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Board of Directors & Group Company Secretary

The strength and depth of our Board and senior management adds value to the effective control and leadership of the Company.

Kevin Beeston

Chairman

Appointed to the post of Chairman in July 2010, Kevin chairs the Nomination Committee and is a member of the Remuneration Committee. He was appointed Chairman of Equiniti Group Limited in September 2011. Kevin is also a Non Executive Director of IMI plc and chairs two private businesses: Partnerships in Care Group Limited and Domestic & General Limited. He was formerly Chairman of Serco Group plc.

Pete Redfern

Chief Executive

Appointed as a Director and to the post of Chief Executive in July 2007 upon the merger of George Wimpey Plc with Taylor Woodrow plc. Pete is a member of the Nomination Committee. In addition he has full day-to-day operational responsibility for the UK Housing division. Prior to the merger he was Group Chief Executive of George Wimpey Plc and before that successively held the posts of Finance Director and Chief Executive of George Wimpey's UK Housing business. He is a Trustee of the homelessness charity Crisis.

Ryan Mangold

Group Finance Director

Ryan was appointed as a Director and to the post of Group Finance Director in November 2010 having previously held the post of Group Financial Controller since April 2009. Before joining Taylor Wimpey, Ryan was Group Financial Controller of Mondi Group for five years, prior to which he held a number of senior finance roles with the Anglo American plc group of companies.

James Jordan

Group Legal Director and Company Secretary

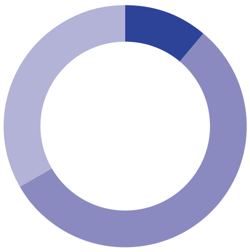
Appointed Group Legal Director and Company Secretary on 21 July 2011, James, a solicitor, was previously Group Company Secretary and General Counsel of George Wimpey Plc from February 2002 and, since the merger, of Taylor Wimpey plc. Before joining the Group, James held senior legal and company secretary roles in industry which included positions with The Rugby Group Plc and English China Clays Plc.

Robert Rowley

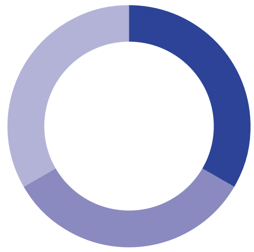
Independent Non Executive Director and Senior Independent Director

Appointed as a Non Executive Director in January 2010 and as Senior Independent Director in April 2010, Rob is Chairman of the Audit Committee and a member of the Remuneration and Nomination Committees. He was previously a Director of Reuters Plc, Deputy Chairman of Cable and Wireless plc and a Non Executive Director of Prudential plc and Taylor Nelson Sofres plc. He is a Non Executive Director and Chairman of the Audit Committee of both Capital Shopping Centres Group plc (formerly Liberty International plc) and Moneysupermarket.com Group PLC.

Board composition



Board tenure



Baroness Dean of Thornton-le-Fylde

Independent Non Executive Director

Appointed as a Non Executive Director in July 2007, Brenda is a member of the Remuneration and Nomination Committees. She is a member of the House of Lords and is active in a number of public areas, including the House of Lords Appointments Commission. Brenda is Chairman of the New Covent Garden Market Authority and a Partnership Director of National Air Traffic Services. Previously Brenda was a Non Executive Director of George Wimpey Plc prior to its merger with Taylor Woodrow plc in July 2007 and a Non Executive Director of Dawson Holdings PLC.

Anthony Reading MBE

Independent Non Executive Director

Appointed as a Non Executive Director in July 2007, Tony is Chairman of the Remuneration Committee and a member of the Audit and Nomination Committees. He was previously a Director of Tomkins Plc and Chairman and Chief Executive of Tomkins Corp. USA, a Non Executive Director of Spectris Plc and was a Non Executive Director of George Wimpey Plc prior to its merger with Taylor Woodrow. He is a Non Executive Director of Laird Plc and e2v Technologies plc.

Mike Hussey

Independent Non Executive Director

Appointed as a Non Executive Director on 1 July 2011, Mike is a member of the Nomination Committee. He is Chief Executive of Almacantar, a private property investment and development company which he founded in February 2010, and a Trustee of Photographers Gallery Limited. He has held a number of senior roles in the property sector, most recently as an Executive Board Director of Land Securities plc, prior to which he was head of Leasing and Marketing for Canary Wharf Group plc, a partner at Knight Frank, Chairman of the Regeneration and Development Committee of the British Property Federation and a Trustee of LandAid, the property industry charity.

Kate Barker CBE

Independent Non Executive Director

Appointed as a Non Executive Director on 21 April 2011, Kate is a member of the Audit and Nomination Committees. She is a business economist and is presently a Senior Adviser to Credit Suisse and a Non Executive Director of Electra Private Equity plc and the Yorkshire Building Society. Previously, Kate was a member of the Bank of England's Monetary Policy Committee (MPC) from 2001 until May 2010. During this period, she also led two major policy reviews for Government, on housing supply and on land use planning. Before joining the MPC she was Chief Economic Adviser at the CBI. Kate was awarded a CBE in 2005 for services to social housing.

Audit Committee
Current members:
Rob Rowley (Committee Chairman), Kate Barker and Tony Reading.

For more information see pages 35 and 36

Nomination Committee
Current members:
Kevin Beeston (Committee Chairman), Kate Barker, Brenda Dean, Mike Hussey, Tony Reading, Pete Redfern and Rob Rowley.

For more information see pages 34 and 35

Remuneration Committee
Current members:
Tony Reading (Committee Chairman), Kevin Beeston, Brenda Dean and Rob Rowley.

For more information see pages 35 and 39

Corporate Governance

The Board takes corporate governance very seriously. This Report explains the processes in place for the delivery of long-term success, compliance and shareholder value.

Dear shareholder

In line with recent best practice, I am pleased, for the first time, to open the Corporate Governance Report with a personal statement from me on the Company's approach to corporate governance. The Board takes corporate governance very seriously and this has been demonstrated over many years, with full compliance with the UK Corporate Governance Code (the 'Code') and its predecessor versions.

This Report therefore sets out and explains in clear terms the processes in place which are essential for the delivery of long-term success whilst ensuring that we comply with all applicable laws and regulations as well as, of course, meeting the requirements of our shareholders and their representative bodies.

In addition, this Report explains what your Board of Directors actually does and describes how it is responsible for setting the values of the Company, ensuring that the Company is run in the best interests of our shareholders and other stakeholders, and how it interacts with its shareholders in explaining the Company's strategic goals and performance against them.

During 2011 we have carried out our first comprehensive externally facilitated independent evaluation of the Board. More detail including the process is set out on pages 33 and 34. This process complied with the new requirements of the Code to have the exercise carried out externally once every three years. The exercise was carried out in good spirit and with the full support of the Board.

The Board welcomed Lord Davies' review of women on boards and endorsed his recommendations. As recommended by the review, I was pleased to make a statement in the Half Year Results announcement confirming our approach to diversity both generally and with regard to gender. Although the Board will continue to appoint on merit we recognise that boards will generally perform better when they include top quality people from a range of backgrounds and perspectives.

Following the sale of our North American business, the Board consists of nine Directors two of whom are women (22%) and we will aspire to maintain at least this level of diversity going forward consistent with our past practice. During the year the Board approved a Diversity Policy which can be found on the Company's Web site: plc.taylorwimpey.co.uk/CorporateResponsibility/Policies.

During 2011 the Board was refreshed, with Andrew Dougal and Katherine Innes Ker standing down as Non Executive Directors at the 2011 Annual General Meeting, and the appointments of Kate Barker and Mike Hussey as Non Executive Directors. The Executive composition of the Board also changed with Sheryl Palmer standing down following the sale of our North American business which was completed in July 2011, and James Jordan's appointment to the Board as Group Legal Director and Company Secretary in July 2011. Going forward, diversity will be a key consideration when contemplating the refreshment of the Board as it was in the changes made to the Board over the past year.

The Board now enters a new phase in its development as we have become a focused primarily UK developer and housebuilder with a very clear strategy. Consistent with the 2011 AGM all Directors will be subject to election or re-election at the 2012 AGM – this is now a requirement of the Code and we complied with it ahead of schedule last year. Biographical details of each Director can be found on pages 28 to 29.

A key part of my role as Chairman of the Board is to ensure that the Board retains an appropriate level of independence in order to allow the Non Executive Directors to challenge the Executive constructively whilst also supporting them to implement the strategy and run the business effectively. Another key part of my role is to ensure that the Board has the right blend of skill, independence and knowledge.

Turning to our Committees, the Nomination Committee has been involved in not only refreshing the Board but also ensuring that succession plans are in place or being developed for all key positions throughout the Company and this is something which also came out of the 2011 evaluation of the Board. Our Remuneration Committee has carried out a detailed root and branch review of our remuneration policy at all levels within the organisation and further details are set out in the Remuneration Report on page 39. The review was not specifically aimed at Executive Directors and changed little at this level but where it has resulted in changes we have consulted with our major shareholders. The Audit Committee has continued to focus on risk management and it is very important that we continue to monitor closely our exposure on risks which could impact upon the future prospects of the Company. In addition to its regular compliance and review role the Audit Committee has specifically focused on emerging risk or regulation, including the Bribery Act and our own internal systems upgrades.

I look forward to meeting with many of you at the Annual General Meeting on 26 April 2012 and as always, along with all of your Directors, remain available to answer your questions at any time.

Yours sincerely

Kevin Beeston
Chairman

Statement of compliance

For the year ended 31 December 2011, the Company complied with all the provisions of the Code as updated by the Davies Report and with the provisions of the Disclosure and Transparency Rules on Audit Committees and Corporate Governance Statements (DTR 7). The Company also met the Association of British Insurers ('ABI') guidance that companies should comply with the Supporting Principle to Code Provision B.6 (Board Diversity) in the current reporting year. The Code is publicly available at www.FRC.org.uk.

The Board and its Committees

As at the date of this Report, the Board consists of nine Directors, namely: the Chairman, three Executive Directors and five Independent Non Executive Directors. Their names, responsibilities and other details appear on pages 28 to 29. Changes to the composition of the Board since 1 January 2011 are set out on page 51.

The role of the Independent Non Executive Directors is to offer advice and guidance to the Executive Directors, using their wide experience in business and from their diverse backgrounds. They also provide a constructive challenge, scrutinising the performance of the Executive Directors and satisfying themselves as to the integrity of the financial information made available both to the Board and to the shareholders. The Non Executive Directors also play an important part in the appointment or removal of Executive Directors and in general succession planning for the Board and other top executive positions immediately below Board level.

The Board met on nine occasions during 2011. Directors make every effort to attend all Board and applicable Committee meetings, as evidenced by the attendance records over several years. Where, exceptionally, a Director is unable to attend a meeting, it is Board policy that the Chairman and/or the Group Legal Director and Company Secretary (the 'Secretary') will, as soon as possible, brief the Director fully on the business transacted at the meeting and on any decisions that have been taken. In addition, the views of the Director are sought ahead of the meeting and conveyed to those attending the meeting by the Chairman and/or the Secretary as appropriate. Details of the attendance of each Director at Board and Committee meetings are set out in the tables on pages 32, 34 and 35.

The Board discharges its responsibilities by providing strategic and entrepreneurial leadership of the Company, within a framework of controls and a culture of openness and transparency, which enables opportunities and risks to be assessed and managed. It sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives and reviews management performance.

The Board also defines the Company's values and standards and ensures that its obligations to its shareholders and other stakeholders are clearly understood and met. The Board is led in these respects by the Chairman, who ensures that the Board operates correctly, sets its culture and, by extension, the culture of the Company in its operations and its dealings with all stakeholders.

As also set out in our 2011 Corporate Responsibility Report, the Board is fully committed to providing a safe place in which our employees and sub-contractors can work and to high standards of environmental management. The Board receives detailed reports on health, safety and environmental matters at each Board meeting in respect of the Company's operations in the UK and Spain.

Operational management of the Company's business is undertaken by the Chief Executive who receives advice from the Group Management Team ('GMT'). The GMT is the most senior executive committee and in addition to the Chief Executive, consists of the Group Finance Director, the Group Legal Director and Company Secretary, the Group HR Director, the Land and Planning Director and the two UK Housing ('UKH') Divisional Chairmen.

The Board also receives regular reports and minutes from the Treasury Committee, which was established during the year under the chairmanship of the Group Financial Director, and comprises the Group Legal Director and Company Secretary, the Group Treasurer and a UKH Divisional Chairman. The key activities of the Treasury Committee are, broadly, to monitor and keep under review the Group's financial risks, financial policies, financial facilities and covenant compliance.

Our Board and Committee Structure

Taylor Wimpey plc

Audit Committee

Nomination Committee

Remuneration Committee

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Taylor Wimpey plc Board

Kevin Beeston
Chairman

Number of meetings in 2011	9
Directors	Attendance
Kevin Beeston Chairman	9
Pete Redfern Chief Executive	9
Ryan Mangold Group Finance Director	9
James Jordan (a) Group Legal Director and Company Secretary	9
Rob Rowley Senior Independent Director	9
Kate Barker (b) Independent Non Executive Director	6
Brenda Dean Independent Non Executive Director	9
Mike Hussey (c) Independent Non Executive Director	4
Tony Reading Independent Non Executive Director	9
Andrew Dougal (d) Former Director	3
Katherine Innes Ker (e) Former Director	3
Sheryl Palmer (f) Former Director	5

(a) Appointed 21/07/2011. Attended five meetings as Group Company Secretary and, following his appointment to the Board, four meetings as Group Legal Director and Secretary
(b) Appointed 21/04/2011
(c) Appointed 01/07/2011
(d) Resigned 21/04/2011
(e) Resigned 21/04/2011
(f) Resigned 20/07/2011

The following documents are available for review on the Company's Web site plc.taylorwimpey.co.uk/InvestorRelations/CorporateGovernance:

- schedule of matters specifically reserved for the decision of the Board;
- terms of reference of the Board Committees: Audit, Nomination and Remuneration, which outline their objectives and responsibilities and which define a programme of activities to support the discharge of those responsibilities; and
- Board policies covering operational, compliance and stakeholder matters, which have been reviewed in detail during the year and updated to reflect developments in corporate governance (such as the adoption of our Diversity Policy in response to the Davies Report), changes in legislation (such as the Bribery Act 2010, which came into force during 2011) and revised processes (to respond to changes in the Group during 2011).

