Introduction

The Remuneration Committee (also referred to in this Report as the 'Committee') has adopted the principles of good governance relating to Directors' remuneration as set out in the 2008 Combined Code on Corporate Governance (the 'Combined Code'). This Report has been prepared in accordance with the Companies Act 1985 (the 'Act') and meets the requirements of the Directors' Remuneration Report Regulations 2002 and the Listing Rules of the Financial Services Authority.

It is a requirement that the Company's auditors report to shareholders on certain parts of this Report and state whether in their opinion those parts of it have been properly prepared in accordance with the above regulations. Accordingly, the Report has been divided into separate sections consisting of unaudited and audited information.

A resolution to approve this Report, will be proposed at the Annual General Meeting of the Company on 19 June 2009.

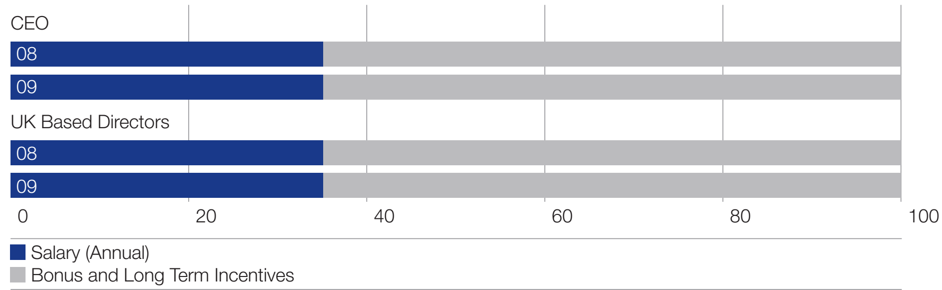
This Report has been prepared by the Remuneration Committee on behalf of the Board.

As set out in this Report, the Committee has taken a number of measures in order to reflect the challenging market conditions. These measures are summarised briefly below:

- for the second year running (2008 and 2009) no salary increases have been awarded to any Executive Director;
- no bonuses were paid to any Executive Director in respect of 2008 performance. This included the personal element of their bonus opportunity (20% of maximum bonus potential) and in this respect the Committee took into account the wishes of the applicable Directors who had indicated that they would not be willing to accept any bonus payments awarded;
- the temporary short term incentive for synergy achievement arising out of the merger between Taylor Woodrow and George Wimpey in 2007 and described in the 2007 Remuneration Report was not implemented for 2008 and it will not be implemented in respect of 2009;
- during the year the Chairman determined that he would reduce his fees from £270,000 per annum down to £200,000 per annum with effect from 1 January 2009. This was subsequently agreed with the Remuneration Committee and endorsed by the Board; and
- no increase in fees to Non Executive Directors were made during the year.

Long term incentives have not yet been awarded for 2009 as the Committee did not feel it appropriate to implement these incentives until the successful completion of the Company's protracted debt refinancing negotiations. The Remuneration Committee is currently reviewing the long term arrangements in place for Executive Directors and designated senior management and it will consult as necessary prior to finalisation and the making of any awards. Similarly the Committee will also be reviewing Executive Director and senior management bonus arrangements for 2009 which have yet to be finalised. Details of 2009 long term incentive and bonus arrangements will be included in next year's Remuneration Report.

Proportion of fixed to performance based remuneration (%)



Part 1: Unaudited Information: Remuneration Committee

The Remuneration Committee has clearly defined terms of reference which are reviewed annually by the Board and are available on the Company's Web site at www.taylorwimpey.com. The key remit of the Committee is to recommend to the Board the remuneration strategy and framework for Executive Directors and senior management. Within this framework the Committee's main role and responsibilities are to:

- determine the remuneration, including pension arrangements, of the Executive Directors and the Group Company Secretary and General Counsel;
- 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 Company Chairman.

The Committee comprises five independent Non Executive Directors. Anthony Reading is the Committee Chairman and the other members of the Committee are Katherine Innes Ker, Mike Davies, Brenda Dean and David Williams. Details of attendance at Remuneration Committee meetings held during 2008, are set out in the table on page 41.

No Director is involved in any decisions about his/her own remuneration.

Advice to the Company

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. During the year, the Committee received material advice from Mercer Limited ('Mercer'). It also received legal advice from Slaughter and May. Separately, Mercer also provides actuarial advice direct to the Trustees of the George Wimpey Pension Scheme.

In addition, the Company Chairman, Group Chief Executive, Group Company Secretary and General Counsel and Group Human Resources Director provided input to the Committee on remuneration matters except in relation to their own individual remuneration.

Policy and philosophy

The Committee has adopted the following remuneration philosophy:

- remuneration arrangements must help attract, motivate and retain the management talent required to meet the Company's strategic objectives;
- Taylor Wimpey will be committed to fostering a performance culture that effectively aligns individuals' reward with increased corporate performance and shareholder value creation;
- a significant proportion of each executive's total compensation should be delivered through performance related pay; and
- incentive arrangements should be capable of providing upper quartile total payment if outstanding performance is achieved.

