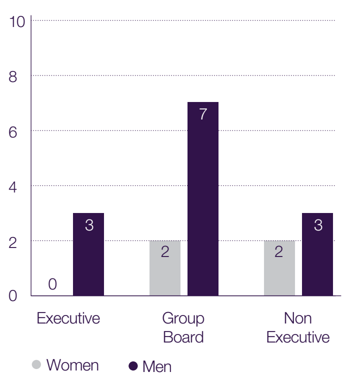
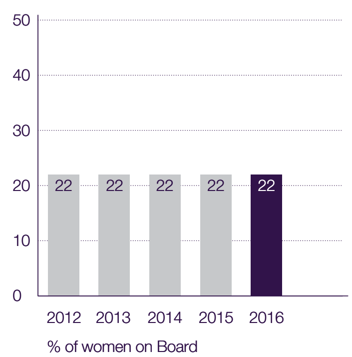
BOARD OF DIRECTORS

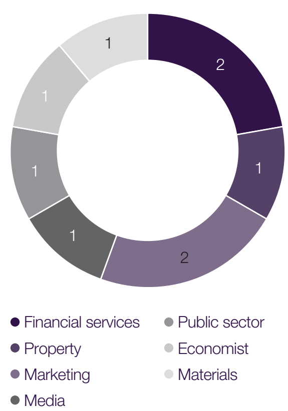
Board gender diversity



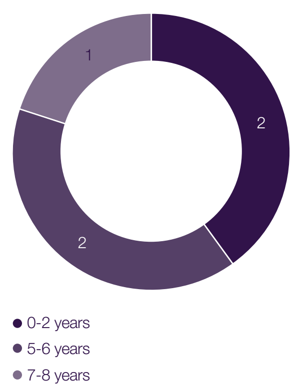
Board gender diversity (%)



Non Executive Director experience



Non Executive Board tenure



Our Committees

Read more on our Nomination Committee on page 69

Read more on our Audit Committee on page 74

Read more on our Remuneration Committee on page 78

1. KEVIN BEESTON

Chairman

Committee membership

N R

Date of appointment

Joined July 2010

Skills & experience

Kevin has significant experience of chairing boards of both public and private companies and of being a non executive director and a member of audit, nomination and remuneration committees. He also brings a wealth of commercial, financial and high level management experience including being a former CEO of a FTSE 100 company.

Kevin was formerly Chairman of Serco Group plc and also of Domestic and General Limited; and was previously a non executive director of IMI plc.

External appointments

Kevin is Chairman of Equiniti Group plc and is a non executive director of both Severn Trent plc and The Football Association Premier League Limited.

2. PETE REDFERN

Chief Executive

Date of appointment

Joined July 2007

Skills & experience

Pete was previously 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.

Pete has full day to day operational responsibility for delivering the Company's strategy in a profitable, safe and environmentally responsible manner. He has significant financial, operational and management experience, gained from his various roles in industry and from his time at KPMG.

External appointments

Pete is a non executive director of Travis Perkins plc, where he is also Chairman of the Stay Safe Committee and a member of the Remuneration Committee. He is also a Trustee of the homelessness charity Crisis and a member of the board of the Home Builders Federation.

3. RYAN MANGOLD

Group Finance Director

Date of appointment

Joined November 2010

Skills & experience

Ryan has operational responsibility for managing the Company's finances and also oversees commercial and pensions. He has financial, treasury, risk and financial control expertise including that gained from his five years as Group Financial Controller of Mondi Group and earlier whilst holding a number of senior finance roles with Anglo American plc group of companies.

Ryan previously held the post of Group Financial Controller of Taylor Wimpey plc.

4. JAMES JORDAN

Group Legal Director and Company Secretary

Date of appointment

Joined July 2011

Skills & experience

James, a solicitor, was previously Group Company Secretary and General Counsel of George Wimpey Plc from February 2002 until July 2007, when he was appointed to the same position with Taylor Wimpey plc, following the merger. 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.

James oversees compliance with legal and regulatory obligations and also manages the Company's Legal and Secretariat Departments. He has significant legal, commercial, transactional and regulatory / corporate governance related experience.

5. KATE BARKER DBE

Independent Non Executive Director

Committee membership

N A R

Date of appointment

Joined April 2011

Skills & experience

Kate is a business economist and was previously a member of the Bank of England's Monetary Policy Committee (MPC) from 2001 until May 2010. During this period, Kate 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 and a DBE in 2014 for services to the economy.

Kate is an industry-recognised economist who also brings a wider economic insight gained through her various roles, including as a Member of the Oversight Board of the Office for Budget Responsibility.

External appointments

Kate is a Trustee Director and Chairman of the British Coal Superannuation Scheme; a non executive director of the Yorkshire Building Society; and will join the Board of Man Group plc as a non executive director with effect from 1 April 2017.

6. MIKE HUSSEY

Independent Non Executive Director

Committee membership

N A

Date of appointment

Joined July 2011

Skills & experience

Mike is Chief Executive of Almacantar, a private property investment and development company which he founded in February 2010. 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 that position, Mike was Head of Leasing and Marketing for Canary Wharf Group plc. He has previously held a number of senior positions within the property industry including with the British Council for Offices, the City Property Association, and as Chairman of the Regeneration and Development Committee of the British Property Federation.

Mike has in-depth expertise in land development and marketing, particularly in London, gained from his previous roles.

External appointments

Mike is a Fellow of the Royal Institution of Chartered Surveyors, a Trustee of the Royal College of Surgeons of England and a Governor of the Southbank Centre.

7. ANGELA KNIGHT CBE

Independent Non Executive Director

Committee membership

N A R

Date of appointment

Joined November 2016

Skills & experience

Angela brings to the Board a wealth of experience gained at a senior level in both the public and private sectors.

Previously, Angela was a member of Parliament from 1992 to 1997, including two years as the Economic Secretary at HM Treasury and was also successively Chief Executive of the Association of Private Client Investment Managers and Stockbrokers; the British Bankers' Association; and Energy UK.

Angela has extensive non executive director experience and her previous roles have included Lloyds TSB plc; Scottish Widows; Logica plc; and Transport for London.

External appointments

Angela is Chairman of the Office of Tax Simplification in HM Treasury; senior independent director of TPICAP Plc; and a non executive director of Arbuthnot Latham & Co.

8. ROB ROWLEY

Independent Non Executive Director

Committee membership

N A R

Date of appointment

Joined January 2010

Skills & experience

Rob has a wealth of financial, commercial and management expertise, principally from his time as Finance Director of Reuters plc and Deputy Chairman of Cable & Wireless plc. He has substantial experience as a non executive director including the chairing of audit committees and has recent and relevant financial experience as required by the UK Corporate Governance Code.

Rob was previously Deputy Chairman of Cable and Wireless plc, a director of Reuters Plc, and a non executive director of Prudential plc; Taylor Nelson Sofres plc; and Intu Properties plc.

External appointments

Rob is the senior independent director of moneysupermarket.com Group PLC; senior independent director and Chairman of the audit committee of Greene King plc; a non executive director and Chairman of the audit committee of Morgan Advanced Materials plc; and Camelot Group.

9. HUMPHREY SINGER

Independent Non Executive Director

Committee membership

N A

Date of appointment

Joined December 2015

Skills & experience

Humphrey has a wealth of financial experience and expertise in the areas of both digital solutions and customer services. He is Group Finance Director of Dixons Carphone plc, a role to which he was appointed in 2014. Humphrey was previously Group Finance Director of Dixons Retail plc and held senior finance-related roles within Dixons, including as Group Financial Controller, and prior to that with Coca Cola Enterprises.

External appointments

Humphrey is Group Finance Director of Dixons Carphone plc.

N A R represents membership of, respectively, Nomination, Audit and/or Remuneration Committees.

■ represents chairmanship of the Committee.

CHAIRMAN'S INTRODUCTION TO CORPORATE GOVERNANCE

KEVIN BEESTON, Chairman

BOARD HIGHLIGHTS FOR 2016

- Fully met all of the requirements of the UK Corporate Governance Code. Please see page 66
- Fully met all of the requirements set out in the Financial Reporting Council's Guidance on Risk, Internal Control and Related Financial and Business Reporting. Please see page 75
- Made good progress towards achieving our strategy for improving diversity and inclusivity at all levels throughout the Group's businesses. Please see page 73
- Conducted a comprehensive internally-facilitated Board Evaluation during 2016. Please see page 67
- Further developed and enhanced the Company's succession and contingency planning across the Group. Please see page 71
- Implemented immediate and appropriate operational procedures following the outcome of the United Kingdom European Union Referendum. Please see page 16
- In compliance with the Modern Slavery Act 2015, we prepared our first statement and related processes and procedures for the business and its supply chain. Please see page 100
- Conducted an external appraisal of the Company's procedures for dealing in the Company's shares in response to the Market Abuse Regulations which came into effect on 3 July 2016

DEAR SHAREHOLDER

In my capacity as Chairman of the Board, I am very pleased to again have this opportunity to make a personal statement on the Company's approach to corporate governance.

Firstly, I would like to emphasise again that the Board continues to take corporate governance very seriously and has been able to demonstrate this over many years with full compliance with the UK Corporate Governance Code (the 'Code'). The requirements of the Code are summarised in the table on page 66 where we have included a signpost directing you to the relevant page which sets out in detail how the Company has complied with the various provisions. To demonstrate the Board's proactive approach to corporate governance, where possible, the Company has consistently sought to comply with planned improvements to the Code, and with wider governance initiatives, often in advance of their formal application to our reporting years. The Board receives regular briefings and updates on corporate governance, both at Board and Committee meetings and, where necessary in between such meetings.

This report on corporate governance aims to set out and explain in clear terms the governance-related processes and procedures in place at Taylor Wimpey which we believe are essential for delivery of the long term success of the Company. It is these processes that ensure we comply with all applicable laws and regulations as well as, of course, meeting the requirements of our shareholders and their representative bodies, with whom we are always very pleased to engage – and proactively did so again during 2016 and into 2017.

Culture, values and ethics

The Board strongly believes that good governance should be focused not only on how the Board itself operates effectively but also, and very importantly, on the culture within which all of our businesses operate and conduct themselves on a day to day basis. The culture, values and ethics set out in the Chief Executive's Statement on page 19 are set by the Board and led in our operations by the Chief Executive and the rest of our Executive and Senior Management Teams. The principles of good governance are embedded throughout the organisation and by way of example, manifest themselves in a number of different ways, including the following:

- an absolute and non-negotiable requirement to ensure the health and safety of our employees, customers, subcontractors, suppliers and visitors to our offices and developments. Please see page 60;
- the requirement to observe good business practice, including abiding by all applicable laws and regulations that relate to our business. Please see page 62;
- the provision of mandatory training on key legislation and regulations to all of our business units;
- our Group-wide control document setting out delegated authority limits;
- a system of controls and checks underpinned by a rigorous Internal Audit Department and overseen by the Audit Committee;
- regular and embedded risk assessment and monitoring processes. Please see page 75; and
- encouraging and investigating any disclosures made either directly or through an independent whistleblowing hotline. Please see page 77.

Governance developments during the period

There were a number of significant developments in the area of corporate governance during 2016. For example, the Government's Department for Business, Energy and Industrial Strategy ('BEIS') announced in September that it is conducting enquiries which will focus on directors' duties; executive pay; and the composition of boardrooms including worker representation and gender balance in executive positions. The Financial Reporting Council ('FRC') updated the Code so as to require, for financial years commencing on or after 17 June 2016, a greater focus on the culture, values and ethics of companies that underpin good corporate governance. The FRC and other organisations announced that they are looking for Nomination Committees to be more proactive in managing both short term and longer term succession planning for the Board and the executive levels of senior management immediately below Board level, and also in ensuring that the necessary skill sets are developed to assist the Board in effectively driving the Company's strategy. The Executive Remuneration Working Group also issued recommendations aimed at rebuilding trust in executive pay levels, allied to the subsequent issue of revised guidance in this area by a number of shareholder bodies. The aim of these initiatives is to ensure that good governance goes deeper than simply 'box ticking' and they were all reviewed and welcomed by the Board as they are designed to help to provide shareholders and all of our stakeholders with increased assurance that the Company is being managed with their best interests firmly in mind.

Board evaluation

A key requirement of good governance is ensuring that the Board itself is operating effectively. The carrying out of an annual evaluation is a very important exercise and it is one which I and all members of the Board take very seriously, whilst also recognising the focus that our shareholders place on it. In line with the Code, the Board conducts its annual evaluation exercise via an independent external facilitator once every three years and it was last carried out in this way in 2014. Consequently the evaluation for 2016 was conducted internally by myself and the Company Secretary, and was based on a comprehensive and updated process which involved all Directors.

The exercise considered the effectiveness of the Board, each Board Committee and each Director, and also focused on the Board's approach to key governance issues such as diversity and risk.

As part of the Board evaluation, the Board carefully considered the time commitments of all Directors in line with the requirements of the Code. Following its review, the Board was satisfied that each Director was able to allocate sufficient time to discharge his or her responsibilities to the Company effectively. This included not only attendance at Board and applicable Committee meetings (where attendance was 100% during 2016 for all Directors, save for Humphrey Singer as noted immediately below), but also for preparation time for meetings, visits to our businesses and other additional requirements that may be required from time to time.

Humphrey Singer missed two meetings of the Board and one meeting of the Audit Committee. In the first case, this was due to an unavoidable clash with a pre-existing commitment which had been discussed and agreed prior to his appointment to the Board in December 2015. In the remaining cases, he missed a Board meeting and the preceding Audit Committee due to an unanticipated commitment at Dixons Carphone plc, where he is Group Finance Director, which occurred following the United Kingdom European Union Referendum. On each occasion Humphrey received the reports for the meeting; was given the opportunity to express his views on the subject matter prior to the meeting; and was comprehensively briefed following the meeting on the main matters arising by the Chairman and the Company Secretary.

Consistent with previous exercises, the 2016 evaluation proved to be very useful. Whilst it was pleasing to note that the exercise concluded that the Board continues to function very well, it also provided an opportunity to reflect on how we operate and where we can improve. I can confirm that the Board has already focused on the areas identified for improvement and will continue to do so during the course of 2017.

Details of this year's evaluation; its outcome; the actions planned by the Board during 2017 to address the issues raised; and the actions taken during 2016 to address the issues raised in the last (also internally facilitated) evaluation conducted in 2015 and reported in last year's Annual Report, are set out on page 67.

BOARD COMMITTEES

CHAIRMAN OF THE NOMINATION COMMITTEE

Kevin Beeston

Read more about this Committee on page 69

CHAIRMAN OF THE AUDIT COMMITTEE

Rob Rowley

Read more about this Committee on page 74

CHAIRMAN OF THE REMUNERATION COMMITTEE

Kate Barker

Read more about this Committee on page 78

Board activities

This Report also seeks to explain what your Board of Directors actually does and describes how it is responsible for setting the culture and values of the Company, ensuring that the Company is run in the best interests of its shareholders as well as other stakeholders, and how it interacts with its shareholders in explaining the Company's strategic goals and performance against them. From a governance perspective, it is not just a case of what is done but also, and just as importantly, how it is done. In light of this, we therefore try and avoid a simple box ticking type approach to corporate governance, preferring our own governance to be something that is properly embedded in our people, processes and decision making at all levels and vested in the personal values of all Directors.

As a Board we review health, safety and environmental performance at every Board Meeting and also regularly review: our business strategy; key risks; the market; operational matters; customer services; human resources; diversity; corporate responsibility; community engagement; our financial position and performance; governance, compliance and legal matters; and shareholder-related matters including the make up of our share register and investor relations programme. This is done through the consideration and discussion of regular reports submitted by the Executive Directors and through other reports and presentations from our senior management and external advisers. The Board and individual Directors also undertake regular visits to our regional businesses and their development sites, which has proved to be both very useful and very effective.

Appointments and succession

There were two changes to the composition of the Board during 2016.

On 1 November 2016 Baroness Margaret Ford stepped down as an Independent Non Executive Director after three and a half years' service, including over two years as Chairman of the Remuneration Committee.

We were very pleased to appoint Angela Knight as an Independent Non Executive Director on 1 November 2016. Angela is Chairman of the Office of Tax Simplification in HM Treasury and brings with her a wealth of experience gained at senior level in both public and private sectors. On appointment, she also joined each of the Board Committees, namely, the Audit, Nomination and Remuneration Committees, where her wide experience will be of considerable assistance to the Board and will complement our existing skill sets.

The Board considers that there is an effective balance with three Executive Directors and five Non Executive Directors plus myself as Chairman, which ensures that each viewpoint is properly represented around the Board table. It also ensures that in line with the Code, there is an effective balance of guidance, support and constructive challenge to the Executive.

The appointment of Angela Knight followed a comprehensive search, assessment and recruitment process, led by the Nomination Committee, the details of which are set out in more detail on page 70.

The Nomination Committee makes recommendations on appointments and succession planning to the Board, and more details can be found in the Nomination Committee Report on pages 69 to 73.

In accordance with the Code, all Directors will again be subject to election or re-election as appropriate by shareholders at the Annual General Meeting of the Company which is being held on 27 April 2017. Biographical details of each Director can be found on page 55 and also on page 63.

I believe that the new balance and composition of the Board, which includes five Independent Non Executive Directors, will continue to provide the right blend of experience, expertise and challenge to ensure good governance so as to enable the Company to successfully implement its strategy.

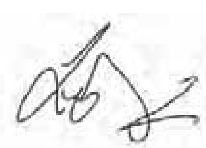
Diversity

Diversity and inclusivity has continued to be a key item on the overall UK governance agenda during 2016, as the Company works towards the target introduced by Lord Davies of Abersoch's review for the proportion of women on each FTSE 350 company's board to increase from the current 25% target to 33% by 2020. The Board very much welcomes the increased target which is designed to give greater impetus to the progress of enhanced gender diversity on PLC boards. This, together with other aspects of diversity is very much in the thinking of the Nomination Committee when considering the balance and composition of the Board and the structuring of talent development initiatives across the Group. The Board also notes the recent Parker review and its associated Report into the Ethnic Diversity of Boards.

Conclusion

I believe that your Board remains effective and continues to work well. I am confident that the Board has the right balance of skills, expertise and professionalism to continue to deliver strong governance whilst allowing the Executive Directors to implement and deliver the strategy (as set out on pages 26 to 27) within the culture that we have worked hard to establish. Whilst I am also pleased with the Board's activity and approach with regard to corporate governance, we continually look for ways to learn and improve.

As ever, I very much look forward to meeting with shareholders at the Annual General Meeting on 27 April 2017 and, as always, along with all of your Directors (who will all be present at the AGM), remain available to answer or respond to your questions, concerns and suggestions at any time.



KEVIN BEESTON
Chairman

ROLE OF THE DIRECTORS

Whilst all Directors share collective responsibility for the activities of the Board, some Directors' roles have been defined in more detail as Governance considerations have developed over time, as follows:

CHAIRMAN

- Ensuring high standards of corporate governance and setting the cultural tone from the top
- Building a well-balanced and highly effective Board
- Chairing Board meetings and setting Board agendas
- Promoting effective Board relationships
- Encouraging constructive challenge and facilitating effective communication between Directors
- Ensuring the effectiveness of the Board and enabling an annual review of its effectiveness
- Engaging individually with Directors as required
- Ensuring appropriate induction and development programmes for individual Directors
- Agreeing the Chief Executive's personal objectives
- Ensuring there is effective two-way communication and debate with shareholders
- Maintaining an appropriate balance between the interests of stakeholders

CHIEF EXECUTIVE

- Developing and implementing Group strategy
- Recommending the strategic plan and related annual budget
- Ensuring coherent leadership of the Group
- Managing the Group's risk profile and establishing effective internal controls
- Regularly reviewing the organisational structure; developing the Executive Team; and planning for succession
- Ensuring the Chairman and the Board are kept advised and updated regarding key matters
- Maintaining relationships with investors and advising the Board accordingly
- Setting the culture at the top, particularly with regard to compliance and sustainability
- Day to day running of the business

GROUP FINANCE DIRECTOR

- Operational responsibility for managing the Company's financial affairs, including treasury and tax matters
- Oversees the commercial and pension departments
- In conjunction with the Group Management Team oversees the Company's risk profile

NON EXECUTIVE DIRECTORS

- Providing effective and constructive challenge to management
- Assisting in development and approval of strategy
- Serving on Board committees
- Providing advice to management and sharing their experience and wisdom
- Keeping abreast of shareholders' views

SENIOR INDEPENDENT DIRECTOR

- Acting as a sounding-board for the Chairman on Board-related matters
- Chairing meetings in the absence of the Chairman
- Acting as an intermediary for other Directors, when necessary
- Leading the evaluation of the Chairman's performance
- Leading the search for a new Chairman, when necessary
- Available to shareholders on matters which cannot be resolved otherwise

GROUP LEGAL DIRECTOR AND COMPANY SECRETARY

- Advising the Board on matters of corporate governance
- As Group Legal Director, being responsible for all legal compliance matters relating to the Group
- Supporting the Chairman and Non Executive Directors
- Ensuring effective support to the Board and its meetings and agendas to enable efficient process
- Working with the Chairman to ensure good governance practices at Board level and throughout the Group
- Point of contact for investors on matters of corporate governance

Read more about individual Directors' skill sets on page 63

BOARD ACTIVITIES AND PRIORITIES

Regular items at Board meetings include the review of Board Committee activities (Audit, Nomination and Remuneration Committees); detailed updates on health, safety and environmental matters; reports from the Executive Directors covering progress towards the Company's strategic objectives, its financial position and prospects, customer service, legal and corporate governance matters, and compliance updates; and shareholder matters including an update from the Company's stockbroker which details movement in the share register.

Special matters considered during the year at meetings were as follows:

FEB

- Reviewed the draft 2015 Annual Report and Accounts and the Sustainability Report
- Established and reviewed action points arising from the 2015 Board evaluation
- Determined the amount of the final ordinary dividend for 2015 and the special dividend for 2016 to be proposed to shareholders at the 2016 AGM
- Approved in principle the draft Full Year Results Statement
- Conducted the annual risk review
- Agreed the amended strategic messages following a strategy review

APR

- Reviewed the draft Trading Update to update shareholders on progress for the year to date
- Reviewed arrangements for the 2016 Annual General Meeting
- Discussion of medium-term strategic targets and dividend strategy announced in May 2016
- Review of proposed issue of Private Placement Notes

MAY

- Received a performance and strategic update on Land and Planning

JUN

- Considered the potential implications for the business of the EU Referendum result
- Reviewed progress on improving customer service
- Considered the first year-end projection of results for 2016
- Approved revisions to share dealing procedures to reflect the Market Abuse Regulations

JUL

- Considered the half year results for 2016
- Determined the level of interim dividend for 2016 and special dividend proposed for 2017
- Considered the half year risk review
- Reviewed the draft Half Year Results Statement

SEP

This meeting was held as part of an away day and the Board received updates on the following:

- Operational matters from each Division
- An update from the Taylor Wimpey Midlands regional business
- A briefing on social media
- A briefing on Project 2020

OCT

- Reviewed the draft Trading Update
- Received a presentation from the Central London Region
- Received the latest HR update
- Received a briefing on the implication of the Modern Slavery Act 2015
- Received an update on Diversity and Inclusivity

DEC

- Detailed discussion on the Group's year-end forecast
- Detailed review of the year end risk management report
- Reviewed the outcome of the Board evaluation for 2016 and agreed action points

GENERAL BOARD GOVERNANCE

TAYLOR WIMPEY PLC BOARD

KEVIN BEESTON
Chairman

Board members	Number of meetings attended in 2016
KEVIN BEESTON Chairman	8/8
PETE REDFERN Chief Executive	8/8
RYAN MANGOLD Group Finance Director	8/8
JAMES JORDAN Group Legal Director and Company Secretary	8/8
ROB ROWLEY Senior Independent Director	8/8
KATE BARKER Independent Non Executive Director	8/8
MIKE HUSSEY Independent Non Executive Director	8/8
ANGELA KNIGHT[(a)] Independent Non Executive Director	1/1
HUMPHREY SINGER[(b)] Independent Non Executive Director	6/8
MARGARET FORD[(c)] Former Director	7/7

(a) Appointed 1 November 2016.