All Directors have access to the advice and services of the Secretary. The Board has an established procedure whereby Directors may take independent professional advice at the Company's expense where they judge it necessary to do so in order to discharge their responsibilities as Directors.

The Board took detailed advice during the first half of 2011 from J.P. Morgan Cazenove (our joint broker) ('JPMC'), J.P. Morgan Chase & Co. (a US investment bank) and HSBC Bank (Canada) with regard to the sale of the Group's North American businesses, which was legally completed on 13 July 2011.

Advice was also provided to the Board by PricewaterhouseCoopers LLP ('PwC') on the details of an Enhanced Transfer Value offer made to certain members of one of the Company's pension schemes.

The Board also receives at each meeting a report from JPMC on the sector and the relative performance of the Company's share price. JPMC also attended the Board during the year in order to provide a detailed presentation on the UK market.

All businesses and employees are expected to operate at all times to the highest standards of integrity and conduct in all matters concerning the Group. Accordingly, there is a Code of Business Conduct, which sets out the standard for individual dealings both internally and externally. Formal policies have been adopted, which set out the ethical framework within which all Taylor Wimpey companies are required to undertake their business. During the year, a policy approved by the Board on anti-corruption was implemented in order to ensure compliance with the Bribery Act 2010 by all employees, relevant third parties and the Company itself. These policies are available for review on the Company's Web site plc.taylorwimpey.co.uk/InvestorRelations/CorporateGovernance.

Board and Committee balance, diversity, independence and effectiveness

It is the Company's policy, in line with the Code, that the composition of the Board, proposed appointments to the Board, and succession planning, are each founded primarily on merit, judged against objective criteria, whilst also having due regard to the benefits of diversity, including gender, age, experience and thinking. The Board also recognises its responsibility to comply with the recommendations of the Davies Report and included, in its 2011 Half Year Results, a statement from the Chairman that it will aspire at least to maintain the current level of representation of women on the Board (two out of nine, representing 22% of Directors).

The Nomination Committee, which is composed of a majority of Independent Non Executive Directors, oversees on behalf of the Board the identification, assessment and selection of candidates for appointment to the Board. The Committee has a formal, rigorous and transparent process against objective criteria. Typically the process of appointment, prior to the decision of the Board, will include the engagement of recruitment consultants, interviews with all members of the Board and the taking up of detailed references.

The Nomination Committee also guides the Board in regularly assessing whether the Board has the correct balance of expertise and in arranging orderly succession planning for appointments to the Board and in respect of senior management across the Group. As part of this process, management below Board level is regularly provided with access to the Board, including the opportunity to attend Board Meetings in order to give presentations on specialist topics and project work.

The Board has adopted a policy on diversity which is available on our Web site plc.taylorwimpey.co.uk. Going forward, the Company plans to adapt its payroll systems in order to measure and monitor diversity around the Group more effectively. Currently (in addition to Board diversity referred to above) there is one woman out of seven on the GMT below the Board (14%) and one woman out of 24 Regional Managing Directors (4%). Across the Group the Company employs approximately 1,150 women representing 32% of the workforce.

Once the Company has more detailed information on the types and extent of various forms of diversity around the Group, it will then consider where recruitment, training and career development work is necessary with a view to ensuring that there is a suitable recruitment pool at all levels from which to increase diversity, where appropriate.

The Company's plans and progress in implementing its diversity policy will be benchmarked against its peers and appropriate targets will be set against which progress will be measured and monitored by the Nomination Committee and the Board.

Board and Committee roles and responsibilities

The work of each of the Board Committees (Nomination, Remuneration and Audit) is described later in this Report.

The Board has an established framework of delegated financial, commercial and operational authorities, which define the scope and powers of the Chief Executive and of operational management.

The roles and responsibilities of the Chairman and the Chief Executive have been clearly defined, set out in writing and signed by Kevin Beeston and Pete Redfern in line with the Code.

In order to assist Directors in complying with their duty to avoid conflicts (or possible conflicts) of interest, the Board must first give its clearance to such potential conflicts of interest (which would include directorships or other interests in outside companies and organisations) and an entry is then made in the statutory register which the Company maintains for this purpose.

Whenever any Director considers that he or she is, or may be, interested in any contract or arrangement to which the Company is or may be a party, the Director gives due notice to the Board in accordance with the Companies Act 2006 and the Company's Articles of Association. In such cases, unless allowed by the Articles, any Director with such an interest is not permitted to participate in any discussions or decisions relating to the contract or arrangement.

The Board undertakes a regular review of each Director's interests, if any, outside of the Company and currently remains satisfied that in line with the Code, all Directors are able to allocate sufficient time to the Company to enable them to discharge their responsibilities as Directors effectively. Where there are outside commitments, the Board is satisfied that they do not detract from the extent or quality of time which the Director is able to devote to the Company.

One of the new Main Principles introduced by the Code is that every Director should seek election or re-election, as appropriate, at each year's Annual General Meeting ('AGM'). Accordingly, at the AGM to be held on 26 April 2012 (and at each subsequent AGM), every Director, irrespective of the date of his or her appointment and the length of his or her service on the Board, will be submitted for election or re-election, as appropriate. This follows the process that was implemented for the 2011 AGM.

At the AGM, Mike Hussey and James Jordan, who were appointed as Directors since the last AGM, will stand for election to the Board in accordance with the Articles. All of the other Directors (including Kate Barker who was appointed to the Board immediately prior to the last AGM and subsequently elected at the AGM itself) will stand for re-election to the Board in accordance with the Code.

Details of the resolutions to be proposed in this respect and supporting biographical details of the Directors appear in the Notice of Meeting on pages 106 and 110-111.

The Board has reviewed and re-affirmed that it considers each of the Non Executive Directors to be independent in character and judgement and that there are no relationships which could affect the Director's judgement.

The Chairman, at the time of his appointment on 1 July 2010, met the independence criteria as set out in the Code.

In addition, and in line with the Code, the Chairman and the Senior Independent Director, independent of each other, hold meetings with the Non Executive Directors without the Executive Directors present.

Performance evaluation of the Board, its Committees and other functions

The 2010 Board evaluation was reported on in detail in last year's Report and one of the action points which came out of that was the need to maintain an ongoing review of Board composition including refreshment. This has been achieved as follows:

- Andrew Dougal resigned as a Director on 21 April 2011 after a long and distinguished period of service on the Board as an Independent Non Executive Director;
- Katherine Innes Ker resigned as a Director on 21 April 2011 after a long and distinguished period of service on the Board as an Independent Non Executive Director;
- Kate Barker CBE was appointed as an Independent Non Executive Director on 21 April 2011;
- Mike Hussey was appointed as an Independent Non Executive Director on 1 July 2011;

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- Sheryl Palmer, the President and CEO of the Group's North American businesses, resigned as a Director on 20 July 2011 following the sale of those businesses; and
- James Jordan was appointed as Group Legal Director and Company Secretary on 21 July 2011 having been Group Company Secretary and General Counsel of the Company since 2007, and previously held the same position with George Wimpey Plc.

The 2010 Board evaluation also highlighted a small number of other action points – all of which have been addressed – namely to improve further the overall Board process (including the need to enhance the overall Group succession planning processes), to provide additional information to the Board with regard to certain operational matters and to increase the number of specialist topics and presentations to be considered by the Board.

It is a requirement of the Code that, from 2011, the evaluation process be externally facilitated at least every three years. The 2011 evaluation was overseen by an external facilitator, Egon Zehnder International Limited, a specialist in the assessment of top-level management resources. Egon Zehnder provides no other services to the Company.

The 2011 evaluation process took the form of a detailed questionnaire prepared by Egon Zehnder covering all aspects of the Board and its Committees, which each Director completed on a confidential non-attributable basis. This was then followed by a meeting between each Director and representatives from Egon Zehnder to go through the responses to the questionnaire and to discuss each Director's views on the Board, the Board Committees and individual Directors.

As part of the process, the Chairman received comments on each Director from Egon Zehnder, following which he liaised directly with each individual Director to discuss the feedback on them from the exercise. Similarly, the Senior Independent Director received comments from each Director via Egon Zehnder on the Chairman, which he then reviewed with the Chairman.

Following completion of the exercise, Egon Zehnder formally presented their main findings and conclusions to the Board. The review also confirmed the ongoing independence of character and judgement of each Non Executive Director.

The report from Egon Zehnder was further reviewed by the Board and unanimously approved.

The 2011 Board evaluation and feedback from Egon Zehnder focused on a number of appraisal areas including: the balance of skills, experience and knowledge on the Board; information flows; the level of entrepreneurial leadership; strategy and the effectiveness and leadership of the Board Committees (i.e. the Audit, Nomination and Remuneration Committees).

The overall feedback from Egon Zehnder on the Board as a team was very positive including, the balance of the Board due to its diversity of skills and the Board's resilience, energy and openness.

Following receipt of the report and presentation of it from Egon Zehnder the Board then separately reviewed each specific appraisal area in detail and agreed actions where necessary – these include continuing the general refreshment of the succession planning process including with regard to the senior management teams, the improvement of reporting to the Board in certain defined areas and arranging for additional time to be devoted by the Board on strategy and risk related matters. The agreed actions will be kept under regular review by the Board.

Nomination Committee

Reports directly to the Taylor Wimpey plc Board

Kevin Beeston, Chairman

Number of meetings in 2011	2

Members	Attendance
Kevin Beeston	2
Kate Barker (appointed 21/04/2011)	2
Brenda Dean	2
Mike Hussey (appointed 07/07/2011)	0
Tony Reading	1
Pete Redfern	2
Rob Rowley	2
Andrew Dougal (resigned 21/04/2011)	0
Katherine Innes Ker (resigned 21/04/2011)	0

Main Objective

To ensure there shall be a formal, rigorous and transparent process for the appointment of new Directors to the Board, its Committees and to other senior roles and to ensure effective succession planning processes across the Group.

Information and professional development

The Company has procedures whereby newly appointed Directors (including Non Executive Directors) receive a formal induction. This includes training and continuing familiarisation with the Company's business, operations and systems, the principles underlying the discharge of their duties as Directors and wider issues relating to the housing sector.

All Directors visit Group operations on a regular basis, engaging with employees at all levels in order to foster and maintain an understanding of the business. Board visits are arranged each year to operations in both the UK and elsewhere within the Group. In 2011, in addition to individual visits, the Board visited operations in the Taylor Wimpey West London region over a three day period during which regional presentations and formal Board and Committee meetings took place, as well as site visits.

During 2011, a total of 14 presentations took place across the country, which were attended by staff from all the Company's Business Units, at which the Chief Executive and other senior management presented the Company's strategy first hand. This was a very successful exercise and was very well received by the Company's workforce.

The Group Legal Director and Company Secretary acts as Secretary to the Board and its Committees and he attends all meetings. It is Board policy that wherever possible a formal agenda and written reports are issued to Directors in respect of all Board and Committee meetings one week prior to the meeting, in order to allow sufficient time for detailed review and consideration beforehand. Formal minutes are prepared in respect of all Board and Committee meetings and are then circulated and submitted for approval at the next meeting. The Secretary provides regular briefings to the Board on regulatory and governance matters which are included as part of his formal regular reporting to the Board.

The Chairman, Chief Executive and the Secretary meet sufficiently in advance of each Board meeting in order to ensure action points from previous meetings have been implemented and to prepare the

Remuneration Committee

Reports directly to the Taylor Wimpey plc Board

Tony Reading, Chairman

Number of meetings in 2011	4
Members	Attendance
Tony Reading	4
Kevin Beeston	4
Brenda Dean	4
Rob Rowley	4
Katherine Innes Ker (resigned 21/04/2011)	2

Main Objective

To establish and maintain formal and transparent procedures for developing policy on executive remuneration and for agreeing the remuneration packages of individual Directors and senior executives and to monitor and report on them.

Audit Committee

Reports directly to the Taylor Wimpey plc Board

Rob Rowley, Chairman

Number of meetings in 2011	3
Members	Attendance
Rob Rowley	3
Kate Barker (appointed 21/04/2011)	2
Tony Reading	3
Andrew Dougal (resigned 21/04/2011)	1

Main Objective

To assist the Board in fulfilling its corporate governance responsibilities relating to the Group's internal control framework, internal audit process, risk management, financial reporting practices and external audit process.

agenda and matters to be covered at the next and at future Board and Committee meetings as appropriate.

Board Committees and their work

Nomination Committee

The Committee is chaired by the Chairman of the Board and is composed of a majority of Non Executive Directors as required by the Code. Its members are set out in the table on page 34. As set out earlier in this Report, the Committee has procedures in place with regard to maintaining a formal, rigorous and transparent process for Board appointments, ensuring that appointments to the Board are made on merit and assessed against objective criteria. It guides the Board in regularly assessing whether there is a correct balance of expertise, reviewing progress towards compliance with the Davies Report and wider diversity considerations, and in arranging the orderly succession for appointments to the Board and in respect of senior management across the Group. A description of how appointments are typically made to the Board is set out on page 32.