Within the principles of good governance, the Committee regularly reviews its remuneration strategy. The prime objective is to ensure that the Company is able to attract and retain highly skilled and motivated people who will be key to ensuring the long term success of Taylor Wimpey.

A key component of the remuneration packages of the Executive Directors and senior management is a significant element of performance related incentive remuneration, set against challenging business performance objectives. The chart (above) shows the proportion of fixed to performance based remuneration for 2008 and 2009. Fixed remuneration comprises base salary. Performance based remuneration comprises an annual cash bonus and long term incentive plan. The chart illustrates the mix of remuneration assuming target levels of annual bonus are met and the annualised expected value of long term incentive provision.

Non Executive Director positions

Subject to Board approval and provided that such appointments are in accordance with the requirements of the Combined Code, Executive Directors are permitted to take on non executive positions with other companies. Executive Directors are permitted to retain their fees in respect of such positions. During 2008, Peter Johnson (who stood down from the Board on 16 October 2008) was a non executive director of (i) Shanks Group plc and received fees of £33,000 (2007: £40,000) and (ii) Oriel Securities Limited where he received fees of £21,000 (2007: £25,000). The 2008 fees for Peter Johnson have been pro rated to the date he stood down from the Board. No other Executive Director holds any non executive positions.

Base salary

The Committee reviews base salaries annually in order to ensure Executive Directors remain competitively aligned with external market practices and are fairly compensated against FTSE peers. As part of this process the Committee takes detailed advice from Mercer who provide specialist advice, as well as benchmarking data, to the Committee based on relevant peer groups.

In determining base salary positioning, the Remuneration Committee considers market data from two peer groups reflecting sector and size based comparators which are used to inform decisions on compensation policy and appropriate compensation quantum respectively.

In light of the prevailing market conditions the Committee has determined not to implement any increases for Executive Directors for 2009. No salary increases were awarded during 2008 for Executive Directors with the last increases being implemented following the review which took place following the merger of Taylor Woodrow and George Wimpey in July 2007. Going forward, it has been determined that future annual salary reviews for Executive Directors will take place in April rather than January in each year with the first review to be undertaken on this basis effective from April 2010. This will be consistent with all other employees and will follow the annual performance appraisal process applicable to all staff.

Save for a very small number of exceptions based on promotion or outstanding performance, no salary increases have been or will be awarded for any employee during 2009.

Executive Directors' contracts of service, which include details of their remuneration, will be available for inspection at the Annual General Meeting and also available as described in the Notice of 2009 Annual General Meeting.

Other benefits, including benefits-in-kind

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

Bonus arrangements

The Company offers Executive Directors and senior managers the opportunity to earn performance related bonuses.

For 2008, Executive Director bonuses were based on a target bonus of 60% of base salary and a maximum bonus opportunity of 150% of base salary, with a compulsory three year deferral into shares requirement of 50% of any bonus payment. There is no share matching element. For Pete Redfern (and Peter Johnson to 16 October 2008) their bonuses for this period were based on stretching targets in respect of Group PBT, UK Operating Margins, average capital employed and personal objectives (20%). For the 2008 performance year, financial performance was below threshold level against the set targets and therefore no annual bonus is payable to the Executive Directors for these elements of the incentive plan. The Committee has also determined, for 2008, that no payments shall be made for achievements against personal objectives to Executive Directors in light of the broader business context during the performance period. In addition, no bonus will be paid to Chris Rickard for the period 16 October to 31 December 2008.

As mentioned on page 44, bonus arrangements for Pete Redfern and Chris Rickard for 2009 have yet to be finalised by the Committee. Consistent with previous years, targets will be stretching to achieve.

In addition to the core annual bonus arrangement, for 2008 and 2009 an additional temporary short term incentive plan for synergy achievement was proposed for 24 key executives to support the achievement of exceptional financial savings as set out in the merger documentation sent to shareholders in 2007 (details of the plan are set out in the 2007 Annual Report). Whilst achievement of these synergies remained a key business objective and they were achieved in 2008, in view of the difficult trading conditions that emerged during 2008, the decision was taken not to implement the synergy incentive plan for any executive. In addition the Remuneration Committee has also determined that the plan will not be implemented in 2009 for any executive.

In line with the Association of British Insurers' 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 it appropriate, take ESG matters into account when considering the overall remuneration structure.

No bonus or deferred bonus payments under any bonus arrangement are pensionable.

Deferred Bonus Plan

The Remuneration Committee considers that share ownership by Executive Directors and senior executives is important as it provides a clear alignment of interests with those of shareholders. Last year this alignment was supported by a requirement for Executive Directors to defer 50% of any cash received under the bonus plan into Taylor Wimpey shares for a period of three years with no matching element. In view of the changes made to other parts of the bonus structure, such as the bonus levels and LTIP awards, the Remuneration Committee has decided that this requirement should not operate during 2009.