(b) Two meetings were missed during 2016: one meeting as notified and agreed prior to his appointment to the Taylor Wimpey plc Board; and one meeting by prior agreement with the Board, as explained in more detail on page 57.

(c) Resigned with effect from 1 November 2016.

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 page 55. On 1 November 2016, Margaret Ford stood down as an Independent Non Executive Director and Angela Knight was appointed on that date to the Board as an Independent Non Executive Director, after a selection process led by the Nomination Committee as set out on page 70.

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, details of which are set out in their biographies on page 55 and in the Board diversity analysis on page 63. They also provide a constructive challenge, monitoring the overall direction and strategy of the Company; 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 Company's 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 executive and senior management positions below Board level.

Board attendance

The Board met on eight occasions during 2016 and there was full attendance at all meetings by all Directors except, as explained on page 57, Humphrey Singer missed two meetings, including one he had cleared prior to joining the Board at the end of 2015 and one clash that materialised following the outcome of the United Kingdom European Union Referendum. The Board has considered the number of Board meetings that take place each year and has concluded that eight meetings remain appropriate but will keep the number under review. Additional Board meetings would be convened as and when necessary and there are also processes in place for approving transactions and other matters that may require approval in between Board meetings.

Directors make every effort to attend all Board and applicable Committee meetings, as strongly evidenced by the exceptionally strong 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 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 table opposite and on pages 69, 74 and 78.

Board responsibilities

The Board discharges its responsibilities by providing strategic and entrepreneurial leadership of the Company, within a framework of strong governance, effective controls and a culture of openness and transparency, which enables opportunities and risks to be assessed and managed. In addition, the Board 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.

Company culture

The Board is responsible for the Company's culture and for defining and setting the Company's values and standards, which it does, amongst other things, through a number of policies and codes of conduct, 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 the Board operates correctly, setting its culture and, by extension, that of the Company in its operations and its dealings with all stakeholders.

During the course of 2016, the Board actively reviewed and monitored several key areas including health, safety, and environmental matters (as set out below), customer service, land and major projects, risk strategy, and diversity and inclusivity. The Board will keep all of these areas under regular review.

Health, safety and environment

As also set out in our 2016 Sustainability Report, which will shortly be available online at www.taylorwimpey.co.uk/corporate/sustainability, the Board is fully committed to providing a safe place in which our employees and subcontractors can work, and that our customers can live. We also ensure that all of our sites are developed to high standards of environmental management. As the first substantive item at each Board meeting, the Board receives detailed reports on health, safety and environmental matters in respect of the Company's operations in the UK and Spain. The Company's detailed carbon reporting, as required by BEIS, is set out on page 36.

HOW WE ARE GOVERNED

THE BOARD

- Provides strategic and entrepreneurial leadership within a framework of strong governance and effective controls
- Responsible for the Company's culture and for defining and setting its values and standards
- Establishes the Group's risk appetite and oversees processes designed to ensure compliance therewith
- Defines which matters are reserved for decision of the Board including profit expectations and dividend policy

AUDIT COMMITTEE

- Reviews and advises the Board on proposed full year and half year reporting and announcements connected therewith
- Undertakes a detailed half-yearly review of the Group's risk assessment and mitigation processes and outcomes, and advises the Board on its annual risk review
- Oversees the relationship with the external auditor
- Oversees the reporting of internal audit investigations and the implementation of changes resulting therefrom
- Reviews the whistleblowing policy and any investigation

Read more on page 74

NOMINATION COMMITTEE

- Reviews the balance, diversity, independence and effectiveness of the Board
- Oversees the selection, interview and appointment of new Directors to the Board
- Reviews succession and contingency planning across the Group's senior positions and related training, development and talent management
- Reviews, sets targets for, and drives the strategy and progress to further improve diversity and inclusivity throughout the Group

Read more on page 69

REMUNERATION COMMITTEE

- Advises the Board on remuneration policy at Board and executive level
- Ensures that remuneration is geared to the enhancement of shareholder value
- Ensures that targets are appropriate and are geared to delivering the strategy whilst appropriately limiting risk-taking
- Ensures that rewards for achieving or exceeding agreed targets are not excessive
- Promotes the increasing alignment of executive and wider employee interests with those of shareholders by encouraging appropriate share plan participation and executive shareholding guidelines

Read more on page 78

Operational oversight

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 three Divisional Chairmen, the Group HR Director, the Land and Planning Director, the Divisional Managing Director of Central and East London and the Managing Director of the Major Developments business. The GMT meets on a regular basis and also once each month with the Divisional Managing Directors when it sits in the capacity of the wider Group Operational Team.

The Board also receives regular reports and minutes from the Treasury Committee, which meets under the chairmanship of the Group Finance Director, and also comprises the Group Legal Director and Company Secretary, one of the Divisional Chairmen (who rotate periodically) and the Group Treasurer. The key responsibilities of the Treasury Committee are, broadly, to monitor and keep under review the Group's financial risks, financial policies, financial facilities, covenant compliance and insurance programme in the light of current and proposed strategic and operational requirements, and to make recommendations to the Board or GMT, as appropriate, regarding policy or operational changes in these areas.

Additional information

The following documents are available for review on the Company's website at www.taylorwimpey.co.uk/corporate/investor-relations/corporate-governance:

- Schedule of matters specifically reserved for the decision of the Board, including full oversight of all decisions on profit expectations and Dividend Policy.
- Terms of reference of the Board Committees: Audit, Nomination and Remuneration, which outline their objectives and responsibilities and define a programme of activities to support the discharge of those responsibilities.
- Policies covering operational, compliance, corporate responsibility and stakeholder matters, which are reviewed whenever necessary to take account of developments in corporate governance, changes in legislation and revised processes.

Advice available to the Board

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 advice during the year from Slaughter and May, on the continued effectiveness of the Company's procedures for dealing in the Company's shares in light of the Market Abuse Regulations which came into force on 3 July 2016, following which the existing guidance was updated and re-issued to all restricted employees.

Advice was also received from Deloitte during the year via the Audit Committee on the significant governance developments during the year.

The Board receives at each meeting a report from JPMorgan Cazenove (Cazenove) on the sector and the relative performance of the Company's share price.

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 and employees are required to undertake their business – this includes, in line with the Bribery Act 2010, an Anti-Corruption Policy which requires an annual sign-off by designated senior management. All business units receive training each year from external experts on legislative and regulatory matters.

These policies are available for review on the Company's website at www.taylorwimpey.co.uk/corporate/investor-relations/corporate-governance and relevant reporting against these is provided to the Audit Committee by the Head of Internal Audit and the Secretary as appropriate.

Board and Committee balance, diversity, independence and effectiveness

A key role of the Board Chairman is to ensure that the Board is conducted so as to allow the Independent Non Executive Directors to challenge the Executive Directors constructively whilst, at the same time, also supporting them to implement the strategy and run the business effectively. Another key role is to ensure that it has the right blend of skill, independence and knowledge and this is something that is kept under regular review in conjunction with the Nomination Committee.

It is the Company's policy, in line with the Code, that proposed appointments to the Board, and succession planning, are based on merit, and judged against objective criteria, whilst also having due regard to the benefits of diversity and inclusiveness, including gender, age, disability, ethnicity, thought and experience. The Board also continues to recognise and take very seriously its responsibility to comply with the recommendations of the Davies Report, encouraging increased participation by women on boards, which was previously targeted at 25% on FTSE 100 boards by 2015 but more recently increased to 33% for FTSE 350 companies by 2020, which the Board welcomes.

The proportion of women on the Taylor Wimpey Board has remained two out of nine (22%) throughout 2016 and as at the date of this Annual Report. The Board will keep its balance and composition under regular review and this was also an action point arising out of the 2016 Board evaluation exercise.

The Board also notes and welcomes the Parker Review and its Report into the Ethnic Diversity of Boards.

Annual re-election to the Board

The Code requires every Director to seek election or re-election, as appropriate, at each year's Annual General Meeting (AGM). Accordingly, at the 2017 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 (in the case of Angela Knight, as she was appointed since the last AGM) or re-election (in the case of all of the other Directors).

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 158 to 159.

As part of the 2016 Board evaluation process, the Board 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. In line with the Code, a rigorous evaluation took place with regard to both Kate Barker and Rob Rowley as they will have served six and seven years respectively by the time of the AGM in 2017.

In addition, the Board re-evaluated each Director's time commitments, and was satisfied that they continued to allocate sufficient time to the Company in order to discharge their responsibilities effectively, including not only attendance at Board and applicable Committee meetings but also for preparation time for meetings, visits to businesses (including the annual Board away day / visit) and other additional requirements that may be required from time to time. Recognising the importance of time commitment to shareholders, this will continue to be kept under review during 2017 including as part of the annual Board evaluation process.

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

Management

Progress in achieving the Group Strategy is reviewed at each Board meeting and is reported on pages 26 to 27. 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.

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 Board meeting, with specific updates on any material developments or new matters presented by the Secretary.

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 purchase or 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. The Operating Framework, within which delegated authorities, responsibilities and related processes are explained in detail, is available for review and guidance online by any employee through the Company's intranet. These activities are reinforced through process compliance and other audits conducted by Internal Audit.

These processes and controls performed strongly during 2016 when they were tested through the swift action taken to apply more stringent controls on planned expenditure during the uncertainty following the United Kingdom European Union Referendum vote in June 2016.

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

During 2016 the Group's control environment was further enhanced through a robust risk assessment and review led by the Audit Committee.

Ensuring there is no conflict of interest

In order to assist Directors in complying with their duty to avoid conflicts (or possible conflicts) of interest, it is standard procedure that 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) following which, 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. In addition, all new appointments and interests of Directors are reported to the Board for consideration or noting as appropriate. Following these reviews, the Board 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 and that any current external appointments do not detract from the extent or quality of time which the Director is able to devote to the Company. This is further borne out by Directors' attendance at Board and Committee meetings, which has been at or very close to 100% over many years.

This 2016 Annual Report and Accounts

Your Directors have responsibility for preparing this 2016 Annual Report and Accounts and for making certain confirmations concerning it. In accordance with the Code provision C.1.1 the Board considers that, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

The Board was able to reach this conclusion after receiving advice from the Audit Committee. The processes of review and assessment followed by that Committee in that respect, are set out on pages 74-77.

The Viability Statement, as required by the September 2014 revision of the Code, appears on page 47.

RELEVANT SKILLS AND EXPERTISE

It is a requirement of the Code that the Board and its Committees should have the appropriate balance of skills, experience, independence and knowledge of the Company, to enable duties and responsibilities to be discharged effectively. This was reviewed during the year and was utilised in drawing up the recruitment framework, including the list of desired skills in the process used for the appointment of a new Independent Non Executive Director during the year. The Board considers that each Director brings relevant and complementary skills, experience and background to the Board, details of which are set out below, and additional information is also set out in the biographies on page 55.

Kevin Beeston, Chairman, has a wealth of commercial, financial and high level management experience including being a former CEO of a FTSE 100 company. Kevin also has significant experience of chairing boards of both public and private companies and of being a non executive director and sitting on audit, nomination and remuneration committees.

Pete Redfern, Chief Executive, has operational responsibility for delivering the Company's strategy in a profitable, safe and environmentally responsible manner. Pete has significant financial, operational and management experience, gained from his various roles in industry and from his time at KPMG. In 2014 he joined the Board of Travis Perkins plc as an independent non executive director and serves on their remuneration and Stay Safe committees.

Ryan Mangold, Group Finance Director, has operational responsibility for managing the Company's finances. Ryan has financial, treasury, risk and financial control expertise including that gained from his time with Mondi Group and Anglo American plc.

James Jordan, Group Legal Director and Company Secretary, is a solicitor and oversees compliance with legal and regulatory obligations and manages the Secretariat and Legal Departments. James has significant legal, commercial, transactional and regulatory / governance related experience and expertise.

Kate Barker, Independent Non Executive Director, is an industry-recognised economist and has led policy reviews for the Government in the areas of land use, planning and housing supply. Kate also brings a wider economic insight gained through her various roles, including as a Member of the Oversight Board of the Office for Budget Responsibility.

Mike Hussey, Independent Non Executive Director, has in-depth expertise in land development and marketing, particularly in London, gained from his previous roles as a director of Land Securities plc and as head of leasing and marketing of the Canary Wharf Group plc. Mike is currently CEO of Almacantar, a property development fund he founded in 2010.

Angela Knight, Independent Non Executive Director, has significant high-level experience in both the public and private sectors. In the public sector, she was a Member of Parliament from 1992 until 1997, including two years as the Economic Secretary at HM Treasury and is currently Chairman of the Office of Tax Simplification in HM Treasury. In the private sector, she has significant experience as a non executive director including as the Senior Independent Director of quoted companies.

Rob Rowley, Independent Non Executive Director and Senior Independent Director, has a wealth of financial, commercial and management expertise, principally from his time as Finance Director of Reuters plc and Deputy Chairman of Cable & Wireless plc. Rob has substantial experience as a non executive director including the chairing of audit committees and has recent and relevant financial experience as required by the Code.

Humphrey Singer, Independent Non Executive Director, has a wealth of financial experience, most recently in his role as the Group Finance Director of Dixons Carphone plc. In addition, Humphrey has also expertise in the areas of both digital solutions and customer services which has already been useful to the Company.

Division of responsibilities

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.

In line with the Code, 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 their respective capacities.

Board action and objectives

	2016 Board objectives	2016 Performance	2017 Board objectives
Strategy and execution	– To set the Company's strategic objectives and strategy for their achievement. – To review the Company's performance, resourcing, and achievements affecting its ability to deliver the strategy. – To review and, if necessary, revise the strategy or its objectives in the light of wider economic, financial and market considerations. – To ensure the strategy is sufficiently resilient in different forward looking scenarios.	– The Board regularly reviewed performance to date towards achieving its strategic objectives. – At each meeting, detailed reports from the Executive Team were discussed, reviewing forward resourcing requirements in the areas of capital, finance, people and land, and operating decisions taken or proposed to address them. – Detailed scenario planning was reviewed, together with assessments of the strategy's relative robustness in each case. – Presentations were made to the team throughout the business, explaining the strategy; progress achieved to date; and targets for further improvement.	– To ensure the Company's strategy remains robust in the light of any forecast market and wider economic changes. – To ensure the Company's performance remains on schedule to achieve the strategy. – To take all measures to ensure that health and safety remains the Group's top priority and will remain an ongoing area of focus.
Risk management	– To review and agree the Company's risk appetite in seeking to achieve its strategic objectives. – To regularly review the robustness of the Company's systems of risk reporting; assessment; and internal controls.	– The risk review was conducted twice during the year, at the Board's July (half year) and February (full year) meetings, and covered both the systems used and the reported risks. At the February meeting the position was subject to independent check with external auditor reports on risk processes connected with the annual audit. – The Board's annual risk review for 2016 was completed at the February 2017 Board meeting following a process embracing all levels of the Group's businesses.	– To ensure risk remains within the Company's agreed risk appetite and is adequately monitored and reviewed as appropriate to reflect external and internal changes.
Governance and values	– To comply with the April 2016 revision of the UK Corporate Governance Code (the 'Code'). – To fully implement any related governance requirements, which relate to audit and Audit Committee matters. – To fully comply with the updated Guidance on Audit Committees issued by the Financial Reporting Council in April 2016. – To review the remuneration framework to ensure that it remains appropriate, proportionate, and does not encourage excessive risk-taking. – To conduct an annual Board evaluation. – To take account of shareholder guidance and consultation.	– The Company has embraced the key requirements of the revised Code in its 2016 reporting and has now substantially complied in all respects, ahead of the requirement to do so for its 2017 reporting year. – The Company's Remuneration Policy has been reviewed and updated, with advisers, by the Remuneration Committee each year to ensure it remains appropriate and proportionate and helps to drive and reward achievement of the strategy. The revised Policy is recommended to shareholders as Resolution 20 at the 2017 AGM on page 155. – The Board appraisal was conducted internally for 2016 as reported on page 67 (and will be externally-facilitated, as required at least each third year, for 2017). – In addition to the AGM, shareholder and institutional feedback was sought when presenting the Company's half year and full year results and in notifying proposals for updating the Remuneration Policy. The results of the feedback from shareholders was taken into consideration by the Board together with advice from its stockbrokers. – Modern Slavery Act 2015: The Company has reviewed its operations and its supply chain and made its first statement in March 2017. The Company has reviewed its policies and procedures so as to reduce the risks of modern slavery and related practices as far as possible. See page 100 for further details.	– To ensure that there is continued full compliance with the Code and with wider statutory and regulatory requirements. – To ensure that remuneration is to remain within the Company's Remuneration Policy and proportionately rewards achievement of the strategy. – To implement the improvements identified on page 67 arising from the 2016 Board appraisal. – To conduct an externally-facilitated Board appraisal. – To monitor shareholder feedback and continue to actively promote wider engagement. – To further embed Modern Slavery Act best practice.

Board objectives

	2016 Board objectives	2016 Performance	2017 Board objectives
Organisational capacity	– To ensure that the Company has the necessary resources in terms of finance, people, supply chain and Group structure to enable it to deliver the strategy. – To ensure that its people are suitably trained and that sufficient provision is being made for succession planning at all levels.	– The Board reviewed reports at each meeting on the financial performance of the Company and the availability, currently and forecast going forward, of financial, people and supply chain resourcing. – The Board and the Nomination Committee formally reviewed on two occasions the strategy for succession planning and related training assessment and provision, both for the Board and the executives immediately below Board level, and progress in achieving it. The Board also reviews human resources related matters at each Board meeting.	– To ensure that resourcing remains sufficient to achieve the strategy together with wider diversity considerations. – To ensure that training and development plans support continuous improvement in the team and contribute towards wider diversity improvements.
Stakeholder engagement	– To increase shareholder attendance and voting, including registering proxies, at the AGM. – To keep employees engaged and informed on the Company's performance and prospects. – To assist prospective and actual purchasers of houses in making and successfully concluding what is, for many, the largest value and potentially most stressful transaction of their lives. – To maintain communication and a culture of continuous improvement throughout the Company's supply chain.	– Shareholder communication was conducted through encouraging attendance at the AGM; steadily increasing voting on resolutions proposed thereat; briefings to analysts and the press; and direct consultation on certain special matters. – Employee involvement was promoted through regular briefing material online and in hard copy; interactive online Q&As; strategy updates around the businesses; and explanation of Company performance around half year and full year reporting and trading statements. The Board reviewed the 'employee voice' proposal being put forward by the Government. – Customer Service processes were subject to detailed review and amendment, with the implementation of the improvements subject to Board monitoring throughout the year. – The supply chain received constant feedback from Group businesses, suppliers and subcontractors, which fed into updated arrangements and agreements.	– To actively encourage shareholder participation through clear messaging and reporting and careful review of shareholder feedback. – To monitor the embedding of the Customer Service improvements introduced during 2015 and 2016. – To ensure the Group works with subcontractors and suppliers to constantly seek ways of further improving quality; sustainability; and delivery in a safe working environment. – To implement the employee voice proposals via the proposed National Employee Forum.

Adherence to the Code

The Main Principles of the 2016 Code and guidance on where to find details in these reports on how the Company has complied with it, are set out below:

Section A: Leadership

- Every company should be headed by an effective board which is collectively responsible for the long term success of the company. See page 60
- There should be a clear division of responsibilities at the head of the company between the running of the board and the executive responsibility for the running of the company's business. No one individual should have unfettered powers of decision. See page 63
- The chairman is responsible for leadership of the board and ensuring its effectiveness in all aspects of its role. See page 58
- As part of their role as members of a unitary board, non executive directors should constructively challenge and help develop proposals on strategy. See page 58

Section B: Effectiveness

- The board and its committees should have the appropriate balance of skills, experience, independence and knowledge of the company to enable them to discharge their respective duties and responsibilities effectively. See page 62
- There should be a formal, rigorous and transparent procedure for the appointment of new directors to the board. See page 70
- All directors should be able to allocate sufficient time to the company to discharge their responsibilities effectively. See page 62
- All directors should receive induction on joining the board and should regularly update and refresh their skills and knowledge. See page 70
- The board should be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties. See page 70
- The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors. See page 67
- All directors should be submitted for re-election at regular intervals, subject to continued satisfactory performance. See page 58

Section C: Accountability

- The board should present a fair, balanced and understandable assessment of the company's position and prospects. See page 77
- The board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The board should maintain sound risk management and internal control systems. See page 75
- The board should establish formal and transparent arrangements for considering how they should apply the corporate reporting, risk management and internal control principles and for maintaining an appropriate relationship with the company's auditors. See page 75 to 77

Section D: Remuneration

- Executive directors' remuneration should be designed to promote the long term success of the company. Performance-related elements should be transparent, stretching and rigorously applied. See page 79
- There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his or her own remuneration. See pages 82 to 84

Section E: Relations with shareholders

- There should be a dialogue with shareholders based on the mutual understanding of objectives. The board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place. See page 68
- The board should use general meetings to communicate with investors and to encourage their participation. See page 68

Statement of compliance

For the year ended 31 December 2016, the Company complied with all the provisions of the Code; the Financial Conduct Authority's (FCA) Disclosure and Transparency Rules sub-chapters 7.1 and 7.2 which set out certain mandatory disclosure requirements; the FCA's Listing Rules 9.8.6R, 9.8.7R and 9.8.7AR which include the 'comply or explain' requirement; and the BEIS Directors' Remuneration Reporting Regulations and Narrative Reporting Regulations. These regulations are publicly available at:

- The Code can be found at www.frc.org.uk
- The FCA's Disclosure and Transparency Rules as well as Listing Rules can be found at www.handbook.fca.org.uk
- The BEIS Directors' Remuneration Reporting Regulations and Narrative Reporting Regulations can be found at www.gov.uk
- The FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting can be found at www.frc.org.uk

BOARD EVALUATION

The outcome of the 2015 Board evaluation (which was internally facilitated, in line with the requirement of the Code that the exercise be externally facilitated every three years) was reported on in detail in last year's Corporate Governance Report. The main action points arising from that exercise, and action taken in respect of each, are set out in the table below.

As previously mentioned, the 2016 Board evaluation was also internally facilitated, as set out on page 57.

The 2016 evaluation process consisted of the following:

- A detailed and comprehensive bespoke questionnaire which the Secretary sent individually to all Directors for completion and return to him.
- Collation of the responses by the Secretary.
- Review by the Chairman and the Secretary of each performance area, and of each Director.
- Review by the Senior Independent Director and the Secretary of the performance of the Chairman.
- Presentation of the findings to the Board on a non-attributable basis.
- Preparation of action plans designed to address the findings, as set out in the table below, during 2017.

Feedback was then provided on an individual basis, by the Senior Independent Director to the Chairman (and vice versa); and through the Chairman discussing each individual Director's own performance assessment with the relevant Director on a one-to-one basis.

The recommendations arising from the Board evaluations for 2015 and 2016, together with actions taken during 2016 in relation to the former, and actions planned during 2017 in relation to the latter, are set out in the table below.

2015 Evaluation – Recommendations included	Actions taken during the year
Additional periodic reporting to take place on key areas such as land and planning; marketing-related initiatives; and the Major Developments business.	Additional reporting to the Board on these areas of the business took place at Board meetings during 2016 and will continue in 2017 and beyond.
Greater alignment of reporting on the three Divisions by each Divisional Chairman.	Alignment of reporting was implemented during 2016.
Additional focus to take place on diversity and inclusivity including continued monitoring and review.	This remained a key topic for the Board and the Nomination Committee during 2016 and remains so during 2017. The Board's Diversity Policy and details of progress achieved and plans for further progress during 2017, are set out in the Nomination Committee Report on pages 71 to 73.
The inclusion of special topics for presentation to the Board and to make some organisational changes to the Board away day.	A programme of special topics and presenters was compiled, closely related to key strategy aims and business areas, and these have been addressed at Board meetings during 2016. The Board away day structure was improved and has maximised the time the Board spends together.