The Committee met on two occasions during the year to consider, amongst other things, the appointments of the Directors appointed to the Board during 2011. Details of the attendance of each Director are set out in the table on page 34.

Remuneration Committee and remuneration

The Board's policy and approach to the setting of remuneration for Directors and senior executives and the activities of the Remuneration Committee are described in detail in the Directors' Remuneration Report on pages 39 to 50. The Committee is constituted in accordance with the Code and its members are set out above.

The levels of remuneration are considered by the Committee to be sufficient to attract, retain and motivate Directors and other senior management of the quality required to run the Company successfully, without being excessive. A significant proportion of Executive Directors' remuneration is linked to rewarding corporate and individual performance and there is linkage to effective risk management. There is a formal and transparent procedure for developing policy on executive remuneration and agreeing the remuneration packages of individual Directors, none of whom is involved in deciding his or her own remuneration.

The Committee is chaired by Tony Reading and consists of three Independent Non Executive Directors and also the Chairman of the Board. During the year the Remuneration Committee met on four occasions and details of the attendance of each Director are set out in the table above.

Audit Committee and auditors

The Committee is chaired by Rob Rowley. All members of the Committee are Independent Non Executive Directors as required by the Code. The Board has determined that Rob Rowley, who currently chairs the Audit Committee at both Capital Shopping Centres Group plc and Moneysupermarket.com Group PLC, has recent and relevant financial experience as required by the Code. The Chairman of the Company and other Non Executive Directors, the Chief Executive, Group Finance Director, Head of Internal Audit and other senior executives attend Committee meetings by invitation. Deloitte LLP is also invited to attend Committee meetings. The Committee also meets privately with representatives from Deloitte LLP during at least two Committee meetings per annum, which normally take place around the time of the Full and Half Year financial statements, in order to discuss any matters which the auditors may wish to raise without any Executive Directors (other than the Secretary) being present.

During the year the Audit Committee met on three occasions. Details of the attendance of each Director are set out in the table above. The meetings around the Full and Half Year results are typically also attended by the other Non Executive Directors.

The Committee's remit includes reviewing the internal control framework, the internal audit process, risk management, the financial reporting practices, the external audit process and recommending to the Board whether to re-appoint the external auditors. It ensures that the Board regularly assesses business risks including their management and mitigation. In doing so, the Committee places reliance on regular reports from executive management, Internal Audit and the external auditors. In monitoring

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the financial reporting practices the Audit Committee reviewed accounting policies, areas of judgement, the going concern assumptions and compliance with accounting standards and the requirements of the Code. During the year the Committee reviewed, prior to publication, the Full and Half Year financial statements and other statements affecting the Group concerning price sensitive information as necessary.

External auditor

Deloitte LLP are the Company's external auditor and will be proposed for re-appointment at the 2012 AGM. Their performance is kept under regular review by the Board and the Audit Committee.

The Deloitte partner responsible for the Company's external audit has acted in this capacity for three years, which is within the five year maximum period set out in the Smith Guidance, and there are no contractual restrictions on the Company's selection of its external auditor.

Appointment of the auditor for non-audit services

The Audit Committee has approved a policy on whether to employ the external auditor to provide services other than audit services. This policy requires that there should be a competitive tender process – except in narrowly defined circumstances where it is considered that, based on confidentiality, past knowledge and other commercial reasons, there is an advantage in using a single tender procurement procedure.

The Committee has determined that the following assignments should not be undertaken by the auditors:

- bookkeeping or other services related to the accounting records or financial statements;
- internal audit outsourcing services;
- the provision of advice on large Information Technology systems; and
- services connected with valuation, litigation support, legal, recruitment or remuneration.

The Board is satisfied that this policy is conducive to the maintenance of auditor independence and objectivity. During the year the external auditor undertook non-audit work primarily related to key project work particularly in relation to the sale of the North American businesses.

The Audit Committee is satisfied that the carrying out of this work would not impair the independence of the external auditors and recognises that from time to time, there is a clear commercial advantage based on cost and timetable requirements in using the Company's auditors. As a result of a reduction in the overall level of major strategic corporate level project work, the level of non-audit services work significantly reduced from £2.8m in 2010 to £1.2m in 2011.

Internal Audit

The Internal Audit function reviews the effectiveness and efficiency of the systems of internal control in place to safeguard the assets, to quantify, price, transfer, avoid or mitigate risks and to monitor the activities of the Group in accomplishing established objectives. Internal Audit reports are provided to the Executive Directors, indicating improvements proposed or made where appropriate, and summaries of these reports are provided to the Board and the Audit Committee. The Chief Executive, the GMT and senior management consider the reviews on a regular basis and are responsible for ensuring that improvements are made, where required.

The Internal Audit function also reviews proposed related party transactions, such as purchases by executives from Group companies, to ensure proper procedures are followed and that such procedures are undertaken in accordance with the formal policy in place.

An independent formal evaluation of the Internal Audit function was carried out on behalf of the Audit Committee during 2011 by PricewaterhouseCoopers. It appraised Internal Audit against seven key areas, based on leading practice in the internal audit area and relating to the housebuilding industry. The finding of their report was that Internal Audit is operating effectively.

A number of initiatives were introduced during 2011 to ensure the Company's Internal Audit function meets current best practice. An Internal Audit Charter codifies the aims, modus operandi and outputs of internal auditing; a rolling schedule of business improvements identified during internal audits is monitored against action taken by the businesses, with progress reviewed by the Audit Committee; and the performance of the Internal Audit team has been externally and independently appraised.

The Head of Internal Audit has direct access to the Chairman of the Audit Committee, the Chairman of the Board, the Chief Executive and the other Executive Directors. A database of audit recommendations and improvement initiatives is maintained. Follow-up processes ensure that such improvements are implemented in a timely manner.

Risk Management and Internal Control

The Group has established an ongoing process of risk management and internal control applying principle C2 of the Code. The Board is responsible for the effectiveness of the system of internal control, which has been designed and implemented to meet the requirements of the Group and the risks it encounters.

Internal Control is managed according to a framework which consists of clearly defined processes and objectives which are assigned to individuals. This framework defines the way the Company operates and how it is managed on a day-to-day basis. In the Group (UK) this is achieved through an established Operating Framework supported by functional manuals covering the main disciplines. Compliance with policies, processes and procedures is required to ensure business effectiveness and efficiency (see Management on page 37). Every employee is required to comply with Group policies and specific responsibilities and accountabilities are identified at each process level, yet the governance framework supports and encourages, individual and team initiatives. The control framework in place establishes procedures to identify, evaluate and manage significant risks faced by the Group. These procedures manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The successful management of risk is essential to enable the Group to deliver on its strategic priorities. The risk management framework consists of risk registers at all organisational levels which detail the risk faced by the Group, its operating companies and the central service teams. The registers identify key operational and financial risks while strategic risks are identified as part of the business planning process although it is expected that strategic risks will be included on risk registers. The risk registers take into account the significance of environmental, social and governance matters of the Company and use a standardised methodology for the assessment of risk.

This methodology requires each risk identified to be assessed and ranked according to a risk matrix which accounts for the likelihood and impact of each risk. The risks identified are assessed for potential effect on the Company's short and long term value. The completion of risk registers is iterative and refreshed on an ongoing basis. The risk registers feed into a formal half yearly risk assessment that identifies the principal risks (see pages 12 to 13) and allows the Board to re-evaluate the identified strategic risks facing the Group.

The Board oversees the risk and control framework of the Group and the Chief Executive is responsible for implementing any necessary improvements with the support of the GMT. In line with our report last year and consistent with the Code, the Board increased the frequency of its formal risk reviews to half yearly and the GMT conducts a more detailed review as part of the business planning process.

In compliance with the Code, the Board regularly reviews the effectiveness of the Group's system of internal control in providing a responsible assessment and mitigation of risks. The Board's monitoring covers all controls, including financial, operational, compliance and assurance controls which include risk management. This process is based principally on reviewing reports from management to consider whether significant risks are correctly managed and controlled as part of managing the Group's operations. The Board is assisted in the assessment of risks by the Audit Committee's review of risk management procedures for appropriateness and effectiveness (see Audit Committee remit page 35). Throughout 2011 and into 2012 the Audit Committee continued to assess the Group's risk management and internal control framework by reviewing the business change issues and Internal Audit activities across the Group.

At its half year and year end meetings the Board reviewed the risk profile of the Group and the mitigating factors identified with the significant risks. At the year end meeting in February 2012 following the annual review by the Audit Committee on the effectiveness of internal controls and a formal half year assessment of risk, which included a detailed risk assessment by the GMT, the Board completed its annual assessment of risks for the year end 31 December 2011. The key risks affecting the Group were identified and agreed with the Board together with processes for their elimination or mitigation and actions required to reduce the likelihood of each risk to the Company and the Group.

A detailed review of the principal risks and uncertainties facing the Group is set out in the Business Review: Principal Risks and Uncertainties on pages 12 to 13.

Management

The Chief Executive has responsibility for preparing and reviewing strategic plans for the Group and the annual budgetary process. These are subject to formal approval by the Board.

As mentioned on page 34, following approval by the Board of the new Group Strategy which was announced on 19 September 2011 the Strategy was communicated to all employees through a programme of presentations carried out at business units around the Group.

Budgets are re-examined in comparison with business forecasts throughout the year to ensure they are sufficiently robust to reflect the possible impact of changing economic conditions and circumstances. The Chief Executive and the Board conduct regular reviews of actual results and future projections with comparison against budget and prior year, together with various treasury reports. Disputes that may give rise to significant litigation or contractual claims are monitored at each meeting of the Board with specific updates on any material developments or new matters.

The Group has clearly defined policies, processes and procedures governing all areas of the business, which will continue to be reviewed and refined in order to meet the requirements of the business and changing market circumstances. Defined authority limits continue to be closely monitored in response to prevailing market conditions. Any investment, acquisition or significant disposal of land requires detailed appraisal and is subject to approval by the Board or the Chief Executive, depending on the value and nature of the investment or contract.

There is a clearly identifiable organisational structure and a framework of delegated authority approved by the Board within which individual responsibilities of senior executives of Group companies are identified and can be monitored. These activities are reinforced through process compliance and other audits conducted by Internal Audit.

The annual employee performance appraisal process is objective-based, with individual objectives cascaded down from the appropriate business objectives. Reviews identify training needs to support achievement of objectives.

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Whistleblowing

The Group's whistleblowing policy is supported by a clear process that includes an externally facilitated hotline through which any person, including employees of the Company, may, in confidence, raise concerns about possible improprieties in financial reporting, other operational matters or inappropriate personal behaviours in the work place. All whistleblowing cases are investigated by the Head of Internal Audit, Group Health and Safety Director (where appropriate), Group Human Resources Director and/or the Secretary depending on the nature and seriousness of the issue. Whistleblowing incidents and their outcome are reported to the Audit Committee. Whistleblowing is a standing item on each Audit Committee agenda which allows the Committee to regularly review the adequacy of the policy in line with its requirement to do so under the Code. During the year a number of initiatives took place to raise the profile of the whistleblowing service.

Relations with shareholders

The Board actively seeks and encourages engagement with major institutional shareholders and other stakeholders and supports the new initiatives set out in the Code and the Stewardship Code which aim to foster a more pro-active governance role by major shareholders. The Board has put in place arrangements designed to facilitate contact about business, governance, remuneration and other issues. This provides the opportunity for meetings with the Chairman, the Senior Independent Director as well as the Chief Executive, Group Finance Director, Group Legal Director and Company Secretary and other executives, in order to establish a mutual understanding of objectives. The Company also operates a structured programme of investor relations, based on formal announcements and publications covering the full year and half year results. During the year, the Company arranged an Investor Day which was attended by both potential investors and existing shareholders and provided an opportunity for the Company to give a number of presentations including an update on its strategy.

All Directors receive formal reports and briefings during the year about the Company's investor relations programme and receive detailed feedback through surveys, direct contact and other means, through which they are able to develop an understanding of the views of major shareholders about the Company.

The Board encourages all shareholders to participate in the Annual General Meeting, which is attended by all Directors. Shareholders' attention is drawn to the Notice of Meeting on page 106 which sets out details of the rights of shareholders in connection with the notice of, and participation in, general meetings of the Company.

Information about the Company, including full year and half year results and other major announcements, and additional information about shareholder facilities, is published on the Company's Web site plc.taylorwimpey.co.uk

Going concern

The consolidated financial statements have been prepared on a going concern basis and on a historical cost basis except as otherwise stated in the Notes to the Consolidated Financial Statements on pages 61 to 95.

The Taylor Wimpey plc Group's (the 'Group') business performance and position, along with the significant factors that are likely to influence its future activities are set out in the Chief Executive's Review on pages 6 to 13.

The Group has recorded profits in the current year and has significantly reduced its drawn debt facilities, partly due to the disposal of the North America business. The Group is still reliant on external debt financing and has to meet all the covenant measures included in its debt facilities. The Group has also prepared forecasts, with certain sensitivities, for a period of at least 12 months from the date of signing these financial statements, and as such the Directors are satisfied that, whilst market conditions have stabilised, there continues to be certain risks, including mortgage availability and weakened demand due to market environment. However, the Directors are satisfied that the Group will be able to continue to operate within the available financing facilities for at least the next 12 months from the date of signing these financial statements.