Executives' share-based incentive plans

Current Plans

At the Company's Annual General Meeting in 2008 shareholders approved the introduction of two new long term incentive plans namely, the Taylor Wimpey Performance Share Plan and the Taylor Wimpey Share Option Plan. The Committee believes that use of two complementary plans will enable incentives to be linked to both relative and absolute performance and offer flexibility to align long term incentives both with the long term interests of shareholders and also with strategic priorities, whilst also being directly linked to external benchmarking of performance.

Full details of the plans are set out below. Except in circumstances which the Committee, after consulting the Board, considers exceptional, the combined value of awards under the two long term incentive plans will not exceed the expected value of a Taylor Wimpey Performance Share Plan award of 200% of salary (face value) for the Executive Directors or 300% of salary award (face value) for other participants. Where the Committee elects to award under both plans, two options will be provided under the Taylor Wimpey Share Option Plan for each one share reduction in the Taylor Wimpey Performance Share Plan award. The satisfaction of any performance conditions will be the subject of independent verification.

Taylor Wimpey Performance Share Plan

Under this plan Executive Directors and senior executives may be granted annually a conditional award of shares with a value, at date of grant, of up to 2x base salary (Executive Directors) or 3x base salary (other participants). Such awards vest after three years provided, and to the extent that, the associated performance conditions have then been achieved. The performance targets are firstly, that Group Earnings Per Share ('EPS') shall have grown by at least 3% p.a. (for 25% of the EPS-related award to vest) or 8% p.a. (for 100% of the EPS-related award to vest) beyond the rate of UK RPI growth for the same period and secondly, that the company's Total Shareholder Return ('TSR') performance over the period compared to its peer group shall be at least 50th percentile (for 25% of the TSR-related award to vest) or 75th percentile (for

100% of the TSR-related award to vest). The two TSR peer groups are firstly, FTSE 100 (50% of TSR-related performance) and secondly, Barratt, Bellway, Berkeley Group, Bovis Homes Group, Galliford Try, Kier, Marshalls, Persimmon, Redrow, SIG, Travis Perkins and Wolseley (50% of TSR-related performance). There would be straight-line vesting between the EPS and TSR thresholds. The Remuneration Committee has discretion to vary the targets (other than for Executive Directors) to relate them to business unit and individual performance targets.

During 2008, awards were made to 329 executives (2007: nil) over an aggregate of 5,643,537 shares (2007: nil), based on the share price of 161.67 pence, exercisable on 17 April 2011. Following the appointment of Chris Rickard as Group Finance Director on 16 October 2008 an award was made to him over 2,338,462 shares (2007: nil), based on the share price calculated at date of award of 16.25 pence, exercisable on 16 October 2011. Details of awards made to Executive Directors appear on page 51.

Taylor Wimpey Share Option Plan

Under this plan Executive Directors and senior executives may be granted annually an option over shares with a value, at date of grant, of up to 2x base salary (Executive Directors) or 3x base salary (other participants). Such awards, which may be income tax-approved up to HMRC's aggregate limit of £30,000, vest after three years provided, and to the extent that, the associated performance condition has then been achieved. The performance target is that Return on Capital Employed ('ROCE') exceeds the company's Cost of Capital ('CoC') (for 25% of the award to vest) and to exceed it by 3% (for 100% of the award to vest). There would be straight-line vesting between the two thresholds. As mentioned on page 44, as yet no long term incentive awards have been made during 2009.

During 2008, options were granted to 329 executives (2007: nil) over an aggregate of 13,247,283 shares (2007: nil), based on the share price of 137.75 pence, 4,908,753 exercisable on 28 April 2011 and 8,338,530 exercisable on 28 August 2011. Following his appointment on 16 October 2008, share options were granted to Chris Rickard over 4,676,923 shares (2007: nil), based on the share price at date of award of 16.25 pence, exercisable on 16 October 2011. Details of awards made to Executive Directors appear on page 51.