2016 Evaluation – Recommendations included	Actions being or to be taken during 2017
Additional reporting to take place on key areas such as financial analysis, competitor comparisons, IT, and macro economic and market issues.	Additional reporting to the Board on these areas of the business either has or, in some cases, will take place during 2017.
There needs to be continued focus on cyber risk and further improving the Company's defences against the risk.	This remains a key topic for the Board and for the Audit Committee during 2017.
Additional focus to take place on diversity and inclusivity including continued monitoring and review.	There is increased focus on diversity and inclusivity initiatives at all levels of the business including at Board level, particularly with regards to embedding the improvements achieved throughout the business.
	Each of these key areas remains firmly on the Board's agenda during 2017 and an update will be provided in the 2017 Annual Report and Accounts.

COMMUNICATING WITH OUR SHAREHOLDERS

We actively encourage engagement with our shareholders and stakeholders.

Shareholder engagement

The Board actively seeks and encourages engagement with major institutional shareholders and other stakeholders. The Board fully supports the principles of the UK Governance Code and also welcomes and acknowledges the Stewardship Code, both of which aim to foster a more proactive governance role by major shareholders. The Board has put in place arrangements designed to facilitate contact with shareholders concerning business, governance, remuneration and other issues. This provides the opportunity for meetings with shareholders and the Chairman, the Independent Non Executive Directors (including the Senior Independent Director) as well as the Chief Executive, Group Finance Director, Group Legal Director and Company Secretary and other executives as appropriate, 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. In addition, the Chairman meets with the Company's institutional shareholders from time to time, both proactively and upon request, in order to discuss the Company and its performance, governance and remuneration policies. As set out in the Remuneration Report, the Remuneration Committee undertakes a consultation exercise each year and as part of this exercise, the Committee Chairman also engages directly with shareholders and their representative bodies.

The Company is, of course, also always very pleased to hear from and engage with our private shareholders.

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 also other means. This enables all Directors to develop an understanding of the views of major shareholders about the Company.

The Board encourages all shareholders to participate in the AGM, which is attended by all Directors. Shareholders' attention is drawn to the Notice of Meeting on pages 154 to 163 which sets out details of the rights of shareholders in connection with the notice of, and participation in, general meetings of the Company. This year, there are 23 resolutions being submitted for shareholder consideration, including Resolution 20 proposing the renewal of the three year approval of the Remuneration Policy and Resolution 21 proposing the approval of revised LTIP rules for the Performance Share Plan.

At the 2016 AGM, shareholders representing 60% of the Company's issued share capital voted in the poll. There was a vote in favour of 13 of the 23 resolutions of in excess of 99% and an average vote in favour across all 23 resolutions of over 97%.

What our shareholders have asked us this year

During 2016 the Company held over 150 meetings with shareholders holding in aggregate around 34% of the Company's shares, taking the form of group meetings; one to one meetings; telephone calls; and site visits; including around the AGM; the announcement of the Company's full year and half year results; and an Analyst and Investor Day. Key themes discussed included:

- the Company's new medium term targets;
- the Company's enhanced dividend policy;
- the land and planning environment;
- the political implications and likely impact of the United Kingdom European Union Referendum;
- current market conditions, particularly focused on the London market and likely impact post-Referendum; and
- build costs and the likely impact of foreign exchange movements on materials prices.

More online

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 website www.taylorwimpey.co.uk/corporate

NOMINATION COMMITTEE REPORT

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 in conjunction with the Board to ensure effective diversity improvements and succession planning processes across the Group.

2016 PERFORMANCE

- Further progressed the diversity and inclusivity agenda across the business, including partnering initiatives with selected third parties.
- Reviewed contingency and longer term succession planning for all senior roles across the business, linked to talent development and targeted training programmes, to ensure they remain robust and in line with current Group requirements.
- Reviewed Board composition, balance, diversity and skill sets, as part of the process of appointing a new Non Executive Director to the Board.
- Reviewed the new requirements for reporting any gender pay gap and established a process for disclosing the Group position as is reported on page 71.

2017 OBJECTIVES

- To further progress the diversity and inclusivity agenda across the business, including further developing partnering initiatives with selected third parties and ensuring the progress made is embedded within our business.
- Review comments made in the Board Appraisal for 2016 regarding certain skill gaps and consider as part of longer term planning of Board composition.
- To continuously review and enhance our succession and contingency plans.

Nomination Committee

The Committee is chaired by the Chairman of the Board and is composed of a majority of Independent Non Executive Directors as required by the Code. Its members are set out in the table below.

Committee members	Number of meetings attended
Kevin Beeston (Chairman)	2/2
Kate Barker	2/2
Mike Hussey	2/2
Angela Knight[(a)]	0/0
Rob Rowley	2/2
Humphrey Singer	2/2
Margaret Ford[(b)] (Former Director)	2/2

(a) Appointed on 1 November 2016.
(b) Resigned on 1 November 2016.

DEAR SHAREHOLDER

I am pleased to be able to take this opportunity as Chairman of the Nomination Committee to summarise the important ongoing objectives and responsibilities of the Committee; the work that has been carried out during 2016; and its plans for the coming year.

The Nomination Committee performs an extremely important role and this can be demonstrated by the fact that in addition to myself, all of the Non Executive Directors are also members.

The primary objectives of the Committee are to support the Board in fulfilling its responsibilities to ensure that there are (i) formal, rigorous and transparent processes in place for the appointment of new Directors both to the Board and to senior management positions, and (ii) effective, deliverable and well thought through succession planning and contingency planning processes in place across the Group for all key positions.

The Committee notes the guidance issued during 2016 by the FRC and other key organisations for Nomination Committees generally to look deeper into the Company to identify future leaders for the business; adopt a wider outlook in identifying potential Directors; and look further ahead than any immediate requirement to replace an individual Director. The Committee has addressed this through the further development of the Company's Talent Management Boards to identify future talent and ensure that associated training and development plans are in place, to identify those executives with short and longer-term potential to be Directors, and to encourage and assist their further development with this aim. The Committee has also focused increasingly on the skills of individual Directors, and of the Board as a unit, in assessing whether each has the necessary skill sets and whether there any particular skills gaps, particularly in relation to the Company's medium term and longer-term strategic direction and the Board's ability to drive it effectively. More details are set out on page 71.

The Committee made good progress during 2016 and its achievements made during 2016 and its plans for 2017 are set out in the left hand column of this page.

The key priorities of the Committee remain the following:

- To regularly review the Board's composition, balance, diversity, skill sets, and individual Directors' time commitment;
- To regularly review our succession and contingency planning across the business, and ensure that there is a clear link to individuals' career development and professional development; and
- To drive the Company's diversity and inclusivity agenda across all levels of our business.

In meeting its objectives, both the Committee and the Board take into account diversity including gender. We fully support the various Government initiatives in this key area, including the latest proposals from Lord Davies of Abersoch that the proportion of women on the boards of FTSE 350 companies should increase from 25% to 33% by the end of 2020. We also note and support the 'Beyond One by '21' report and recommendations launched in 2016 from Sir John Parker, which seeks to increase ethnic diversity on UK Boards.

I can confirm that diversity and inclusivity remains very much on the Taylor Wimpey agenda with regular reporting now taking place including a specific annual update and discussion. Whilst we continue to make progress, we do of course recognise that there is still further work to be done in order to achieve our wider diversity and inclusivity strategy.

The Committee's objectives, the strategy for delivering them, progress made towards them during 2016 and targets and plans for 2017 are described in more detail in this Report.

The Committee will continue to focus on ensuring that the present and future composition of the Board and the Group's executive management is appropriate for the delivery of the Group's strategy and that all relevant UK Corporate Governance Code (the 'Code') requirements continue to be met.

KEVIN BEESTON
Chairman of the Nomination Committee

Committee purpose and responsibilities

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. The Committee guides the Board in regularly assessing whether there is an appropriate balance of expertise and skills on the Board and other diversity considerations. The Committee notes and welcomes both the 2011 report from Lord Davies of Abersoch on Women on Boards (the Davies Report) and the 2015 Report which raised the target from 25% to 33% by the end of 2020.

A description of how appointments are typically made to the Board is set out below and this was followed in connection with the recent appointment of Angela Knight to the Board as an Independent Non Executive Director on 1 November 2016.

The Committee oversees on behalf of the Board, and advises the Board on, the identification, assessment and selection of candidates for appointment to the Board. The Committee has a formal, rigorous and transparent process against objective criteria. The process of the appointment of Angela Knight, prior to the decision of the Board, included:

ENGAGE	The engagement of independent recruitment consultants (The Zygos Partnership) who have no other connection to the Company.
CONSIDER	The preparation of a 'long list' of potential candidates which took into account the outcome of the Committee's latest review of the composition and skill sets of the Board.
SELECT	The selection of a 'short list' of suitable candidates meeting the Committee's criteria.
INTERVIEW	Interviews by the Chairman, Chief Executive, Group Finance Director and Group Legal Director and Company Secretary.
SELECT CANDIDATE	Following selection of the proposed candidate, interviews with the remaining members of the Board and the taking up of detailed references.

The Nomination Committee also guides the Board in assessing from time to time 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 positions across the business. This considers not only the immediate succession planning for Directors but also longer term potential to develop into future successors in the medium to long term. The Committee also reviews Board composition in light of the Company's strategy, to ensure as far as possible that new appointments help support the drive to achieve its strategic objectives and required skill sets.

As highlighted in the Committee's 2016 performance on page 69, a key focus of the Committee's work during the year was on progressive succession planning at all senior levels of the Company with a view to identifying key prospects and tailoring training and development plans to allow them to demonstrate their potential for future progression. As part of this process, management below Board level is provided with regular access to the Board, including the opportunity to attend Board meetings and other Board-related functions in order to give presentations on specialist topics, project work and the performance of specific Business Units and Divisions. This helps to provide valuable exposure to the Board for up and coming management as well as being extremely valuable for Board members in assessing the Company's strength in depth.

The Committee meets formally at least twice a year. During 2016, in addition to overseeing the recruitment of Angela Knight as an Independent Non Executive Director, in succession to Margaret Ford who left the Board during the year, the Committee's principal agenda items consisted of: longer term succession planning, reviewing and approving the contingency plan for key members of staff and considering progress on diversity across the business. Wider succession planning and diversity also remained on the Board agenda regularly throughout the year.

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

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, strategy, operations (including health and safety) and systems, the principles underlying the discharge of their duties as Directors and wider issues relating to the housing sector. The induction also includes meetings with key executives and function heads from across the business, advisers and site visits.

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 and at least one Board meeting per annum takes place either in, or at a nearby location with representatives from, a regional business over three days. In 2016, the Board visit encompassed a financial presentation; strategic and performance updates from designated businesses; and a review of developments in social media.

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 reports are issued electronically to Directors in respect of all Board and Committee meetings at least 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. All Board papers are circulated electronically and Board meetings have been effectively 'paperless' for several years, which has worked well and aided the overall efficiency of the wider Board process.

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, and are supplemented, as appropriate, by briefings from independent advisers. The Board also receives regular briefings and updates on environmental, social and governance (ESG) matters.

The ESG briefings allow the Board to assess the significant ESG risks to the Company's short and long term value and to identify any opportunities that may arise to enhance value. Details of ESG risks and value-enhancement pursuits appear in the Sustainability Report which will shortly be available on our website at www.taylorwimpey.co.uk/corporate/sustainability

The Chairman, Chief Executive and 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 agenda and matters to be covered at the next and at future Board and Committee meetings as appropriate. The agenda and minutes for the Nomination, Audit and Remuneration Committee meetings are agreed by the Secretary with the relevant Committee Chairman.

Composition of the board

It is the Company's policy, in line with the Code, that proposed appointments to the Board, and succession planning, are based on merit, and judged against objective criteria, whilst also having due regard to the benefits of diversity and inclusiveness, including gender, age, ethnicity, thought and experience. Following the resignation of Margaret Ford and the appointment of Angela Knight as an Independent Non Executive Director during the year, the Board consists of nine Directors, two of whom are women, representing 22% of the Board. The Board fully supported the 25% target established by the Davies Report and also fully supports the increased target going forward of 33% by 2020. The Board aspires to increase the current level of representation to at least 25% and will also work towards achieving the higher target of 33% by 2020, whilst continuing to also have due regard to other aspects of diversity as outlined above.

The Committee also reviews the time commitments of each Director both prior to all appointments and periodically so as to ensure that all Directors can discharge their responsibilities effectively.

Succession and contingency planning

During the year, we have increased our emphasis on succession planning for people at all levels of the organisation. As part of this, both the Board and the Nomination Committee have visibility of a wide range of employees with leadership potential together with their individual development plans. Each Divisional Chairman of the housing business chairs a divisional Talent Management Board (TMB) comprising senior executives of the Division together with HR representatives.

Each TMB then makes recommendations to the Group Talent Board which is chaired by the Chief Executive. These Boards regularly review succession planning and related development and training requirements across the UK Group. Further actions to support succession planning include the development of career paths linked to experience, exposure and education; an assessment and development centre; and the promotion of the Company's mentoring scheme. We are also focusing upon recruiting individuals from a wider range of backgrounds, experience and industries at all levels.

Following the restructuring during 2015 of our UK Housing operations into three Divisions, there is now improved operational control, better targeting of capital allocation, and a wider talent pool with great potential for further development.

Succession planning remains a key area of focus across all levels of the organisation. During the year, the Committee considered in detail short and long term succession planning for Directors and key executives, together with appropriate development plans. The Group Management Team (GMT) regularly reviews the Company's succession plans and talent pipelines, with further action to support these areas continuing. The Committee also considered contingency and longer term succession planning for all senior roles, linked to talent development and targeted training programmes. The Committee notes the publication by the Financial Reporting Council (FRC) of feedback from its consultation around this area and will be monitoring developments carefully.

Contingency planning concerns the Company's and the Board's preparedness for, and responsiveness to, sudden and unexpected loss or non-availability of a key Board member, or one or more key executives. It involves the identification of suitable individuals within the Company who either singly or in concert with another, can quickly assume a key role and provide effective support until the incumbent returns to work or, in appropriate cases, a successor can be identified and appointed.

Board succession

There were two changes in the composition of the Board during 2016, namely, the resignation of Margaret Ford and the appointment of Angela Knight, in both cases as an Independent Non Executive Director, on 1 November 2016. Angela brings considerable experience and expertise in the areas of finance and remuneration policy and practices from her background as a high-level executive in a number of public and private bodies, and will therefore enhance the overall skill sets of the Board. On her appointment to the Board, Angela joined the Nomination Committee; the Audit Committee; and the Remuneration Committee; where her experience, including from her service as a Member of Parliament and her current role as Chairman of the Office of Tax Simplification in HM Treasury, will be of considerable benefit.

The composition and performance of the Board and its Committees were considered during the year and it was concluded that the Board and each Committee continues to function effectively.

The Committee believes that the balance of the Board, consisting of a Chairman, three Executive Directors and five Independent Non Executive Directors, recently augmented by Angela Knight's wide-ranging additional skill sets, will continue to provide the right blend of experience, expertise and challenge in order to take the Company forward in line with its strategy whilst ensuring and maintaining good governance and best practice. This will however be kept under regular review in line with the guidance set out in the Code.

At the Annual General Meeting (AGM) of the Company to be held on 27 April 2017, all Directors will again be subject to re-election or, in the case of Angela Knight, to election, by shareholders in accordance with the Code. Biographical details of each Director can be found on page 55.

Employee diversity

Diversity and inclusion remained an area of clear focus throughout 2016 which will continue into 2017 and beyond. A Working Party which includes a variety of members from across the business has been overseeing progress towards achieving the Company's diversity and inclusion strategy and implementing new initiatives so as to improve our performance in these key areas and comply with the Company's Diversity Policy as set out on page 73. The strategy focuses on the challenges faced in developing an inclusive and diverse workforce. This includes working with specialist external bodies to maximise all opportunities, including:

- Developing our policy and both raising and meeting the expectations from our employees;
- Enhancing our awareness through a range of training programmes; and
- Improving how we attract and recruit candidates to enable us to create a workforce that is inclusive; has diverse skills; and is creative and innovative.

The Board believes that by embracing diversity and inclusiveness, the Company will better understand how people's differences and similarities can be utilised for the benefit of not only the Company but most importantly also for individuals and society as a whole. It is the Board's view that having a diverse workforce will improve the Company's ability to deliver its strategy; the homes that it builds; and its services.

Diversity has continued to be a key item on the overall UK governance agenda during 2016. Within Taylor Wimpey, diversity has remained a key priority for the Board's agenda and this will continue to be the case during 2017. 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. Diversity will continue to be a key consideration when contemplating the composition and refreshing of the Board and indeed our senior and wider management teams.

As noted opposite, the Company has put in place systems to measure and monitor diversity around the Group more effectively.

The data becoming available from these improved systems has assisted in designing and implementing a number of improvements to Group terms and conditions which we believe should facilitate access to, and success at, work for all, such as the following:

A review of Gender Pay – We continue to work through the data that will drive Gender Pay Gap reporting requirements. Analysis is being carried out to understand the sensitivities in the data that cause variances in results in different reporting periods. For example in the months in which sales bonuses and commission are paid the gender pay gap is smaller when compared to those months where none is paid. This understanding will enable us to form the context behind the eventual reported data.

For good order there is a parallel piece of work which is looking at equal pay at an individual employee level to ensure there are no discrepancies based on gender. This does not impact on the results of the higher level reporting requirements.

The annual increase to the National Minimum Wage became effective on 1 October 2016. All monthly paid employees are paid the higher National Living Wage or above except a small number (nine people) who are paid between National Minimum Wage and National Living Wage due to age. For our weekly paid employees all Trades and Cleaners are paid above National Living Wage except apprentices who are paid according to a different national pay scale.

Aligning benefits for weekly and monthly paid employees – We now offer increased life cover and healthcare provision for weekly employees.

Revising our Maternity / Paternity Policy – We recognise that many employees choose to combine working and having children and that employees may have family responsibilities and obligations in addition to the responsibilities they have to the Company. Taylor Wimpey therefore wishes to enable employees to fulfil their family responsibilities in relation to the situations set out in the Family Friendly Policy. Employees will be given the appropriate assistance and encouragement to return to the Company after family leave, so that the skills and experience of valuable staff at every level are retained. Close communication is vital in order to discuss and plan the time away from work, the continued communication during absence, and to talk through other issues including settling back into work and access to information regarding statutory rights and the Company's rules, policies and procedures in relation to family leave. We now offer a more competitive reward package which includes enhanced maternity and paternity pay.

Trialling a flexible working policy in our Southern Counties regional business, for which the data and feedback will be available for review during 2017.

Established a Young Persons Forum in our West Scotland regional business in order to give young members of the business a forum to discuss business-related issues that are important to them.

The Group has started preliminary work with the Royal National Institute for the Blind ('RNIB') to audit the Company's website for ease of access for visually impaired users.

A key focus during 2017 will be a detailed review of accessibility for disabled people, whether employees; customers; or visitors; to our offices; sites; sales centres; and show homes around the UK.

With regard to gender, as at 31 December 2016:

- The Board consisted of nine Directors, two of whom are women (22%).
- The GMT, which is effectively the Executive Board of Taylor Wimpey UK Limited, our main operating company, consisted of 10 Executives, three of whom are women (30%).
- There are two women out of 24 Regional Managing Directors (8%).
- Women across the Group account for 32% (2015: 32%) of the workforce.
- 31% (2015: 27%) of new starters with the Company during 2016 are women.

While we are making reasonable progress, we of course recognise that we still have more work to do in order to fulfil our overall diversity ambitions and, as stated on page 69, it is a priority for 2017 to achieve further progress in this area.

COMMITTEE ACTIVITIES DURING 2016

As noted on page 69, the Committee met on two occasions during 2016 and the activities at each meeting were:

MAY

- Review of succession planning progress and further plans, for
  - The Board;
  - The Non Executive Directors;
  - Board Committees; and
  - The Executive levels immediately below the Board.
- Review of progress and plans for developing talent.
- Review of progress and plans for contingency planning.
- Review of Board composition.
- Presentation on research by the Institute of Chartered Secretaries and Administrators / Ernst & Young on proposals by the FRC / The Investment Association regarding Nomination Committee role and visibility generally.

NOV

- Oversaw the selection and appointment of Angela Knight in succession to Margaret Ford as an Independent Non Executive Director.
- Received an update of progress around Group succession planning and related development plans.
- Received an update on contingency planning for key Executives below Board level.
- Recommended to the Board, following a review of the individuals' performance, that Kate Barker and Rob Rowley, who will each have served for in excess of six years as an Independent Non Executive Director at the time of the Company's 2017 AGM, should each continue in office and be recommended for re-appointment at the AGM.

Progress of our diversity policy

The Company's plans and progress in implementing its diversity policy, benchmarked against appropriate targets, are set out below. Progress is measured and monitored by the Nomination Committee and the Board. The Company is also committed to ensuring that our people are free from any direct or indirect discrimination, harassment, bullying or any other form of victimisation. Our grievance and harassment policies ensure that any reported incidents are investigated. In addition, our whistleblowing policy encourages employees to speak up, including through an independent 'Safecall' telephone facility, against any inappropriate practices or behaviour and we regularly publicise the policy to all staff and workers on site.

Diversity policy	Strategy	Progress
Taylor Wimpey operates in diverse communities. We believe that embracing this diversity will enable us to succeed through a workforce that is inclusive, creative and innovative. Diversity covers many aspects. We have defined diversity to mean that we actively embrace the business and local communities in which we operate and will strive to reflect their richness and character to include such aspects as gender, race, disability and religion but also diversity of thought, background and experience.	We will examine our culture and practices to determine what further actions can be taken to improve diversity and inclusion within Taylor Wimpey.	The Working Party together with our Specialist Consultants completed the Strategy and Action Plan Document in the first quarter of 2016 and, after review by the Board, received approval to implement it. Throughout the year comprehensive training sessions have been delivered to the management teams of our businesses and Head Office functions. In 2017 we plan to cascade the key elements of the training sessions to all employees using e-learning modules. Diversity and inclusivity will become a core training module for all newly-appointed Directors and Managing Directors and will be a key module of our induction programme for new starters.
Managing diversity is about valuing everyone as an individual – valuing people as our employees, customers and clients. People have different needs, values and beliefs. Our people management practice demands that employment propositions are both consistently fair but also flexible and inclusive in ways that assist our people while supporting our business needs and objectives.	We will identify people management practices that assist a diverse workforce to achieve their full potential. We will use our Community Engagement Programme to heighten awareness of personal interaction and valuing individuals. We will increase the opportunities for young people to join the Company and will promote continuous personal development.	Following the success of our involvement with the Leonard Cheshire Disability Change 100 programme in 2015, during which one of the students was recruited by us as an Apprentice Site Manager, we further engaged with the charity in 2016 by offering disabled students a summer internship and professional development programme. Once again the scheme proved to be a great success and we will continue our involvement in 2017. We have continued to promote our 'Employer of Choice' and diversity agenda through numerous publications and recently participated in the Annual Diversity Awards that were sponsored by The Bank of Scotland, Glasgow Herald, and Genalytics. Our West Scotland regional business was nominated for the 'Recruitment of Talent' award and sponsored the 'Best Community Project' award.
We believe that everyone should have the right to equal access to employment and, when in our employ, to equal pay and access to training and career development.	We will ensure that all managers involved in recruitment and selection receive training that incorporates the areas of diversity and promoting equality. We will extend our recruitment sources in order to attract a more diverse range of applicants.	We continue to work with our recruitment partners to ensure they understand and embrace our diversity and inclusivity agenda. We recruited 147 apprentices (2015: 98), including 54 site management apprentices (2015: 29), 30 management trainees (2015: 22) and 20 graduates (2015: 19). We remain on target with the recruitment of our Site Management Apprentices. We recruited an increased number of employees with disabilities. Working with key partners we hope to increase more permanent and secondment opportunities for people with disabilities. We introduced a new HR Information System which we believe will better capture data relating to all aspects of diversity and inclusion. We continued to partner with a number of specific diversity partners in 2016 with an objective to drive the attraction and development of a more diverse and representative workforce. We are continuing the diversity discussion group meetings with the Chief Executive, Group HR Director and different sections of the workforce, to further embed diversity and inclusiveness at all levels of the Company. We are keen to ensure that our website is accessible to those with sight impairment and in conjunction with the Royal National Institute for the Blind we are currently undertaking a website accessibility audit.
We are committed to ensuring that our people are free from any direct or indirect discrimination, harassment or bullying. We will not tolerate any behaviour that detracts from this.	We will encourage our people to speak out and report any direct or indirect discrimination, harassment or bullying. We will act promptly in addressing any inappropriate behaviour or practice.	A specific focus of the Company's whistleblowing campaign is on diversity, encouraging employees to speak up against any inappropriate practices or behaviour. Our grievance policy ensures that any reports of harassment or bullying are investigated and acted upon.
We acknowledge that we must continue to promote diversity in order to create an organisation that attracts, supports and promotes the broadest range of talent. Establishing an organisational culture with diversity as a core value will enable individuals to reach their full potential and provide the best service to our customers.	Diversity will be promoted from the highest level and we will ensure that our people understand the benefits of having a diverse and inclusive workforce.	Diversity is a core message within our strategy; a main item at our Executive and Regional Management meetings; and is a standing agenda item at GMT meetings. In order to support each employee to maximise their performance and achieve their own personal goals we have designed a Cultural Principles framework where we describe the behaviours and attitudes we believe are required for effective performance in order to deliver our vision, mission and values. Encouraging and embracing diversity is an integral part of our philosophy. We have also updated the Careers section of our website to include a dedicated Diversity and Inclusion section highlighting our focus on this area.