Accordingly the consolidated financial statements have been prepared on a going concern basis.

Remuneration Report

The aim of our remuneration policy is to attract, develop and retain leaders who are focused and adequately incentivised to deliver outstanding business results.

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Dear shareholder

I am pleased to be able to take this opportunity in my capacity as Chairman of the Remuneration Committee to summarise the ongoing policies of the Committee and the work that has been carried out during 2011, which, as set out in last year's Remuneration Report, included a detailed review of the Company's remuneration at all levels across our businesses. The main outcomes of the review are summarised briefly below and did not result in any material changes proposed at Executive Director level.

Consistent with past practice, the Committee has engaged in a dialogue with key institutional investors and shareholder representative bodies with regard to Director level remuneration and in particular on some adjustments to the long term incentive plans, short term incentive and salary, all of which is covered later in the report. As in previous years, the Committee has taken into account the feedback which it has received and is very grateful for the constructive engagement.

The long term philosophy for remuneration has remained one which is focused upon attracting, developing and retaining leaders who are focused and incentivised to deliver the Company's business priorities and strategy, all within a framework which is aligned with the interests of the Company's shareholders.

The Committee has followed the principles of good governance relating to Directors' remuneration as set out in the Main Principles, Supporting Principles and Code Provisions of the UK Corporate Governance Code (the 'Code') relating to remuneration. The Committee has reviewed and taken into account a number of governance related developments and guidance issued during the year including the remuneration guidelines and guidance issued by the Association of British Insurers ('ABI') and RREV.

Key developments during the year included the following:

- the carrying out of a wide-ranging review of the reward structure across the business;
- as part of the Board's desire to increase the levels of share ownership in the Company by employees, the decision to introduce from 2012 an opportunity for employees (not included in the executive short term incentive arrangements) to receive an enhanced bonus if they elect to take the award entirely in shares and agree to hold them for twelve months;
- the maintenance of the all-employee share plans (the Taylor Wimpey save as you earn plan and the share incentive plan) which are designed to encourage and enable employees to acquire shares in the Company on favourable terms;
- further extending revised share ownership guidelines below the level of the Group Management Team in order to increase the alignment of interest between our senior executives and shareholders;
- the introduction, during 2012, of a 'Land Value Plan' for designated key executives (below Executive Director level) which is designed to reward enhancement in returns on land development; and
- expanding the concept of clawback of short term incentives for executives principally in the event of a material misstatement of the Company's accounts.

As part of the 2011 remuneration review, the Committee also took the opportunity to review the remuneration of the Executive Directors, although that was not the main objective of the review. The Committee concluded that the remuneration should remain largely unchanged for 2012 and therefore the maximum bonus will remain capped at a maximum of 130% of salary with 25% of any payment again being required to be deferred into shares in the Company for three years with no matching.

As set out later in the report, we have also made some adjustments to the long term incentive plan in order to ensure the targets remain aligned with the Company's strategy but without changing the overall structure or challenging nature.

Turning to salaries, Pete Redfern and James Jordan will this year receive the standard staff increase of 2.5%. Ryan Mangold, who was promoted to Group Finance Director in November 2010, will receive an increase of 8.5%. This level of increase reflects the fact that upon appointment, Ryan Mangold's salary was acknowledged by the Committee to be below market level and, as disclosed to shareholders last year, subject to performance and other factors, the Committee expects to bring his salary up to a mid market level in 2013.

The Committee believes that it has developed a remuneration structure that will both support and motivate our senior team whilst aligning them both to the Company's strategic objectives and to achieving long term growth for our shareholders. I hope that you will be able to support the Committee's policy at this year's Annual General Meeting.

Yours sincerely

Tony Reading
Chairman of the Remuneration Committee

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Introduction

The role of the Remuneration Committee (the 'Committee') is to recommend to the Board a strategy and framework for remuneration for Executive Directors and senior management in order to attract and retain leaders who are focused and incentivised to deliver the Company's business priorities within a remuneration framework which is aligned with the interests of our shareholders.

The Committee has adopted the principles of good governance relating to Directors' remuneration as set out in the Code which applied to the Company from 1 January 2011. The Company also complied with the Listing Rules of the Financial Services Authority, and with the relevant provisions of the Companies Act 2006 and regulations thereunder (the 'Regulations').

The Regulations require that the Company's auditors report to shareholders on certain parts of this report and state whether in their opinion those parts of it have been properly prepared in accordance with the Regulations. Accordingly, the Report has been divided into separate sections consisting of unaudited and audited information. A resolution to approve this report will be proposed at the Annual General Meeting of the Company on 26 April 2012 ('AGM'). Details of the resolution and its status as an advisory vote are set out on page 107 and page 112 respectively.

This report has been prepared by the Remuneration Committee on behalf of the Board.

The Company's remuneration policy and practices are kept under regular review by the Committee which consults with the Company's major shareholders and their representative bodies as appropriate. During 2011, the Company conducted a thorough Remuneration Review across all levels of its business. The main objective of the review was to ensure that the remuneration arrangements support the remuneration strategy as outlined in this report. Details of the outcome of the review are set out later in this report and were reviewed by the Committee in detail.

Detailed information on the application of these remuneration policies during 2011 and during 2012 to the date of this report, is set out below.

Part 1: Unaudited information: Remuneration Committee

The Remuneration Committee has clearly defined terms of reference which are available on the Company's Web site plc.taylorwimpey.co.uk. The key remit of the Committee is to recommend to the Board the remuneration strategy and framework for Executive Directors and senior management in line with the Code and related investor guidance. Within this framework the Committee's main responsibilities are to:

- establish and maintain formal and transparent procedures for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors, and to monitor and report on them;
- determine the remuneration, including pension arrangements, of the Executive Directors;
- monitor and make recommendations in respect of remuneration for the tier of senior management one level below that of the Board;
- approve annual and long term incentive arrangements together with their targets and levels of awards;
- determine the level of fees for the Chairman of the Board; and
- select and appoint the external advisers to the Committee.

The Committee currently comprises three Independent Non Executive Directors and the Chairman of the Board. Tony Reading is the Committee Chairman and he chaired the Committee throughout the year. The other members of the Committee are Kevin Beeston, Brenda Dean and Rob Rowley. Membership of the Committee is in line with the Code.

Katherine Innes Ker was a member of the Committee until she stood down from the Board on 21 April 2011.

Details of attendance at Remuneration Committee meetings held during 2011 are set out in the table on page 35.

No Director or other executive is involved in any decisions about his/her own specific remuneration.

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 New Bridge Street (an Aon Hewitt company). New Bridge Street's ultimate parent company is Aon Corporation (following the merger between Aon and Hewitt) and is a trading name of that organisation.

New Bridge Street provides no other services to the Company. The wider Aon Corporation group of companies provides insurance broking and pension administration support services to the Company and the Committee is satisfied that the provision of such services, which existed prior to the above mentioned merger, does not create any conflicts of interest.

The Committee also receives legal advice from Slaughter and May as and when necessary.

Advice was also provided to the Board by PricewaterhouseCoopers LLP ('PwC') on the Enhanced Transfer Value ('ETV') Offer which was offered to the majority of deferred members of the George Wimpey Staff Pension Scheme on 2 August 2011. The Offer consisted of a pension enhancement of 10% of the transfer value, plus a further 5% enhancement on the transfer value, which the member could either elect to take as a cash lump sum or as a further pension lump sum. It is anticipated that around 14% of the eligible membership will accept the Offer. Approximately £36.3m of liabilities have been removed from the Scheme on a Valuation basis, with a corresponding deficit reduction of £8.0m (£46.1m on a Buyout basis). The Company also proposes to run a similar ETV exercise for deferred members of the Taylor Woodrow Group Pension and Life Assurance Fund in 2012.

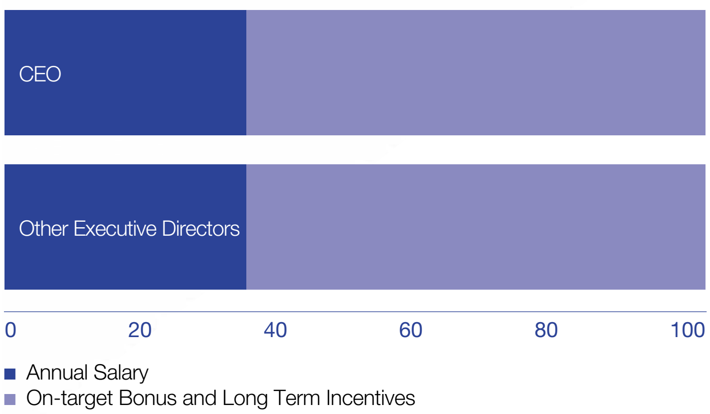
In line with the statement that was included in last year's Remuneration Report relating to fees, and also reflecting recent best practice guidelines, the fees paid to the Committee's main adviser – New Bridge Street – in 2011 were £137,000 (2010: £74,000) representing a full year's appointment. On behalf of the Committee, New Bridge Street were closely involved in the 2011 remuneration review.

The Chief Executive, Group Legal Director and Company Secretary and the Group Human Resources Director attend Committee meetings by invitation only but are not present for any discussions that relate directly to their own remuneration.

Remuneration policy

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 as set out earlier in this Annual

Proportion of fixed to performance-based remuneration (%) (2012)



Report. It is, of course, 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 which is aligned with the interests of the Company's shareholders. This alignment is achieved through a combination of deferral into shares of a percentage of the short term incentive arrangements for Executive Directors, shareholding requirements and also via retention requirements which apply to any shares that vest under long term incentive plans including the new Land Value Plan – details of these requirements are set out later in this Remuneration Report on page 45.

The Committee's remuneration strategy continues to ensure that a significant percentage of the overall package of Executive Directors and senior management remains at risk.

With all packages substantially geared towards share incentive schemes and performance, the Committee believes that the pay and benefits of its Executive Directors and senior management adequately takes account of reward versus risk. The chart above shows the proportion of fixed to performance based remuneration for 2012. Fixed remuneration comprises base salary. Performance based remuneration comprises an annual short term cash incentive and, for the CEO and other Directors, a long term incentive plan. The chart illustrates the mix of remuneration assuming that target levels of short term incentive arrangements and the annualised expected value of long term incentive provision are met.

In line with the Association of British Insurers' ('ABI') Guidelines on Responsible Investment Disclosure, the Remuneration Committee ensures that the incentive structure for Executive Directors and senior management will not raise environmental, social or governance ('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. The Committee considers that no element of the remuneration arrangements will encourage inappropriate risk taking or behaviour by any executive.

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), Executive Directors are permitted to take on non executive positions with other companies. Executive Directors are permitted to retain their fees in respect of such positions. During 2011 and up to the date of this Report, no Executive Director held any relevant non executive positions.

2011 Remuneration Review

During 2011, the Committee undertook a comprehensive review of remuneration across the Group and for all levels of employee.

The key findings of this review were:

- the remuneration framework is considered to be competitive and operates within a structure that is fit for purpose;
- the share ownership guidelines for senior executives required updating for current circumstances and could be widened;
- the balance of remuneration linked to longer-term performance should be increased for some employee groups;
- the Company could do more to encourage employees to become shareholders, although the two all-employee share schemes are a very positive start; and
- improving the level of flexibility and choice in the reward package would help support and motivate a diverse employee population.

As a consequence of the review, the Company has updated its shareholding requirement and has launched a number of initiatives in 2012. These include: the ability for many employees not participating in the executive short term incentive arrangements to elect to take their performance payment in shares rather than cash; the introduction of the Land Value Plan; improvements to the company car scheme; and a number of new flexible and voluntary benefits.

The exercise was considered very useful and the Committee intend to undertake a similar review on a three yearly basis, as set out in last year's report.

Base salary

The Remuneration Committee reviews the base salaries of Executive Directors annually in order to ensure that they remain competitively aligned with external market practices and are competitive when measured against FTSE peers.

When the Committee considers base salaries, it seeks independent advice from New Bridge Street and takes 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; and
- salary levels in comparably-sized companies and other major housebuilders.

With effect from 1 April 2012, and in line with the general increase awarded to all staff (subject to a small number of exceptions), the Committee has decided to award Pete Redfern and James Jordan an increase of 2.5%.

Ryan Mangold: in last year's report it was reported that following his appointment to the role of Group Finance Director in November 2010 his salary had been increased to £285,000 (£292,125 with effect from 1 April 2011) which is below the Committee's assessment of a mid market salary for this role. It was also reported that the Committee expected to increase his salary to a mid market level over time. Accordingly, based on Ryan Mangold's increased experience and

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performance, the Committee has awarded an increase of £24,831 (8.5%) with effect from 1 April 2012 and subject to ongoing performance intends to make a further similar increase in 2013 with a view to achieving an appropriate mid market base salary position.

There was no further salary increase implemented for James Jordan when he joined the Board on 21 July 2011.

The Committee acknowledges the revised ABI and RREV remuneration guidelines and guidance and believes that whilst undertaking comparator reviews is important as a point of reference for determining the appropriate salary for specific roles, it does not undertake salary comparisons simply to apply a median position. The Committee is also aware of the multiplier effect that increasing base salary has on overall remuneration packages.

Reflecting the above increases of 2.5% for Pete Redfern and James Jordan and 8.5% for Ryan Mangold, the salaries of the Executive Directors effective from 1 April 2012 are as follows:

Name	Amount
Pete Redfern	£735,437
James Jordan	£341,453
Ryan Mangold	£316,956

Salaries are paid monthly and in cash via bank transfer.