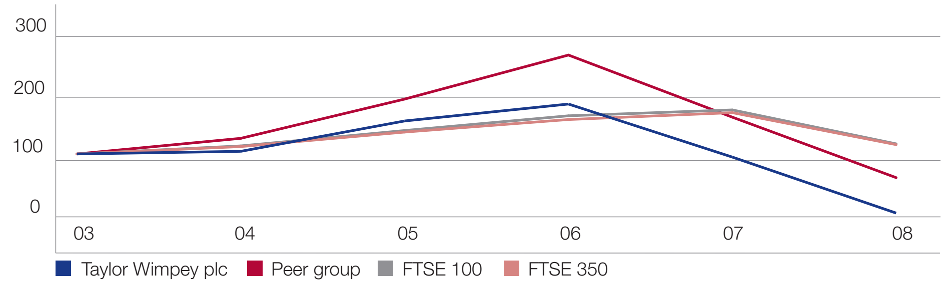
Legacy plans

Taylor Woodrow Performance Share Plan

The Taylor Woodrow Performance Share Plan operated from 2004 to 2007, when it was superseded by the Taylor Wimpey Performance Share Plan described above. Conditional awards of shares made at nil cost to executives vest if defined performance criteria are met over the three year performance period attaching to each award. For basic awards, the condition is the achievement of EPS growth of at least 3% p.a. compound (for 50% of the award to vest) and 6% p.a. compound (for 100% of the award to vest). Enhanced awards were made to Executive Directors and members of the Executive Committee (pre-merger), which vest if the basic 3% compound EPS measure is achieved and also if the Company's TSR compared to the peer group, exceeds median performance (40% of the enhanced awards vest) or achieves Upper Quartile performance (100% of the enhanced awards vest). The Peer Group comprises Barratt, Bellway, Berkeley, Bovis, Crest Nicholson, McCarthy & Stone, Persimmon and Redrow. There would be straight-line vesting between the two EPS and TSR thresholds.

The last award under the Plan was made in 2007 and it is now closed to new awards. Details of awards held during the year by Executive Directors appear on page 51.

Total shareholder return (£)



This graph has been prepared from information obtained through Datastream. It shows the theoretical growth in the value of a shareholding in the Company and in the FTSE 100 and FTSE 350 companies over the specified period, assuming that dividends are re-invested to purchase additional units of equity at the closing price applicable on the ex-dividend date. The historical data is based on the constituent companies at each given date. The peer group consists of the companies set out in the Taylor Wimpey Performance Share Plan section.

Taylor Woodrow Executive Share Option Plan

The Taylor Woodrow Executive Share Option Plan was suspended on 9 October 2003 and is closed to new awards.

George Wimpey Long Term Incentive Plan

The George Wimpey Long Term Incentive Plan was closed to new awards from the date of the merger in 2007. Conditional awards of shares are held by a small number of key executives and only vest if predetermined performance conditions are satisfied over the three year performance period. The key condition is the measurement of TSR against a peer group comprising Barratt, Bellway, Berkeley, Bovis, Galliford Try, Gleeson (MJ), Heywood Williams, Kier, Marshalls, Persimmon, Redrow, SIG, Travis Perkins and Wolseley. Awards vest if the Company's TSR compared to the peer group exceeds the 50th percentile (25% of the awards vest) or 75th percentile (100% of the awards vest). There would be straight-line vesting between the two thresholds. There is also a requirement that the Company's EPS performance has been satisfactory.

The last award under the Plan was made in 2007 and it is now closed to new awards. Details of awards held during the year by Executive Directors appear on page 51.

George Wimpey Executive Share Option Scheme

Designated senior UK employees of George Wimpey Plc participated in the George Wimpey Executive Share Option Scheme and their interests were rolled-over into equivalent options over the Company's shares at the time of the merger in 2007. Such holdings remain subject to the rules of the Scheme, which is closed to new awards. No Executive Director has any participation in the Scheme.

All-employee share plans

United Kingdom

The Company encourages share ownership by employees and accordingly, it operates a number of all-employee type share schemes.

The Company operates a Sharesave Plan under which all UK employees with at least three months' service can save up to £250 per month and receive three or five year options to acquire the Company's shares priced at a discount of up to 20% of market value. During 2008, 1,248 employees (18% of those eligible) (2007: 1,912) applied to join the Plan. Options were granted over 22,685,606 shares (2007: 2,640,216) at an option price of 37.6 pence per share.

The Company also operates a UK Share Purchase Plan, under which UK employees with at least three months' service are permitted to invest up to £1,500 per annum of their pre-tax earned income in the purchase of partnership shares of the Company. Such shares, if held for a period of three years, attract an award of free matching shares. Currently participants receive one matching share for each partnership share purchased. During 2008, 1,504 participants contributed to the Plan (2007: 1,394) and purchased 3,574,374 partnership shares (2007: 365,577). During 2008, the Plan was extended so as to allow all relevant employees who joined the Group from 3 July 2007 (the date of the merger) to participate. Details of awards held during the year by Executive Directors appear on page 51.

Overseas plans

The Company has all-employee stock purchase plans in the US and in Canada which are broadly equivalent to those operated in the UK. No Executive Director is, or was at any time during 2008, a member of either of these plans. During 2009, the US plan will be extended so as to allow all relevant employees who joined the Group at the time of the merger to participate.