AUDIT COMMITTEE REPORT

MAIN OBJECTIVE

– To assist the Board in fulfilling its corporate governance responsibilities relating to the Group's risk management and internal control framework; internal audit process; financial reporting practices including the key accounting judgements; external audit process; and whistleblowing procedures.

2016 PERFORMANCE

– Oversaw compliance with requirements affecting Audit Committee matters in the April 2016 update of The UK Corporate Governance Code ('the 2016 Code').
– Monitored the implementation of IT initiatives, particularly in the area of cyber security.
– Monitored the implementation of the new Group consolidation and reporting system.
– Oversaw the implementation of initiatives relating to the effectiveness of both the Internal Audit function and the Risk Management Framework.
– Considered the Group Fraud Risk Assessment to ensure appropriate measures remain in place.
– Ensured the continuing robustness of the Risk Management Framework to changes in the operating environment.

2017 KEY AREAS OF FOCUS

– Oversee the design and development of a Combined Assurance Model to bring together all aspects of assurance across the Group to further support strong controls and governance.
– Monitor planned initiatives to drive enhancements across those core processes that involve both the Finance and Commercial functions to further support operational activity.
– Monitor those significant IT initiatives that are underway to either directly protect, support and enhance the current IT environment or that are key in their contribution to business initiatives underway to enhance the experience of customers, suppliers and employees.
– Receive the Group Legislative and Regulatory Risk Assessment and ensure that appropriate measures and controls are in place and are robust.

Audit Committee

The Audit Committee is chaired by Rob Rowley. All members of the Committee are Independent Non Executive Directors as required by the Code. During the year, Angela Knight, who was appointed to the Board on 1 November 2016, joined the Committee on that date and brings a wealth of financial experience and expertise, which will augment the Committee's skill sets. The Board has determined that Rob Rowley (who currently chairs the audit committee at Greene King plc) and Humphrey Singer each have recent and relevant financial experience as required by the Code. In addition, and in line with the 2016 Code, the Board considers that the Audit Committee when considered on a whole has the necessary competence relevant to the housebuilding sector in which the Company operates.

Committee members	Number of meetings attended
Rob Rowley (Chairman)	3/3
Kate Barker	3/3
Mike Hussey	3/3
Angela Knight[a]	1/1
Humphrey Singer[b]	2/3

(a) Appointed on 1 November 2016.
(b) Due to urgent attendance at another company's meeting, by prior agreement with the Board and the Committee, as explained in more detail on page 57.

DEAR SHAREHOLDER

I am pleased to be able to take this opportunity as Chairman of the Audit Committee to summarise below and in the report which follows, the ongoing responsibilities and objectives of the Committee; the work that has been carried out during 2016; and the priorities established for 2017.

The Committee supports the Board in fulfilling its corporate governance responsibilities relating to the Group's risk management and internal control framework; internal audit process; financial reporting practices; the preparation and compliance of the Company's Annual Report and Accounts; external audit process; and whistleblowing procedures.

The terms of reference of the Audit Committee are summarised opposite and are available in full on the Company's website. Following a review during 2016 it was determined that they remain valid and reflect the Committee's responsibilities under the UK Governance Code ('the Code') and related regulations.

The Committee conducts an annual evaluation of its performance against its key objectives. The evaluation for 2016 was recently formally assessed by the Committee at its February 2017 meeting.

The key performance areas of the Committee during 2016 are set out opposite and described in more detail on page 75.

The Committee's key areas of focus for 2017 are also set out opposite, with the continuation of robust risk management and work to further reduce risk in areas such as cyber security, remaining key priorities for the year ahead.

The appointment of Angela Knight to the Committee with effect from 1 November 2016 will provide an additional skill going forward, and meetings with the external auditor and the Head of Internal Audit, independent of the Executive, also assist in ensuring that reporting, forecasting, and risk management processes are subject to rigorous review throughout the year.

In April 2016 the Financial Reporting Council ('FRC') issued guidance on Audit Committees and updated the Code, with the aim of further improving good governance around the Committee's competence; induction for new members; audit rotation; independent assessment of areas of judgement; and sufficiency of resourcing for the Committee; all with the aim of ensuring that it was able to perform its primary function of protecting shareholders' interests in relation to the Company's financial reporting and internal control. This guidance was very much welcomed and I can assure shareholders that your Committee is well positioned to continue to do this.

The Committee will continue to focus on ensuring that all the relevant codes and regulations are complied with to ensure that the business is operating in a controlled and managed environment.

ROB ROWLEY
Chairman of the Audit Committee

Committee purpose and responsibilities

The membership of the Audit Committee is set out in the table opposite. Committee meetings are also attended, by invitation, by the Executive Directors, Head of Internal Audit, other senior executives and by Deloitte LLP (Deloitte), the external auditor. The Committee also meets privately with representatives from Deloitte 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 auditor may wish to raise in confidence, with only the Secretary being present.

The Audit Committee met on three occasions during the year. The reports considered at the February 2017 meeting concluded the Committee's activities with regard to the Company's 2016 reporting and have been included on page 75.

At those meetings, the Committee carried out its remit which primarily includes at its February 2016 meeting:

- Reviewing the final draft 2015 Annual Report and Accounts together with any significant accounting and audit issues thereon; considering issues of materiality and the external auditor's report on the progress of the audit; conducting a formal compliance check.
- The disclosure of relevant audit information to the auditors and the processes in place to underpin it.
- Reviewing the Group's 2015 draft Full Year Results Statement; and advising the Board regarding the appropriateness of the proposed final dividend on ordinary shares for 2015 and special dividend for 2016.
- Conducting the 2015 year end risk review.
- Leading the appraisal of the external auditor's performance during the audit of the Company's 2015 results.
- Reviewing the Committee's performance against its agreed objectives for 2015 and setting its key objectives and priorities for 2016.
- Holding a private meeting with Deloitte.

at its July 2016 meeting:

- Reviewing the final draft Half Year Statement for 2016 together with details of any significant accounting issues thereon; considering issues of materiality and the external auditor's report on its review of that statement.
- Conducting the 2016 half year risk review.
- Receiving the Group fraud risk assessment.
- Receiving a detailed presentation on progress to date and plans for further improving the Group's resilience to cyber attacks.
- Advising the Board regarding the appropriateness of the proposed interim ordinary dividend for 2016 and special dividend for 2017.
- Reviewing Deloitte's audit plan for the audit of the Company's 2016 accounts, and report on the progress of the audit to date.
- Holding a private meeting with Deloitte.
- Holding a private meeting with the Head of Internal Audit.

at its December 2016 meeting:

- Reviewing and confirming the processes which allow the Committee to ensure that the 2016 Annual Report and Accounts meets the requirements of Code provision C.1.
- Reviewing and confirming the processes which allow the Committee to assess the performance of Deloitte during the audit of the Company's 2016 full year reporting and the effectiveness of the external audit process; and in light of the findings, to make a recommendation to the Board as to Deloitte's re-appointment at the 2017 AGM.
- Receiving a briefing on key accounting judgements with regard to the Company's 2016 accounts.
- Overseeing the process leading to the Board's Viability Statement included in its 2016 reporting.
- Conducting the 2016 year end risk review.
- Receiving a detailed presentation on progress to date and plans for further improving the Group's resilience to cyber attacks and wider IT security generally.

at its February 2017 meeting:

- Reviewing the final draft 2016 Annual Report and Accounts together with any significant accounting and audit issues thereon; considering issues of materiality and the external auditor's report on the progress of the audit; conducting a formal compliance check.
- Reviewing the Group's draft 2016 Full Year Results Statement; and advising the Board regarding the appropriateness of the proposed final dividend on ordinary shares for 2016 and special dividend for 2017.
- Concluding the 2016 year end risk review.
- Holding a private meeting with Deloitte.

In addition, at each meeting, the Committee also reviewed its other areas of responsibility, including:

- Financial reporting practices.
- The risk management and internal control framework.
- The internal audit process and the review of reports received and actions arising therefrom.
- Checking for any incidences of fraud, actual, alleged or precautionary, and ensuring proper controls and a response plan are in place.
- The Company's whistleblowing procedures and the status of any investigations.

In carrying out these activities, the Committee places reliance on regular reports from Executive Management, Internal Audit and from the Company's external auditor. In monitoring 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, other statements affecting the Group concerning price sensitive information as necessary.

Committee competence

A key requirement of the FRC's April 2016 guidance on Audit Committees was that each Committee member should have sufficient knowledge; training; and expertise; to contribute effectively to the Committee's deliberations.

As Committee Chairman, I have extensive experience of both chairing and being a member of Audit Committee. I currently chair the Audit Committee at Greene King plc and previously at moneysupermarket.com Group PLC which gives me an insight into key areas of shareholder concern and independent experience of robustly challenging both the executive and the external and internal auditor.

I am assisted by four other Independent Non Executive Directors: Kate Barker, who has wide experience of key areas in which the Company operates day to day, having led Government policy reviews into housing supply and land use planning; Mike Hussey, who has in-depth experience in land development and marketing; Angela Knight, who joined the Committee on 1 November 2016 and brings experience of financial services and banking; and Humphrey Singer, who is the Group Finance Director of Dixons Carphone plc and has detailed knowledge of financial reporting preparation and compliance for public companies.

Between us, I am confident that the members of the Audit Committee have the necessary competence relevant for the house building sector as envisaged by the 2016 Code.

As described earlier in the Nomination Committee Report on page 70, there is a formal process of induction for new Directors and this includes specific reference to assisting competence in relevant Committee areas through exposure to appropriate areas of the Company's operations and performance.

All the members of the Audit Committee are Independent Non Executive Directors and both myself, as Chairman and Humphrey Singer have recent and relevant financial experience as required by the Code.

I am confident that the composition; balance; and expertise of the Audit Committee can give shareholders confidence that the financial; reporting; risk; and control processes of the Company are subjected to the appropriate level of independent, robust and challenging oversight.

Risk management and internal control

The Group has established an ongoing process of risk management and internal control, applying Main Principle C.2 and its Supporting Provisions of the Code. The Board is responsible for the effectiveness of the system of internal control, which has been designed to meet the requirements of the Group and the risks it encounters, including taking account of environmental, social and governance considerations. The systems cannot eliminate the risk of failure but rather seek to manage both the likelihood of their occurrence and the extent of their impact, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Principal Risks facing the Company, as assessed by the Board, are set out on pages 44 to 47, together with information on action taken and / or planned to mitigate each one.

The Board makes its assessment of risk half yearly, after overseeing a bottom-up and top-down review of risk in all areas of the business. Action to mitigate the effect of each one is led by the Chief Executive either directly or indirectly.

The Board's assessments use a standard methodology which takes into account environmental, social and governance considerations.
In compliance with the Code, the Board also regularly reviews the effectiveness of the Group's system of internal control in providing a responsible assessment and mitigation of risks.

External auditor

Re-appointment

As noted earlier, Deloitte LLP is the Company's external auditor. Their performance is kept under regular review by the Board and the Audit Committee and the Committee undertook a formal assessment of the external audit process during the external audit of the Company's 2016 results and of Deloitte's suitability going forward.

This review took the form of a detailed checklist and questionnaire issued to Directors; executives involved in the detailed stages of the audit process; and a representative sample of employees in regional business units which were subject to audit. The responses were augmented by external feedback on the relative performance of auditors generally, and from regulatory sources.

The outcome of this review was that the Committee recommended to the Board, which in turn is recommending to shareholders in Resolution 13 at the 2017 AGM on page 154, that Deloitte LLP should continue as auditor to the Company.

Tender

A formal competitive audit tender process was carried out by the Company with regard to the 2008 audit, following which Deloitte was selected to continue as external auditor to the Company. The current lead engagement partner is Edward Hanson, whose responsibility for the audit under Deloitte's partner rotation scheme commenced with the 2014 audit. The Code requires FTSE 350 companies to put the external audit contract out to tender at least once every 10 years. The Company also notes the guidance issued by the FRC by way of transitional arrangements. Therefore, and having due regard to the foregoing, having conducted a tender process in 2007/2008, the Company presently intends to defer tendering again, until completion of Edward Hanson's rotation following the conclusion of the audit of the 2018 accounts in 2019, but will of course keep the matter under regular review, taking into account the annual performance review to be conducted by the Committee as well as other relevant factors. There are no contractual restrictions on the Company's selection of its external auditor.

Statement of compliance

The Company has complied throughout the reporting year with the provisions of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender processes and Audit Committee Responsibilities) Order 2014.

Appointment of the auditor for non-audit services

The Audit Committee has a formal policy on whether the Company's external auditor should be employed to provide services other than audit services. In line with the Code, the Committee has regard to the relevant ethical guidance regarding the provision of non-audit services by Deloitte.

As part of that policy, 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.
- Services connected with valuation, litigation support, legal, recruitment or remuneration.

The Committee has reviewed this policy in light of the new regulation set out in the EU Audit Directive and Audit Regulation 2014. These Regulations came into force on 17 June 2016 and apply to the Company from 1 October 2017.

The Regulations substantially curtail those non-audit services which can be provided by the auditor to the Group and in particular prohibits all tax-related services, including compliance services as well as general advice, and all consultancy and advisory services. The Regulations also require that Board approval is required if eligible non-audit services, such as due diligence and similar assurance services exceed 30% of the prior year Group audit fee. In addition, fees for eligible non-audit services are not to exceed 70% of the Group audit fee, calculated on a rolling three-year basis. The Board is satisfied that, following the above-mentioned review and taking into account the forthcoming new regulation, this policy will be conducive to the maintenance of good governance, best practice and auditor independence and objectivity.

Non-audit services in 2016 predominantly related to work undertaken as a result of Deloitte's role as auditors, in particular the assurance work carried out in connection with the announcement of the Company's half year results for 2016, which is of direct benefit to shareholders although it is not formally regarded as 'audit' work for reporting purposes. Deloitte also performed certain real estate work, for which they were selected as they were considered to be the best supplier for that service. All independence considerations were considered with regard to these services, in line with the above policy, and were fully compliant with it.

The Audit Committee fully recognises and supports the importance of the independence of auditors. Its review of the auditor's performance during 2016 included non-audit services. The Committee is satisfied that the carrying out of the above work did not, and will not going forward, impair the independence of the external auditor. It also 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, the value of non-audit services work was £0.1m in 2016 (2015: £0.2m) as set out in Note 6 to the Accounts on page 118.

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. Following each review an Internal Audit report is provided to both the management responsible for the area reviewed and the Group Management Team (GMT). These reports outline Internal Audit's opinion of the management control framework in place together with actions indicating improvements proposed or made as appropriate. The Chief Executive, the GMT and senior management consider the reports on a regular basis and are responsible for ensuring that improvements are made as agreed. A database of audit recommendations and improvement initiatives is maintained. Follow-up and escalation processes ensure that such improvements are implemented and fully embedded in a timely manner.

The Company belongs to and participates in industry-wide forums and other initiatives aimed at combating fraud within the construction industry.

Summaries of all key Internal Audit reviews and activity and resulting reports are provided to the Audit Committee for review and discussion.

The Internal Audit function also formally reviews proposed related-party transactions, such as purchases by employees from Group companies, to ensure proper procedures are followed and that such procedures are undertaken strictly in accordance with the formal policy in place and, where applicable, company law.

The most recent independent formal evaluation of the Internal Audit function was carried out in 2015 on behalf of the Audit Committee by PwC and its finding was that Internal Audit continues to operate effectively. A number of initiatives were progressed during 2016 to ensure the Internal Audit function continues to meet both current best practice and the evolving needs of the Group.

The Internal Audit Charter, which codifies the aims, processes and outputs of Internal Audit, was reviewed by the Committee for ongoing appropriateness.

The Head of Internal Audit has direct access at all times to the Chairman of the Audit Committee, the Chairman of the Board and also to the Chief Executive and the other Executive Directors.

The Board's monitoring covers all controls, including financial, operational, compliance and assurance controls which include risk management.

Compliance with the Group's system of internal control is primarily driven and co-ordinated through compliance with an established Operating Framework supported by detailed manuals covering the main disciplines. These include clear levels of delegated authority, responsibility and accountability, and are subject to periodic review to ensure they remain appropriate and proportionate to the Group's changing strategic and operating requirements. Adherence to the Operating Framework is monitored by management and assessed independently by Internal Audit. At its half year and year end meetings, the Board reviews risk in relation to the Company's strategic objectives and its current plans to deliver them. It also reviews progress and performance in action taken to mitigate the impact of those risks.

The Board is supported in this by more regular and detailed reviews, by the Audit Committee, including the review of progress reports from Internal Audit, and by operational risk reviews across the business, led by the GMT. These reviews during 2016 resulted in a number of enhancements to internal controls, designed to reduce or better manage risk across the business. These included issuing of an updated Commercial Manual with improved processes, controls and monitoring; restating the critical elements of the Customer Journey process; and initiating work to strengthen supply chain interfaces.

With regard to cyber risk, the Committee oversees the actions being taken to monitor Information Technology (IT) initiatives which aim to either directly protect and reduce the risk of cyber type attacks and fraud, support and enhance the current IT environment or that are crucial in their contribution to key business initiatives aiming to enhance the experience of customers, suppliers and employees.

At its meeting in February 2017, the Board, after conducting its own review and after reviewing more detailed assessments from the Audit Committee, remained satisfied that the system of internal control continued to be effective in identifying, assessing, and ranking the various risks facing the Company; and in monitoring and reporting progress in mitigating their potential impact on the Company. The Board also approved the statement of the Principal Risks and Uncertainties set out on pages 44 to 47 of this Annual Report.

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 behaviours in the work place. All whistleblowing cases are formally investigated by the Head of Internal Audit, Group Director of Health, Safety and Environment (where appropriate), Group Human Resources Director and / or the Group Legal Director and Company Secretary depending on the nature of the issue. The Chief Executive is apprised of all allegations and conclusions of the review.

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. The policy itself is periodically reviewed and an exercise is currently underway to update it including the ability for workers to make protected disclosures under the Modern Slavery Act 2015 with regard to our business and its supply chain. The Committee is satisfied that the policy and its administration remain effective.

Going concern

The Group has prepared forecasts, including certain sensitivities, taking into account the Principal Risks and Uncertainties identified on pages 44 to 47. Having considered these forecasts, the Directors remain of the view that the Group's financing arrangements and capital structure provide both the necessary facilities and covenant headroom to enable the Group to conduct its business for at least the next 12 months. The Committee reviewed the forecasts and the Directors' expectations based thereon, and agreed that they were reasonable. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Viability Statement

The viability statement is designed to be a longer term view of the sustainability of the Company's strategy and business model and related resourcing, in the light of projected wider economic and market developments. The Committee reviewed the Directors' expectations; the criteria upon which they were based; and the sensitivities applied; and agreed that they were reasonable. The statement appears on page 47 together with details of the processes, assumptions, and testing which underpin it.

Annual Report and Accounts 2016

Code provision C.1

The Board has responsibility under C.1 of the Code and its Supporting Principles and Code Provisions, for preparing the Company's Annual Report and Accounts; for ensuring that it presents a fair, balanced and understandable assessment of the Company's position and prospects; and that it provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Process

The review of the Company's Annual Report and Accounts took the form of a detailed assessment of the collaborative process of drafting them, which involves the Company's Investor Relations; Company Secretariat; and Finance Departments, with guidance and input from other relevant Departments and external advisers. It ensured that there is a clear and unified link between this Annual Report and Accounts and the Company's other external reporting, and between the three main sections of the Annual Report and Accounts – the Strategic Report; the Governance Reports; and the Financial Statements.

In particular, the Committee:

– Reviewed all material matters, as reported elsewhere in this Annual Report.
– Ensured that it correctly reflected the Company's performance in the reporting year, as described on pages 48 to 52.
– Ensured that it correctly reflected the Company's business model, as described on pages 25 to 41.
– Ensured that it correctly described the Company's strategy, as described on pages 26 to 27.
– Ensured that it presented a consistent message throughout.
– Considered whether it presented the information in a clear and concise manner, illustrated by appropriate KPIs, to facilitate shareholders' access to relevant information.

Significant items

As part of the above process, the Committee considered the following significant items in connection with the preparation of the 2016 Annual Report and Accounts:

– That the carrying value of inventory is reflective of the lower of cost and net realisable value and all relevant disclosures are included in the accounts. The Company carries out a net realisable value assessment for inventory every six months, the process and results of which are discussed by the Audit Committee.
– That the assumptions used in calculating the net pension liabilities are reasonable and supported by appropriate data and external advice. The Company takes external advice, including market-wide comparisons, in valuing pension assets and liabilities. These are discussed and agreed by the Committee.
– The Committee also satisfied itself that the underlying business processes that dictate the way in which inventory is costed and allocated remains appropriate.

As part of the year-end process the Audit Committee received updates on other judgemental areas including provisions and taxation. The presentation of exceptional items and changes to IFRS were also considered when reviewing the 2016 Annual Report and Accounts.

Conclusion

A summary of the process and of the Committee's findings, was considered by the Board at its meeting on 23 February 2017. The outcome of that review was that the Committee confirmed to the Board that the 2016 Annual Report and Accounts met the requirements of Code provision C.1, and the Board's formal statement to that effect, to meet the requirements of the Code, is set out on page 63.

REMUNERATION COMMITTEE REPORT

KATE BARKER

Chairman of the Remuneration Committee

MAIN OBJECTIVE

- To establish and maintain formal and transparent procedures for developing policy on executive remuneration; to propose to the Board a suitable remuneration policy which challenges and motivates the senior management team to deliver the Company's strategy and deliver value for our shareholders; to agree the remuneration packages of individual Directors and senior executives; and to monitor and report on them.

