

# THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document, together with the accompanying documents, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



## REDROW PLC

(incorporated and registered in England and Wales under number 2877315)

### NOTICE OF ANNUAL GENERAL MEETING

Notice of the 2017 Annual General Meeting of the Company to be held at Village Urban Resort St. David's, St. David's Park, Flintshire CH5 3YB on Thursday 9 November 2017 at 12.00 p.m. is set out in Part II of this document.

You may request a hard copy of this document and information incorporated into this document by reference to another source by contacting the Company's Registrar, Computershare, either by calling +44 (0)370 707 1257 or writing to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. Hard copies will only be sent where valid requests are received from such persons. You may also request that all future documents, announcements and information to be sent to you in relation to the Waiver and the Waiver Resolution should be in hard copy form.

A copy of this document, together with all information incorporated into this document by reference to another source, will be made available on the Company's website at <http://investors.redrowplc.co.uk> from the date of this document. For the avoidance of doubt, the contents of this website are not incorporated into and do not form part of this document.

A Form of Proxy for use at the Annual General Meeting is enclosed and, to be valid, should be completed and returned in accordance with the instructions printed on the form so as to be received by Redrow's Registrars, Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible but, in any event, so as to arrive no later than 12.00 p.m. on Tuesday 7 November 2017. Completion and return of a Form of Proxy will not prevent members from attending and voting in person should they wish to do so.

This document is published on 25 September 2017.

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PART I

# Letter from the Chairman

## REDROW PLC

(Incorporated and registered in England and Wales under number 2877315)

### REGISTERED OFFICE

Redrow House  
St. David's Park  
Flintshire  
CH5 3RX

25 September 2017  
*To the holders of Ordinary Shares*

### NOTICE OF ANNUAL GENERAL MEETING 2017

Dear Shareholder,

I am pleased to be writing to you with details of our Annual General Meeting ("**AGM**") which we are holding at Village Urban Resort St. David's, St. David's Park, Flintshire CH5 3YB on Thursday 9 November 2017 at 12.00 p.m. The formal notice of AGM is set out in Part II of this document.

If you would like to vote on the resolutions but cannot come to the AGM, please fill in the Form of Proxy sent to you with this notice and return it in accordance with the instructions printed on the form as soon as possible. It must be received by 12.00 p.m. on Tuesday 7 November 2017.

### FINAL DIVIDEND

Shareholders are being asked to approve a final dividend of 11p per Ordinary Share for the year ended 30 June 2017. If the recommended final dividend is approved, this will be paid on 14 November 2017 to all Shareholders who were on the register of members on 22 September 2017.

### SHARE BUY BACK AND RULE 9 WAIVER APPROVAL

As at last year's annual general meeting, Shareholders are being asked to grant authority for the Company to buy back Ordinary Shares. If Resolution 19 (the "**Buy Back Resolution**") is passed, it will empower the Company to make market purchases of Ordinary Shares on the London Stock Exchange. The Board will exercise this authority only when to do so would be in the best interests of the Company and Shareholders as a whole, and could be expected to result in an increase in the earnings per share of the Company. The exercise of the authority has an additional implication for my Concert Party, due to its substantial shareholding in the Company.

Rule 9 of the City Code on Takeovers and Mergers (the "**Code**") requires that where any person who, together with persons acting in concert with him, is interested in shares which carry in aggregate not less than 30 per cent., but does

not hold shares carrying more than 50 per cent., of the voting rights of a company and any such person, or any persons acting in concert with him, acquires an interest in any other shares in the company which increases the percentage of shares carrying voting rights in which he, together with persons acting in concert with him, is interested, such person would normally have to extend a general offer to all shareholders to acquire their shares.

Under Rule 37 of the Code, any increase in the percentage holding of a person or a group of persons acting in concert which results from a company purchasing its own shares will also be treated as an acquisition for the purposes of Rule 9 (although a shareholder who is neither a director nor acting in concert with a director will not normally incur an obligation to make a Rule 9 offer). However the Panel will normally waive any resulting obligation to make a mandatory offer if there is a vote of independent shareholders approving the waiver.

As the Concert Party holds approximately 32.70 per cent. of the issued share capital of the Company, any share buy back executed by the Company subsequent to the approval of the Buy Back Resolution may result in this percentage shareholding increasing up to a maximum of approximately 36.34 per cent. through no action of the members of the Concert Party.

Therefore, in addition to the Buy Back Resolution, Independent Shareholders are being asked to vote on Resolution 16 (the "**Waiver Resolution**"). The Waiver Resolution is being proposed to approve a waiver by the Panel (granted subject to the passing of the Waiver Resolution) of the obligation which would otherwise arise under Rule 9 of the Code requiring a member of the Concert Party to make an offer for the issued share capital of the Company following market purchases of Ordinary Shares by the Company pursuant to the Buy Back Resolution (the "**Waiver**"). A similar resolution was proposed at last year's annual general meeting.

Passing the Waiver Resolution will give the Company the flexibility to buy back its shares without triggering an obligation for a member of the Concert Party to make a mandatory offer for the Company. Although your Board has no current intention to repurchase shares, it believes that giving the Company authority to do so is in the best interests of the Company and its Shareholders as a whole and the Independent Directors consider that the Waiver is a prudent measure to facilitate this.

An explanation of the business to be considered at this year's AGM and further information on the Waiver and the Waiver Resolution appear in Part III and Part IV, respectively, of this document.

### RECOMMENDATION

The Independent Directors, who have been so advised by Barclays and Peel Hunt, believe that obtaining the Waiver is fair and reasonable as far as Independent Shareholders and the Company as a whole are concerned and is in the best interests of Independent Shareholders and the Company as a whole. Accordingly, the Independent Directors will be voting in favour of the Waiver Resolution and the Buy Back Resolution and unanimously recommend that you vote in favour of it. I have not taken part in any decision of the Independent Directors relating to the Waiver, the Waiver Resolution or the Buy Back Resolution and the recommendation in relation to the Waiver Resolution and the Buy Back Resolution.