Performance graph

The graph opposite shows the Company's performance, measured by TSR for the five-year period to 31 December 2008, compared with the performance of the FTSE 100 and the FTSE 350 Share Index also measured by TSR. The FTSE 350 Share Index has been selected for this comparison due to the fact that this index provides the most relevant comparator index for Company performance for the duration of the measurement period shown. The FTSE 100 is included as it is used as a comparator group for TSR performance in the Taylor Wimpey Performance Share Plan.

Other matters affecting share plans

The rules of the Company's share plans provide for the early vesting or exercise of share entitlements in certain circumstances. In line with the ABI Guidelines, in the event of death or cessation of employment due to a change of control or sale of business, awards would be pro-rated and early vesting would be subject to the judgement and discretion of the Remuneration Committee which would ordinarily take into account the performance of the Company as at the date of the event.

In the event of a participant leaving due to incapacity, redundancy or normal retirement pro-rating of awards would occur but the three year performance period would remain.

In accordance with the plan rules and as indicated in previous Directors' Remuneration Reports, EPS figures for the purpose of performance measurement of share incentive schemes are restated in accordance with International Financial Reporting Standards.

Details of the sources of shares issued or transferred during the year to meet maturing or vesting rights under the Company's share-based reward schemes, and the potential further requirement for shares to satisfy options and awards outstanding at the end of the year, are shown in Note 26 to the consolidated financial statements. Share plans are also compliant with ABI dilution guidelines.

The Company's current intention is that any further requirement for shares in respect of share plans will wherever it is possible to do so be substantially met by utilising treasury shares, transferred by gift for all-employee share plans and sold at market price for its discretionary share plans, to its Employee Share Ownership Trusts. Where there are relatively small requirements for shares, mainly for overseas plans, these will continue to be met for administrative convenience from other sources, including new issue and market purchase.

Share retention and target Director shareholdings

The Remuneration Committee has approved guidelines relating to target shareholdings in the Company and share retention requirements in respect of shares received under long term incentive plans. The purpose of the guidelines is to align the interests of Directors and senior management with those of shareholders through the creation of a community of interest. The guidelines and requirements are set out below:

1. Within five years of 1 January 2008 or from the date of appointment if later:
   - Executive Directors will be expected to build up a shareholding in Taylor Wimpey broadly equal to 1x base salary;
   - Other Executive Committee members will be expected to build up a shareholding broadly equal to 0.5x base salary.
2. Executive Directors and members of the Corporate, UK and NA leadership teams who participate in the Performance Share Plan ('PSP') and/or the Share Option Plan ('SOP') are expected to retain shares for one year as set out below:
   - 50% of the net amount of any shares that vest under the PSP in the case of Executive Directors and 25% in the case of other participants;
   - 50% of the net gain of shares following the exercise of any executive share options under the SOP and 25% in the case of other participants.
3. The above retention requirements will also apply to shares received by the above categories of executive under the Taylor Woodrow Performance Share Plan and the George Wimpey Long Term Incentive Plan.
4. Shares that vest or are received following the exercise of any option, count towards the targets set out in paragraph 1 above. Subject to the Model Code and any other applicable rules governing dealings in shares and subject to the retention policy set out in paragraph 2 above, such shares may be sold provided that the target holdings are met within the applicable timeframe.
5. Shares that are held on trust for any executive pursuant to the deferred bonus scheme will count towards the target shareholding.
6. The Chairman and the Non Executive Directors are expected to hold shares in the Company in order to align their interests with those of shareholders.

The Committee will keep these guidelines under regular review to ensure that they remain both reasonable and appropriate.

Pension arrangements

Details of the Group's principal UK pension schemes are given in Note 24 on page 82 to the consolidated financial statements.

Taylor Woodrow Pension Schemes

Taylor Woodrow Group Pension and Life Assurance Fund

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

Taylor Woodrow Personal Choice Plan

With effect from 1 April 2002 the Company introduced the PCP, a defined contribution pension scheme which all new eligible UK team members are invited to join.

During the year, Peter Johnson was a member of the PCP. The Company contributed to his plan at the rate of 34.5% of his basic salary for the year and he contributed at the rate of 5%. Denis Mac Daid retired from the Board on 30 June 2005. The Company is paying to him by monthly installments the difference between benefits calculated at his assumed retirement date of 5 April 2006 and his actual date of retirement. The annual equivalent of this payment is £20,731 (2007: £20,000). No other arrangements were made during the year for the provision of pensions for former Directors.

George Wimpey Pension Plan

George Wimpey Staff Pension Scheme

Pete Redfern is a member of the Executive section of the George Wimpey Staff Pension Scheme ('Scheme'). The Scheme (now closed to new members) is a funded, Inland Revenue approved, final salary occupational pension scheme. Members contribute between 5% and 10% of salary. Executive members of the Scheme cease to contribute once they have achieved 30 years' pensionable service. Pensions in payment are guaranteed to increase in line with the Retail Price Index to a maximum of 5% per annum (2.5% for all service earned after 6 April 2006).