2016 DEVELOPMENTS

- Supported delivery of the Company's strategy through a Remuneration Policy allied to robust and stretching targets that ensured that the potential and actual reward available to Executive Directors and wider executive team was closely linked to performance measures reflecting those achievements.
- Reviewed the Remuneration Policy with the support of the Committee advisers and consulted with shareholders and shareholder bodies ahead of the submission of the New Policy to shareholders for approval at the 2017 Annual General Meeting.
- Continued the process of increasing alignment with shareholders through encouraging greater participation in our all-employee share plans and share ownership guidelines at management levels below the senior team.
- In conjunction with the Board, further increased participation by our employees in the all-employee share plans.

2017 OBJECTIVES

- To carefully monitor Company performance in relation to the achievement of its strategic goals, so as to ensure that the potential and actual reward available to Executive Directors and the wider executive team remains closely linked to performance measures reflecting those achievements.
- To prepare for the implementation of the New Remuneration Policy (subject to its approval by shareholders at the 2017 AGM).
- To continue the process of increased alignment with shareholders through increased participation in our all-employee share plans.
- To review ways in which employees and stakeholder views are taken into account at Board level.

Remuneration Committee

The Remuneration Committee is chaired by Kate Barker. All members of the Committee are Independent Non Executive Directors as required by the Code. Its members are set out in the table below.

Committee members	Number of meetings attended
Kate Barker (Committee Chairman)	2/2
Kevin Beeston (Chairman)	2/2
Angela Knight[(a)]	0/0
Rob Rowley	2/2
Margaret Ford[(b)] (Former Member)	2/2

(a) Appointed on 1 November 2016.

(b) Resigned on 1 November 2016.

DEAR SHAREHOLDER

Following my appointment to the position of Chairman of the Remuneration Committee on 1 June 2016, having served on the Committee since April 2011, on behalf of the Board, I am pleased to summarise the Company's current Remuneration Policy ('the Current Policy') and the way it has been implemented during 2016.

Looking ahead, I also explain in this report the Committee's thinking with regard to the design and structure of the revised Remuneration Policy ('the New Policy') which is being put forward to shareholders for approval on a binding basis at the 2017 Annual General Meeting. If approved, the New Policy, will operate from the conclusion of the 2017 AGM until our AGM in 2020.

The Committee continues to remain very mindful of the interest in executive remuneration. The Committee has therefore carefully reviewed and taken into consideration the developments in corporate governance and best practice during the year. In line with this, the Committee has again sought to ensure that the remuneration policies and practices at Taylor Wimpey, and the New Policy being proposed at this year's AGM, are clearly explained and justified such that they will drive behaviour that is both appropriate and in the long term interests of the Company and its shareholders.

The Committee has continued its much-valued and long established practice of engaging and consulting with its key institutional investors and also with shareholder representative bodies with regard to Director remuneration, focusing in particular on obtaining feedback on the proposals for the New Policy. As in previous years, the Committee has considered and taken into account all of the feedback which it has received and is, as ever, very grateful for the constructive engagement that has taken place.

Shareholders approved the Current Policy at the 2014 AGM, with a vote in favour of in excess of 98%. Subsequent years' Remuneration Reports detailing the application year on year of the Current Policy were approved by shareholders with votes in favour of in excess of 99% in 2015 and 98% in 2016. I believe that this level of support indicates that the Current Policy has been appropriate and proportionate and that shareholders have recognised this. Accordingly, the Committee has very much borne this in mind when considering the framework of the New Policy.

The Committee remains firmly committed to ensuring that the remuneration of the Executive Directors and Senior Management Team supports and drives the Taylor Wimpey strategy based on a framework which both challenges and motivates the Senior Management Team to deliver the strategy and value for our shareholders.

A summary of the changes proposed between the Current Policy and the New Policy is set out on page 81 and as can be seen, only limited changes are being proposed for shareholder approval. One change that we are proposing relates to pension contributions: so as to ensure that Directors are treated the same as other senior executives, the pension contributions for any future Director appointed to the Board will be reduced from the current maximum of 30% of salary down to 20%. Secondly, the malus and clawback provisions which were introduced in 2015 so as to apply to the long term incentive plan (in the same way as they already applied to the annual bonus scheme) are now included in the Policy table.

PERFORMANCE MEASURES AGAINST OUR STRATEGY

The Remuneration Committee closely links performance targets and remuneration with the achievement of the Company's strategic objectives. Those objectives are set out on pages 26 to 27 and the Remuneration Committee was mindful of the Medium Term Strategy announced by the Company in May 2016 when setting the various performance targets for executive management. The link between performance targets and strategy is set out below and also later in this Report on page 88.

Measures in our Variable pay plans	Link to Strategic Priorities
Financial measures in Annual Incentive Plans	
Revenue, Trading Profit, Cash	To maximise revenue and margin, generally without increasing turnover, and ensure that a significant majority of the profit is available as cash to service dividends to shareholders
Business objectives in Annual Incentive Plans	
Re-investment	Provide for replenishment of raw materials for the business, primarily land but also e.g. staff development, whilst remaining within the agreed strategy and budget constraints
Processes	Develop and improve robust processes to deliver the strategy in a safe and environmentally friendly manner
People	Develop the team; spot and encourage talent and progression; maintain robust succession planning; and monitor employees' satisfaction
Customers	Improve quality, reliability and responsiveness to customer concerns
Performance measures in our Performance Share Plan	
Alignment with shareholder interests	Total Shareholder Return ('TSR') compared to the FTSE 100 and to major UK housebuilders
Efficient use of capital	Improving returns on capital invested in each project; development; and business; ensuring capital allocations encourage efficiency and provide for sufficient return to shareholders
PBIT Margin	Margin is a key indicator, both for investors and for the Company's strategy of driving margin rather than volume
Cash conversion	Ensure that a significant majority of profit is available as cash to service dividends to shareholders

The Remuneration Committee is confident that the New Policy will ensure that the level of remuneration in place and its linkage to the achievement of increasing shareholder value continues to remain appropriate. In particular, the New Policy is designed to: ensure that executive remuneration will continue to be directly related to the achievement of the Company's strategic aims; link a significant proportion of pay to performance, with appropriate and robust performance criteria and targets; directly relate increases in pay and pension to the workforce in general; have no retrospective adjustment or re-testing of performance or related metrics; and remain sufficiently flexible to address changing circumstances as they arise but within carefully agreed parameters. The Remuneration Committee therefore commends the New Policy to shareholders as Resolution 20 at the 2017 AGM as set out in the Notice of Meeting on page 155.

The New Policy is subject to a binding vote of shareholders and is included in this Report in full. The Annual Report on Remuneration, which describes the implementation of the Current Policy during the year, will again be subject to an advisory vote by shareholders. Voting on both the New Policy and the Annual Report on Remuneration, will take place at the forthcoming AGM to be held on 27 April 2017.

The Committee is also proposing at the AGM to seek approval for a new long term incentive plan in the form of a new Performance Share Plan (the 'New Plan'). The New Plan, is intended to operate for a period of ten years and will effectively be based on the Existing Performance Share Plan, other than incorporating some revisions to the Rules in order to bring them into line with current and best practice. Although the Existing Plan's ten year life does not expire until 16 April 2018, having been approved by shareholders in 2008, the Committee considers it to be appropriate to invite shareholders to vote on the proposed New Plan at the same time as they vote on the introduction of the New Policy referred to earlier. A summary of the rules of the proposed New Plan is set out in the Appendix to the Notice of AGM on pages 161 to 163.

Salaries

The general annual salary increase being proposed throughout the Company is 2% of salary and it is proposed that this will also apply to the three Executive Directors. As in previous years, salary increases for the year (2017) will take effect from 1 April.

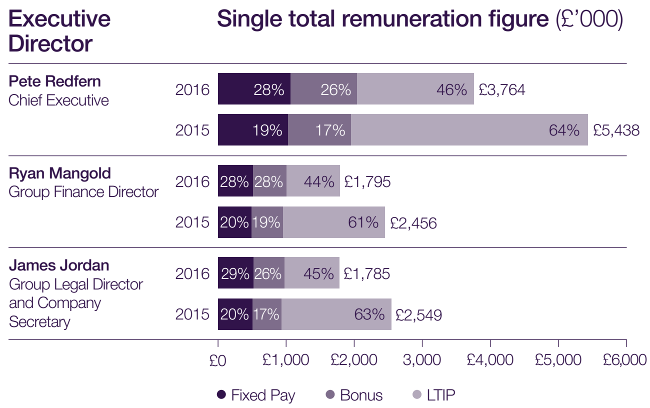
Annual Bonus Scheme

During the year, the Company performed strongly against its financial targets, namely: Earnings Before Interest and Tax, Return on Capital Employed and Cash Conversion. The Company did not however meet the challenging Customer Service target that was set for 2016 and which attracted a 20% weighting. Improving customer service will continue to remain an area of ongoing focus by the management team during 2017. Based on the performance of the Company against its targets, the bonus outturn for 2016 was 120% of the maximum bonus potential of 150% of salary. Consistent with recent practice, one-third of this incentive for the Executive Directors will be deferred into shares to be held on trust for three years without any matching element. For 2017, the Committee is proposing that the structure of the Annual Bonus Scheme in terms of metrics and weightings should remain unchanged.

Full details of the performance targets and the relative achievement against each, are set out in detail on page 92.

Executive Directors' single figure

The following chart compares the 2016 single figure for total remuneration for each of the Executive Directors with the equivalent figure for 2015. The figures for 2015 have been restated (as explained in note (d) on page 90) so as to provide a more meaningful comparison by only including the 2013 PSP awards that vested in the 2015 figures.



Long Term Incentive Plan

The level of vesting under the Performance Share Plan awards made in 2014 reflect the increasingly challenging targets that were set for participants and the impact on the TSR measure of some wider economic uncertainties. However, other key performance metrics continued to perform strongly, including increases in Return on Capital Employed; Operating Profit Margin; and Cash Conversion from 27.1% to 30.7%; 20.3% to 20.8%; and 67.0% to 81.4%, respectively, during the three year performance period to the end of 2016. This improvement in financial performance has contributed, notwithstanding the market uncertainty referred to above, to a c.38% increase in Taylor Wimpey's share price over the same period (from 111.5p on 31 December 2013 to 153.5p on 31 December 2016) and a total shareholder return of c.56% over the same period, which resulted in a significant increase in value for our shareholders commensurate with the level of the awards that have vested.

The Committee believes that the level of achievement under both the Annual Bonus Scheme and the Long Term Incentive Plan reflects the Company's excellent underlying performance, which is described in the Chairman's Statement on page 12 and the Chief Executive's Statement on page 18.

The operation of the incentive arrangements for 2017 will be unchanged structurally. With regard to the Annual Bonus Scheme, this scheme will retain EBIT, ROCE (RONOA) (see page 88), Cash Conversion and Customer Service as measures with the same metrics and weighting.

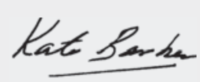
Subject to shareholder approval, a new Performance Share Plan (the 'New Plan') will be introduced for awards made after 2017. For awards made in 2017 under the Existing Plan, margin on a PBIT basis will be re-introduced as a performance metric. The Committee believes this measure continues to be a key indicator for investors and for the Company's overall strategy of driving margin. To enable this change, Cash Conversion will have a reduced weighting (from 25% to 15%). ROCE will also have a reduced weighting (from 25% to 20%). The ROCE performance measure has itself been stretched from a range of 26% (last year's stretch) to 30%; the Cash Conversion target has been stretched from 65%-70% to 65%-75%; and the new PBIT Margin target is 20%-22% which is designed to broadly reflect the Company's announced medium term strategy in seeking to further increase the expected returns from the business. TSR versus the FTSE 100 and TSR versus the designated industry peer group will remain unchanged.

The Committee firmly believes in ensuring a strong alignment between its Executive Directors and senior management with the interests of the Company's shareholders. Executive Directors' interests continue to be strongly aligned with those of the Company's shareholders in three ways: through the share ownership requirements described on page 94 (the level of which the Committee will keep under regular review); via the requirement to defer each year one third of their annual bonus into shares which are then required to be held on trust for three years (described in more detail on page 83), and through the requirement to retain for one year after vesting, the net post-tax benefit deriving from any vesting of the PSP award for 2014 (rising to a two year retention for awards in 2015 and subsequent years).

The Committee supports the "employee voice" proposals currently under consideration by the Government and in anticipation of this, the Company is already putting in place a National Employee Forum which will build upon the existing regional Employee Consultative Committees. It is intended that both the Chairman and I (from a remuneration perspective) will have some engagement with that Forum, which I very much look forward to.

The Committee believes that both its remuneration framework including the incentives for further improving performance that have been awarded during the year, together with the New Policy and the New Plan being proposed for future years, support the Company's strategy to deliver enhanced returns to shareholders. The Committee also believes that the Annual Bonus Scheme payments and the level of vesting of awards under the Existing Performance Share Plan reflect the Company's success to date in the delivery of that strategy.

I do very much hope that you will again feel able to support the level of remuneration paid with respect to 2016, our remuneration proposals for 2017, and both the proposed New Policy and New Plan at this year's Annual General Meeting.



KATE BARKER
Chairman of the Remuneration Committee

Introduction

This Report has been prepared to comply with the provisions of the Companies Act 2006 and other applicable legislation, including the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) ('Regulations'), and has also been prepared in line with the recommendations of the UK Corporate Governance Code (the 'Code') and the UK Listing Authority Listing Rules.

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

The 2016 Remuneration Report includes disclosures which reflect in full the Regulations on remuneration reporting, divided into two sections:

– Remuneration Policy Report: this sets out details of the new Remuneration Policy, describing the framework within which the Company remunerates its Executive Directors and other senior executives (subject to shareholder approval). If approved by shareholders at the 2017 AGM, it will replace the Current Policy (approved by shareholders at the 2014 AGM) and will apply for a period of three years from the date of the 2017 AGM or until a revised Policy is approved by shareholders if sooner. Any existing remuneration commitments or contractual arrangements such as historical share awards, agreed prior to the approval and implementation of this Policy in accordance with any policy in place at the time, namely before 27 April 2017, will be honoured in accordance with their original terms.
– Annual Report on Remuneration: this sets out how the Company's existing Remuneration Policy was applied during 2016 and how the New Policy will be implemented in 2017, subject to shareholder approval of the New Policy at the 2017 AGM. The Annual Report on Remuneration will be subject to an advisory resolution at the AGM on 27 April 2017. Details of the resolution and its status as an advisory vote are set out in the Notes to the Notice of Meeting on page 154.

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 have been properly prepared in accordance with the requirements. The Remuneration Policy Report, which describes the Committee's current Remuneration Policy for Executive Directors and which has applied since its approval by shareholders on 17 April 2014, contains unaudited information. Some elements of the Annual Report on Remuneration, which describes how the Committee has implemented its existing policy in 2016, contain audited information.

Remuneration Policy Report

Unaudited information

This part of the Report has been prepared in accordance with Part 4 of Schedule 8 set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended).

The Company's existing Remuneration Policy was subject to a binding shareholder vote at the 2014 Annual General Meeting of the Company and was approved by 98% of shareholders who voted.

The Company is proposing to shareholders the New Policy at the forthcoming 2017 AGM, in order to meet the requirement for such policies to be submitted to shareholders at least every three years. The New Policy is again designed to ensure that the remuneration framework will support and drive the Taylor Wimpey strategy forward by both challenging and motivating the Executive Directors and Senior Management Team to deliver it and drive value for our shareholders. Details of the proposed New Policy and a comparison with the Current Policy are set out on pages 82 to 84.

The main changes proposed in the New Policy, the full text of which is set out on pages 82 to 84, are, for convenience, summarised below:

– The formal inclusion of malus and clawback provisions into the policy table in respect of the Performance Share Plan;
– The reduction in the maximum pension contribution for future Directors;
– The inclusion of reimbursement of reasonable business-related expenses incurred by Non Executive Directors;
– The introduction of the New Performance Share Plan (the 'New Plan') based on the Existing Plan, which is also in the form of a performance share plan.

Malus and clawback provisions have applied to Annual Bonus Scheme awards for a number of years and more recently to awards made under the Long Term Incentive Plan. Where there has been misstatement of results, error in calculating the incentive payment, or misconduct on the part of the individual, the Committee has the ability to seek to recover any overpaid bonus or share plan award. This applies for a period of up to three years following the determination of the performance conditions applying to the award and can be effected by reducing (if necessary to zero) the payment or vesting of any future cash bonus or share plan award or by requiring the individual to repay the overpaid amount.

The Remuneration Policy Report as approved by shareholders at the Company's 2014 AGM is set out on the Company's website at www.taylorwimpey.co.uk/corporate/investor-relations/corporate-governance

The Company's proposed New Policy appears on pages 82 to 84.

Policy overview

A key part of the Committee's role is to ensure that the remuneration of Executive Directors and senior management is aligned to the Company's strategic objectives. It is, 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 Annual Bonus Scheme; a retention period for vested long term incentive awards; and share ownership guidelines which require executives to build up holdings of Taylor Wimpey shares, either directly or by retaining vested long term incentive share awards. These guidelines, which the Committee reviews on a regular basis, require Executive Directors to put in place a plan to accumulate a holding in the Company of twice their basic salary within a specified period.

The Committee's Remuneration Policy ensures that a significant percentage of the overall package of Executive Directors and senior management remains at risk. With all packages for Executive Directors substantially geared towards meeting targets set under the annual bonus and long term incentive schemes, the Committee believes that the pay and benefits of its Executive Directors and senior management adequately takes account of reward versus risk.

In line with The Investment Association's 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, which are all very carefully considered, will encourage inappropriate risk taking or behaviour by any executive.

Element	Purpose and link to strategy	Operation	Maximum	Performance targets
Salary	To recruit and reward executives of a suitable calibre for the role and duties required.	Salaries are normally reviewed annually to ensure that salaries remain competitive with external market practices and are competitive when measured against FTSE peers (other non-financial companies of a similar size in terms of market capitalisation and other large UK housebuilders). There is no automatic entitlement to an increase each year. 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.	The maximum annual salary increase will not normally exceed the average increase which applies across the wider workforce. However, larger increases may be awarded in certain circumstances including but not limited to: – increase in scope or responsibilities of the role; – to apply salary progression for a newly / recently appointed Director; and – where the Director's salary has fallen significantly below the market positioning.	Company and individual performance are factors considered when reviewing salaries.
Chairman and Non Executive Director fees	The Chairman's and Non Executive Directors' fees should be in line with recognised best practice and be sufficient to attract and retain high calibre non executives.	Fees consist of a single consolidated fee for the Chairman plus the payment of a cash amount to cover his office expenses[1], an annual fee for the other Non Executives and additional fees for the Chairman of the Audit Committee and the Remuneration Committee. An additional fee is also paid to the Senior Independent Director in recognition of the responsibilities of that role. Set by reference to the responsibilities undertaken by the non executive, taking into account that each Non Executive Director is expected to be a member of the Nomination Committee and / or the Audit Committee and / or Remuneration Committee. Reviewed periodically but generally annually and at least every other year. Takes into account levels in comparably-sized companies and other major housebuilders. Fees are paid monthly in cash. Non Executive Directors do not participate in any incentive, share scheme, benefits-in-kind or pension arrangements. The Chairman is entitled to participate in the Company's private medical insurance scheme. Any reasonable business-related expenses (including tax thereon) which are determined to be a taxable benefit, can be reimbursed.	Aggregate annual limit of £1 million imposed by the Articles of Association.	N/A
Other benefits, including benefits-in-kind	Provides a competitive package of benefits to assist with recruitment and retention of staff.	The main benefits offered include: – company-provided car or a cash allowance in lieu; – provision of a fuel card; – life assurance; – private medical insurance; and – a 5% discount on the price of a new or part exchange home acquired from the Group in the UK or Spain. Benefits-in-kind are not pensionable.	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. The cost of these benefits is not predetermined. The value of a company-provided car or a cash allowance in lieu is of a level appropriate to the individual's role and is subject to review from time to time. The fuel card covers the cost of all fuel, for both business and personal use. For home purchases, the price discount is calculated at the plot release price less the average discount to third party buyers for that house type on that development, less a further 5% employee discount. No more than one home per annum can be acquired at a discount under the scheme.	N/A

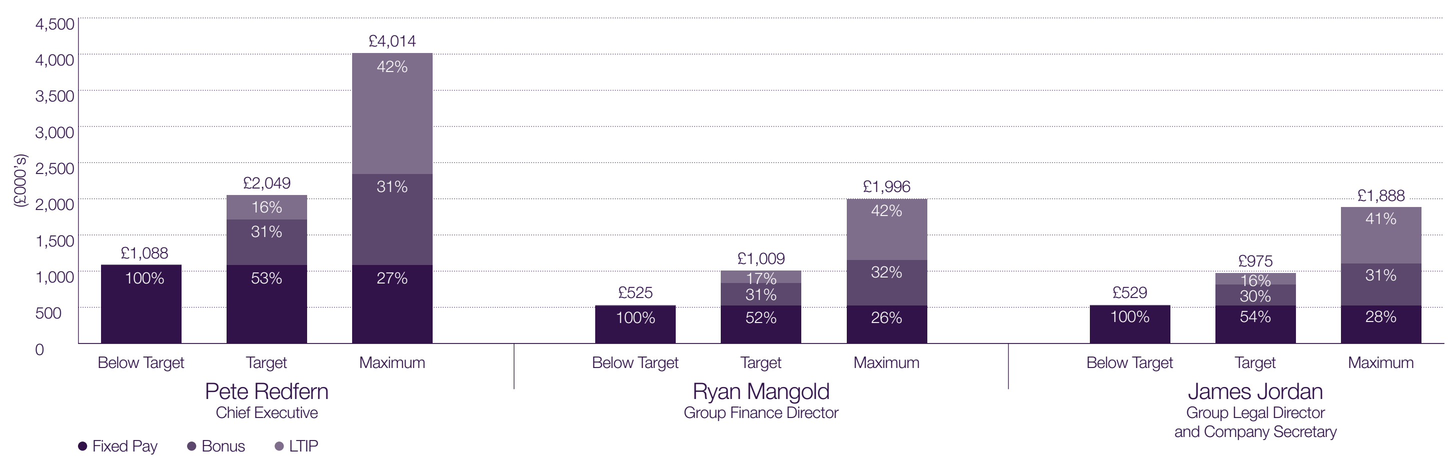
Element	Purpose and link to strategy	Operation	Maximum	Performance targets
Annual Bonus Scheme	Rewards the achievement of stretching objectives that support the Company's annual and strategic goals. Compulsory deferral in shares (with no matching) is designed to further align the interests of Directors with shareholders.	Bonus awards are determined by the Committee after the year end, based on annual performance against targets set at the beginning of each year. One-third of any bonus payable is deferred into shares for three years and held in trust. No further performance conditions apply. Dividends or other distributions will accrue in favour of participants during the three year deferral period and will be received with any shares that vest after the applicable deferral period. A malus and clawback mechanism applies to all participants in the event of a material misstatement of the Group's accounts and also for other defined reasons. The period of the clawback is three years from the date of payment. No element of the Annual Bonus Scheme is pensionable.	The maximum Annual Bonus Scheme opportunity for Executive Directors is set at 150% of base salary. Target is set at 75% of salary and threshold at 0%.	The Annual Bonus Scheme measures are based on a scorecard of designated key annual financial, operational and environmental measures and the measures for 2017 are described in the Annual Report on Remuneration. The Committee may vary the metrics and weightings from year to year according to strategy and the market, however financial measures will normally have the most significant weighting.
Long Term Incentive Plan (Existing Plan)	Annual grants of share-based long term incentives assist with retention and the incentivisation and motivation of senior executives to achieve returns for shareholders through the inclusion of relative Total Shareholder Return (TSR) as a measure, driving further UK operating margin progression and improving return on net operating assets through the cycle. The use of shares and a post-vesting shareholding period helps align the interests of senior executives with those of the Company's shareholders.	Executive Directors and other designated senior executives can receive annual awards of performance shares. Awards of performance shares provide alignment with shareholders as they deliver (subject to meeting performance conditions) the full value of the shares, which can increase and decrease over the three year performance period. Dividends or other distributions will accrue for Directors during the performance and holding periods and will be received with any shares that vest in favour of participants after the applicable performance period. Performance measures are currently measured over three financial years. A malus and clawback mechanism applies to all participants in the event of a material misstatement of the Group's accounts and also for other defined reasons. The period of the clawback is three years from the date of payment.	The maximum award (currently in performance shares) is normally over shares with a face value of 200% of base salary. In exceptional circumstances this can be increased up to 300%.	The targets and weightings for 2017 are described in the Annual Report on Remuneration. The Committee may vary the measures that are included in the plan and the weightings between the measures from year to year. Any changes to the metrics would be subject to prior consultation with the Company's major shareholders. Awards vest 20% for threshold performance and 100% for maximum performance with straight line vesting in between.
Pension	The Company aims to provide competitive retirement benefits that represent an appropriate level of cost and risk for the Group's shareholders[3].	Pension benefits for Executive Directors are provided through one or more of the following arrangements: – Personal Choice Plan[4]; – Taylor Wimpey Pension Scheme[5]; – or as cash allowances.	Pete Redfern: cash allowances of 20% of salary up to a scheme specific cap and 25% of salary above the cap. James Jordan: cash allowances of 20% of salary up to a scheme specific cap and 28% of salary above the cap. Ryan Mangold: 20% of salary, split between a cash allowance and Company pension contribution. Company contributions to any pension scheme in respect of the recruitment of a new Executive Director will not exceed 20% of base salary per annum, which is the Company contribution rate for senior management. A Salary Exchange Arrangement is available, allowing the sacrifice of a portion of salary, to be paid into a pension scheme as a Company contribution.	N/A