Other benefits, including benefits-in-kind

The Executive Directors receive additional benefits which include an expensed Company-provided car or a cash allowance in lieu, life assurance and private medical insurance. Benefits-in-kind are not pensionable.

Details of the pension arrangements in place for Executive Directors are set out later in this report.

Short term incentive arrangements ('STIA')

The Company operates performance related STIAs based on achieving annual stretching performance targets.

The maximum STIA opportunity for Executive Directors is set at 150% of base salary. However, in 2009 and 2010, the Remuneration Committee capped the STIA opportunity for its UK based Executive Directors at 75% of the maximum potential of 150% of salary which equated to a maximum opportunity of 112.5% of base salary.

As reported in last year's report, for 2011 in light of the Company's improved profitability, and following consultation with shareholders, the Committee determined that whilst it remained appropriate for there to be a cap set at a level below the maximum STIA opportunity of 150% of base salary, it should be increased from 112.5% of base salary to 130% of base salary which equated to 86.6% of the maximum potential of 150% of base salary.

For 2012, the Committee has again reviewed the cap and has decided that it currently remains appropriate to retain a cap set at a level below the maximum STIA opportunity of 150% of salary. The Committee has therefore decided, following consultation with shareholders, that it should be set at the same level that was applied for 2011, namely at 130% of base salary, which equates to 86.6% of the maximum potential of 150% of base salary.

Consistent with 2010 and 2011, Executive Directors will be required to defer 25% of the STIA paid in respect of 2012 performance into shares in the Company for three years. Deferrals have no matching element or performance criteria but generally require the Director to remain in employment for the full period in order for vesting to take place. This deferral is designed to further align the interests of Directors with shareholders.

The STIA has a clawback mechanism which the Committee reviewed during the year as part of the Remuneration Review, such that it now applies to all participants (rather than to Executive Directors only) and allows the Company to claw back bonuses (and not just deferred elements) in the event of a material misstatement of the Group's accounts and also now for other defined reasons.

For 2011, the Committee measured performance against each individual performance target (the 2011 performance targets were based upon a number of measures including PBIT, cash performance, ROCE, order book, build costs, customer services, the achievement of strategic objectives/successful debt reduction and waste tonnage) which has resulted in a payment to the Executive Directors of 81.9% of their maximum STIA potential, of which 25% is required to be deferred into shares for three years, as described above. Some of the 2011 performance targets were met in full whereas others such as those relating to cash performance, ROCE and order book were partially met.

The amounts paid to Pete Redfern, Ryan Mangold and James Jordan in respect of 2011 are set out in the remuneration table on page 47.

Challenging and specific targets for 2012 have been put in place for the Executive Directors by the Committee and these are detailed below. The Committee has made the targets more challenging to achieve and has replaced the build cost target with a stretching relative margin target recognising the importance of achieving this target for the Company:

Measure	Weighting
PBIT	40%
Cash generated (before land spend)	15%
ROCE	10%
Order book	15%
Customer service	5%
Relative margin (compared to other housebuilders)	10%
Waste tonnage reduction	5%

A build cost target has remained in place for executives below Executive Director level as it remains a key area of focus and it is considered that such executives are closer to this objective.

No element of any STIA is pensionable.

Sheryl Palmer's long term incentive plans awards

Sheryl Palmer (President of the Taylor Morrison North America business) stood down from the Board of Taylor Wimpey plc on 20 July 2011 following the sale of the Company's North American business. Details of her remuneration up to the date of her standing down are set out in the remuneration table on page 47.

Sheryl Palmer was awarded long term incentive awards in 2009 and 2010 and in line with the policy applied to designated 'good leavers' these awards will be reduced pro rata to the date of her leaving and will be performance tested at the end of the applicable performance period which will be at the same time as other participants and based on the same tests.

Details of Sheryl Palmer's long term incentive awards and the effect of the pro-rating are set out in the table on page 49.

Long Term Incentive Plans

Current plans

The Company has two long term incentive plans: the Taylor Wimpey Performance Share Plan ('TWPSP') and the Taylor Wimpey Share Option Plan ('TWSOP'), both of which were approved by shareholders at the 2008 Annual General Meeting.

Other than in exceptional circumstances, the combined value of awards made under the two plans may not exceed that of an expected value of a TWPSP award with a face value of 200% of base salary, in the case of Executive Directors, or 300% of base salary in the case of other employees. The Committee has not made any exceptional awards in excess of these limits since the plans were introduced. In calculating the value of awards, one TWPSP award is deemed to have the same expected value as two options granted under the TWSOP.

The Committee's policy continues to be to make awards under the TWPSP only. Awards of performance shares provide better alignment with shareholders than awards of share options, as they deliver the full value of the shares, which can increase and decrease over the performance period.

LTIP Performance Criteria

Name	2009	2010	2011	2012
TWSOP	Absolute ROCE (50%)	–	–	
TWPSP	–	Absolute ROCE (40%)	Absolute ROCE (30%)	Absolute ROCE (30%)
	TSR vs FTSE 250 (25%)	TSR vs FTSE 250 (30%)	TSR vs FTSE 250 (20%)	TSR vs FTSE 250 (20%)
	TSR vs industry peer group (25%)	TSR vs industry peer group (30%)	TSR vs industry peer group (20%)	TSR vs housebuilders index (20%)
	–	–	Margin (30%)	Margin (30%)

2012 awards

The performance targets governing the vesting of these awards are set out in the LTIP Performance Criteria table above and are substantially based on the targets put in place with regard to the 2011 awards namely, Margin, Total Shareholder Return ('TSR') and Return on Capital Employed ('ROCE').

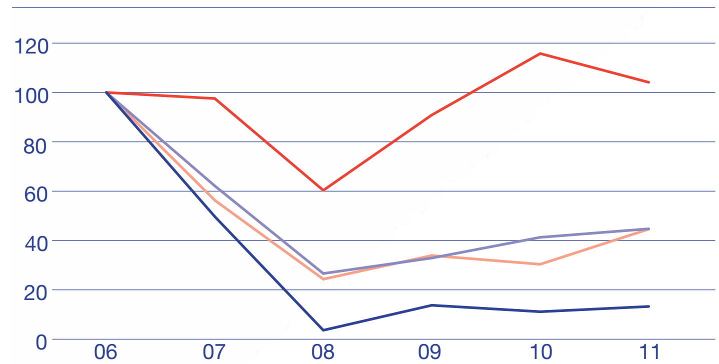
Margin: margin achieved on new homes by the UK business was introduced as a measure in 2011. The Committee regards margin as a key measure for the Company and the housebuilding industry and the inclusion of margin improvement is consistent with the strategy that has been presented to shareholders. Following the sale of the North American business during 2011, from 2012 onwards, the measure will now be based on the Group as a whole rather than on UK margins only.

Challenging targets have again been put in place by the Committee requiring the achievement of double digit margins in the 2014 financial year. The margin targets for the 2012 awards are as follows:

	% of this element of the award vesting	Margin in 2014
Below Threshold	0%	Less than 10%
Threshold	20%	10%
Maximum	100%	13%
Between threshold and maximum	20%-100%	10%-13%

Total shareholder return

Source: Thomson Reuters



This graph shows the value, by 31 December 2011, of £100 invested in Taylor Wimpey plc on 31 December 2006 compared with the value of £100 invested in (i) the FTSE 250 Index, (ii) the industry peer group used for TWPSP awards made before 2012 and (iii) the housebuilders index introduced for the 2012 TWPSP awards. The other points plotted are the values at intervening financial year ends.

Taylor Wimpey plc · FTSE 250 Index · Sector Peer Group · Housebuilders Index

TSR performance will continue to be measured against two TSR peer groups as in previous years. However, whereas previous awards have used a FTSE 250 peer group and a sector group comprising of housebuilders and building materials related companies, the Committee has decided that for future awards the sector group should be replaced with a 'Housebuilders' index (Barratt Developments, Bellway, Berkeley Homes, Bovis Homes Group, Galliford Try, Persimmon and Redrow), as using a more focused group will provide a more appropriate benchmark for the Company's performance. Given that using a comparator group with this relatively small number of comparators may prove difficult if a traditional ranking approach to TSR measurement is used, the Company's TSR performance will be measured on an 'index +' basis with the TSRs of the comparators being averaged to create an unweighted index. No vesting will occur unless the Company's TSR is at least equal to the index, with full vesting occurring if the Company's TSR is at least equal to the index plus 8% p.a. on a multiplicative basis (i.e. if the TSR of the index is 100% over three years, the TSR required for maximum vesting of this element of the award would be approximately 126%).

The level of performance required for maximum vesting is intended to be at least as stretching as the conditions which applied to the first awards made under the TWPSP and has been arrived at based on analysis carried out by the Committee's independent advisers New Bridge Street on historic levels of upper quartile performance among the companies in the index. The Committee considers that TSR performance remains appropriate as it rewards management for delivering superior returns to shareholders than its peers.

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ROCE is also considered an appropriate measure, as it directly measures the efficient use of capital. For the 2012 award (and future awards), the definition of ROCE will be aligned with the Company's Return on Net Operating Assets (RONA), which is a strategic priority and will also provide consistency with the Company's external reporting. RONA is defined on page 1 of the Annual Report as 'operating profit, divided by the average of the opening and closing net operating assets, which is defined as capital employed plus intangibles less tax balances'. The ROCE targets for the 2012 awards, which will be measured in the 2014 financial year, are as follows:

	% of this element of the award vesting	Absolute ROCE in 2014
Below threshold	0%	Less than 10%
Threshold	20%	10%
Maximum	100%	20%
Between threshold and maximum	20%-100%	10%-20%

Consistent with award levels made in 2011 and following consultation with shareholders, the Committee has determined award levels for Executive Directors will be maintained at 200% of salary. Details of the 2012 awards under the TWPSP will be included in next year's Remuneration Report.

Land Value Plan

Arising out of the 2011 remuneration review, the Company is introducing the Taylor Wimpey Land Value Plan ('LVP') in 2012 for designated senior executives below Executive Director level. The LVP is designed to reward participants for managing the landbank in a way which adds value, through a combination of managing and adding value to the existing land portfolio and buying land and adding value over and above the base case for each acquisition. Performance will be measured over a three year period and awards to senior participants will be in shares which will be required to be retained for 12 months. In time the Committee may consider making LVP awards to the Executive Directors. Any such participation (if any) will, however, be subject to a prior and comprehensive shareholder consultation and if introduced there would be a corresponding reduction in award levels under the TWPSP.

Previous awards

Vesting of the awards made during 2009, 2010 and 2011 is subject to the achievement of a combination of Return on Capital Employed ('ROCE'), relative TSR performance and, for the 2011 awards only, operating margin. The table on page 43 summarises the performance conditions attached to each year's awards – straight line vesting takes place between the minimum and maximum vesting levels as set out in the table above. Awards were made under the TWPSP and TWSOP for 2009 and under the TWPSP only for 2010 and 2011.

With regard to the awards made in 2008, in addition to the ROCE and EPS tests not being met (as reported in the 2010 Remuneration Report), the TSR performance criteria were also not met and therefore it can now be confirmed that no vesting took place for any participant under these awards. Accordingly, these awards have now lapsed in full.

Performance testing for the 2009 awards which were made in August of that year will be undertaken at the conclusion of the performance period at the end of 2012, with any vesting to only take place after the announcement of the Company's 2012 Full Year results in March/April 2013.

With regard to the awards made in two equal tranches in March and August 2010, performance testing will be undertaken at the conclusion of the relevant performance period, namely, at the end of 2012 and 30 June 2013. Any vesting will only take place after the announcement of the 2012 Full Year results (in or around March 2013) in respect of the first tranche and after the Half Year results in or around August 2013 in respect of the second tranche.

During 2011, awards were made to 21 executives (2010: 23) over an aggregate of 11,902,398 shares (2010: 13,879,107), based on a share price of 41.18 pence (35.15 pence for the later grant for a new joiner below Director level) (2010: 40.01 pence, 35.1 pence and 31.3 pence). Dependant upon the performance conditions as set out in the table on page 43, the awards will be tested after the conclusion of the performance period at the end of 2013 with any vesting to only take place after the announcement of the 2013 Full Year results in or around March 2014 (save for one award made later to a new joiner below Board level which will only be capable of vesting on 3 October 2014).

Details of awards made to Executive Directors appear on pages 48 to 49.

Taylor Wimpey Share Option Plan

Awards under this plan may be income tax-approved up to HMRC's aggregate limit of £30,000. Awards normally vest after three years from the start of the performance measurement period (four years for awards made during 2009) provided that the performance condition has then been achieved. No awards were made under the TWSOP in either 2010 or in 2011 and no awards will be made under the TWSOP in 2012. Details of awards held by Executive Directors appear on pages 48 to 49.

Additional performance tests

An underlying requirement for any vesting under the current share-based incentive plans is that at the time of approving the vesting, the Committee must be satisfied with the overall financial performance of the Group.

With regard to margin performance measure, the Committee will retain the right (as part of its overall discretion) to reduce the vesting of this part of the award if volumes (i.e. the number of homes sold) have not been satisfactory during the relevant performance period.

All-employee share plans

The Company encourages share ownership by employees in order to help to align employee interest with that of the Company and its shareholders. Accordingly, it operates two all-employee share plans, a Sharesave Plan and a Share Incentive Plan ('UK Share Purchase Plan'). Both Schemes are HMRC approved and have standard terms under which all UK employees with at least three months' service can participate. During 2011, 800 employees (2010: 600) applied to join the Sharesave Plan. Options were granted over 15,030,026 shares (2010: 11,532,281) at an option price of 24.04 pence per share (2010 22.88 pence per share). A total of 663 participants (2010: 568) contributed to the UK Share Purchase Plan and purchased 1,408,537 partnership shares (2010: 1,563,702). Such shares are eligible for a 1:1 match if held for three years. Details of awards held during the year by Executive Directors appear on pages 48 to 49.