The Scheme provides executive members with a pension of up to two thirds of pensionable salary (this is capped for members who joined after April 1989) on retirement at age 65, subject to the member having completed 30 years' pensionable service.

Life assurance of up to 4x basic salary and a pension of two thirds of the member's entitlement for spouses on their 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 children.

Pensionable salary excludes all bonuses, benefits-in-kind and incentive related remuneration. For early retirement, after age 50 but prior to age 65, pensions will be reduced by an appropriate actuarial factor.

Pete Redfern has a pension allowance through additional payments to him, amounting to 25% of the difference between his basic salary and the pension schemes earnings cap. For 2008 a total of £133,767 (2007: £80,000) was paid. Pension allowances do not count towards the calculation of any bonus awards which are based only on base salary.

The Directors' accrued pensions in 2008 are shown on page 52.

George Wimpey Stakeholder Scheme

Ian Sutcliffe, former Director, was not a member of the Scheme and instead, the Company paid an amount equal to 29% of his salary into the George Wimpey designated stakeholder scheme during 2008 until his resignation on 14 April 2008. Payments of £143,294 (2007: £57,000) were paid into the stakeholder scheme on his behalf for the period.

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. Chris Rickard is entitled to 18 months' notice for the first year of employment. His entitlement will thereafter immediately reduce to 12 months.

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 2009 Annual General Meeting.

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

Name	Date of contract	Unexpired term (months)	Notice periods by Company (months)	Notice periods by Director (months)	Normal retirement age	Current age
Pete Redfern	13 October 2004	12	12	12	60	38
Chris Rickard*	20 October 2008	12	18	12	60	52
Former Directors						
Peter Johnson	1 November 2002	12	12	12	60	49
Ian Sutcliffe	23 January 2006	12	12	12	60	49

* Proposed for election at the Annual General Meeting.

It is the Company's policy that liquidated damages should not automatically apply on the termination of an Executive Director's contract. In accordance with this approach, payment for early termination of contract (without cause) by the Company is, in the case of each of the Executive Directors, to be determined having regard to normal principles of English law, which requires mitigation of liability on a case-by-case basis. Any such payment would typically be determined by reference to the main elements of a Director's remuneration, namely: salary; bonus entitlement; benefits-in-kind; and pension entitlements.

Non Executive Directors

No Non Executive Director has a service contract, as their terms of engagement are regulated by letters of appointment as follows:

	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)
Norman Askew*	29 July 2003	25 July 2003	3 years, reviewed annually	6	6
Mike Davies*	13 October 2003	29 September 2003	3 years, reviewed annually	6	6
Brenda Dean	3 July 2007	21 November 2007	3 years, reviewed annually	6	6
Andrew Dougal	18 November 2002	31 October 2002	3 years, reviewed annually	6	6
Katherine Innes Ker	1 July 2001	21 May 2001	3 years, reviewed annually	6	6
Anthony Reading	3 July 2007	21 November 2007	3 years, reviewed annually	6	6
David Williams	3 July 2007	21 November 2007	3 years, reviewed annually	6	6

* Proposed for re-election at the Annual General Meeting.

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

The basic fees of each Non Executive Director were standardised at £50,000 per annum following the merger in 2007. The Senior Independent Director receives an additional payment of £10,000 in respect of this role. The standard fee for chairing a Board Committee (Audit, Remuneration and Corporate Responsibility) is £10,000. The fees of the Non Executive Directors were not increased during 2008.

Chairman's fees: The Chairman has determined that in light of the prevailing difficult market conditions affecting the Company during 2008, he would reduce his fees from £270,000 per annum down to £200,000 per annum with effect from 1 January 2009. This was subsequently agreed with the Remuneration Committee and endorsed by the Board.

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

Part 2: Audited Information
Directors' emoluments

	Basic salary/fees £000	Salary supplement in lieu of pension £000	Benefits-in-kind £000*	Bonus in respect of 2008 £000	Other benefits £000	2008 total £000	2007 total £000	Basic salary/fee p.a. with effect from 01.01.2009 £000
Executive								
Pete Redfern	700	146	28	–	–	874	1,011	700
Chris Rickard (Appointed 16 October 2008)	80	–	3	–	–	83	–	380
Peter Johnson (Resigned 16 October 2008)[1]	367	–	10	–	414	791	807	–
Ian Sutcliffe (Resigned 14 April 2008)[2]	116	9	–	–	208	333	663	–
Ian Smith (Resigned 3 July 2007)	–	–	–	–	–	–	1,873	–
John Landrum (Resigned 31 July 2007)	–	–	–	–	–	–	838	–
Graeme McCallum (Resigned 16 January 2007)	–	–	–	–	–	–	27	–
Iain Napier (Former Director)	–	–	–	–	–	–	1,083	–
Non Executive								
Norman Askew	270	–	–	–	–	270	219	200
Mike Davies	50	–	–	–	–	50	50	50
Brenda Dean	50	–	–	–	–	50	25	50
Andrew Dougal	60	–	–	–	–	60	57	60
Katherine Innes Ker	60	–	–	–	–	60	55	60
Anthony Reading	60	–	–	–	–	60	30	60
David Williams	60	–	–	–	–	60	30	60
Vernon Sankey (Resigned 3 July 2007)	–	–	–	–	–	–	34	–
Aggregate emoluments	1,873	155	41	–	622	2,691		
2007							6,802	