Element	Purpose and link to strategy	Operation	Maximum	Performance targets
All-employee share schemes	All employees including Executive Directors are encouraged to become shareholders through the operation of all-employee share plans such as the HMRC tax-advantaged Sharesave plan and a Share Incentive Plan (SIP).	The Sharesave plan and SIP have standard terms under which all UK employees with at least three months' service can participate.	Sharesave: Employees can elect for a savings contract of either three or five years, with a maximum monthly saving set by legislation or by HMRC. Options can be exercised during the six months following the end of the contract. SIP: Employees can elect to contribute an amount per month or per tax year by one or more lump sums. The maximum saving or contribution level is set by legislation or Government from time to time and the Committee reserves the right to increase contribution levels to reflect any approved Government legislative changes.	N/A
Shareholding guidelines	Encourages greater levels of shareholding and aligns employees' interests with those of shareholders.	Executive Directors and senior executives are expected to achieve and maintain a holding of the Company's shares at least equal to a significant proportion of their respective salary.	Executive Directors: 200% of salary (100% within five years of appointment and balance by agreement with the Chairman)[2].	N/A

1. The Company makes a contribution to the Chairman's office-related and other expenses, as reported on page 90.
2. Until the 200% target is achieved, an Executive Director will be required to retain in shares at least 50% of the net of taxes gain arising from any shares vesting or acquired pursuant to the performance share plan or other share based Long Term Incentive Plan.
3. Taylor Wimpey Pension Schemes – The Group has two principal UK pension schemes: Taylor Wimpey Personal Choice Plan and Taylor Wimpey Pension Scheme (TWPS). The latter was created on 7 March 2013 and all members of the George Wimpey Staff Pension Scheme and the Taylor Woodrow Group Pension & Life Assurance Fund, the two legacy defined benefit schemes, were transferred into the TWPS on 1 October 2013. Two Directors are members of the TWPS, which is closed to future accrual.
4. 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 two legacy defined benefit arrangements were invited to join the PCP when those arrangements closed to future accrual.
5. Taylor Wimpey Pension Scheme (TWPS) – Pete Redfern and James Jordan are members of the Executive section of the TWPS. They have a Normal Retirement Age under the TWPS of 62.

Performance criteria pay charts 2017

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



1. Salary is £836,118, £420,240 and £388,198 for Pete Redfern, Ryan Mangold and James Jordan, respectively with effect from 1 April 2017.
2. Benefits are £50,000, £21,000 and £44,000 for Pete Redfern, Ryan Mangold and James Jordan, respectively.
3. Pension is £201,500, £84,048 and £96,647 for Pete Redfern, Ryan Mangold and James Jordan, respectively.
4. For the Annual Bonus Scheme the target and maximum award is 75% and 150% of salary, respectively.
5. For performance share awards under the Long Term Incentive Plan (Existing Plan) the target (assumed for these purposes to be at threshold performance) and maximum are 40% and 200% of salary, respectively.

Committee discretion

The Committee fully recognises that the exercise of discretion must be undertaken in a very careful and considered way and that it is an area that will quite rightly come under scrutiny from shareholders and other stakeholders. It is however also important for the Committee to retain some discretion to make payments outside of its Remuneration Policy in exceptional circumstances. The Committee confirms that any exercise of discretion in such circumstances would be within the available discretions set out in this Report and that the maximum levels available under any relevant plans would not be exceeded.

With regard to the Annual Bonus Scheme and Performance Share Plan, the Committee, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of these plans but in all cases within the rules. These include (but are not limited to) the following matters (with the maximum level of award restricted as set out in the Policy table on pages 82 to 84):

- Who participates in the plans;
- The timing of grant of award and / or payment;
- The size of an award and / or a payment, subject to the limits of the rules;
- Discretion relating to the measurement of performance in the event of a change of control or reconstruction;
- Determination of a good leaver (in addition to any specified categories) for incentive plan purposes based on the rules of each plan and the appropriate treatment chosen;
- Discretion to dis-apply time pro-rating in the event of a change of control or good leaver circumstances;
- Adjustments required in certain circumstances (e.g. rights issues, corporate restructuring, acquisition, divestment, change of control, special dividend or a change in prevailing market conditions);
- The ability to adjust existing performance conditions for exceptional events so that they can still fulfil their original purpose; and
- Discretion to allow participants to sell, transfer, assign or dispose of some or all of their shares in exceptional circumstances before the end of the holding period, subject to such additional terms and conditions that as the Committee may specify.

How shareholder views are taken into account

The Remuneration Committee appreciates and considers very seriously all shareholder feedback received in relation to remuneration each year and guidance from shareholder representative bodies more generally. Shareholder views are key inputs when shaping the Remuneration Policy and the Committee welcomes any comment or feedback on any aspects of remuneration and will always consider and respond.

The Committee regularly engages with its largest shareholders regarding the ongoing Remuneration Policy and implementation and will take into account any feedback when determining any changes that might apply. The last such consultation took place in December 2016 and included the proposed new Remuneration Policy and the performance targets and weightings of the Annual Bonus Scheme and the Long Term Incentive Plan and salary proposals for 2017 to be proposed in line with the New Policy being submitted to shareholders at the forthcoming AGM.

The Committee follows the principles of good governance relating to Directors' remuneration as set out in the Main Principles, Supporting Principles and Code Provisions of the Code. The Committee reviews and takes into account any governance related developments and guidance that arise, on an ongoing basis.

How employees' voice is taken into account

The Committee supports and welcomes the 'employee voice' proposals currently under consideration by the Government and in anticipation of this, the Company is already putting in place a National Employee Forum (the 'NEF') which will work with members of the Group Management Team and build upon the existing regional Employee Consultative Committees. During 2017, the NEF will receive updates and provide feedback and input into specific matters such as remuneration, customer service and other important operational matters. It is intended that the Chairman and the Remuneration Committee Chairman will attend the NEF from time to time and also seek feedback on specific topics via the Group Legal Director and Company Secretary or other Group Management Team members as appropriate.

How performance measures were chosen

The performance metrics that are used for each of the short and long term incentive plans have been selected to reflect the Group's key strategic goals and are designed to align the Directors' interests with those of the Company's shareholders.

The Annual Bonus Scheme performance metrics include a mix of financial and non-financial metrics reflecting the key annual priorities of the Group. The financial metrics will generally determine at least 50% of the bonus and include profit before interest and tax as this reflects the Company's strategic objective to increase profit. The other financial metrics, selected on an annual basis, will be measurable and will ensure that executives are motivated to deliver across a scorecard of key objectives. The improvement of customer service remains an area of ongoing focus and the Remuneration Committee has therefore retained it as a challenging measure.

The performance conditions applicable to the Long Term Incentive Plan were selected by the Committee as they are consistent with the overall longer term success of the Company. TSR provides an external assessment of the Company's performance in two ways. Firstly, against its competitors via an unweighted industry peer group and secondly, relative TSR measured against an appropriate sector of the FTSE. The latter has progressed over recent years, in line with the improvement in the Company's share price and capitalisation, from the FTSE 250 for 2014 awards; through the 50 companies ranked immediately above and below the Company for 2015 awards; to the FTSE 100 for 2016 awards. It also aligns the rewards received by executives with the returns received by shareholders. The ROCE and Cash Conversion targets ensure that returns to shareholders and the generation of cash to fund them are the result of long term sustainable financial performance. PBIT Margin is a key indicator for investors and for the Company's strategy of driving margin rather than volume.

The Committee will review the choice of performance measures and the appropriateness of the performance targets each year. Targets are set based on a sliding scale that takes account of internal planning and external market expectations for the Company. Only a modest level of rewards are available for delivering threshold performance levels with maximum rewards requiring substantial out-performance of our challenging plans approved at the start of each year.

Additional information – performance metrics for 2017 awards

The Remuneration Committee reviewed the performance metrics and relative weightings for both the Annual Bonus Scheme (annual cash bonus plan) and the Existing Plan. Those for the Annual Bonus Scheme remain unchanged (save for amending the targets).

For the Existing Plan, the two TSR measures are retained, versus FTSE 100 and a peer group, and continue to aggregate 50% of the performance target, reflecting the importance of a direct link to shareholder interests. The ROCE and Cash Conversion targets are also retained, but with lower weightings of 20% (2016 award: 25%) and 15% (25%) respectively. This permits the addition of a fifth metric for 2017, namely, PBIT Margin, which is re-introduced at 15% of the award, having been replaced for the past two years by Cash Conversion. Margin remains a key indicator for investors and directly links to the Company's strategy of driving margin rather than volume.

External Non Executive Director positions

Subject to Board approval and provided that such appointments fall within the general requirements of the Code (and do not give rise to any conflict issues which cannot be managed by the Board and the Executive Director), Executive Directors are permitted to take on non executive positions with other companies. Executive Directors are permitted to retain their fees in respect of such positions. Any such appointments would be the subject of a public announcement to the London Stock Exchange.

Pete Redfern is an independent non executive director on the Board of Travis Perkins plc where he also serves on its Remuneration and Stay Safe Committees. His current fees total £57,000 per annum (2015: £57,000).

Remuneration Policy for the wider workforce

When setting the policy for Executive Directors, the Committee is made fully aware of pay structures across the workforce. In addition, the Committee will conduct a formal review of remuneration across the Group and for all levels of employee every three years. This review now coincides with the work that is undertaken in connection with the renewal of the three year Remuneration Policy.

Virtually all of the Company's employees participate in incentive arrangements. Many employees can elect to take their performance-related payment in shares rather than cash, further enhancing the link and alignment between shareholder value and employee reward throughout the Company, which both the Company and the Committee remain keen to promote.

The Company also offers both Sharesave and SIP schemes to all eligible UK employees with more than three months' service.

In the past, the Company also operated the Land Value Plan (LVP) for senior divisional and functional roles with payouts in shares. The LVP operated from 2012 to 2014 with awards made to participants in each year and was open to designated senior executives below Executive Director level. It was designed to reward participants for managing the landbank in a way which added 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 was measured over a three year period and awards to senior participants were in shares which were required to then be retained for 12 months. The LVP addressed a strategic imperative for the period in question and has now been withdrawn, with participants instead considered for full participation in the Performance Share Plan. No Executive Director participated in the LVP.

Remuneration Policy on recruitment or promotion

Base salary levels will be set in accordance with the Current Policy, taking into account the experience and calibre of the individual. Where appropriate, the Company may offer a below market salary initially with a view to making above market and workforce increases over a number of years to reach the desired salary positioning, subject to individual and Company performance. Benefits and pension will be provided in line with those offered to other Executive Directors, with relocation expenses / arrangements provided for if necessary. Tax equalisation may also be considered if an executive is adversely affected by taxation due to their employment with the Company. Legal fees and other costs incurred by the individual may also be paid by the Company, if considered appropriate and reasonable to do so.

The variable pay elements that may be offered will be subject to the maximum levels described in the policy table on pages 82 to 84. The Company may also apply different performance measures if it feels these appropriately meet the strategic objectives and aims of the Company whilst incentivising the new appointment.

The above policy applies to both an internal promotion to the Taylor Wimpey plc Board or an external hire.

In the case of an external hire, the Company may choose to buy-out any incentive pay or benefit arrangements which would be forfeited on leaving the previous employer. This will only occur where the Company feels that it is a necessary requirement to aid the recruitment. The replacement value would be provided for, taking into account the form (cash or shares) and timing and expected value (i.e. likelihood of meeting any existing performance criteria) of the remuneration being forfeited. Replacement share awards, if used, will be granted using Taylor Wimpey's existing share plans wherever and to the extent possible, although in exceptional circumstances awards may also be granted outside of these schemes if necessary and as permitted under the Listing Rules. To ensure alignment from the outset with shareholders, malus and clawback provisions may also apply where appropriate and the Committee may require new directors to acquire Company shares up to a pre-agreed level. Shareholders will be informed of any buy-out payments at the time of appointment.

In the case of an internal hire including a promotion, as previously reported, the Company will honour any commitments entered into prior to their appointment to the Board even where it is not consistent with the Policy prevailing at the time such commitment is fulfilled.

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. This meets the requirements of the UK Corporate Governance Code. 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 Annual General Meeting.

Each of the Executive Directors' service contracts provides for:

- The payment of a base salary (details of which are set out on page 88);
- An expensed Company-provided car or a cash allowance in lieu; a fuel allowance; life assurance; and private medical insurance (details of which are set out on page 90);
- Employer's contribution to a pension scheme (details of which are set out on page 90);
- A notice period by either side of 12 months;
- A provision requiring a Director to mitigate losses on termination.

The service contract for each of Pete Redfern and James Jordan additionally provides for a pension allowance.

Each service contract contains the following performance-related provisions:

- Participation in the Annual Bonus Scheme; and
- Participation in one or more long term incentive plan.

The Company has the right to terminate contracts by making a payment in lieu of notice. Any such payment will typically reflect the individual's salary, bonus, entitlement, benefits in kind and pension entitlements. The Company will be mindful, on termination of an Executive Director's employment, of the need to mitigate costs and phase payments, which cease when the individual obtains an alternative role. There are no change of control provisions that apply in relation to the service contract of any Executive Director.

Other than in certain 'good leaver' circumstances (including, but not limited to, redundancy, ill-health or retirement), no payment would usually be due under the Annual Bonus Scheme unless the individual remains employed and is not under notice at the payment date. Any payment to a 'good leaver' under the Annual Bonus Scheme would be based on an assessment of their and the Company's performance over the applicable period and pro-rated for the proportion of the Annual Bonus Scheme year worked.

Where an Executive Director is considered by the Remuneration Committee to be a good leaver, deferred bonus awards (shares) would vest. In other circumstances, awards would lapse.

With regard to long term incentive plan awards, the rules of the Performance Share Plan provide that other than in certain 'good leaver' circumstances, awards lapse on cessation of employment. Where an individual is a 'good leaver', the Committee's normal policy is for the award to vest on cessation of employment following the application of performance targets no later than the normal vesting date of the award and a pro-rata reduction to take account of the proportion of the applicable performance period outstanding post the cessation. The Committee has discretion to deem an individual to be a 'good leaver'. The Committee also has discretion for both early vesting and reducing the impact of pro-rating. In doing so, it will take account of the reason for the departure and the performance of the individual through to the time of departure.

In situations where an Executive Director is dismissed, the Committee reserves the right to make additional exit payments where such payments are made in good faith:

- In discharge of an existing legal obligation (or by way of damages for breach of such an obligation);
- By way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment; or
- Consistent with market practice to contribute towards the individual's legal fees and fees for outplacement services.

The terms of engagement of the Chairman and the Non Executive Directors are regulated by letters of appointment over a term of three years, which are reviewed annually. Both the Company and the aforementioned Directors have a notice period of six months and the Directors are not entitled to compensation on termination other than for the normal notice period if not worked out.

All Executive Directors are proposed for election or re-election at the 2017 Annual General Meeting and each will have at that date an unexpired service contract term of one year.

Service contracts and letters of appointment may be inspected at the Company's Registered Office during normal business hours.

Legacy arrangements

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

Annual Report on Remuneration Unaudited information

This part of the Report has been prepared in accordance with Part 3 of the revised Schedule 8 set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), and 9.8.6R/9.8.8 of the Listing Rules. This Annual Report on Remuneration will be put to an advisory shareholder vote at the 2017 AGM. The information in the Implementation of the Remuneration Policy during 2016 section on pages 90 to 96 has been audited.

Remuneration Committee

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 strategic business priorities within a remuneration framework which is aligned with the interests of our shareholders and thus designed to promote the long term success of the Company.

The Remuneration Committee has clearly defined terms of reference which are available on the Company's website at www.taylorwimpey.co.uk/corporate/investor-relations/corporate-governance. The Committee's main responsibilities are to:

- Establish and maintain formal and transparent procedures for developing policy on executive remuneration and for determining 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.
- Select and appoint the external advisers to the Committee.

The Committee currently comprises three Independent Non Executive Directors and also the Chairman of the Board. Kate Barker is the Committee Chairman and the other members of the Committee are Kevin Beeston, Angela Knight and Rob Rowley. Membership of the Committee is, and was throughout 2016, in line with the Code. Kate Barker joined the Committee on 17 April 2015 and was appointed Chairman on 1 June 2016 in place of Margaret Ford who stood down from the Board on 1 November 2016. Angela Knight was appointed to the Committee with effect from 1 November 2016.

Details of attendance at Remuneration Committee meetings held during 2016 appear on page 78.

No Director or other executive is involved in any decisions about his or 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, part of Aon PLC.

New Bridge Street is a signatory to the Remuneration Consultants' Group Code of Conduct. It provides no other services to the Company. Although the wider Aon PLC group of companies provide insurance broking and (until 27 March 2017) pension administration support services to the Company, the Committee is entirely satisfied that the provision of such services does not create any conflicts of interest. New Bridge Street was appointed in February 2009 following a comprehensive tendering process. The Committee reviews the performance and independence of its advisers on an annual basis and is satisfied that the advice provided is objective and independent.

The Committee also receives legal advice from Slaughter and May, the Company's solicitors, as and when necessary. This generally relates to technical advice on share schemes and also with regard to any senior appointments and termination arrangements. The Committee is satisfied that the advice provided by Slaughter and May is objective and independent.

The fees paid to the Committee's advisers in 2016 were: New Bridge Street £99,470 (2015: £88,000) representing a full year's appointment. No significant amount of advice was sought from Slaughter and May during the year.

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

Chairman and Non Executive Directors

The terms of engagement of the Chairman and the Non Executive Directors 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
Mike Hussey	1 July 2011	30 June 2011	3 years, reviewed annually	6	6
Angela Knight	1 November 2016	1 November 2016	3 years, reviewed annually	6	6
Rob Rowley	1 January 2010	1 December 2009	3 years, reviewed annually	6	6
Humphrey Singer	9 December 2015	9 December 2015	3 years, reviewed annually	6	6

How the Remuneration Policy will be applied in 2017

Base Salary

The Committee reviewed the Executive Directors' salaries in February 2017 and has decided to award increases of 2% for each Executive Director, with effect from 1 April 2017, in line with the equivalent general increase made to all employees (subject to a very small number of performance related exceptions).

The salaries of the Executive Directors effective from 1 April 2017 will be as follows:

Name	Salary at 1 April 2016	Salary at 1 April 2017	Increase
Pete Redfern	£819,724	£836,118	2%
Ryan Mangold	£412,000	£420,240	2%
James Jordan	£380,586	£388,198	2%

Annual Bonus Scheme

The Annual Bonus Scheme performance metrics and their weightings for 2017 are shown in the table below. The precise details of the targets themselves are deemed to be commercially sensitive as they relate to the current financial year. However, detailed retrospective disclosure of the targets and performance against them will be provided in next year's Remuneration Report in the usual way.

Measure	Strategic objective	Weighting
Group EBIT	To increase profit	40%
Cash conversion	Delivering sustainable growth	20%
ROCE	Driving capital efficiency	20%
Customer service	Caring about our customers	20%

The above metrics and weightings are unchanged from the previous year and reflect the Group's continuing focus on the key performance areas of earnings; cash generation; returns; and further improving customer services. The Committee believes that these targets remain testing, as evidenced by the performance outturn for 2016 of 80%.

ROCE is Return on Net Operating Assets calculated as operating profit divided by the average of the opening and closing net operating assets, which is in turn, defined as capital employed plus intangibles less tax balances ('ROCE').

Long Term Incentive Plans

Taylor Wimpey Performance Share Plan (PSP)

In accordance with the proposed New Policy and subject to shareholder approval of the New Plan at the 2017 AGM, long term incentives will only comprise a PSP award with a maximum award of 200% of base salary (or 300% in exceptional circumstances). The annual awards granted to Executive Directors in 2017 will be made under the Existing Performance Share Plan and will be subject to the following performance conditions:

	Weighting (% of total award)	Below threshold (0% vesting)	Threshold (20% vesting)	Maximum (100% vesting)
TSR v Direct Peer Group Index	30%	Below Index	Equal to Index	Index + 8% p.a.
TSR v FTSE100	20%	Less than median	Median	Upper Quartile
Absolute ROCE in 2019	20%	Less than 26%	26%	30%
PBIT Margin in 2019	15%	Less than 20%	20%	22%
Conversion of operating profit into operating cash flow averaged over a three year performance period (2017-2019)	15%	Less than 65%	65%	75%

Awards vest on a straight line basis between these points. The Direct Peer Group Index of housebuilders is an unweighted index comprised of Barratt Developments, Bellway, Berkeley Homes, Bovis Homes Group, Countryside Properties, Crest Nicholson, Galliford Try, Persimmon and Redrow. The ROCE targets are based on the absolute ROCE in 2019. In order to reflect the improving ROCE of the business, the 2017 ROCE targets will be increased for a second year (from 18% to 26% for the 2016 awards to 26% to 30% for the 2017 awards). As explained on page 80, PBIT Margin will be reintroduced (having been replaced in 2015 and 2016 by Cash Conversion) with a weighting of 15%. To enable this to be done, Cash Conversion will have a reduced weighting (from 25% to 15%) and ROCE will have a reduced weighting (from 25% to 20%).

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. This will include inter alia the Company's ROCE and Margin performance.

The Committee also retains the right (as part of its overall discretion) to reduce the vesting of the award if it considers that volumes (i.e. the number of homes sold) have not been satisfactory during the relevant performance period.

Dividend equivalents and other distributions will accrue on all awards during the performance period and holding period and then be released in cash when, and to the extent that, the relevant awards vest.

Non Executive Directors' and Chairman's fees

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. The fees of the Chairman are determined by the Remuneration Committee in his absence. A summary of the current fees is set out below. The fees of the Chairman and the Non Executive Directors are reviewed every other year with any increases taking place with effect from 1 July. The fees of the Non Executive Directors were reviewed in June 2016 (after having remained unchanged since 2013). After taking into account the independent advice received from New Bridge Street, it was agreed that the basic Non Executive Director fee would increase from £55,000 to £60,000 with effect from 1 July 2016:

	Annual Fees as at 1 April 2016	Annual Fees as at 1 April 2017
Chairman	£295,000	£295,000
Basic Non Executive Director fee	£55,000	£60,000
Senior Independent Director fee	£10,000	£10,000
Audit Committee Chairman	£15,000	£15,000
Remuneration Committee Chairman	£15,000	£15,000

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

The Chairman and the Non Executive Directors at the 2017 AGM will each have an unexpired service contract term of six months.

