

Redrow plc (the “Company”)

REMUNERATION COMMITTEE

TERMS OF REFERENCE

Constitution

The Board of the Company hereby resolves to adopt the following terms of reference for a committee of the Board to be known as the Remuneration Committee (“the Committee”).

Membership

1. The Committee shall comprise at least three members, each of whom shall be appointed by the Board.
2. All members of the Committee shall be Non-Executive Directors who are independent of management and free from any business or other relationship which could interfere with the exercise of their independent judgement.
3. The Board should appoint the Committee Chairman, who should be an independent Non-Executive Director, and determine the period for which they shall hold office.
4. The current members of the Committee are:

Debbie Hewitt (Chairman)
Nick Hewson
Liz Peace
Michael Lyons

Secretary

1. The Company Secretary or his or her nominee shall act as Secretary to the Committee.
2. The Company Secretary shall ensure that the Committee receives information and papers in a timely manner to enable proper consideration to be given of the issues.

Meetings

1. The Committee shall meet formally at least twice a year and such other times as the Chairman of the Committee may require.
2. A meeting of the Committee may be called by any member of the Committee or by the Secretary.
3. The quorum necessary for the transaction of business shall be two.
4. The Chairman (or any other relevant executive) may be invited to attend Committee Meetings when appropriate, particularly on matters related to the remuneration of other executive directors and senior management. Neither the Chairman nor any other executives will be present in relation to any matter which directly concerns their own remuneration.
5. Notice of each meeting of the Committee, confirming the venue, time and date, and enclosing an agenda of items for discussion, shall be forwarded to each member of

the Committee, any other person required to attend and all other Non-Executive Directors, at least 5 working days prior to the meeting.

6. In the absence of the Committee Chairman, the remaining members present shall elect one of their numbers to chair the meeting.
7. Any member may participate in a meeting of the committee by means of a conference telephone or similar communicating equipment whereby all persons participating in the meeting can hear each other. Resolutions and decisions of the kind normally made or taken at a physical meeting of the committee in accordance with these terms of reference can accordingly be made or taken even if no persons participating are physically present with each other. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is located.
8. The Secretary to the Committee shall keep appropriate records of all meetings of the Committee as well as minutes of the proceedings and all decisions made. Minutes of the meetings shall be circulated promptly to all members of the Committee and the rest of the Board of the Company unless a conflict of interest exists.

Duties

The Committee shall:

1. Determine, and approve the remuneration policy in respect of the Chairman, Executive Directors and Company Secretary (the “**Senior Executives**”) including pension rights and any compensation payments. In determining the framework or broad policy for remuneration (the “**Policy**”), the Committee shall take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code (“the Code”) and associated guidance as well as the need to ensure that the level of remuneration is appropriate to attract, retain and motivate the Senior Executives and that a sufficient portion of the package is appropriately performance-related and aligned with the Company’s strategy and shareholder’s interests.
2. In determining the Policy, give due regard to the comments and representations of the Company’s principal shareholders and the comments and recommendations of the Code, the UK Listing Authority’s Listing, Prospectus, and Disclosure and Transparency Rules and associated guidance, and any other applicable rules as appropriate.
3. Ensure that the Company maintains contact as required with its principal shareholders about remuneration.
4. Consider guidelines published by the Company’s principal shareholders and relevant Voting Guidance Bodies such as IVIS, ISS and PIRC.
5. Review the on-going appropriateness and relevance of the remuneration policy and to provide clarity where necessary upon the specific objectives of the remuneration policies.

6. Produce an Annual Report of the Committee's remuneration policy, which will form part of the Company's Annual Report and Accounts and to ensure that it is put to shareholders for approval at the AGM.
7. Recommend and monitor the level and structure of remuneration of the senior executives immediately below the Senior Executives, as agreed by the Chairman.
8. Approve the policy for, and oversee the administration of, all of the Company's share-based incentive schemes (including all employee schemes). Request the main board, where necessary, to seek shareholder approval for all new long term incentive schemes and any significant changes to existing schemes, save in the circumstances permitted by the Listing Rules.
9. Determine performance targets and the extent of their achievement for both annual and long term incentive awards operated by the Company affecting Senior Executives.
10. Within the terms of the agreed Policy, determine the total individual remuneration packages of each Senior Executive including, where appropriate, salary, benefits, annual incentives, long-term incentive awards and pension arrangements. The Committee will keep packages under review to ensure that they remain appropriate in light of the agreed Policy. When determining Senior Executive Remuneration packages, consideration will be given to pay and employment conditions elsewhere in the Company
11. Determine the policy for, and scope of, service agreements, termination payments and compensation commitments (including mitigation arrangements) for the Senior Executives. When determining termination payments, the Committee will ensure they are fair, that failure is not rewarded and that the duty to mitigate is fully recognised.
12. In determining such packages and arrangements for Senior Executives, give due regard to the comments and recommendations of the UK Corporate Governance Code, the UK Listing Authority's Listing, Prospectus, and Disclosure and Transparency Rules and associated guidance, and any other applicable rules as appropriate.
13. In considering the remuneration of the Senior Executives, oversee any major changes in employee benefit structures throughout the Company or Group.
14. Ensure that the statutory provisions regarding disclosure of remuneration, including pension, are fulfilled.
15. Ensure that the Chairman of the Committee (or an appointed deputy) attends the AGM to answer questions about Director's remuneration.
16. Exercise on behalf of the Board, any discretion granted to the Board in relation to any incentive scheme and in particular in regard to good leaver/bad leaver and change of control.
17. Conduct an annual review of these terms of reference and, where appropriate, propose revisions to the Board to these terms of reference.
18. Review the governance procedures of The Redrow Staff Pension Scheme and the Group Personal Pension Plan.

19. Make available its terms of reference, explaining clearly its role and the authority delegated to it by the Board.
20. Agree the policy for authorising claims for expenses from the Senior Executives.

Authority

1. The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
2. The Committee is authorised by the Board, when the fulfilment of its duties requires, obtaining any outside legal and other professional advice including the advice of independent remuneration consultants, to secure the attendance of external advisers at its meetings, if necessary, and to obtain reliable up to date information about remuneration in other companies, at the Company's expense. The Committee shall have exclusive responsibility for establishing the selection criteria, the selection and appointment of and the setting of the terms of reference for any remuneration consultants who advise the Committee and shall have full authority to commission any reports or surveys it deems necessary to help it fulfil its obligations. Where remuneration consultants are appointed a statement will be made available which details whether they have any other connection with the Company.
3. Fees payable to Non-Executive Directors are determined by the Board (excluding the Non-Executive Directors) on the recommendation of the Chairman.