Aggregate emoluments of the Executive Committee (excluding Executive Directors)

	Basic salary £000	Salary supplement in lieu of pension £000	Benefits-in-kind £000	Bonus in respect of 2008 £000	Company contribution to pension £000	Other benefits £000	2008 total £000	2007 total £000	Basic salary p.a. with effect from 01.01.2009 £000
2 members	668	58	30	1,142	48	–	1,946	6,194**	668

Notes

* Includes non-cash payments.

The above salary details for 2007 in respect of Messrs. Redfern and Sutcliffe reflect the salaries paid for the period 3 July 2007 to 31 December 2007.

The above bonus details for 2007 and 2008 are in each case for the full year.

1 Peter Johnson received a base salary at the rate of £440,000 p.a. for the period 1 January 2008 to his date of resignation from the Company on 31 October 2008 as shown above. On leaving, he received contractual payments of eight months' basic pay, car allowance and employer's pension contributions which together amounted to £414,000 (2007: nil).

2 Ian Sutcliffe received a base salary at the rate of £400,000 p.a. for the period 1 January 2008 to his date of resignation from the Company on 14 April 2008 as shown above. On leaving, he received contractual payments of four months' basic pay, company pension contribution and accrued holiday entitlement which together amounted to £199,000 (2007: nil).

In addition, a charge of £65,000 (2007: £30,000) was booked in respect of share-based payments.

** There were 10 members of the Executive Committee during 2007 other than the Executive Directors, relating principally to the pre-merger period.

No expense allowances are paid.

Directors' share-based reward and options

Aggregate emoluments disclosed opposite do not include any amounts for the value of options to acquire ordinary shares in the Company and any other share-based reward granted to or held by the Directors. No Director exercised an option or conditional award over ordinary shares during the year.

Name of Director	Plan	Number of option shares exercised	Exercise price (pence)	Market price at exercise date (pence)	Gains on exercise 2008 £	Gains on exercise 2007 £
Peter Johnson	Performance Share Plan	–	–	–	–	317,727
	Bonus Plan	–	–	–	–	264,232
	Total				–	581,959

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

Name of Director	Plan	1 January 2008[f]	Granted (number)	Lapsed (number)	Exercised (number)	31 December 2008[g]	Exercise price (pence)	Date of grant	Date from which exercisable	Expiry date
Pete Redfern	Bonus Plan	–	207,255[d]	–	–	207,255	–	13.3.08	31.12.10	31.12.10
	Performance Share Plan	–	432,981[a]	–	–	432,981	–	17.4.08	17.4.11	17.4.11
	Share Option Plan	–	1,016,333[b]	–	–	1,016,333	137.75	28.4.08	28.4.11	28.4.18
	Long Term Incentive Plan	200,068	–	200,068	–	–	–	25.5.05	25.5.08	25.5.08
	Long Term Incentive Plan	179,007	–	–	–	179,007	–	23.5.06	23.5.09	23.5.09
	Long Term Incentive Plan	231,940	–	–	–	231,940	–	2.4.07	2.4.10	2.4.10
	Total	611,015	1,656,569	200,068	–	2,067,516				
Chris Rickard	Performance Share Plan	–	2,338,461[c]	–	–	2,338,461	–	16.10.08	16.10.11	16.10.11
	Share Option Plan	–	4,676,923[c]	–	–	4,676,923	16.25	16.10.08	16.10.11	16.10.18
	Total	–	7,015,384	–	–	7,015,384				
Peter Johnson	Sharesave	8,037	–	–	–	8,037	197.2	7.10.03	17.10.08	16.4.09
	Bonus Plan:		43,610[d]	–	–	43,610	–	13.3.08	31.10.08	–
	Matching award	9,858	–	–	–	9,858	–	7.4.06	4.3.09	16.10.09
	Matching award	59,253	–	–	–	59,253	–	10.4.07	4.3.09	16.10.09
	Performance Share Plan	–	272,159[c]	–	–	272,159	–	17.4.08	4.3.09	16.10.09
	Performance Share Plan	132,410	–	132,410	–	–	–	7.9.05	7.9.08	6.9.10
	Performance Share Plan	92,406	–	–	–	92,406	–	12.4.06	4.3.09	16.10.09
	Performance Share Plan	82,941	–	–	–	82,941	–	2.4.07	4.3.09	16.10.09
	Share Option Plan	–	638,838[b]	–	–	638,838	137.75	28.4.08	4.3.09	16.10.09
	Total	384,905	954,607	132,410	–	1,207,102				
Ian Sutcliffe	Sharesave	3,410	–	–	–	3,410	276.98	21.9.06	15.4.08	14.10.08
	Bonus Plan:	–	137,698[d]	137,698	–	–	–	13.3.08	–	–
	Long Term Incentive Plan	222,480	–	–	–	222,480	–	23.5.06	23.5.09	23.5.09
	Long Term Incentive Plan	156,626	–	–	–	156,626	–	2.4.07	2.4.10	2.4.10
	Total	382,516	137,698	137,698	–	382,516				