Performance graph

The graph on page 43 shows the Company's performance, measured by TSR, for the five year period to 31 December 2011, compared with the performance of the FTSE 250 Share Indices and the TWPSP sector peer group used for awards made up to 2011 and the new Housebuilders index to be used from 2012.

The FTSE 250 and the peer group comparator groups are those used in successive years' awards under the TWPSP and TWSOP, described above. The FTSE 100 is not shown as it is no longer used as a performance measure for the share plans.

Other share plan information

In accordance with International Financial Reporting Standards, details of the sources of shares issued or transferred during the year to meet maturing or vesting rights under the Company's share-based reward schemes, and the potential further requirement for shares to satisfy options and awards outstanding at the end of the year, are shown in Note 23 to the consolidated financial statements. Share plans are also compliant with the ABI's dilution guidelines and meet investor guidelines.

The Company's present intention is to meet the requirement for shares in respect of share plans by a mix of market purchases and utilising the remaining balance of shares in the appropriate Employee Share Trust, wherever it is possible to do so. Where there are relatively small requirements for shares, these may continue to be met for administrative convenience from other sources, including new issue.

Share ownership guidelines

As part of the Remuneration Review, the Remuneration Committee has reviewed its share ownership guidelines in order to encourage greater levels of shareholding by employees at all levels within the Company and the Committee has also taken into account comments received from key institutional shareholders and investor bodies.

The guidelines have been extended to cover a larger number of executives who participate in share schemes, with all participating executives required to build up shareholdings through the retention of shares vesting under the Company's share plans.

Following the review, Executive Directors are still expected to maintain a qualifying interest in ordinary shares of broadly equivalent in value to not less than their annual base salary and should do so within five years of their appointment. As part of this requirement, Executive Directors 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 long term incentive share plans, until such time as the guidelines have been met. The net amount of shares held on trust by way of deferral under the STIA will continue to count towards the target shareholding for each Executive Director. Members of the Group Management Team and other designated executives are expected to maintain an interest of equivalent to 50% and 20% of their base salaries respectively and will accordingly, be required to retain at least 50% of shares vesting or acquired pursuant to the Company's long term incentive plans until such guidelines are met.

The Committee will continue to keep these guidelines under regular review to ensure that they remain both reasonable and appropriate having regard to all relevant circumstances. These guidelines are intended to demonstrate the Committee's commitment of aligning the interests of its Executive Directors and management with those of its shareholders.

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.

Pension arrangements

Details of the Group's principal UK pension schemes are given in Note 21 on page 83 to the consolidated financial statements.

Taylor Wimpey Pension Schemes

Taylor Wimpey Personal Choice Plan ('PCP')

The PCP was introduced on 1 April 2002. It is a defined contribution stakeholder pension scheme, which all new eligible UK employees are invited to join. All active members of the defined benefit arrangements were invited to join the PCP when those arrangements closed to future accrual.

Pete Redfern and James Jordan each have a pension allowance of 20% of the earnings cap, in lieu of pension membership, due to legislative changes introduced in 2009. For 2011 a total of £25,920 (2010: £8,240) was paid to Pete Redfern and between 21 July and 31 December 2011 a total of £10,800 was paid to James Jordan. The payment is made in addition to their respective existing pension allowance of 25% of salary (Pete Redfern) and 28% of salary (James Jordan) above the earnings cap as described below – details of these payments are set out below under The George Wimpey Staff Pension Scheme section.

The George Wimpey Staff Pension Scheme

Pete Redfern and James Jordan are members of the Executive section of The George Wimpey Staff Pension Scheme ('the Scheme'). They have a Normal Retirement Age under this Scheme of 62. The Scheme was closed to new members on 1 January 2002 and was closed to future accrual on 31 August 2010. All active members were invited to join the PCP from 1 September 2010, referred to above and to which members and the Company contribute.

In addition, Pete Redfern receives a pension allowance amounting to 25% of the difference between his basic salary and the pension scheme earnings cap. For 2011 a total of £171,876 (2010: £144,100) was paid in respect of Pete Redfern. James Jordan also receives a pension allowance amounting to 28% of the difference between his basic salary and the pension scheme earnings cap. Between his appointment to the Board on 21 July 2011 and 31 December 2011 a total of £36,996 was paid in respect of James Jordan.

Pension allowances do not count towards the calculation of any bonus awards which are based only on base salary. Details of the pension arrangements for Ryan Mangold and Sheryl Palmer are set out on page 50.

Taylor Woodrow Group Pension and Life Assurance Fund (the 'Fund')

The Fund was closed to new entrants from 31 March 2002. With effect from 1 September 2004, a restriction was applied so as to limit the amount of any increase in pensionable salary of members of the Fund to the lesser of the actual increase in basic salary or the RPI, subject to a maximum of 5% per annum. The Fund ceased future accrual on 30 November 2006 and from 1 December 2006 existing active Fund members were invited to participate in the PCP.

Life assurance arrangements

Life assurance of up to four times basic salary and a pension of up to two-thirds of the member's entitlement for a spouse on death in service, or in retirement, are provided, together with a children's allowance of up to 100% of the dependant's pension for three or more eligible children.

Directors' contracts

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

Service contracts for all Executive Directors and letters of appointment for all Non Executive Directors are available for inspection as described in the Notice of 2012 Annual General Meeting on page 106.

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Details of the Executive Directors' service contracts are summarised in the table below:

Name	Date of contract	Unexpired term (months)	Notice period by Company (months)	Notice period by Director (months)	Normal retirement age	Current age
Pete Redfern	13 October 2004	12	12	12	62	41
Ryan Mangold	16 November 2010	12	12	12	Note 1	40
James Jordan	20 September 2005 Note 2	12	12	12	62	50

Note 1: Ryan Mangold is a member of the Taylor Wimpey Personal Choice Plan, a stakeholder pension scheme described earlier, which can be taken any time after reaching age 55, the Minimum Pension Age.

Note 2: James Jordan already had an appropriate service contract with the Company in his previous role as Group Company Secretary and General Counsel, which has remained in place.

It is the Company's policy that liquidated damages should not automatically apply on the termination of an Executive Director's contract. In accordance with this approach, payment for early termination of contract (without cause) by the Company is to be determined, in the case of each of the Executive Directors, having regard to normal legal principles which require mitigation of liability on a case-by-case basis. Any such payment would typically be determined by reference to the main elements of a Director's remuneration, namely: salary, bonus entitlement (subject to Committee discretion as appropriate), benefits-in-kind and pension entitlements. Phased payments will be considered by the Company where appropriate. There are no change of control provisions that apply in relation to the service contract of any Executive Director.

Chairman and Non Executive Directors

Neither the Chairman nor the Non Executive Directors have service contracts. Their terms of engagement are regulated by letters of appointment as follows:

Name	Date of appointment as a Director	Date of initial letter of appointment	Term of appointment	Notice period by Company (months)	Notice period by Director (months)
Kevin Beeston	1 July 2010	13 May 2010	3 years, reviewed annually	6	6
Kate Barker	21 April 2011	7 February 2011	3 years, reviewed annually	6	6
Brenda Dean	3 July 2007	21 November 2007	3 years, reviewed annually	6	6
Mike Hussey	1 July 2011	30 June 2011	3 years, reviewed annually	6	6
Tony Reading	3 July 2007	21 November 2007	3 years, reviewed annually	6	6
Rob Rowley	1 January 2010	1 December 2009	3 years, reviewed annually	6	6

The Chairman receives an annual fee of £250,000 which is paid monthly. The Chairman's fees were fixed by the Board prior to his appointment as Chairman following independent advice provided by New Bridge Street.

Brenda Dean and Tony Reading were independent non executive directors of George Wimpey Plc ('GW') until the merger with Taylor Woodrow plc on 3 July 2007. Their respective dates of appointment were 7 October 2003 and 15 April 2005 and, as set out in the Corporate Governance Report, time spent as a director of GW is deemed to count towards each Director's overall term of office as a Director of the Company from a Code perspective.

Fees of Non Executive Directors are determined by the Board in their absence taking into account the research carried out by independent remuneration consultants of fees paid to Non Executive Directors of similar sized companies and the sector-based peer group. Non Executive Director fees are subject to the aggregate annual limit of £1,000,000 imposed by the Articles of Association and will be reviewed annually.

The basic fee paid to each Non Executive Director is £50,000 per annum and has been at this level since July 2007. The Senior Independent Director receives an additional payment of £10,000 per annum in respect of the performance of this role. The standard fee for chairing a Board Committee is £10,000 per annum. The Chairman does not receive any additional fee for chairing the Nomination Committee.

Neither the Chairman nor the Non Executive Directors participate in any of the Company's share plans or bonus plans and are not eligible to join the Company's pension scheme.

All Directors will submit themselves for election or re-election, as appropriate, at the Annual General Meeting in accordance with the Code.

Part 2: Audited information
Directors' emoluments

	Basic salary/fee £000	Pension allowance £000	Benefits-in-kind £000[a]	STIA in respect of 2011 £000	Other benefits/payments £000[a]	2011 total[b] £000	2010 total £000	Basic salary p.a. with effect from 01.04.2012 £000[f]
Executive								
Pete Redfern	713	172	25	764	–	1,674	1,563	735
Ryan Mangold (Appointed 16 November 2010)	290[e][g]	34	1	311	13	649	76	317
James Jordan (Appointed 21 July 2011)[b]	149	37	15	355	–	556	–	341
Sheryl Palmer (Resigned 21 July 2011)[c]	212	1	5	–	–	218	2,124	–
Chris Rickard (Resigned 16 November 2010)	–	–	–	–	–	–	1,213	–
Non Executive								Fees p.a. with effect from 01.01.2012
Kevin Beeston (Appointed 1 July 2010)[d]	250	–	–	–	–	250	125	250
Kate Barker (Appointed 21 April 2011)	35	–	–	–	–	35	–	50
Brenda Dean	50	–	–	–	–	50	50	50
Mike Hussey (Appointed 1 July 2011)	25	–	–	–	–	25	–	50
Tony Reading	60	–	–	–	–	60	60	60
Rob Rowley	70	–	–	–	–	70	68	70
Andrew Dougal (Resigned 21 April 2011)	15	–	–	–	–	15	50	–
Katherine Innes Ker (Resigned 21 April 2011)	15	–	–	–	–	15	56	–
Norman Askew (Resigned 30 June 2010)	–	–	–	–	–	–	100	–
David Williams (Resigned 31 March 2010)	–	–	–	–	–	–	18	–
Aggregate emoluments	1,884	244	46	1,430	13	3,617		
2010							5,503	

(a) Benefits-in-kind includes non-cash payments such as health insurance, company car provision and fuel allowances. Other benefits include car allowance and employer's contribution to a pension scheme.

(b) At the time of his appointment on 21 July 2011, James Jordan's annual salary was £333,125 per annum. James Jordan's pension allowance and benefits in kind are for the period 21 July to 31 December 2011. The STIA amount is for the full year.

(c) Sheryl Palmer received a base salary at the rate of £404,000 p.a. from 1 January 2011 to 26 March 2011. On 27 March 2011 she received an increase of 2.5% and received a base salary at the rate of £414,100 from 27 March 2011 until her date of leaving the Board on 21 July 2011. Post completion of the sale of the North American business which took place in July 2011 (the 'transaction'), and pursuant to an ongoing contractual matter in relation to the service agreement between Sheryl Palmer and Taylor Morrison Inc. ("TMI"), Sheryl Palmer received from TMI the sum of US$1.5m which, following agreement with the purchasers on a number of commercial matters relating to the transaction was treated as an offset by them against the final price paid for the business.

(d) The Company also paid £25,000 (2010: £10,416) at the rate of £2,083.33 per month as a contribution towards the Chairman's annual office and related administration costs incurred in carrying out his role. Kevin Beeston's base fee is £250,000 per annum.

(e) Ryan Mangold has joined the Flexible Pension Arrangement (salary exchange) operated by the Company and the amount exchanged since his appointment as a Director on 16 November 2010 was £2,138. The Flexible Pension Arrangement is a voluntary arrangement, the effect of which is to allow members and the Company to benefit from savings in National Insurance contributions through the sacrifice of a portion of salary, which would then be paid into a pension scheme as a Company contribution, prior to NIC being calculated. The Scheme therefore reduces the effective salary of the individual.

(f) With effect from 1 April 2012, the base salaries of Pete Redfern, Ryan Mangold and James Jordan will be £735,437, £316,956 and £341,453 respectively reflecting the proposed salary increases of 2.5%. 8.5% and 2.5%. Their base salaries with effect from 1 April 2011 were £717,500, £292,125 and £333,125 respectively.

(g) This includes £25,600 (2010: £2,138) company contribution in lieu of salary to Ryan Mangold's non-Group pension arrangements described on page 50.

Aggregate emoluments of the Group Management Team (excluding Executive Directors)

	Basic salary/fee £000	Pension allowance £000	Benefits-in-kind £000[a]	STIA in respect of 2011 £000	Other benefits £000	2011 total £000	2010 total £000	Basic salary p.a. with effect from 01.04.2012 £000
4 members[b]	1,001	101	72	931	160	2,265	3,117	862

(a) Includes non-cash payments.