In addition, the Directors consider that all other resolutions to be put to the meeting are in the best interests of the Company and its Shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that you vote in favour of them.

Yours sincerely,

**STEVE MORGAN**  
Chairman

PART II

# Notice of Annual General Meeting

## REDROW PLC

**Notice is hereby given** that the Annual General Meeting of Redrow plc will be held at Village Urban Resort St. David’s, St. David’s Park, Flintshire CH5 3YB on Thursday 9 November 2017 at 12.00 p.m. for the following purposes.

Resolutions 17 to 20 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

### ORDINARY RESOLUTIONS

1. To receive and adopt the Directors’ report and the financial statements for the year ended 30 June 2017, together with the Auditors’ report.
2. To declare a final dividend of 11p per Ordinary Share for the year ended 30 June 2017.
3. To re-appoint Steve Morgan as a Director.
4. To re-appoint John Tutte as a Director.
5. To re-appoint Barbara Richmond as a Director.
6. To re-appoint Debbie Hewitt as a Director.
7. To re-appoint Nick Hewson as a Director.
8. To re-appoint Sir Michael Lyons as a Director.
9. To appoint Vanda Murray as a Director.
10. To re-appoint PricewaterhouseCoopers LLP as external Auditors of the Company to hold office until the end of the next general meeting at which financial statements are laid before the Company.
11. To authorise the Directors to fix the remuneration of the Auditors.
12. To approve the Directors’ remuneration report (other than the remuneration policy) for the year ended 30 June 2017, set out on pages 76 to 97 of the Annual Report and Accounts of the Company for the year ended 30 June 2017 (the “**Annual Report**”).
13. To approve the Directors’ remuneration policy set out on pages 79 to 86 of the Annual Report.
14. That pursuant to article 66.1 of the Company’s articles of association, the cap on the level of the ordinary remuneration of the Directors be increased to £500,000 per annum in aggregate.

15. That the Directors, in place of any existing authority conferred upon them for the purpose of Section 551 of the Companies Act 2006, be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 to exercise all powers of the Company to allot and to make offers or agreements to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company:
  - (i) up to an aggregate nominal amount of £12,326,664.60; and
  - (ii) up to a further aggregate nominal amount of £12,326,664.60 in connection with an offer by way of a rights issue,provided that this authority shall (unless previously revoked or renewed) expire at the conclusion of the next annual general meeting of the Company or at the close of business on 31 December 2018 (whichever may be the earlier) but so that the Company may, before such expiry, make offers and enter into agreements which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert any security into shares in pursuance of any such offer or agreement as if the authority had not expired.

For the purposes of this Resolution, “**rights issue**” means an offer to:

  - (a) holders of Ordinary Shares in proportion (as nearly as may be practicable) to their existing holdings; and
  - (b) people who are holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory.

16. That the waiver granted by the Panel of any obligation which may otherwise arise for the Concert Party to make a general offer for all the issued share capital of the Company pursuant to Rule 9 of the Code, following any increase in their combined shareholding from approximately 32.70 per cent. of the issued share capital of the Company to a maximum of approximately 36.34 per cent of the issued share capital of the Company as a result of market purchases of Ordinary Shares by the Company pursuant to the authority granted under Resolution 19 below be and is hereby approved.

### SPECIAL RESOLUTIONS

17. That, subject to the passing of Resolution 15, the Directors be authorised to make allotments of equity securities (as defined in Section 560(1) of the Companies Act 2006) wholly for cash:
  - (i) pursuant to the authority given by paragraph (i) of Resolution 15 and to sell shares which are held in treasury pursuant to Section 560(3) of the Companies Act 2006, in each case:
    - (a) in connection with a pre-emptive offer; and
    - (b) otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £1,848,999.60; and
  - (ii) pursuant to the authority given by paragraph (ii) of Resolution 15 in connection with a rights issue,as if Section 561(1) of the Companies Act 2006 did not apply to any such allotment, and such authority shall (unless previously revoked or renewed) expire at the earlier of the conclusion of the next annual general meeting of the Company and the close of business on 31 December 2018 save that the said authority shall permit the Company to make offers and enter into agreements before the expiry of such authority which would or might require equity securities to be allotted and treasury shares to be sold after such expiry and the Directors may allot equity securities and sell treasury shares in pursuance of any such offer or agreement as if such authority had not expired. For the purposes of this Resolution, the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any security into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

### For the purposes of this Resolution:

“**pre-emptive offer**” means an offer of equity securities open for acceptance for a period fixed by the Directors to (a) holders (other than the Company) on the register on a record date fixed by the Directors of Ordinary Shares in proportion to their respective holdings and (b) other persons so entitled by virtue of the rights attaching to any other equity securities held by them, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory; and

“**rights issue**” has the meaning given to such term in Resolution 15.

18. That, subject to the passing of Resolution 15 and in addition to any authority granted under Resolution 17, the Directors be authorised to make allotments of equity securities (as defined in Section 560(1) of the Companies Act 2006) wholly for cash pursuant to the authority given by Resolution 15 and to sell shares which are held in treasury pursuant to Section 560(3) of the Companies Act 2006, in each case as if Section 561(1) of the Companies Act 2006 did not apply to any such allotment, such authority to be:
  - (i) limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £1,848,999.60; and
  - (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority shall (unless previously revoked or renewed) expire at the earlier of the conclusion of the next annual general meeting of the Company and the close of business on 31 December 2018, save that the said authority shall permit the Company to make offers and enter into agreements before the expiry of such authority which would or might require equity securities to be allotted and treasury shares to be sold after such expiry and the Directors may allot equity securities and sell treasury shares in pursuance of any such offer or agreement as if such authority had not expired.