Payments to former Directors

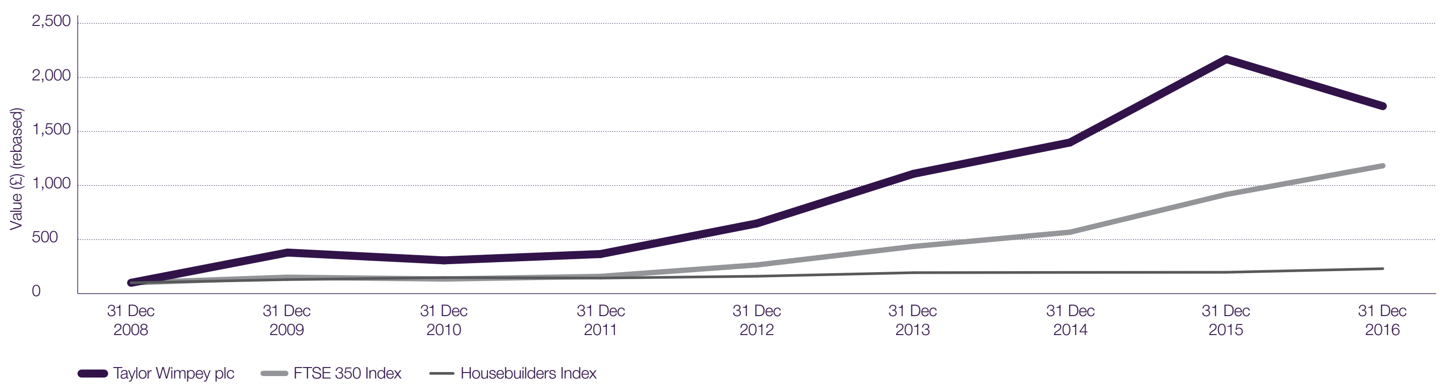
There were no payments to former Directors or payments for loss of office to Directors during 2016.

Implementation of the Remuneration Policy during 2016

Performance graph (unaudited)

This graph shows the value, by 31 December 2016, of £100 invested in Taylor Wimpey plc on 31 December 2008 compared with the value of £100 invested in the FTSE 350 and in the average of the housebuilder index introduced for the 2012 Performance Share Plan awards onwards and as varied subsequently for the 2014 awards onwards.

Total shareholder return



Chief Executive remuneration (unaudited)

The table below shows the total remuneration figure for the Chief Executive over the same eight year period as is reflected in the TSR graph on page 89. The total remuneration figure includes the Annual Bonus Scheme and LTIP awards which vested based on performance in those years. The Annual Bonus Scheme and LTIP percentages show the payout for each year as a percentage of the maximum.

	Year ending 31 December							
	2009	2010	2011	2012	2013	2014	2015	**2016**
Total Remuneration (£'000)	£1,657	£1,542	£1,674	£3,009	£6,724	£6,250[(a)]	£6,888[(b) (c)]	**£3,764**
Annual Bonus Scheme (%)[(d)]	100%	85%	82%	95%	90%	90%	78%	**80%**
LTIP vesting (%)	0%	0%	0%	40%	85%	94%	100%	**81%**

(a) As the 2012 PSP award did not vest until March 2015, the final value of the ROCE and Margin elements of this award were not known at the time the 2014 report was prepared and therefore an estimate of the share price at vesting was used. The 2014 single figure includes £2,402,000 in respect of the ROCE and Margin elements of the 2012 PSP award and £1,613,115 in respect of the TSR elements of the 2011 PSP award (as TSR was measured from date of grant for the 2011 and 2012 PSP awards).

(b) The 2015 single figure includes £2,143,460 in respect of the ROCE and Margin elements of the 2013 PSP award, £1,488,085 in respect of the TSR elements of the 2012 PSP award (as TSR was measured from date of grant for the 2012 PSP award); and £1,428,977 in respect of the TSR elements of the 2013 PSP award (as TSR was measured from 1 January 2013 for the 2013 PSP award).

(c) The 2015 figure has been restated using the actual share price on the date of vesting – 1 March 2016 (187.2p).

(d) A portion of the Annual Bonus is deferred into shares each year as stated on page 90.

(e) In order to show a more meaningful comparison of the total figures, the chart included in the Chairman's letter on page 80 only includes the 2013 PSP award that vested in the 2015 figure but no part of the 2012 PSP award.

Audited information

Director emoluments

£'000	Year	Fees & Salary	Benefits[(a)]	Annual Bonus Scheme[(c)]	LTIP[(d)]	Pension[(e)]	All employee schemes[(f)]	**Total**
Executive								
Pete Redfern	2016	814	50	984	1,698	196	22	**3,764**
	2015	790	47	931	4,930	190	–	6,888
Ryan Mangold	2016	409	21	494	782	82	7	**1,795**
	2015	389	21	468	2,089	78	–	3,045
James Jordan	2016	378	44	457	788	94	24	**1,785**
	2015	367	43	432	2,289	91	–	3,222
Non Executive								
Kevin Beeston[(b)]	2016	295	1	–	–	–	–	**296**
	2015	271	1	–	–	–	–	272
Kate Barker	2016	66	–	–	–	–	–	**66**
	2015	55	–	–	–	–	–	55
Mike Hussey	2016	58	–	–	–	–	–	**58**
	2015	55	–	–	–	–	–	55
Angela Knight (appointed 1 November 2016)	2016	10	–	–	–	–	–	**10**
	2015	–	–	–	–	–	–	–
Rob Rowley	2016	83	–	–	–	–	–	**83**
	2015	80	–	–	–	–	–	80
Humphrey Singer (appointed 9 December 2015)	2016	58	–	–	–	–	–	**58**
	2015	3	–	–	–	–	–	3
Margaret Ford (resigned 1 November 2016)	2016	54	–	–	–	–	–	**54**
	2015	70	–	–	–	–	–	70
	2016	**2,225**	**116**	**1,935**	**3,268**	**372**	**53**	**7,969**
	2015	2,080	112	1,831	9,308	359	–	13,690

(a) Benefits include non-cash payments such as private medical insurance, life insurance, company car provision, fuel allowances, and cash payments such as car allowance taken in lieu of a car.

(b) The Company also paid £nil (2015: £2,000) as a contribution towards the Chairman's annual office and related administration costs incurred in carrying out his role.

(c) One-third of any bonus payable is deferred into shares for three years. No further performance conditions apply.

(d) This column shows the vesting during 2016 and 2015 of LTIPs as set out in the table at the top of page 92 and includes the dividends accrued during the performance period and payable on vesting. The 2015 figures have been restated using the actual share price when the award vested on 1 March 2016.

(e) These figures represent the cash allowances payable as described in the Remuneration Policy 'Pension' section. For Pete Redfern this is 20% of salary up to a scheme specific cap (notional earnings cap) and 25% of salary above the cap; for Ryan Mangold this is 20% of salary, split between a cash allowance and Company pension contribution as reported in Non-Group Pension Arrangements on page 96; and for James Jordan this is 20% of salary up to a scheme specific cap (notional earnings cap) and 28% of salary above the cap.

(f) These figures represent the value of the 20% discount on the Sharesave option price, matching shares under the Share Incentive Plan and the payment of Special Dividend accrued on Sharesave Options exercised by Pete Redfern, Ryan Mangold and James Jordan during 2016 and grossed-up for Income Tax and National Insurance.

(g) The fees of the Non Executive Directors were increased by £5,000 per annum (2015: £0) with effect from 1 July 2016 as reported on page 89.

LTIP awards included in 2015 single figure

LTIP award	Performance target	Weighting	% Vesting (max 100%)	Date of end of performance period	Date of vesting	Share price at vesting (pence)
2012 PSP	TSR FTSE	20%	100%	04/03/2015	05/03/2015	149.0
	TSR Peer Group	20%	71.8%	04/03/2015	05/03/2015	149.0
2013 PSP[a]	TSR FTSE	20%	100%	31/12/2015	01/03/2016	187.2[a]
	TSR Peer Group	20%	100%	31/12/2015	01/03/2016	187.2[a]
	ROCE	30%	100%	31/12/2015	01/03/2016	187.2[a]
	Margin	30%	100%	31/12/2015	01/03/2016	187.2[a]

(a) The share price shown is the closing middle market share price on the date of vesting – 1 March 2016. See note (a) on page 90 for an explanation on why more than one year of LTIP awards has been included in the single figure.

LTIP awards included in 2016 single figure

LTIP award	Performance target	Weighting	% Vesting (max 100%)	Date of end of performance period	Date of vesting	Share price at vesting (pence)
2014 PSP[a]	TSR FTSE	20%	100%	31/12/2016	04/03/2017	148.98[a]
	TSR Peer Group	30%	36.5%	31/12/2016	04/03/2017	148.98[a]
	ROCE	25%	100%	31/12/2016	04/03/2017	148.98[a]
	Margin	25%	100%	31/12/2016	04/03/2017	148.98[a]

(a) The share price shown is the average of the share prices for the dealing days in the last three months (October to December 2016).

Annual Bonus Scheme in respect of 2016

For 2016, the Committee measured performance against each individual performance target, which is directly linked to the achievement of the Company's strategy, as described in more detail on page 88, as follows:

Measure	Strategic objective	Weighting	Summary of targets	Result	% of maximum	% of salary paid in cash	% of salary deferred in shares
EBIT	To increase aggregate profit	40%	Entry (10% vesting) £704m	£764m	40	26.67	13.33
			Target (50% vesting) £729m				
			Stretch (100% vesting) £754m				
ROCE	Driving capital efficiency	20%	Entry (10% vesting) 27.5%	30.7%	20	13.33	6.67
			Target (50% vesting) 28.5%				
			Stretch (100% vesting) 29.5%				
Cash conversion	Driving increased cash generation and retention as a proportion of PBIT	20%	Entry (10% vesting) 60%	81.4%	20	13.33	6.67
			Target (50% vesting) 62.5%				
			Stretch (100% vesting) 67.5%				
Customer Service	Improving and delivering customer service	20%	Entry (10% vesting) 83%	75.8%	0	0	0
			Target (50% vesting) 86%				
			Stretch (100% vesting) 89%				
Total		**100%**			**80**	**53.33**	**26.67**

The amounts paid to Pete Redfern, Ryan Mangold and James Jordan in respect of 2016 are set out in the remuneration table on page 90.

Vesting of long term incentive awards in 2016

The performance period for all elements of the 2014 award ended on 31 December 2016 and the final measurement was undertaken based on this date, with the performance outcome being independently calculated by New Bridge Street and as part of the overall audit process.

The outcomes were as follows:

Award	Measure	Weighting	Vesting scale	Performance achieved	% of this award vesting
4 March 2014[a]	TSR FTSE[b]	20%	No vesting below median, 20% vests at median, 100% vests at upper quartile. Pro-rata vesting in between	48th out of 250	100%
	TSR Peer[c] Group	30%	No vesting below median, 20% vests at Index TSR, 100% vests at Index TSR + 8% p.a. (multiplicative). Pro-rata vesting in between	47% above Peer Group index	36.5%
	ROCE[a]	25%	No vesting below median, 20% vests at 10% ROCE, 100% vests at 20% ROCE. Pro-rata vesting in between	30.6%	100%
	Margin[a]	25%	No vesting below median, 20% vests at 14% margin, 100% vests at 18.5% margin. Pro-rata vesting in between	20.8%	100%

(a) All outcomes are as at 31 December 2016.

(b) Median target is 104 ranking and upper quartile target is 52.25 ranking as averaged for dealing days in last three months of the performance period ended 31 December 2016.

(c) Median is placing 48.9% and upper quartile is placing 87.6% as averaged for dealing days in last three months of the performance period ended 31 December 2016.

In deciding whether, and to what extent, any vesting of awards should take place under any LTIP, the Committee also considers the overall financial performance of the Company during the period. The Committee has determined that the overall financial performance of the Company has been strong in respect of the performance periods of the above LTIPs and therefore determined that the 2014 LTIP should vest at 80.95% based on the achievement of three performance measures in full and one measure (TSR Peer Group) in part, as set out in the table above.

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

	2016	2015	Change (%)
Profit before tax, interest and exceptional items	**£764.3m**	£637.0m	20.0
Dividends paid per ordinary share	**12.02p**	9.35p	28.6
– interim 2016 / interim 2015 (0.53p / 0.49p)			
– final 2016 / final 2015 (2.29p / 1.18p)			
– special 2016 / special 2015 (9.2p / 7.68p)			
Employee pay in aggregate (see Note 7 to the financial statements)	**£200.6m**	£195.4m	2.7
Employee pay average per employee (see Note 7 to the financial statements)	**£38,422**	£37,191	3%

Change in Chief Executive pay compared to Taylor Wimpey employees (unaudited)

The table below shows the percentage year-on-year change in salary, benefits and annual bonus earned between 2015 and 2016 for the Chief Executive compared to the average pay of Taylor Wimpey employees during the year.

	Salary	Benefits	Annual Bonus Scheme
Pete Redfern	3.0%	6.4%	2.6%
Average pay of Taylor Wimpey employees	3.0%	3.0%	6%

Directors' share-based rewards and options

Performance awards were made in the year under the TWPSP scheme as summarised below:

	Award	Type	Number of shares	Face value (% of salary)	Performance conditions	Performance period	% vesting at threshold performance
Pete Redfern	TWPSP	Nil cost options	888,720	£1,591,698 (200%)	25% on ROCE; 25% on cash conversion; 20% on TSR v FTSE100; 30% on TSR v Peer Group index	01/01/2016 – 31/12/2018	20%
Ryan Mangold	TWPSP	Nil cost options	446,677	£799,999 (200%)	As above	As above	As above
James Jordan	TWPSP	Nil cost options	412,619	£739,001 (200%)	As above	As above	As above

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

Pete Redfern

Plan	Outstanding shares at 1 January 2016	Granted/ Awarded in 2016 (number)	Dividend re-investment shares added during 2016 (number)	Exercised/ vested (number)	Lapsed (number)	Outstanding shares as at 31 December 2016	Exercise price (pence)	Market price on exercise (pence)	Date of grant	Date from which exercisable/ capable of vesting	Expiry date
Deferred Shares (Annual Bonus Scheme)[a]	269,339	–		269,339	–	–	–	206.0	25.03.13	26.03.16	25.09.16
Deferred Shares (Annual Bonus Scheme)[a]	315,024	–	22,736	–	–	337,760	–	–	25.03.14	26.03.17	25.09.17
Deferred Shares (Annual Bonus Scheme)[a]	232,967	–	16,815	–	–	249,782	–	–	25.03.15	26.03.18	25.09.18
Deferred Shares (Annual Bonus Scheme)[a]	–	163,358[b]	11,788	–	–	175,146	–	–	24.03.16	25.03.19	24.09.19
Performance Share Plan[c]	1,859,095	–	–	1,859,095	–	–	–	186.6	06.03.13	06.03.16[e]	05.09.16
Performance Share Plan[c]	1,222,746	–	–	–	–	1,222,746[i]	–	–	04.03.14	04.03.17[e]	03.09.17
Performance Share Plan[c]	1,035,958	–	–	–	–	1,035,958	–	–	09.03.15	09.03.18[d]	08.09.18
Performance Share Plan[c]	–	888,720[f]	–	–	–	888,720	–	–	07.03.16	07.03.19[d]	06.09.19
Sharesave Plan[a]	63,331	–	–	63,331	–	–	24.04[h]	149.7	11.10.11	01.12.16	31.05.17
Sharesave Plan[a]	10,000	–	–	–	–	10,000	90.00[h]	–	07.10.14	01.12.17	31.05.18
Total	**5,008,460**	**1,052,078**	**51,339**	**2,191,765**	**–**	**3,920,112**					

Ryan Mangold

Plan	Outstanding shares at 1 January 2016	Granted/ Awarded in 2016 (number)	Dividend re-investment shares added during 2016 (number)	Exercised/ vested (number)	Lapsed (number)	Outstanding shares as at 31 December 2016	Exercise price (pence)	Market price on exercise (pence)	Date of grant	Date from which exercisable/ capable of vesting	Expiry date
Deferred Shares (Annual Bonus Scheme)[a]	116,078	–	–	116,078	–	–	–	189.8	25.03.13	26.03.16	25.09.16
Deferred Shares (Annual Bonus Scheme)[a]	145,039	–	10,468	–	–	155,507	–	–	25.03.14	26.03.17	25.09.17
Deferred Shares (Annual Bonus Scheme)[a]	107,260	–	7,741	–	–	115,001	–	–	25.03.15	26.03.18	25.09.18
Deferred Shares (Annual Bonus Scheme)[a]	–	82,105[b]	5,926	–	–	88,031	–	–	24.03.16	25.03.19	24.09.19
Performance Share Plan[c]	801,224	–	–	801,224	–	–	–	186.6	06.03.13	06.03.16[e]	05.09.16
Performance Share Plan[c]	562,963	–	–	–	–	562,963[i]	–	–	04.03.14	04.03.17[e]	03.09.17
Performance Share Plan[c]	476,965	–	–	–	–	476,965	–	–	09.03.15	09.03.18[d]	08.09.18
Performance Share Plan[c]	–	446,677[f]	–	–	–	446,677	–	–	07.03.16	07.03.19[d]	06.09.19
Sharesave Plan[a]	10,623	–	–	10,623	–	–	84.72[h]	149.7	08.10.13	01.12.16	31.05.17
Sharesave Plan[a]	10,000	–	–	–	–	10,000	90.00[h]	–	07.10.14	01.12.17	31.05.18
Sharesave Plan[a]	–	6,876[g]	–	–	–	6,876	130.88[h]	–	05.10.16	01.12.19	31.05.20
Total	**2,230,152**	**535,658**	**24,135**	**927,925**	**–**	**1,862,020**					

James Jordan

Plan	Outstanding shares at 1 January 2016	Granted/ Awarded in 2016 (number)	Dividend re-investment shares added during 2016 (number)	Exercised/ vested (number)	Lapsed (number)	Outstanding shares as at 31 December 2016	Exercise price (pence)	Market price on exercise (pence)	Date of grant	Date from which exercisable/ capable of vesting	Expiry date
Deferred Shares (Annual Bonus Scheme)[a]	125,051	–	–	125,051	–	–	–	189.8	25.03.13	26.03.16	25.09.16
Deferred Shares (Annual Bonus Scheme)[a]	146,262	–	10,555	–	–	156,817	–	–	25.03.14	26.03.17	25.09.17
Deferred Shares (Annual Bonus Scheme)[a]	108,163	–	7,808	–	–	115,971	–	–	25.03.15	26.03.18	25.09.18
Deferred Shares (Annual Bonus Scheme)[a]	–	75,844[b]	5,473	–	–	81,317	–	–	24.03.16	25.03.19	24.09.19
Performance Share Plan[c]	863,151	–	–	863,151	–	–	–	186.6	06.03.13	06.03.16[e]	05.09.16
Performance Share Plan[c]	567,703	–	–	–	–	567,703[i]	–	–	04.03.14	04.03.17[e]	03.09.17
Performance Share Plan[c]	480,980	–[g]	–	–	–	480,980	–	–	09.03.15	09.03.18[d]	08.09.18
Performance Share Plan[c]	–	412,619[f]	–	–	–	412,619	–	–	07.03.16	07.03.19[d]	06.09.19
Sharesave Plan[a]	63,331	–	–	63,331	–	–	24.04[h]	149.7	11.10.11	01.12.16	31.05.17
Sharesave Plan[a]	10,000	–	–	–	–	10,000	90.00[h]	–	07.10.14	01.12.17	31.05.18
Sharesave Plan[a]	–	6,876[g]	–	–	–	6,876	130.88[h]	–	05.10.16	01.12.19	31.05.20
Total	**2,364,641**	**495,339**	**23,836**	**1,051,533**	–	**1,832,283**					

Details of options over shares held by Directors who served during the year:
(a) Vesting is not dependent on any performance conditions.
(b) Market value per share on date of grant 24 March 2016 was 186.8 pence.
(c) Vesting is subject to the achievement of performance conditions.
(d) Or later publication of the preliminary full year or half year results announcement on which the associated performance condition will be calculated.
(e) At later publication of the preliminary full year or half year results announcement on which the associated performance condition will be calculated.
(f) Market value per share on date of grant 7 March 2016 was 175.9 pence.
(g) Market value per share on date of the grant 5 October 2016 was 155.4 pence.
(h) These prices represent a 20% discount to market price at the offer date.
(i) A proportion of the award (19.05%) will lapse, representing 232,933, 107,244 and 108,147 shares respectively for Pete Redfern, Ryan Mangold and James Jordan.

Vesting will be 20% for the 2016 award (2015 award: 20%) for threshold performance (50th percentile for TSR for FTSE Group, Index TSR for Housebuilder Index; 18% ROCE (2015 award: 16%); 65% cash conversion (2015 award: 65%)) (and 100% (2015 award: 100%) for upper quartile performance (75th percentile for TSR vs FTSE Group; index + 8% p.a. (multiplicative) for Housebuilder Index, 26% ROCE (2015 award: 24%); 65% cash conversion (2015 award: 70%)) with straight line vesting between these two thresholds.

There have been no variations to the terms and conditions or performance criteria for outstanding share awards during the financial year. The market price of the ordinary shares on 31 December 2016 was 153.5 pence and the range during the year was 115.8 pence to 210.3 pence. Details of any share awards made to Executive Directors during 2017 will be included in the 2017 Remuneration Report.

Directors' interests in shares of the Company

Share ownership guidelines

These Taylor Wimpey share ownership guidelines are designed to encourage greater levels of shareholding by executives at various levels within the Company for the purpose of alignment with the Company's shareholders which the Committee strongly believes is very important. The guidelines cover the Executive Directors and those executives who participate in long term incentive plans with all participating executives required to build up shareholdings through the retention of shares vesting under the Company's share plans.

The level of shareholding for Executive Directors to attain is two times base salary. Executive Directors are expected to achieve a holding equivalent to one times base salary within five years of their appointment and although there will be no set time limit for achieving a two times salary holding, each Executive Director is required to agree a personal plan with the Chairman on the target to be achieved within an agreed time frame. Executive Directors are also 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 Plans, until such time as the guidelines have been met. Only beneficially owned shares count toward the guidelines, thus the Executive Directors' deferred portion of Annual Bonus Scheme vestings are excluded. Members of the Group Management Team (GMT) and other designated executives are currently expected to maintain a shareholding generally in direct proportion to their level of participation in the Company's discretionary share plans. Each participant will be required to retain at least 50% of shares vesting or acquired net of taxes pursuant to the Company's Long Term Incentive Plans until such guidelines are met. The Committee will keep the guidelines under regular review.

As mentioned earlier in this Report, any shares that vest under the 2014 PSP award must, as a standard requirement, be retained by executives for at least 12 months and for at least 24 months under later awards. 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.

Directors' interests in 1p ordinary shares held (fully paid) ordinary shares are as set out in the table below:

	Beneficially owned		Outstanding interests in share plans				Share interests expressed as a percentage of salary			
Director	at 1/1/16 (ordinary shares)[a][e]	at 31/12/16 (ordinary shares)[e]	Annual Bonus Scheme[b]	TWPSP	TWSOP	Sharesave	Value of shares (including any SIP shares) as at 31/12/16; salary as at 31/12/16[c]		Value of shares (including any SIP shares) as at 24/02/17; salary as at 1/4/17[d]	
							Excluding Cash Bonus Scheme shares v the shareholding guidelines	Including Cash Bonus Scheme shares (for information only)[e]	Excluding Cash Bonus Scheme shares v the shareholding guidelines	Including Cash Bonus Scheme shares (for information only)[e]
Kevin Beeston	1,155,562	1,155,562	–	–	–	–				
Pete Redfern	3,330,956	1,740,528	404,224	3,147,424	–	10,000	326%	402%	368%	454%
Ryan Mangold	892,399	966,388	190,026	1,486,605	–	16,876	360%	431%	407%	487%
James Jordan	1,561,034	1,110,213	187,676	1,461,302	–	16,876	448%	523%	506%	592%
Kate Barker	40,000	60,000	–	–	–	–				
Mike Hussey	150,000	150,000	–	–	–	–				
Angela Knight	0	0	–	–	–	–				
Rob Rowley	200,000	200,000	–	–	–	–				
Humphrey Singer	25,000	25,000	–	–	–	–				
Margaret Ford (former Director)[f]	84,940	112,460[f]	–	–	–	–				

(a) Or date of appointment.

