

## Remuneration and Reward Policy

### Introduction and Objectives

Taylor Wimpey strives to be an attractive company for talented and motivated people in which high levels of personal and company performance will be recognised and rewarded.

### Policy Statement

It is our policy that the remuneration should be sufficient to attract, motivate and retain directors and employees of the quality required to run the company successfully.

The Board, guided by the Remuneration Committee, determines policy relating to the remuneration and reward for the executive directors and key members of the management team. It also decides the fees of the non-executive directors, subject to any limits imposed by the Articles of Association and the shareholders.

The Board also decides the policy relating to variable reward and share-based incentive plans or major changes to existing plans, in all cases in accordance with relevant institutional guidelines and subject to shareholders' approval where this is required.

The Board, whilst ultimately responsible for the framework and approval of executive remuneration, has delegated responsibility for determining the remuneration levels and conditions of service of executive directors of the company and senior executives of the group to the remuneration committee.

The members of the committee are all independent non-executive directors.


### Working at Taylor Wimpey - Policy on Executive Directors' and Employees' pay

There are five main elements of the remuneration package for executive directors:

- Basic annual salary (including director's fees) and benefits
- Annual bonus payments
- Cash bonus deferral plans
- Share incentive
- Pension arrangements

Total remuneration is aligned with performance against a range of corporate financial, operational and personal targets. The remuneration of the executive directors and of senior executives consists of fixed pay and variable pay. Variable pay, of which bonuses are the major element, represents a significant proportion of total remuneration and payment is dependent on the achievement of performance targets.

The Remuneration Committee reviews the reward structure for the executive directors and key members of the management team and for the business. There is a standardised Company-wide structure for reward and remuneration. Pay is linked to business and personal performance.

The Board of Taylor Wimpey plc will monitor the effectiveness of this Policy and will review the Policy on a regular basis and annually as a minimum			
Approved by		Chief Executive	Taylor Wimpey plc July 2007

## **Taylor Wimpey Reward Philosophy**

Our reward strategy considers all aspects of salary, incentives and benefits as a total package with the intention of providing competitive levels of remuneration and enhanced earning opportunities in recognition of business success.

We believe in determining remuneration levels from appropriate "pay market" information with an emphasis upon fairly rewarding high levels of personal performance.

We have in place arrangements for ensuring an effective working environment, efficient working arrangements, creating personal development opportunities and promoting a challenging and fulfilling working life.

## **Applicability**

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

The Board of Taylor Wimpey plc will monitor the effectiveness of this Policy and will review the Policy on a regular basis and annually as a minimum

Approved by



Chief Executive

Taylor Wimpey plc July  
2007