PART II

Notice of Annual General Meeting continued

19. That the Company be and is hereby unconditionally and generally authorised for the purpose of section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693 of the Companies Act 2006) of Ordinary Shares provided that:
- (i) the maximum number of Ordinary Shares which may be purchased is 36,979,993;
  - (ii) the minimum price which may be paid for an Ordinary Share is 10p (being the nominal value of an ordinary share);
  - (iii) the maximum price which may be paid for an Ordinary Share is an amount equal to the higher of (a) 105 per cent. of the average of the middle market quotations of the Ordinary Shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased and (b) the higher of the price of the last independent trade and the highest current bid as stipulated by Commission-adopted Regulatory Technical Standards pursuant to article 5(6) of the EU Market Abuse Regulation 596/2014; and
  - (iv) this authority shall expire at the conclusion of the next annual general meeting of the Company or 31 December 2018 (whichever may be the earlier) except that the Company may before such expiry enter into a contract to purchase its own shares which will or may be completed or executed wholly or partly after such expiry.
20. That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

BY ORDER OF THE BOARD

GRAHAM COPE  
Company Secretary

25 September 2017

Registered in England and Wales No. 2877315  
Registered Office:  
Redrow House  
St. David's Park  
Flintshire  
CH5 3RX

Notes

- 1. A Shareholder entitled to attend and vote may appoint a proxy to attend, speak and vote at the Annual General Meeting instead of him. A proxy need not be a Shareholder of the Company. A Shareholder may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him.
- 2. A Form of Proxy is enclosed which, if required, should be completed in accordance with the instructions set out therein and returned, or lodged using the CREST Proxy Voting Service in accordance with note 16 below, so as to reach the Company's Registrars, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not later than 48 hours before the time of the meeting or any adjourned meeting. Completion of a Form of Proxy will not preclude a Shareholder from attending and voting at the meeting in person if they so wish.
- 3. All Shareholders on the register of members at 6.00p.m. on 7 November 2017 (or if the meeting is adjourned 48 hours before the time fixed for the meeting) and only those Shareholders are entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their respective names at that time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.
- 4. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("**nominated persons**"). Nominated persons may have a right under an agreement with the Shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
- 5. Any corporation which is a Shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder provided that they do not do so in relation to the same shares.
- 6. Holders of Ordinary Shares are entitled to attend and vote at general meetings of the Company. The total number of issued Ordinary Shares on 25 September 2017 is 369,799,938, carrying one vote each on a poll. As of 25 September 2017, the Company does not hold any shares in treasury. Therefore, the total number of votes exercisable as at 25 September 2017 is 369,799,938.
- 7. In order to comply with the Code, Resolution 16 will be taken on a poll and the Concert Party will not participate.
- 8. Shareholders should note that, under Section 527 of the Companies Act 2006, Shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditors' report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the Shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 (requirements as to website availability) of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's Auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.
- 9. Shareholders may not use any electronic address provided in either this notice of meeting or any related documents (including the enclosed Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
- 10. Any Shareholder attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- 11. A copy of this notice and other information required by Section 311A of the Companies Act 2006 can be found at <http://investors.redrowplc.co.uk>.
- 12. If you are in any doubt as to what action you should take, you are recommended to immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.
- 13. If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank manager or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.



PART II

Notice of Annual General Meeting continued

Notes continued

14. Under Section 338 and Section 338A of the Companies Act 2006, Shareholders meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to Shareholders of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company’s constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 28 September 2017, being the date six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

15. The following documents will be available for inspection at the place of the meeting from 11.45a.m. on 9 November 2017 until the conclusion of the meeting:

a. a copy of the annual report and accounts of the Company for each of the years ended 30 June 2016 and 30 June 2017;

b. the Articles of Association and Memorandum of the Company;

c. the letters of appointment and service contracts of the Executive Directors and the Non-Executive Directors;

d. the letters of consent from Barclays and Peel Hunt to the Company referred to in paragraph 9.1 of Part V of this document; and

e. this document.

16. CREST Shareholders who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by following the procedures described in the CREST Manual. CREST Personal Shareholders or other CREST-sponsored Shareholders (and those CREST Shareholders who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

17. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in note 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy appointed through CREST should be communicated to him by other means.

18. CREST Shareholders (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST Shareholder concerned to take (or, if the CREST Shareholder is a CREST personal Shareholder or sponsored Shareholder or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST Shareholders (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

19. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

20. If you have any questions about the meeting or need any special assistance at the meeting, please contact the Company Secretary at the registered office or telephone 01244 520044 during normal business hours.
- 09
- PART III
- Explanatory Notes to the Resolutions
- The following pages give an explanation of the proposed resolutions.
- Resolutions 1 to 16 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution subject to the below.
- Resolutions 17 to 20 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.
- RESOLUTION 2 – DIVIDEND
- Subject to approval at the meeting, the dividend will be paid on 14 November 2017 to Shareholders on the register at the close of business on 22 September 2017.
- RESOLUTIONS 3–9 – RE-APPOINTMENT OF DIRECTORS
- In accordance with the provisions of the UK Corporate Governance Code, all Directors retire and offer themselves for re-election.
- Under the Listing Rules, Steve Morgan is classed as a “controlling shareholder” of the Company (since he and his Concert Party exercises and controls 30 per cent. or more of the voting rights in the Company). Therefore, Resolutions 6, 7, 8 and 9 (appointment and re-appointment of the Company’s Non-Executive Directors) must be approved both by a simple majority of all Shareholders, and by a simple majority of Independent Shareholders. For full biographies of all Directors and further details in relation to their re-election, please see page 62 and page 63 of the Annual Report.
- None of the independent Non-Executive Directors seeking either election or re-election at the meeting has any existing or previous relationship with the Company, nor with any controlling shareholder of the Company or any associate of a controlling shareholder of the Company within the meaning of LR 13.8.17 R(1).
- The Company’s Nominations Committee considers the appointment and replacement of Directors subject to the rules set out in the Company’s Articles of Association and in accordance with the Nominations Committee’s Terms of Reference. When an appointment is considered appropriate, the Nominations Committee will evaluate the balance of skills, knowledge and experience of the Board and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.
- In considering the independence of each Non-Executive Director, the Board has taken into consideration the guidance provided by the UK Corporate Governance Code. The Board considers Debbie Hewitt, Nick Hewson, Sir Michael Lyons and Vanda Murray to be independent in accordance with Provision B.1.1 of the UK Corporate Governance Code.
- The Board confirms that Steve Morgan, John Tutte and Barbara Richmond, who stand for re-appointment as Executive
- Directors, Debbie Hewitt, Nick Hewson and Sir Michael Lyons who stand for re-appointment as Non-Executive Directors, and Vanda Murray who stands for appointment as Non-Executive Director, continue to be effective and demonstrate the appropriate commitment to their roles.
- RESOLUTIONS 10 AND 11 – RE-APPOINTMENT OF AUDITORS AND AUDITORS’ REMUNERATION
- The Company is required to appoint Auditors at every general meeting at which the accounts are presented to Shareholders. Resolution 10, which is recommended by the Audit Committee, proposes the re-appointment of PricewaterhouseCoopers LLP who are willing to seek re-appointment this year. Resolution 11 authorises the Company’s Directors to determine the Auditors’ fees. If this resolution is passed, the Audit Committee will approve the fees for recommendation to the Board.
- RESOLUTIONS 12–14 – DIRECTORS’ REMUNERATION
- These resolutions deal with the remuneration of the Directors and seek approval of, the remuneration paid to the Directors during the year under review, the Directors’ remuneration policy, and increasing the cap on the ordinary remuneration of the Directors respectively.
- The Company is required to ask Shareholders to approve the Directors’ remuneration report (other than the remuneration policy). This is set out on pages 76 to 97 of the Annual Report. Resolution 12 is an advisory vote.
- Changes to the Companies Act 2006, which took effect in October 2013, require the Company to ask Shareholders to approve the remuneration policy section of the Directors’ remuneration report. This is set out on pages 79 to 86 of the Annual Report. Resolution 13 is a binding vote. If approved by Shareholders, the Directors’ remuneration policy will take effect immediately after the end of the Annual General Meeting and will apply until replaced by a new or amended policy.
- Article 66.1 of the Company’s Articles of Association currently specifies a cap on the ordinary remuneration of the Directors at £250,000 per annum in aggregate. The purpose of Resolution 14 is to increase the level of this cap to £500,000 per annum in aggregate. The current cap has been in place for a number of years and could potentially restrict the Board’s ability to appoint the best board members available. The proposed cap of £500,000 is in line with other FTSE 250 companies and will provide flexibility to respond to competitive and market conditions and in structuring the fees of individual Directors. The current cap may also restrict the ability to appoint additional directors and, therefore, increasing the cap should provide the Board with additional flexibility and facilitate the effective review and management of the composition of the Board.
- The cap does not apply to the remuneration of the Executive Directors, the Chairman (and any Deputy Chairman that may be appointed from time to time), or to any additional fees paid to any other Directors in respect of services that are outside the scope of the ordinary duties of a Director. The fees of the Non-Executive Directors from 1 July 2017 will be as set out in the remuneration report.

PART III

Explanatory Notes to the Resolutions continued

RESOLUTION 15 – AUTHORITY TO ALLOT SHARES

Shareholders are being invited to renew the authority given to Directors in previous years to allot new shares.

If passed, the authority in paragraph (i) of Resolution 15 would renew this authority by authorising the Directors to allot shares and grant rights to subscribe for or convert other securities into shares up to an aggregate nominal amount of £12,326,664.60 (which is equivalent to approximately 33 per cent. of the issued share capital of the Company as at the Latest Practicable Date).

The authority in paragraph (ii) of Resolution 15 will allow the Directors to allot shares and grant rights to subscribe for or convert other securities into shares up to a further nominal amount of £12,326,664.60 only in connection with a rights issue (which is equivalent to approximately 33 per cent. of the issued share capital of the Company as at the Latest Practicable Date). This is in line with corporate governance guidelines.

The Company does not, as of the Latest Practicable Date, hold any shares in treasury.

The authority will expire at the conclusion of the next annual general meeting of the Company or, if earlier, at the close of business on 31 December 2018.

The Directors will exercise the authority to allot new shares or undertake a rights issue only when satisfied that it is in the best interests of the Company to do so. There are no present plans to undertake a rights issue or to allot new shares. The Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities as they arise.

RESOLUTION 16 – APPROVAL OF RULE 9 WAIVER

Pursuant to Rule 9 of the Code and the Waiver granted by the Panel, which is conditional upon Independent Shareholder approval, Independent Shareholders are being asked to approve the terms of the Waiver by way of a poll for the reasons set out on Part IV of this document.

RESOLUTIONS 17 AND 18 – GENERAL AND ADDITIONAL AUTHORITY TO DISAPPLY PRE-EMPTION RIGHTS

The Directors may only allot shares and other equity securities, or sell treasury shares, for cash (other than in connection with an employee share scheme) to persons who are not already Shareholders in the Company if authorised to do so by the Shareholders in a general meeting.

The purpose of paragraphs (i)(a) and (ii) of Resolution 17 is to authorise the Directors to allot new shares and other equity securities, or sell treasury shares, for cash on a pre-emptive basis. The resolution also enables the Directors to modify the strict requirements for a pre-emptive offer or pre-emptive rights issue in circumstances where they consider it necessary or expedient.