(b) There were five members who were not Executive Directors until 21 July 2011, when James Jordan joined the Board, from which date there were four members (2010: seven members who were not Executive Directors)

(c) In addition, a charge of £281,000 (2010: £424,000) was booked in respect of share-based payments.

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Directors' share-based reward and options

Aggregate emoluments disclosed on page 47 do not include any amounts for the value of options to acquire ordinary shares in the Company and any other share-based reward granted to or held by the Directors. Set out below are details of one Director who exercised options over ordinary shares during the year (2010 nil).

Share Options exercised

Name of Director	Plan	Number of option shares exercised	Exercise price (pence)	Market price at exercise date (pence)	Gains on exercise 2011 £	Gains on exercise 2010 £
James Jordan	Sharesave Plan	37,614*	25.52	37.93	4,668	–

* All shares have been retained by James Jordan

Details of options and conditional awards over shares held by Directors who served during the year are as follows:

Name of Director	Plan	1 January 2011(a)	Granted/ Awarded in 2011 (number)	Lapsed in 2011 (number)	Exercised/ vested (number)	31 December 2011	Exercise price (pence)	Date of grant	Date from which exercisable /capable of vesting	Expiry date
Pete Redfern	Deferred Shares (STIA)	305,345	–	–	305,345(i)	–	–	13.03.08	31.12.10	31.12.10
	Deferred Shares (STIA)	497,284	–	–	–	497,284	–	22.03.10	31.12.12	31.12.12
	Deferred Shares (STIA)	–	409,674(b)	–	–	409,674	–	04.04.11	31.12.13	31.12.13
	Performance Share Plan	637,902	–	637,902	–	–	–	17.04.08	17.04.11(e)	17.04.11
	Performance Share Plan	1,601,423	–	–	–	1,601,423	–	07.08.09	01.01.13(e)	01.01.13
	Performance Share Plan	1,574,606	–	–	–	1,574,606	–	22.03.10(f)	22.03.13(e)	22.03.13
	Performance Share Plan	2,012,779	–	–	–	2,012,779	–	06.08.10(f)	06.08.13(e)	06.08.13
	Performance Share Plan	–	3,484,701(d)	–	–	3,484,701		01.04.11(g)	01.04.14(e)	01.04.14
	Share Option Plan	1,497,345	–	1,497,345	–	–	93.49	28.04.08	28.04.11	28.04.18
	Share Option Plan	3,202,846	–	–	–	3,202,846	39.34	07.08.09(h)	01.01.13(e)	07.08.19
	Sharesave Plan	–	63,331(c)	–	–	63,331	24.04	11.10.11	01.12.16	31.05.17
	Total	11,329,530	3,957,706	2,135,247	305,345	12,846,644				
Ryan Mangold	Deferred Shares (STIA)	–	20,848(b)	–	–	20,848	–	04.04.11	31.12.13	31.12.13
	Performance Share Plan	190,645	–	–	–	190,645	–	07.08.09	01.01.13(e)	01.01.13
	Performance Share Plan	171,238	–	–	–	171,238	–	22.03.10(f)	22.03.13(e)	22.03.13
	Performance Share Plan	218,889	–	–	–	218,889	–	06.08.10(f)	06.08.13(e)	06.08.13
	Performance Share Plan	–	1,418,771(d)	–	–	1,418,771	–	01.04.11(g)	01.04.14(e)	01.04.14
	Share Option Plan	381,291	–	–	–	381,291	39.34	07.08.09(h)	01.01.13(e)	07.08.19
	Sharesave Plan	39,335	–	–	–	39,335	22.88	06.10.10	01.12.13	31.05.14
	Total	1,001,398	1,439,619	–	–	2,441,017				
James Jordan	Deferred Shares (STIA)	230,882	–	–	–	230,882	–	22.03.10	31.12.12	31.12.12
	Deferred Shares (STIA)	190,205	–	–	–	190,205	–	04.04.11	31.12.13	31.12.13
	Performance Share Plan	557,638	–	–	–	557,638	–	07.08.09	01.01.13(e)	01.01.13
	Performance Share Plan	548,300	–	–	–	548,300	–	22.03.10(f)	22.03.13(e)	22.03.13
	Performance Share Plan	700,878	–	–	–	700,878	–	06.08.10(f)	06.08.13(e)	06.08.13
	Performance Share Plan	1,617,897	–	–	–	1,617,897	–	01.04.11(g)	01.04.14(e)	01.04.14
	Share Option Plan	1,115,277	–	–	–	1,115,277	39.34	07.08.09(h)	01.01.13(e)	07.08.19
	Sharesave Plan	37,614	–	–	37,614	–	25.52	15.10.08	01.12.11	31.05.12
	Sharesave Plan	–	63,331(c)	–	–	63,331	24.04	11.10.11	01.12.16	31.05.17
	Total	4,998,691	63,331	–	37,614	5,024,408				

Name of Director	Plan	1 January 2011[a]	Granted/ Awarded in 2011 (number)	Lapsed in 2011 (number)	Exercised/ vested (number)	31 December 2011	Exercise price (pence)	Date of grant	Date from which exercisable /capable of vesting	Expiry date
Sheryl Palmer	Performance Share Plan	140,280	–	140,280	–	–	–	17.04.08	17.04.11[e]	17.04.11
	Performance Share Plan	416,508	–	150,406[j]	–	266,102	–	07.08.09	01.01.13[e]	01.01.13
	Performance Share Plan	454,499	–	265,125[j]	–	189,374	–	22.03.10[f]	22.03.13[e]	22.03.13
	Performance Share Plan	580,974	–	387,316[j]	–	193,658	–	06.08.10[f]	06.08.13[e]	06.08.13
	Share Option Plan	329,278	–	329,278	–	–	93.49	28.04.08	28.04.11	28.04.18
	Share Option Plan	833,016	–	300,812[j]	–	532,204	39.34	07.08.09[h]	01.01.13[e]	07.08.19
	Total	2,754,555	–	1,573,217	–	1,181,338				

(a) Or date of appointment.

(b) Market value per share on date of grant 4 April 2011 was 41.58 pence.

(c) Market value per share on date of grant 11 October 2011 was 36.79 pence.

(d) Market value per share on date of grant 1 April 2011 was 40.88 pence.

(e) Or later publication of the preliminary full year or half year results announcement on which the associated performance condition will be calculated.

(f) Due to the timing of the 2009 awards, the 2010 awards were made in two equal tranches, after the full year and half year announcements. This was to reduce the potential overlap of the vesting of the 2009 and 2010 awards in 2013 due to the fact that the 2009 awards were effectively based on four year performance periods.

(g) Vesting will be 20% for the 2011 award (2010 award 20% for both tranches; 2009 award 25%) for threshold performance (50th percentile for TSR; 10% ROCE; 10% margin (2011 awards only)) and 100% (2010 for both tranches and 2009: 100%) for upper quartile performance (75th percentile for TSR; 20% ROCE; 13% margin (2011 awards only)) with straight line vesting between these two thresholds.

(h) Vesting will be 25% for threshold performance (2009: 10% ROCE; 2008: ROCE to exceed Cost of Capital ('CoC')) and 100% for upper quartile performance (2009: 20% ROCE; 2008: ROCE to exceed CoC by 3%) with straight line vesting between these two thresholds.

(i) Vesting of deferred shares pursuant to the 2008 Bonus Plan which had been held in the Company's Share Trust for a period of three years.

(j) Sheryl Palmer's interests in the TWPSP and TWSOP have been reduced on a pro rata basis following her standing down from the Board on 20 July 2011. Testing on the balance will take place at the end of the applicable performance period in line with other participants.

There have been no variations to the terms and conditions or performance criteria for outstanding share options during the financial year.

The performance criteria relating to the Performance Share Plans and Share Option Plans appear earlier in this Directors' Remuneration Report.

The market price of the ordinary shares on 31 December 2011 was 37.5 pence and the range during the year was 28.71 pence to 43.31 pence. Details of any share awards made to Executive Directors during 2012 will be included in the 2012 Remuneration Report.

Directors' interests in shares of the Company

Directors' interests in 1p ordinary shares held (fully paid) ('ordinary shares'):

	at 01.01.11 ordinary shares[a]	at 31.12.11 ordinary shares	Deferred Shares held on trust under the STIA[b]	Executive Directors' share interests (including Deferred Shares) at 31.12.11 valued at 31.12.11 share price and expressed as a percentage of base salary at 31.12.11[c]	Executive Directors' share interests (including Deferred Shares) at 31.12.11 valued at 28.02.12 share price and expressed as a percentage of base salary at 01.04.12[d]
Kevin Beeston	905,562	1,055,562			
Pete Redfern	548,427	832,239	444,409	67%	91%
Ryan Mangold[e]	28,510	56,370	10,215	9%	11%
James Jordan[e]	179,639	220,825	206,332	48%	66%
Kate Barker	–	20,000			
Brenda Dean	33,065	59,704			
Mike Hussey	–	75,000			
Tony Reading	300,000	400,000			
Rob Rowley	200,000	200,000			

(a) Or date of appointment.

(b) Shares conditionally held as deferral of Company bonus count towards the achievement of the share retention targets described on page 45. Accordingly, only the net amount of shares has been included in this column and in the percentages set out in the fifth and sixth columns.

(c) Percentage of shareholding achieved at 31 December 2011 towards the targets described on page 45 calculated on 2011 salary and at 31 December 2011 share price. Salaries as at 31 December 2011 for Pete Redfern, Ryan Mangold and James Jordan were £717,500, £292,125 and £333,125 respectively.

(d) Percentage of shareholding achieved at 31 December 2011 towards the targets described on page 45 calculated on 1 April 2012 salary and at 28 February 2012 share price. Salaries as at 1 April 2012 for Pete Redfern, Ryan Mangold and James Jordan will be £735,437, £316,956 and £341,453 respectively.

(e) Including partnership and matching shares held under the Share Purchase Plan described on page 44.

Note: The Share price on 31 December 2011 and used in the above calculation was 37.5 pence per share and on 28 February 2012 was 52.65 pence per share.

Note: The above table does not include the deferral into shares of 25% of the 2011 STIA for any Executive Director.

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Directors' pension entitlements

Defined benefit schemes

The George Wimpey Staff Pension Scheme

Pete Redfern and James Jordan are members of The George Wimpey Staff Pension Scheme ('GWSPS'). The following table sets out the transfer value of their accrued benefits under the Scheme calculated in a manner consistent with 'The Occupational Pension Schemes (Transfer Values) Regulations 2008'.

	Accrued pension as at 31 December 2010 £	Increase in accrued pension from 31 December 2010 to 31 December 2011 £	Accrued pension as at 31 December 2011[a] £	Transfer value gross of Director's contributions at 31 December 2011[b] £	Transfer value gross of Director's contributions at 31 December 2010[b] £	Increase in transfer value from 31 December 2010 to 31 December 2011 less Director's contributions[c] £	Increase in accrued pension from 31 December 2010 to 31 December 2011 less inflation £	Transfer value of accrued pension increase less Director's contributions[d] £
Pete Redfern	26,551	1,381	27,932	366,600	269,800	96,800	0	0
James Jordan	23,576	1,226	24,802	425,300	332,500	92,800	0	0

(a) The GWSPS closed to future accrual on 31 August 2010 so pension accrual ceased on that date. Pension accrual shown above is the amount which would be paid annually on retirement based on service to 31 August 2010. Pension benefits include a two thirds spouse's pension. Pensions accrued up to 5 April 2006 are guaranteed to increase in payment in line with inflation limited each year to 5%. Pensions accrued after 5 April 2006 are guaranteed to increase in payment in line with inflation limited each year to 2.5%. Pensions 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. We have only taken into account defined benefits accrued over the period to 31 August 2010 and have not included any Defined Contribution pension benefits accrued after this date.

(b) Transfer values have been calculated in accordance with the occupational Pension Schemes (Transfer Value) Regulations 2008.

(c) The increase in the transfer value includes the effect of fluctuations in the transfer value due to factors beyond the control of the Company and Directors, such as financial market movements.

(d) The GWSPS closed to future accrual on 31 August 2010 and so no contributions were made after 31 August 2010.

Non-Group pension arrangements

Ryan Mangold has, and Sheryl Palmer had until her resignation on 20 July 2011, non-Group pension arrangements, to which contributions were paid by the Company as set out below:

	2011 £	2010 £
Ryan Mangold[a]	**24,861**	4,275
Sheryl Palmer[b]	[c]	7,300

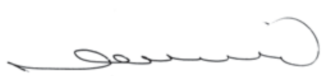
(a) Ryan Mangold also received a pension allowance of £33,928 in 2011 (2010: Nil) in lieu of Company pension contributions over the Annual Allowance limit introduced in April 2011 of £50,000.

(b) To date of resignation.

(c) Sheryl Palmer's US cash balance pension plan was frozen on 1 January 2011.

Approval

This Remuneration Report was approved by the Board of Directors on 28 February 2012 and signed on its behalf by the Remuneration Committee Chairman:



Anthony Reading
28 February 2012

Statutory, regulatory and other formal information

Introduction

This section contains the remaining matters on which the Directors are required to report each year, which do not appear elsewhere in this Directors' Report. Certain other matters required to be reported on appear elsewhere in the Report and Accounts as detailed below:

- a list of the subsidiary and associated undertakings, including branches outside the UK, principally affecting the profits or net assets of the Group in the year appears on page 104;
- changes in asset values are set out in the consolidated balance sheet on page 58 and in the Notes to the accounts on pages 61 to 103;
- the Group's profit before taxation and the profit after taxation and minority interests appear in the consolidated income statement on page 56 and in the Notes to the accounts on pages 61 to 103; and
- a detailed statement of the Group's treasury management and funding is set out in Note 20 on page 78.