a. Market value per share on date of grant 17 April 2008 was 158.75 pence

b. Market value per share on date of grant 28 April 2008 was 132.25 pence

c. Market value per share on date of grant 16 October 2008 was 12 pence

d. Market value per share on date of original award (representing 82.4% of this figure) of 13 March 2008 was 163.4 pence and on date of dividend re-investment thereon (representing the balance of 17.6%) of 7 July 2008 was 47.5 pence

e. Market value per share on date of original award of 13 March 2008 was 163.4 pence

f. Or date of appointment

g. Or date of resignation

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

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

No performance targets were achieved for normal vesting under the Performance Share Plans or Deferred Bonus Plan during 2008 and all applicable options and conditional share awards under those plans have lapsed.

Awards made pursuant to the George Wimpey LTIP are conditional and do not vest in whole or part unless predetermined performance conditions are satisfied over a three year period. The performance conditions are explained in detail on page 46. The number of awards made to each participant is calculated with reference to a formula based on a maximum of 2x salary as at 1 January in each year and the average closing share price for each dealing day within a 90 day period ending on the day before the award is made. For 2005, 2006 and 2007, the relevant share prices were 437.1 pence, 544.1 pence and 575.9 pence. The TSR Performance in respect of those shares conditionally awarded under the 2006 George Wimpey LTIP was not met. No vesting has taken place and the award has now lapsed. These shares are however indexed in the 31 December 2008 column above for Pete Redfern.

The market price of the ordinary shares at 31 December 2008 was 13.5 pence and the range during the year was 4.4 pence to 204.75 pence.

Directors' interests in shares of the Company

Directors' interests in 25 pence ordinary shares held (fully paid):

	at 1.1.08 25p ordinary shares*	at 31.12.08 25p ordinary shares	Executive Directors' share interests at 31.12.08 valued at 31.12.08 share price and expressed as a percentage of basic salary at 1.1.09
Norman Askew	15,674	15,674	
Pete Redfern	92,705	92,705	1.8%
Chris Rickard	–	–	0%
Mike Davies	15,000	15,000	
Brenda Dean	8,348	8,348	
Andrew Dougal	5,000	5,000	
Katherine Innes Ker	1,000	1,000	
Anthony Reading	20,000	20,000	
David Williams	8,269	8,269	

* or date of appointment

Directors' pension entitlements

Defined benefit schemes

George Wimpey Staff Pension Scheme

Pete Redfern is a member of the George Wimpey Staff Pension Scheme. The following table sets out the transfer value of his accrued benefits under the Scheme calculated in a manner consistent with 'The Occupational Pension Schemes (Transfer Values) Regulations 2008'.

	Accrued pension as at 31 December 2007 £	Increase in accrued pension from 31 December 2007 to 31 December 2008 £	Accrued pension as at 31 December 2008[1] £	Transfer value gross of Directors' contributions at 31 December 2008[2] £	Transfer value gross of Directors' contributions at 31 December 2007[2] £	Increase in transfer value from 31 December 2007 to 31 December 2008 less Directors' contributions [3] £	Increase in accrued pension from 31 December 2007 to 31 December 2008 less inflation £	Transfer value of accrued pension increase less Director's contribution[4] £
Pete Redfern	17,547	3,460	20,907	298,200	162,100	124,100	2,483	22,167

Notes

1. Pension accrual shown is the amount which would be paid annually on retirement based on service to 31 December 2008.
2. Transfer values have been calculated in accordance with the occupational Pension Schemes (Transfer Value) Regulations 2008.
3. The increase in the transfer value includes the effect of fluctuations in the transfer value due to factors beyond the control of the Company and Directors, such as stock market movements.
4. The transfer value of accrued pension increase less Director's contribution represents the incremental value to the Director of his service during the period, calculated on the assumption service terminated at the year end. It is based on the increase in accrued pension (less inflation) after deducting the Director's contribution.

Non-Group pension arrangements

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

	2008 £	2007 £
Chris Rickard	17,417	–

Approval

This Remuneration Report was approved by the Board of Directors on 30 April 2009 and signed on its behalf by the Remuneration Committee Chairman:

Anthony Reading
30 April 2009