In addition, there may be circumstances when the Directors consider it in the best interests of the Company to allot a limited number of Ordinary Shares or other equity securities, or sell treasury shares, for cash on a non-pre-emptive basis. The Pre-Emption Group's Statement of Principles, as updated in March 2015, supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities and sales of treasury shares for cash representing no more than 5 per cent. of the issued share capital of the Company (exclusive of treasury shares), without restriction as to the use of proceeds of those allotments.

Accordingly, the purpose of paragraph (i)(b) of Resolution 17 is to authorise the Directors to allot new shares and other equity securities pursuant to the authority given in Resolution 15, or sell treasury shares, for cash up to an aggregate nominal amount of £1,848,999.60, equivalent to approximately 5 per cent. of the issued share capital of the Company as at the Latest Practicable Date, without the shares first being offered to existing Shareholders in proportion to their existing holdings. The Company does not, as of the Latest Practicable Date, hold any shares in treasury.

The Pre-Emption Group's Statement of Principles also supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities and sales of treasury shares for cash representing no more than an additional 5 per cent. of the issued share capital of the Company (exclusive of treasury shares), to be used only in connection with an acquisition or specified capital investment. The Pre-Emption Group's Statement of Principles defines "specified capital investment" as meaning one or more specific capital investment related uses for the proceeds of an issue of equity securities, in respect of which sufficient information regarding the effect of the transaction on the Company, the assets the subject of the transaction and (where appropriate) the profits attributable to them is made available to Shareholders to enable them to reach an assessment of the potential return.

Accordingly, and in line with the template resolutions published by the Pre-Emption Group in May 2016, the purpose of Resolution 18 is to authorise the Directors to allot new shares and other equity securities pursuant to the authority given in Resolution 15, or sell treasury shares, for cash up to a further aggregate nominal amount of £1,848,999.60, equivalent to approximately 5 per cent. of the issued share capital of the Company as at the Latest Practicable Date, only in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue. If the authority given in Resolution 18 is used, the Company will publish details of the placing in its next annual report.

The Board intends to adhere to the provisions in the Pre-emption Group's Statement of Principles and not to allot shares or other equity securities or sell treasury shares for cash on a non-pre-emptive basis pursuant to the authority in Resolution 17 in excess of an amount equal to 7.5 per cent. of the issued share capital of the Company, excluding treasury shares, within a rolling three-year period, other than:

- (i) with prior consultation with Shareholders; or
- (ii) in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

The Board has no current intention of exercising the authorities in Resolutions 17 and 18 but considers such authorities to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue without the need to comply with the strict requirements of the statutory pre-emption provisions.

The authority will expire on whichever is the earlier of the conclusion of the next annual general meeting or at the close of business on 31 December 2018.

RESOLUTION 19 – AUTHORITY TO PURCHASE OWN SHARES

The Directors are seeking authority to make market purchases of Ordinary Shares. The proposed authority would be limited by the terms of Resolution 19 to the purchases of 36,979,993 Ordinary Shares with an aggregate nominal value of £3,697,999.30, which is equivalent to approximately 10 per cent. of the issued share capital of the Company at the Latest Practicable Date.

The Directors would exercise this authority only if they felt it would be in the best economic interests of the Company to do so. Other investment opportunities, appropriate gearing levels and the overall financial position of the Company will be taken into account before deciding upon the course of action.

Details of any Ordinary Shares purchased pursuant to the proposed authority set out in Resolution 19 would be notified to the London Stock Exchange by 7.30 a.m. on the business day following the purchase and to the Registrar of Companies within 28 days. Details would also be included in the Company's Annual Report and Accounts in respect of the financial period in which any such purchases take place. The authority set out in Resolution 19 will expire on the earlier of the end of the next annual general meeting or 31 December 2018, and Resolution 19 specifies the maximum and minimum prices at which the Ordinary Shares may be bought.

The Company's current intention is to cancel any repurchased shares but retains the flexibility to hold any repurchased shares as treasury shares if it considers this to be in the best interests of the Company.

At the Latest Practicable Date, there were options outstanding over 5,744,696 Ordinary Shares, representing 1.55 per cent of the issued share capital of the Company (excluding shares held in treasury). If the authority given by Resolution 19 were to be fully used, these options would represent 1.73 per cent of the issued share capital of the Company (excluding shares held in treasury). There are no warrants outstanding.

In addition, if Resolution 16 is approved and the authority granted by Resolution 19 were to be fully used, the Concert Party's maximum potential shareholding would increase from approximately 32.70 per cent. to approximately 36.34 per cent of the issued share capital of the Company (assuming no participation or other sales of interests in Ordinary Shares by the Concert Party in connection with any share repurchases or otherwise and no other person exercising any options or any other rights to subscribe for Ordinary Shares).

RESOLUTION 20 – CALLING OF A GENERAL MEETING OTHER THAN AN ANNUAL GENERAL MEETING

Under the Companies Act 2006 the notice period required for general meetings of the Company is 21 days unless Shareholders approve a shorter notice period, which cannot, however, be less than 14 clear days. Annual general meetings of the Company will continue to be held on at least 21 clear days' notice.

Resolution 20 seeks such approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed.

PART IV

# Approval of Waiver of Obligations Under Rule 9 of the City Code on Takeovers and Mergers

1 BACKGROUND

1.1 Steve Morgan is the Chairman of the Company. Bridgemere Securities Limited and the Steve Morgan Foundation have the largest interests in the Company's Ordinary Shares and are connected to Mr Morgan, although he has no direct shareholding in the Company through either Bridgemere Securities Limited or the Steve Morgan Foundation. As at the close of business on the Latest Practicable Date, Bridgemere Securities Limited and the Steve Morgan Foundation together held 120,386,045 Ordinary Shares representing approximately 32.55 per cent. of the issued share capital of the Company.

1.2 The Takeover Panel has ruled that Mr Morgan and a number of persons are acting in concert for the purposes of the Code. As at the close of business on the Latest Practicable Date, the Concert Party held 120,942,378 Ordinary Shares representing approximately 32.70 per cent. of the issued share capital of the Company. The membership of the Concert Party and its members' shareholdings are set out in paragraph 4.5 of Part V.