(b) Only the net amount of shares has been included in this column.

(c) This is the percentage of shareholding achieved at 31 December 2016 towards the targets described above calculated on 2016 salary and at 31 December 2016 share price. Salaries as at 31 December 2016 for Pete Redfern, Ryan Mangold and James Jordan were £819,724, £412,000 and £380,586 respectively.

(d) This is the percentage of shareholding achieved at 31 December 2016 towards the targets described above calculated on 1 April 2017 salary and at 24 February 2017 share price. Salaries as at 1 April 2017 for Pete Redfern, Ryan Mangold and James Jordan will be £836,118 £420,240 and £388,198 respectively.

(e) Including partnership and matching shares held under the Share Incentive Plan (SIP) described on page 84.

(f) Shareholding as at 1 November 2016.

Note: The share price on 31 December 2016 and used in the above calculation was 153.5 pence per share and on 24 February 2017 was 177.1 pence per share.

Note: The above table does not include the deferral into shares of 33% of the 2016 Annual Bonus Scheme for any Executive Director.

The only changes to the Directors' interests as set out above during the period between 31 December 2016 and 27 February 2017 were the regular monthly purchases of shares and 1:1 matching by the Company under the Share Incentive Plan by Pete Redfern (352 shares) and James Jordan (352 shares).

Directors' pension entitlements

Defined benefit schemes

The Taylor Wimpey Pension Scheme

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

Director	Normal retirement Age	Accrued pension as at 31/12/15	Increase in accrued pension from 31/12/15 to 31/12/16	Accrued pension as at 31/12/16[a]	Transfer value gross of Director's contributions at 31/12/16[b]	Transfer value gross of Director's contributions at 31/12/15[b]	Increase (decrease) in transfer value from 31/12/15 to 31/12/16 less Director's contributions[c]	Increase in transfer value from 31/12/15 to 31/12/16 less inflation	Transfer value of accrued pension increase less Director's contributions
Pete Redfern	62	14,642	27	14,669	291,057	236,626	54,431	–	–
James Jordan	62	27,077	58	27,135	670,417	576,448	93,969	–	–

(a) The George Wimpey Staff Pension Scheme (GWSPS) closed to future accrual on 31 August 2010 so pension accrual ceased on that date. Members of the GWSPS were transferred into the TWPS on 1 October 2013 and there was no change to members' benefit entitlement. 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 transfer value includes the effect of fluctuations due to factors beyond the control of the Company and Directors, such as financial market movements.

Note: The GWSPS closed to future accrual on 31 August 2010 and so no contributions were made after 31 August 2010.

There was no change to benefits during the year and consequently no difference between the changes to any Director's pension benefits in comparison with those of other employees.

Non-Group pension arrangements

Ryan Mangold has non-Group pension arrangements, to which contributions were paid by the Company as set out below:

	2016 (£)	2015 (£)
Ryan Mangold	**27,500**	40,000

Notes: Ryan Mangold also received a pension allowance of £64,300 in 2016 (2015: £37,787) in lieu of Company pension contributions over the Tapered Annual Allowance limit introduced in April 2016.

Ryan Mangold elected to have £10,000 (2015: £nil) of the non-deferred portion of his Annual Bonus Scheme cash bonus, earned for 2015 performance and paid in 2016, paid as additional pension contribution.

Pete Redfern and James Jordan received cash allowances of £197,400 (2015: £190,000) and £94,500 (2015: £91,000) respectively in lieu of Company pension contributions.

Statement of shareholder voting (unaudited)

At the 2016 Annual General Meeting, the result of the shareholders' vote on the Company's Remuneration Report for 2015 was:

	2016 (Votes)	2015 (Votes)
For	**1.9 billion (98%)**	1.9 billion (99%)
Against	**30 million (2%)**	18.9 million (1%)
Withheld	**3 million**	35 million

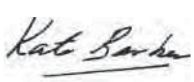
At the 2014 Annual General Meeting, the result of the shareholders' vote on the Company's existing Remuneration Policy was:

	2014 (Votes)
For	1.8 billion (98%)
Against	33 million (2%)
Withheld	44 million

As stated earlier, the Remuneration Committee has consulted further with our shareholders on remuneration matters during the year. We hope that shareholders will, again, support the new Remuneration Policy and the Remuneration Report at the AGM on 27 April 2017.

Approval

This Remuneration Report was approved by the Board of Directors on 27 February 2017
and signed on its behalf by the Remuneration Committee Chairman:



KATE BARKER

27 February 2017

STATUTORY, REGULATORY AND OTHER 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 which are required to be reported on appear in other sections of this Annual Report and Accounts as detailed below:

Matter	Page(s) in this Annual Report
– An indication of likely future developments in the business of the Company and its subsidiaries appears in the Strategic Report	12 to 52
– The Group's profit before taxation and the profit after taxation and minority interests appear in the consolidated income statement and in the Notes to the accounts	106 and 111 to 153
– The Company's Viability Statement	47
– The Remuneration Report	78 to 96
– Details of the Company's long-term incentive schemes as required by LR 9.4.3 R are set out in the Remuneration Report	78 to 96
– The reporting on the Company's carbon footprint	36
– 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	101 and 149 to 152
– Changes in asset values are set out in the consolidated balance sheet and in the Notes to the accounts	108 and 111 to 153
– A detailed statement of the Group's treasury management and funding including information on the exposure of the Company in relation to the use of financial instruments	127 to 130
– Details of an arrangement under which a shareholder has waived or agreed to waive any dividends, and where a shareholder has agreed to waive future dividends, details of such waiver together with those relating to dividends which are payable during the period under review	98
– A statement that this Annual Report and Accounts meets the requirements of Provision C.1.1 of the UK Corporate Governance Code (the 'Code'), is set out in the Corporate Governance Report	63

Directors

The following Directors held office throughout the year:

Kevin Beeston, Chairman;

Pete Redfern, Chief Executive;

Ryan Mangold, Group Finance Director;

James Jordan, Group Legal Director and Company Secretary;

Kate Barker, Independent Non Executive Director;

Mike Hussey, Independent Non Executive Director;

Rob Rowley, Independent Non Executive Director and the designated Senior Independent Director; and

Humphrey Singer, Independent Non Executive Director.

In addition to the above, Angela Knight was appointed to the Board as an Independent Non Executive Director and Margaret Ford, Independent Non Executive Director, stood down from the Board, in each case on 1 November 2016.

The Directors together with their biographical information are shown on pages 54 and 55.

Retirement and re-election

The Company has determined that in accordance with the UK Corporate Governance Code ('the Code'), all Directors should seek election or re-election, as appropriate, at this year's AGM as explained in the Notes to the Notice of Meeting and on page 62 of the General Board 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 Board evaluation process, which included a detailed appraisal of the Board, its Committees and also in respect of each Director, which in turn included a review of their respective time commitments. The Board evaluation process did not include Angela Knight as she was appointed to the Board at a time when the 2016 process was nearing conclusion. Angela Knight was, nevertheless, subject to a detailed appraisal of her suitability as part of the appointment process and participated in the Board evaluation discussions which took place at the December 2016 and February 2017 Board meetings. Further information relating to the evaluation, and the process followed with regard to Angela Knight's appointment, is set out in the Nomination Committee Report on page 70.

The Articles of Association of the Company further regulate the appointment and removal of Directors, in addition to the Companies Act 2006 and related legislation. The Company's Articles of Association may be amended by special resolution of the shareholders. The various powers and responsibilities 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, including the Trustee Directors of its Pension Trustee Company, 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 its corporate lawyers, Slaughter and May.

Audit and auditor

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

- To the best of his or her knowledge there is no relevant audit information of which the Company's auditor is unaware.
- He or she has 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 (Deloitte) have confirmed their willingness to continue in office as auditor of the Company. Following a review by the Audit Committee of their effectiveness, details of which are set out on page 76, a resolution to re-appoint Deloitte will be proposed at the AGM.

It is the Company's general policy that its auditor 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. In addition, and in line with the Code, the Committee takes into account the relevant ethical and auditing professional standards guidance regarding the provision of non-audit services by the external auditor. The Company notes the new regulation set out on page 76 which will apply to the Company from 1 October 2017. Any revision to current regulations or guidelines will be taken into account in framing the Company's policy going forward and reported on in future Annual Reports as appropriate. Deloitte provided non-audit services to the Group during the year within the policy framework as described in the Audit Committee Report, details of which are set out in Note 6 on page 118.

Annual General Meeting

The AGM will be held at 11:00 am on 27 April 2017 at The British Medical Association, BMA House, Tavistock Square, London, WC1H 9JP.

Formal notice of the AGM including details of the special business being proposed is set out in the Notice of Meeting on pages 154 to 155 and on the Company's website at www.taylorwimpey.co.uk. In line with recent practice and good governance, voting on all resolutions at this year's AGM will again be conducted by way of a poll. The Board believes that this method of voting gives as many shareholders as possible the opportunity to have their votes counted as part of the process, whether their votes are tendered by proxy in advance of, or in person at, the AGM.

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 website; and
– reduces the amount of resources consumed, such as paper, and therefore helps to reduce the impact of printing, mailing and related activities on the environment.

Shareholder communications (including the 2016 Annual Report and Accounts) are available electronically through the Company's website.

Over 80% of the Company's shareholders use either electronic or web communication.

The Company will of course continue to provide hard copy documentation to those shareholders who have requested this and is, of course, happy to do so.

Registrar

The Company's registrar is Capita Asset Services. Their details, together with information on the services and facilities available to shareholders, are set out in the Shareholder Facilities section on page 164 and the inside back cover.

Capital structure

Details of the Company's issued share capital, together with information on the movements in the Company's issued share capital during the year, are shown in Note 22 on page 136.

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.

The authority given by shareholders at the AGM held on 28 April 2016 for the Company to purchase a maximum of 326,432,300 of its own shares remained valid at 31 December 2016. The authority was not exercised during 2016 or prior to the date of this Report. The Company has no current intention of exercising this authority but will nevertheless be seeking the usual renewal of this authority at the AGM and the Board will continue to keep the position under regular review. 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 agreement or 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 84. The Employee Share Ownership Trusts which hold shares on trust for employees under various share schemes, generally abstain from voting at shareholder general meetings 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 27 February 2017, 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. The Board strongly believes in the alignment of interests between senior management and the Company's shareholders.

Substantial interests in the Company's shares as at 27 February 2017

Name	Number of shares held (millions)	Percentage of issued voting share capital
BlackRock, Inc.	182.5	5.58
The Capital Group Companies, Inc.	172.9	5.29
Legal & General Group Plc	98.5	3.02
Standard Life Investments Limited	96.4	3.02

Dividend

An interim ordinary dividend of 0.53 pence per ordinary share was paid on 7 October 2016 and the Directors recommend a final ordinary dividend of 2.29 pence per ordinary share which, together with the interim dividend, increases the total ordinary dividend for the year to 2.82 pence (2015: 1.67 pence). Information relating to the recommended 2016 final ordinary dividend is set out in the Chairman's Statement on page 14 and in the notes to resolution 2 on page 158 in the Notes to the Notice of Annual General Meeting.

The Directors also recommend a special dividend for 2017 of 9.2 pence per ordinary share (2015: 9.2 pence). Information relating to the recommended 2017 special dividend is set out in the Chairman's Statement on page 14 and in the notes to resolution 3 on page 158 in the Notes to the Notice of Annual General Meeting.

The Company will be operating a Dividend Re-Investment Plan (DRIP), further details of which are set out on page 164 of this Annual Report. The DRIP will operate automatically in respect of the 2016 final ordinary dividend for those shareholders who have previously registered a DRIP mandate (unless varied by shareholders beforehand) and also in respect of all future dividends, including special dividends, until such time as each participating shareholder elects to withdraw from the DRIP, or the DRIP is suspended or terminated in accordance with the Terms and Conditions of the plan. The Board will continue to keep the availability of the DRIP under regular review.

Shareholders are again reminded to check their position with regard to any dividend mandates that are in place, should they either wish to participate in the DRIP or discontinue or vary any participation, as existing mandates will apply to all dividend payments (including special dividends) unless or until revoked.

The right to receive any dividend has been waived in part by the Trustee of the Company's Employee Share Ownership Trusts (ESOTs) over those Trusts' combined holding of 10,219,541 shares. More details of these ESOTs are contained in Note 25 on pages 137 to 138.

Research and development

Our Research and Development initiatives ('Project 2020') continued throughout 2016 with its focus on four key areas: Alternative Build Methodology, Consumer Research, Smart Home Technologies and a Design Competition. A key workstream of Project 2020 is the evaluation of alternative build methods and during the year we have trialled and evaluated timber frame, closed panel timber frame, Structural Insulated Panels, Porotherm (thin joint masonry), Twin Wall Concrete and Lightweight Galvanised Steel Frame.

During the course of 2017 and 2018 we plan to evaluate Cross Laminated Timber, Volumetric (Pods), and Large Panel Aerated blocks. The research will enable us to assess the merits of the numerous alternatives that are available to us, in addition to the conventional masonry approach (brick and block).

During 2016, we spent a considerable amount of time researching existing and potential customers in an attempt to further enhance our knowledge of customer lifestyles, customer needs, customer expectations and customer aspirations. Extensive research was done with our clients and sales executives, including an in depth post occupancy review. This information has proved to be extremely useful and has been used in part to help produce the brief for the Design Competition which was launched in Spring 2016.

In conjunction with the Royal Institute of British Architects ('RIBA') we launched a Design Competition with the aim of engaging with professional Architects to help us design our future house type range. From the 120 entries received from 14 different countries, six finalists were chosen by the judging panel. The final entrants were interviewed and judged in December 2016 and the winning team, which has now been selected, will work with us to build the prototype in 2018. The judging panel consisted of Pete Redfern and the Company's Design Director and Sales Director, plus two highly acclaimed judges appointed by RIBA.

Energy efficiency and Smart Home Technologies feature highly in the requirements of our customers and future customers, and during 2016 we began to evaluate some of the leading smart energy systems such as Nest, Hive, Evo Home and Fibaro. We are currently trialling products in six of our subsidiaries, potentially with a view to a wider 'roll out' in 2017. We are also looking at the voice activated smart technologies that are coming to the market. Renewable energy remains a key area of focus and particular interest was given to the launch in 2016 of the 'Zero Bills House' at the Building Research Establishment in Watford. We also attended 'Intersolar' in Munich which is one of Europe's largest annual renewable energy conventions specialising in Solar/PV/Electrical Energy Storage Systems.

We continue to work on a number of additional sustainability initiatives that relate to green infrastructure. We have supported a further phase of development of our Carbon Futures approach to quantify the carbon dioxide emissions for entire sites. This approach takes into account the buildings but also the carbon absorption of green infrastructure throughout the site, and will be extended to become a tool and to review the whole life of energy technologies. We continue to partner in Newcastle University's SUCCESS (Sustainable Urban Carbon Capture: Engineering Soils for Climate Change) project. This project is investigating the performance of soils to act as a carbon sink and how to maximise sequestration of atmospheric carbon dioxide through natural soil processes including 'Carbon Capture Gardens'.

Employee involvement and communication

We are proud of how committed our employees are to Taylor Wimpey and the long term success of our business. We strive to listen to and engage with all staff and employees. During 2016 we have continued to introduce changes both nationally and locally following the feedback from the 2015 'Talkback' Survey. This has included enhanced maternity and paternity benefits, increased flexible working arrangements, and an improved learning and development offer.

We believe that inviting and listening to employee feedback is essential and we will be conducting a further survey in 2017 and the continued feedback from employees will further shape our plans and priorities for the future.

We have active employee consultation committees in our regional business units and communicate with employees via our half yearly Teamtalk employee magazine and regular Teamtalk Express email newsletter. Our intranet includes a wide range of employee information from human resources policies to advice for employees on sustainable living. It also includes an 'Open Door' forum that puts employees directly in touch with our Chief Executive. During 2015 we introduced a new customer services forum on our intranet and invited employees to voice their thoughts, concerns, ideas and initiatives on key customer questions. Employees could post comments within the forum or send an email to our Chief Executive or Customer Director.

As reported elsewhere, the Company welcomes the 'employee voice' initiatives currently under consideration by the Government and in anticipation of this, the Company is already putting in place a National Employee Forum (the 'NEF') which will work with members of the Group Management Team and build upon the existing regional Employee Consultative Committees as referred to below. During 2017, the NEF will receive updates and provide feedback and input into specific matters such as remuneration, customer service and other important operational matters. It is intended that the Chairman and the Remuneration Committee Chairman will attend the NEF from time to time and also seek feedback on specific topics via the Group Legal Director and Company Secretary or other Group Management Team members as appropriate.

The Company is committed to ensuring open and regular communication throughout the Group on both business-related issues and items 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 email – including regular communications from the Chief Executive – and via verbal briefings and management presentations. The Company's internal magazine provides a further communication option.

We have also utilised social media to inform our employees of developments around the Company and to invite their feedback on them. Our employees have enthusiastically engaged with this new internal communication channel and we have seen an increase in the sharing of best practice; employees interacting in a wider business sense; and the spread of knowledge around the Group. Around half of our employees now post and engage on a regular basis and usage and membership is growing steadily.

The Company promotes employee share ownership as widely as possible across the business. In addition to the various share-related reward plans described in the Remuneration Report on pages 78 to 96, the Company also offers a scheme whereby employees who do not participate in the Annual Bonus Scheme (cash bonus scheme) are offered the opportunity each year to exchange any cash bonus awarded for exceptional performance, into shares of the Company, offering a 20% enhancement to the value if taken entirely in shares and retained for a designated period. The scheme has operated since 2012 and in 2016 resulted in 333,307 shares (2015: 481,160) being acquired by 281 employees (2015: 301).

In addition to the above, the Company also maintains two all-employee share plans, namely, the Save As You Earn share option plan and the Share Incentive Plan (SIP), which are offered as widely as possible across the Group. Around half of our eligible employees participate in one or both plans or are otherwise already shareholders of the Company.

Equal opportunities

We strive to treat our employees fairly and with respect at all times. We have updated our relevant policies and processes during 2016 to ensure they remain current and relevant so that we continue to act in accordance with our vision, mission and values which encompass equal opportunities, anti-harassment and bullying, anti-corruption and whistleblowing. We encourage our employees and subcontractors to speak up about concerns over any wrongdoing at work and provide access to an independent reporting hotline service.

We remain committed to the belief that embracing diversity and inclusion will enable Taylor Wimpey to succeed through a workforce that is creative and innovative. We continue to actively embrace the local communities in which we operate and will strive to reflect their richness and character, including such aspects as gender, race and religion but also diversity of thought, background and experience.

As set out in our Diversity Policy, we remain committed to equality of opportunity in all of our 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. We are committed to making reasonable adjustments wherever possible. In exceptional circumstances, for example due to health and safety considerations on construction sites, some adjustments are not possible. Instruction on equal opportunities is part of the induction programme and diversity is also promoted through awareness training locally and by its inclusion as a business priority at presentations around the business.

Our Diversity Policy can be found on the Company's website at www.taylorwimpey.co.uk/corporate/sustainability/our-policies

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.

We have increased the number of employees with disabilities recruited. Working with key partners, we hope to increase more permanent and secondment opportunities for people with disabilities.

For example, we continue to engage with the Leonard Cheshire Disability Change 100 Programme, a charity that provides talented disabled students with the opportunity to participate in a 100 day summer internship and professional development programme. Feedback from the students who participated in the programme in 2016 has been very positive and we intend to engage with the programme further during 2017.

Modern Slavery Act

The Company welcomes the aims and objectives of the Modern Slavery Act 2015 and is taking its responsibilities under the Act very seriously. A dedicated team, assisted by external advisors, has reviewed our businesses and our supply chain, so as to enable the Company to produce its first statement under the Modern Slavery Act 2015. It will be available on our website at www.taylorwimpey.co.uk

Charitable donations

We support charities and local groups in the communities where we operate. We aim to make a positive impact through donations of time, money and materials and through encouraging our people to get involved.

We focus on smaller national charities as well as regional and local organisations where we can have a significant impact and our employees can be active participants. We prioritise causes that are relevant to our business, the communities in which we operate, our business partners and our people.

Our charitable donations are overseen and prioritised by our Charity Committee, whose members include Anne Billson-Ross our Group Human Resources Director, James Jordan our Group Legal Director and Company Secretary as well as employees from across the business including our Group Financial Controller, Head of Sales and Marketing, Communication Manager, Land Managers, Personal Assistants, Executive Secretaries and a graduate trainee.

Our focus areas are:

- aspiration and education: projects which promote aspiration and education in disadvantaged areas;
- tackling homelessness: intervening and improving homeless situations for seriously economically disadvantaged groups in the UK; and
- local projects: initiatives that have a direct link with our regional businesses and developments.

We encourage our employees to get involved as volunteers and fundraisers. This is good for charities who benefit from our people's expertise and enthusiasm, supports our employees' personal and professional development and contributes to good employee engagement.

During the year, Group companies donated £763,000 (2015: £559,424) to various charities in the UK. In addition, with the introduction of a new Volunteering Policy, whereby employees are entitled to take up to four half-days (or two full days) paid leave per year, many employees at all levels around the country gave up their work and free time to participate in fundraising events for charitable causes including CentrePoint; The Youth Adventure Trust; and Crisis UK which raised a further £270,000.

Further information on the Group's donations, activities and initiatives can be found in Our Business Model on page 25 and in the Sustainability Report 2016 which will shortly be available on the Company's website: www.taylorwimpey.co.uk/corporate/sustainability.

Political donations

The Company has a policy of not making donations to political parties, and has not made any this year and neither does it intend to make any going forward. The Company does support certain industry-wide and trade organisations which directly assist the house building industry such as the Home Builders Federation and the Confederation of British Industry. Whilst we do not regard this support as political in nature in any way, the Companies Act 2006 definition of 'political organisations' and related terms is very wide and in certain circumstances a donation, subscription or membership fee paid to such organisations or to a charity could retrospectively be categorised as a political donation from a strict legal perspective. Accordingly, as a matter of prudent corporate governance, the Company will therefore be seeking the usual annual dispensation from its shareholders at the 2017 AGM, so as to be able to continue with the above memberships and make charitable donations up to defined levels, without inadvertently breaching the applicable legislation.

Agreements

The Company's borrowing and bank facilities contain the usual change of control provisions which could potentially lead to prepayment and cancellation by the other party upon a change of control of the Company. There are no other significant contracts or agreements which take effect, alter or terminate upon a change of control of the Company

Branches

A subsidiary has a branch in Spain, the former activities of which were taken over some years ago by our Spanish subsidiary Taylor Wimpey de España S.A.U. whose details appear on the inside back cover.

Important events since the year end

There have been no important events affecting the Company or any of its subsidiary undertakings since 31 December 2016.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Accordingly, 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 FRS 101 (United Kingdom Accounting Standards and applicable law). In accordance with 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.
– 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.
– 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 website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Provision C.1 of the Code, the Directors are required, inter alia, to ensure that the Annual Report and Accounts provides the information necessary for shareholders to assess the Company's performance, business model and strategy. Details of how this was addressed are set out in the Audit Committee Report on page 77.

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.
– The Strategic 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.
– The Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

This Report of the Directors was approved by the Board of Directors on 27 February 2017.

JAMES JORDAN
Group Legal Director and Company Secretary
Taylor Wimpey plc
27 February 2017