Directors

The following Directors held office throughout the year:

Kevin Beeston, Chairman;

Pete Redfern, Chief Executive;

Ryan Mangold, Group Finance Director;

Brenda Dean, Independent Non Executive Director;

Tony Reading MBE, Independent Non Executive Director;

Rob Rowley, Independent Non Executive Director and Senior Independent Director.

The following changes took place during the year:

Kate Barker CBE was appointed as an Independent Non Executive Director on 21 April 2011;

Mike Hussey was appointed as an Independent Non Executive Director on 1 July 2011;

James Jordan was appointed as Group Legal Director on 21 July 2011 (and also continues in his role as the Group Company Secretary);

Andrew Dougal and Katherine Innes Ker, Independent Non Executive Directors, each stood down as a Director on 21 April 2011; and

Sheryl Palmer, formerly the Director with executive responsibility for the Group's US and Canadian businesses, stood down as a Director on 20 July 2011 following the completion of their sale.

The Directors together with their biographical information are shown on pages 28 and 29.

Retirement, election and re-election

The Company has determined that in accordance with the UK Corporate Governance Code, all Directors should seek election or re-election at this year's AGM as explained in the Notes to the Notice of Meeting and on page 33 of the Corporate Governance Report.

Each of the Directors proposed for election or re-election at the AGM is being unanimously recommended by all of the other members of the Board. This recommendation follows the completion of the annual performance evaluation process, which included a detailed appraisal of the Board, its Committees and in respect of each Director. Further information relating to the evaluation is set out below and in the Corporate Governance Report on page 33.

The Articles of Association of the Company further regulate the appointment and removal of Directors, as does the Companies Act 2006 and related legislation. The Company's Articles of Association may be amended by special resolution of the shareholders. The powers of the Directors are described in the Corporate Governance Report.

Qualifying third party indemnity

The Company has granted an indemnity in favour of its Directors and officers and those of its Group companies against the financial exposure that they may incur in the course of their professional duties as Directors and officers of the Company and/or its subsidiaries/affiliates. The indemnity has been put in place in accordance with section 234 of the Companies Act 2006 in respect of which the Company took advice from Slaughter and May.

Audit and auditor

Each Director has, at the date of approval of this Report, confirmed that:

- to the best of their knowledge there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Deloitte LLP have confirmed their willingness to continue in office as auditor of the Company and a resolution to re-appoint them will be proposed at the AGM.

It is the Company's general policy that its auditors will not carry out non-audit services except where it is appropriate to do so and in accordance with the Company's formal policy for the carrying out of such work. Deloitte LLP provided non-audit services to the Group during the year within the policy framework as described in the Corporate Governance Report.

Annual General Meeting

The AGM will be held at 11:00 am on 26 April 2012 at The British Medical Association, BMA House, Tavistock Square, London, WC1H 9JP.

Formal notice of the AGM including details of special business is set out in the Notice of Meeting on page 106 and on the Company's Web site plc.taylorwimpey.co.uk. Voting on all resolutions at this year's AGM will again be conducted by way of a poll as the Board believes this gives as many shareholders as possible the opportunity to have their votes counted, whether their votes are tendered by proxy in advance of, or in person at the AGM.

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Web communication

With shareholders' consent, the Company has adopted Web communication. The benefits of Web communication are that it:

- enables the Company to significantly reduce its printing and postage costs;
- enables shareholders to access information faster, on the day documents are published on the Company's Web site; and
- reduces the amount of resources consumed, such as paper, and lessens the impact of printing and mailing activities on the environment.

Shareholder communications (including the 2011 Annual Report and Accounts) are available electronically through the Company's Web site.

The Company provides hard copy documentation to those shareholders who have requested this and is, of course, happy to meet any such requests.

Registrar

The Company's registrar is Capita Registrars. Their details, together with information on facilities available to shareholders, are set out in the Shareholder Facilities section on page 114.

Capital structure

Details of the Company's issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in Note 23 on page 88.

The Company has two classes of shares: Ordinary Shares of 1p, each of which carries the right to one vote at general meetings of the Company and such other rights and obligations as are set out in the Company's Articles of Association; and Deferred Shares which carry no voting rights.

As part of the debt restructuring announced on 21 April 2009 the Company issued Warrants to certain of its lenders giving the holders the right, up to 29 April 2014, to subscribe for up to an aggregate of approximately 58 million Ordinary Shares (representing approximately 5% of the Company's issued share capital at the time the Warrants were issued). Warrants remain over approximately 1.47% of the current issued share capital at the subscription price per share of 17.4473 pence (25 pence prior to the Placing and Open Offer). The Warrants are transferable and carry entitlement to subscription for three months after the passing of a resolution for the winding-up of the Company. To date, aggregate exercises of Warrants have resulted in the issue of 10,864,768 new Ordinary Shares of 1p each.

The authority given by shareholders at the AGM held on 21 April 2011 for the Company to purchase a maximum of 319.8 million of its own shares remained valid at 31 December 2011. The authority was not exercised during 2011 or prior to the date of this Report. The Company has no current intention of exercising the authority but will nevertheless be seeking the usual renewal of this authority at the AGM. The Company currently holds no shares in treasury.

There are no specific restrictions on the size of a holding, the exercise of voting rights, nor on the transfer of shares, which are governed by the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

Details of employee share schemes are set out in the Remuneration Report on page 44. The Employee Share Ownership Trusts generally abstain from voting in respect of shares held by them.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

Substantial interests

The persons set out in the table below have notified the Company pursuant to Rule 5.1 of the Disclosure and Transparency Rules of their interests in the ordinary share capital of the Company.

At 28 February 2012, no change in these holdings had been notified nor, according to the Register of Members, did any other shareholder at that date have a disclosable holding of the Company's issued share capital.

Directors' interests, including interests in the Company's shares, are shown in the Remuneration Report.

Substantial interests in the Company's shares as at 28 February 2012

Name	Number of shares held (millions)	Percentage of issued voting share capital
Schroders plc	474.65	14.80
BlackRock Inc	313.62	9.81
Third Avenue Management LLC	191.58	5.98
JPMorgan Asset Management Holdings Inc	159.64	4.99
Legal & General Group Plc	127.16	3.97
Ignis Asset Management Limited	97.50	3.05
Standard Life Investments Limited	96.39	3.02

Dividend

Information relating to the recommended 2011 final dividend is set out in the Chairman's Statement on page 4 and in the notes to resolution 2 on page 109 in the Notes to the Notice of Annual General Meeting.

The Company will be operating a Dividend Re-Investment Plan, further details of which are set out on page 110 of this Annual Report.

The right to receive any dividend has been waived in part by the Trustee of the Company's Employee Share Ownership Trusts over those Trusts' combined holding of 22,911,329 shares.

Research and development

During 2011 the Company continued to prototype the previously introduced house type range. Feedback from customers and the Company's regional business units, fed through divisional review groups, allowed the Company to make further revisions and improvements to ensure it has the best house type range to support the business and to provide customers with what they want.

In addition, during 2011 the Company started building its first houses to the 2010 building regulations. These provided for an improvement in the thermal efficiency of the Company's homes. Simultaneously, the Company started to work with its expert consultant team and supply chain on how it would meet the evolving 2013 building regulations. These will be a stepping stone from the 2010 regulations to Zero Carbon housing in 2016. The Company will continue to pursue its strategy of building fabric first before adding renewables.

Taylor Wimpey personnel chaired the NICOLE (Network for industrially contaminated land in Europe) Brownfield Working Group which published a significant report in 2011 on environmental liability transfer in Europe.

Taylor Wimpey personnel sit on the Advisory Board of HOMBRE (Holistic Management of Brownfield Regeneration), a four year Seventh Framework EU funded research project looking at sustainable brownfield re-use.

Through CIRIA (Construction Industry Research Information Association) Taylor Wimpey personnel have contributed to Steering Groups on VOC (volatile organic contamination) remediation and asbestos in soils.

Taylor Wimpey personnel are also continuing collaborative work with WRAP (Waste and Resources Action Programme) on wastage, recyclates, reverse logistics and qualitative supply chain assessment on waste and resource efficiency.

Through the Land Forum, Taylor Wimpey personnel have supported various early stage research initiatives into evaluating the true cost of brownfield land, supporting the revised statutory guidance and better regulation of regeneration.

Employee involvement and communication

The Company is committed to ensuring open and regular communication throughout the Group on both business-related issues and issues of general interest. There is a formal Employee Consultative Committee structure in place in all operations and elected representatives meet with management to consult on appropriate issues. Intranet systems are continually updated which provide a valuable communication tool across the Group and an important facility for providing employees with access to a wide range of information. Information is regularly cascaded throughout the Group via e-mail – including regular communications from the Chief Executive – and via verbal briefings and by management presentations.

During 2011, a total of fourteen presentations took place across the country, which were attended by staff from all the Company's Business Units, at which the Chief Executive and other senior management presented the Company's strategy first hand. This was a very successful exercise and was very well received by the Company's workforce. All employees were invited to contribute to the development of the strategy and several of their ideas were adopted in framing both the strategy and its method of implementation. An internal forum has been established on the Group's intranet inviting employees to comment and make suggestions on the strategy and its implementation with each one being read by the Chief Executive and responded to.

This is in addition to the continuing forum on the intranet called 'Open Door' which allows direct communication with the Chief Executive on strategic areas of focus and other matters in order to enable all employees to contribute and comment. All employees are encouraged to participate and use the forum.

The Company promotes share ownership as widely as possible and maintains all-employee share plans, including the Save As You Earn share option scheme and the Share Incentive Plan, as widely as possible across the Group.

Equal opportunities

The Company remains committed to equality of opportunity in all of its employment practices, policies and procedures across the Group. To this end, within the framework of applicable law, we are committed, wherever practicable, to achieving and maintaining a workforce which broadly reflects that of the local catchment area within which we operate. No employee or potential employee will receive less favourable treatment due to their race, creed, colour, nationality, ethnic origin, religion, political or other opinion, affiliation, gender, sexual orientation, marital status, family connections, age, membership or non-membership of a trade union, or disability, unless justifiable in exceptional circumstances, for example due to health and safety considerations. Instruction on equal opportunities is part of the induction programme.

Employment of people with disabilities

It is our policy that people with disabilities should have fair consideration for all vacancies within the Group.

The Company is therefore committed, where possible, to ensuring that people with disabilities are supported and encouraged to apply for employment and to achieve progress once employed. They will be treated so as to ensure that they have an equal opportunity to be selected, trained and promoted. In addition, every reasonable effort is made for disabled persons to be retained in the employment of the Group by investigating the possibility of making reasonable adjustments to the job, workplace or equipment.

Charitable donations

The Company has a Charity Committee, which operates within written terms of reference and charitable guidelines approved by the Board. The Committee's aims are to monitor and review charitable donations made by regional businesses as against the guidelines and to assess and administer larger donations centrally. The members of the Committee are the Group HR Director (Chairman), Group Legal Director and Company Secretary, UK Land and Planning Director, Group Investor Relations Manager and Group Financial Controller. The Company and the Committee encourage non-financial contributions also and for employees to participate in charitable causes.

During the year, Group companies donated £211,000 (2010: £95,000 excluding North America) to various charities in the UK.

Further information on the Group's donations, activities and initiatives can be found in the 2011 Corporate Responsibility Report which is available on the Company's Web site: plc.taylorwimpey.co.uk/CorporateResponsibility

Political donations

The Company does not make donations to political parties and neither does it intend to. The Company does support certain industry-wide organisations which directly assist the housebuilding industry such as the Home Builders Federation and the CBI. Whilst we do not regard this as political in nature, the Companies Act 2006 definition of 'political organisations' and related terms is very wide and in certain circumstances a donation or a subscription to a charity or other organisation could retrospectively be categorised as a political donation. Accordingly, the Company will be seeking the usual annual dispensation at the Annual General Meeting as a matter of prudency.

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Policy on payment of suppliers

The nature of the Group's operations means that there is no single Group standard in respect of payment terms to suppliers. Generally, business units are responsible for establishing payment terms with suppliers when entering into each transaction or series of linked transactions. In the absence of dispute, valid payment requests are met as expeditiously as possible within such terms. Our standard framework agreements with contractors establish the due date for payment as 30 days from the later of the date of issue of the invoice or request for payment, or the relevant month end notified by the employer, and for suppliers, the due date for payment is the end of the month following the month of receipt of the supplier's invoice for goods and/or services delivered to the Company.

Trade creditor days for the Group for the year ended 31 December 2011 were 32 days (2010: 30 days). This is based on the ratio of year end Group trade creditors (excluding sub-contract retentions and unagreed claims of £31.2 million (2010: £34.4 million) and land creditors, see Note 19 to the Consolidated Financial Statements) to amounts invoiced during the year by trade creditors. The Company had no significant trade creditors at 31 December 2011.

Agreements

Apart from a small number of borrowing agreements, pursuant to which the Company borrows or is able to borrow money, which could potentially be terminated by the other party upon a change of control of the Company, there are no significant contracts or agreements which take effect, alter or terminate upon a change of control of the Company.

Important events since the year end

There have been no important events affecting the Company or any of its subsidiary undertakings since 31 December 2011.

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's Web site. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

The Directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the management report, which is incorporated into the Directors' Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

This Report of the Directors was approved by the Board of Directors on 28 February 2012.

James Jordan

James Jordan
Group Legal Director and Company Secretary
Taylor Wimpey plc
28 February 2012