1.3 If the authority to repurchase Ordinary Shares proposed by the Buy Back Resolution is approved and repurchases are made by the Company, the Concert Party would be in a position where, were it not to participate in any further repurchase by the Company of Ordinary Shares, its percentage interest in the Ordinary Shares would increase beyond its current level, thereby triggering a mandatory offer for the remainder of the share capital of the Company under Rule 9 of the Code.

2 RELATIONSHIP TO BUYBACK AUTHORITY PROPOSED BY THE BUY BACK RESOLUTION

2.1 The authority to repurchase shares proposed by the Buy Back Resolution at the AGM provides the Company with the flexibility to manage its capital base in line with other listed companies that seek this standard authority on an annual basis. However, if the Company undertakes a share repurchase in accordance with the authority granted by the Buy Back Resolution at the AGM, the Concert Party's interest in Ordinary Shares could increase beyond its current level such that it holds more than 30 per cent. but not more than 50 per cent. of the issued share capital of the Company, in which case a member of the Concert Party could be required under Rule 9 of the Code to make a mandatory offer for the remainder of the share capital of the Company. The maximum interest in Ordinary Shares which the Concert Party could hold as a result of a share repurchase in accordance with the Buy Back Resolution is approximately 36.34 per cent.

2.2 Independent Shareholders are therefore being asked to approve the terms of a waiver of this requirement granted by the Panel to the Concert Party (subject to such approval), by means of the Waiver Resolution. An explanation of the reasons for this request, and the background to the obligation arising from Rule 9 of the Code, are in section 3 below.

2.3 In any event, and as stated in Part III of this document, the Directors would exercise the authority to buy back Ordinary Shares under the Buy Back Resolution only if it would be in the best economic interests of the Company to do so. The final decision relating to any repurchase of Ordinary Shares would be taken by the Independent Directors and would be conducted within the pricing and size parameters agreed by the Independent Directors but in compliance with the limits set out in the Buy Back Resolution.

2.4 The Waiver, if granted, would apply only for as long as the Buy Back Resolution remains in force. Accordingly, whether or not the authority given under the Buy Back Resolution is used in the coming year, the Independent Directors will consider whether to seek a renewal of the Waiver by the Panel at the time of the 2018 annual general meeting. Any such renewal of the Waiver would again be subject to Independent Shareholder approval at next year's annual general meeting.

3 REASONS FOR THE WAIVER

3.1 Under Rule 9 of the Code, any person who acquires an interest in shares (as defined in the Code) which, taken together with any interest in shares already held by that person or any interest in shares held or acquired by persons acting in concert with them, carry 30 per cent. or more of the voting rights of a company which is subject to the Code, is normally required to make a general offer to all the remaining Shareholders to acquire their shares in the company. Similarly, when any person, together with persons acting in concert with them, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person. Such an offer would have to be made in cash and at the highest price paid for any interest in shares by that person or by any person acting in concert with them within the 12 months prior to the announcement of the offer.

3.2 Under Rule 37.1 of the Code, when a company redeems or purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a Shareholder and any persons acting in concert with them are interested will normally be treated as an acquisition for the purpose of Rule 9 of the Code.

3.3 As noted above, the Concert Party currently holds approximately 32.70 per cent. of the issued share capital of the Company. If the authority to purchase own shares granted by the Buy Back Resolution were approved and to be fully used and if the Concert Party does not participate in future repurchases by the Company of its own shares, the Concert Party's shareholding would increase to approximately 36.34 per cent. of the issued share capital of the Company.

3.4 The Panel has agreed to waive the obligation to make a general offer that would otherwise arise as a result of increases in the shareholding of the Concert Party following the market purchases of Ordinary Shares by the Company, pursuant to the authority to be granted under the Buy Back Resolution, subject to the approval of the Independent Shareholders. Accordingly, the Waiver Resolution is being proposed at the AGM and the vote in respect of the Waiver Resolution will be held by means of a poll vote. Representatives of Concert Party members may attend the AGM but no member of the Concert Party (and no nominee or representatives of them) shall be entitled to vote on the Waiver Resolution at the AGM.

3.5 No Concert Party member will be restricted from making an offer for the Company following the approval of the Waiver Resolution by the Independent Shareholders at the AGM.

4 INDEPENDENT ADVICE

4.1 Barclays and Peel Hunt have provided advice to the Independent Directors, in accordance with the requirements of paragraph 4(a) of Appendix 1 to the Code, in relation to the granting of the Waiver.

4.2 This advice was provided by Barclays and Peel Hunt to the Independent Directors of the Company only and in providing

such advice Barclays and Peel Hunt have taken into account the Independent Directors' commercial assessments.

5 RECOMMENDATION

5.1 The Independent Directors, who have been so advised by Barclays and Peel Hunt, believe that obtaining the Waiver is fair and reasonable as far as Independent Shareholders and the Company as a whole are concerned and is in the best interests of Independent Shareholders and the Company as a whole.

5.2 Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of the Waiver Resolution and the Buy Back Resolution, as the Independent Directors intend to do in respect of their own shareholdings of 1,256,587 Ordinary Shares, representing approximately 0.34 per cent. of the issued share capital of the Company.

5.3 Mr Morgan has not taken part in any decision of the Independent Directors relating to the Waiver, the Waiver Resolution or the Buy Back Resolution, since his interest in Ordinary Shares are the subject of the Waiver. These matters have been dealt with by the Independent Directors. Furthermore, Mr Morgan will not be entitled to vote on the Waiver Resolution at the AGM.

6 MAXIMUM POTENTIAL HOLDING

6.1 Pursuant to the Code, it is necessary to provide an illustration of the Concert Party's maximum potential interest in Ordinary Shares based on certain assumptions.

