern dealings in Taylor Wimpey securities that are no less stringent than the Model Code contained in the UK Listing Rules. Detailed rules for dealing in Taylor Wimpey securities are available from the company secretary and are available on the website.

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Shareholders


In order to deliver superior returns to shareholders over time, Taylor Wimpey takes a long term and responsible approach to the Group's business. Notices of shareholder meetings, proposed resolutions and explanations encourage shareholders to make informed decisions. Shareholders unable to attend meetings are encouraged to appoint, either in paper or electronic form, a proxy to vote either or abstain from voting as they direct or at their discretion. Information for shareholders is provided on Taylor Wimpey's website and in the Shareholder information section of Taylor Wimpey's Annual report and financial statements. The chairman ensures that significant issues and concerns of shareholders and others concerned with the Company's business are communicated to the board as a whole and that they remain in touch with shareholder opinion.

Business integrity

Taylor Wimpey undertakes its business with integrity, honesty and fairness at all times, building from a foundation of compliance with relevant laws, regulations, codes of conduct and international standards. The board has policies on ethics and donations that prohibit conflicts of interest, fraud, bribery, improper practices and political involvement, while reserving its right to campaign for its legitimate business interests.

Applicability

This policy applies globally and its principles apply in all areas of the group's business.

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