6.2 Assuming: (i) full exercise by the Company of the authority granted under the Buy Back Resolution; (ii) no participation or other sales of interests in Ordinary Shares by the Concert Party in connection with any share repurchases or otherwise; and (iii) no further shares are issued by the Company in respect of the exercise of subscription rights or otherwise, the Concert Party's maximum potential interest in the Ordinary Shares if the Waiver is approved would be as set out in the following table:

Name	Number of Ordinary Shares held	Percentage of Ordinary Shares at the Latest Practicable Date	Maximum potential interest in Ordinary Shares
Steve Morgan	120,386,045	32.5544	36.1715
Bryan Dix	230,000	0.0622	0.0691
Ashley Lewis	12,420	0.0034	0.0037
Vincent Fairclough	55,611	0.0150	0.0167
Victoria Fairclough	802	0.0002	0.0002
The Housing Deposit Trust	257,500	0.0696	0.0774
<b>Total Concert Party</b>	<b>120,942,378</b>	<b>32.70</b>	<b>36.34</b>

Note:

- (1) Steve Morgan's interest includes 94,436,045 Ordinary Shares held by Steve Morgan indirectly through Bridgemere Securities Limited. In addition, this figure includes 25,950,000 Ordinary Shares held by the Steve Morgan Foundation, of which Steve Morgan is a trustee, for the beneficiaries of the foundation. Steve Morgan has no direct holding in the Company.
- (2) Figures for individual Concert Party members' interests are given to four decimal places. Figures for the Concert Party's aggregate interests are given to two decimal places



PART IV

Approval of Waiver of Obligations Under Rule 9 of the City Code on Takeovers and Mergers continued

7 FURTHER EXPLANATION OF THE WAIVER AND THE WAIVER RESOLUTION

- 7.1 The Waiver will apply, provided the Waiver Resolution is approved by the Independent Shareholders, only in respect of increases in the Concert Party's percentage interest in Ordinary Shares resulting from repurchases of Ordinary Shares under the Buy Back Resolution. It will not apply in respect of other increases in the Concert Party's percentage interest in Ordinary Shares (arising, for example, from market purchases of Ordinary Shares by or on behalf of the Concert Party or from other repurchases of Ordinary Shares by the Company that are not pursuant to the authority granted by the Buy Back Resolution) which will be subject to the provisions of Rule 9 of the Code.
- 7.2 The Directors envisage that Shareholder approval for a further buyback authority may be sought at the 2018 annual general meeting of the Company. At that time, the Independent Directors will consider whether to seek a further waiver by the Panel of any obligation of the Concert Party under Rule 9 of the Code to make a general offer to the Shareholders of the Company to purchase their shares as a result of an increase in its percentage interest in Ordinary Shares arising from the purchase by the Company of its own shares pursuant to such further authority. Any further waiver granted by the Panel would again be conditional upon Independent Shareholder approval at that time.
- 7.3 If the Independent Shareholders do not approve the Waiver Resolution but the Buy Back Resolution is passed, the Board will not make use of the authority granted under the Buy Back Resolution unless arrangements can be put in place to ensure that the Concert Party's percentage interest in the Ordinary Shares will not increase as a result of any future purchases by the Company of its own shares or a further waiver is sought from the Panel in respect of such increases (and Independent Shareholder approval is granted), since, based on the issued share capital of the Company and the Concert Party's percentage interest in the Ordinary Shares as at the Latest Practicable Date, any purchases by the Company of its own shares from Independent Shareholders could result in the Concert Party having to make a mandatory offer to all Shareholders under Rule 9 of the Code.
- 7.4 As required by the Code, voting on the Waiver Resolution at the AGM will be by means of a poll of Independent Shareholders.

8 MANAGEMENT, EMPLOYEES AND CONTINUATION OF THE BUSINESS OF THE COMPANY

- 8.1 The Concert Party has no intention, as a result of any increase in the Concert Party's shareholding following any repurchases by the Company of its own shares, to seek any change in the membership of the Board or management or to the general nature of any other aspect of the Company's business, nor does it intend to redeploy any fixed assets or change the existing trading facilities for the Ordinary Shares.
- 8.2 The strategic plans for the Company are not expected to be altered by the Waiver Resolution and so there should be no repercussions on employment, pension scheme arrangements or the location of the Company's place of business.

PART V

Additional Information

1 RESPONSIBILITY

- 1.1 The Directors accept responsibility for the information contained in this document, save that:
- (a) Steve Morgan, a member of the Concert Party, who has not participated in the Board's consideration of the Waiver, takes no responsibility for the recommendation of the Independent Directors set out in the Part 1 and section 5 of Part IV of this document; and
- (b) the only responsibility accepted by the Independent Directors in respect of the information in this document relating to the Concert Party and its intentions has been to ensure that such information has been correctly and fairly reproduced or presented (and no steps have been taken by the Independent Directors to verify this information).
- To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

- 1.2 Steve Morgan accepts responsibility for:
- (a) the statements in section 8 of Part IV of this document relating to the intentions of the Concert Party and to the Company's strategic direction and its repercussions; and
- (b) the information relating to the Concert Party contained in this Part V of this document.

To the best knowledge and belief of Steve Morgan (who has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

- 1.3 The Independent Directors accept responsibility for the recommendation and associated opinion attributed to them in Part 1 section 5 of Part IV of this document. To the best knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that this is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 INFORMATION ON THE COMPANY

- 2.1 The Company is a public company limited by shares in England and Wales with registered number 2877315. The Ordinary Shares are quoted on the London Stock Exchange with designation RDW.
- 2.2 The principal legislation under which the Company operates is the Companies Act 2006 and the regulations made thereunder.
- 2.3 The Company's registered office is at Redrow House, St. David's Park, Flintshire CH5 3RX.

3 DIRECTORS

- 3.1 The Directors of the Company and their respective functions at the date of this document are as follows:

Name	Function
Steve Morgan	Chairman
John Tutte	Group Chief Executive
Barbara Richmond	Group Finance Director
Debbie Hewitt	Senior Independent Director
Nick Hewson	Non-Executive Director
Sir Michael Lyons	Non-Executive Director
Vanda Murray	Non-Executive Director

- 3.2 Steve Morgan is not considered to be independent in relation to the Waiver since his interest in Ordinary Shares are the subject of the Waiver.

4 INTERESTS AND DEALINGS Directors

- 4.1 As at the close of business on the Latest Practicable Date, the interests, rights to subscribe and short positions of the Directors, their immediate families and persons connected with them (within the meaning of Part 22 of the Companies Act 2006) in Ordinary Shares (all of which are beneficial unless stated) were as set out below:

Director	Number of Ordinary Shares
Steve Morgan	120,386,045
John Tutte	696,050
Barbara Richmond	506,350
Debbie Hewitt	30,687
Nick Hewson	20,500
Sir Michael Lyons	3,000
Vanda Murray	0

Note:

(1) Steve Morgan's interest includes 94,436,045 Ordinary Shares held by Steve Morgan indirectly through Bridgemere Securities Limited. In addition, this figure includes 25,950,000 Ordinary Shares held by the Steve Morgan Foundation, of which Steve Morgan is a trustee, for the beneficiaries of the foundation. Steve Morgan has no direct holding in the Company.



PART V

Additional Information continued

4 INTERESTS AND DEALINGS CONTINUED

Directors continued

4.2 As at the close of business on the Latest Practicable Date, details of options over Ordinary Shares granted to the Directors and their respective related parties under the SAYE were as set out below:

Director	Options held at 1 July 2016	Options granted in year	Options exercised in year	Options lapsed	Options held at 30 June 2017	Exercise price £	From	To
John Tutte								
SAYE 2015	8,163	–	–	–	8,163	2.21	01/01/18	01/07/18
Barbara Richmond								
SAYE 2014	4,545	–	(4,545)	–	–	1.98	01/01/17	01/07/17
SAYE 2015	4,081	–	–	–	4,081	2.21	01/01/18	01/07/18

4.3 As at the close of business on the Latest Practicable Date, the beneficial interests of the Directors and their respective related parties in options over Ordinary Shares granted under the LTSIP, were as set out below:

Director	Options held at 1 July 2016	Options granted in year	Options exercised in year	Options lapsed	Options held at 30 June 2017	Exercise price £	From	To
Steve Morgan <sup>(1)</sup>								
LTSIP 2010	78,625	–	–	–	78,625	–	18/02/14	19/04/21
LTSIP 2011	367,012	–	–	–	367,012	–	21/09/14	20/09/21
LTSIP 2012	271,739	–	–	–	271,739	–	23/10/15	22/10/22
LTSIP 2013	183,158	–	–	–	183,158	–	24/09/16	24/09/23
LTSIP 2014	162,105	–	–	–	162,105	–	08/09/17	08/09/24
LTSIP 2015	96,154	–	–	–	96,154	–	14/09/18	14/09/25
LTSIP 2016	–	118,867	–	–	118,867	–	12/09/19	12/09/25
John Tutte								
LTSIP 2012	246,164	–	(246,164)	–	–	–	23/10/15	22/10/22
LTSIP 2013	166,316	–	(166,316)	–	–	–	24/09/16	24/09/23
LTSIP 2014 <sup>(2)</sup>	189,474	–	–	–	189,474	–	08/09/17	08/09/24
LTSIP 2015	112,348	–	–	–	112,348	–	14/09/18	14/09/25
LTSIP 2016	–	138,882	–	–	138,882	–	12/09/19	12/09/26
Barbara Richmond								
LTSIP 2011	159,889	–	(159,889)	–	–	–	21/09/14	20/09/21
LTSIP 2012	164,322	–	(164,322)	–	–	–	23/10/15	22/10/22
LTSIP 2013	111,579	–	(111,579)	–	–	–	24/09/16	24/09/23
LTSIP 2014 <sup>(3)</sup>	107,018	–	–	–	107,108	–	08/09/17	08/09/24
LTSIP 2015	63,462	–	–	–	63,462	–	14/09/18	14/09/25
LTSIP 2016	–	78,472	–	–	78,472	–	12/09/19	12/09/26

Note:

(1) All scheme interests held by Steve Morgan are receivable in cash on terms which in all other respects mirror those for other Executive Directors

(2) On 8 September John Tutte exercised 189,474 share options at a price of 628.5p.

(3) On 8 September Barbara Richmond exercised 107,108 share options at a price of 628.5p.

4.4 As at the close of business on the Latest Practicable Date, details of options over Ordinary Shares granted to the Directors and their respective related parties under the DBIS were as set out below:

Director	Options held at 1 July 2016	Options granted in year	Options exercised in year	Options lapsed	Options held at 30 June 2017	Exercise price £	From	To
Steve Morgan <sup>(1)</sup>								
DBIS 2012	137,897	–	–	–	137,897	–	23/10/13	22/10/22
DBIS 2013	73,263	–	–	–	73,263	–	24/09/14	24/09/23
DBIS 2014	78,246	–	–	–	78,246	–	08/09/15	08/09/24
DBIS 2015	46,761	–	–	–	46,761	–	14/09/18	14/09/25
DBIS 2016	–	57,969	–	–	57,969	–	12/09/17	12/09/26
John Tutte								
DBIS 2012	62,459	–	(62,459)	–	–	–	23/10/13	22/10/22
DBIS 2013	66,526	–	(66,526)	–	–	–	24/09/14	24/09/23
DBIS 2014	71,053	–	(71,053)	–	–	–	08/09/15	08/09/24
DBIS 2015 <sup>(2)</sup>	54,656	–	(27,328)	–	27,328	–	14/09/15	14/09/25
DBIS 2016 <sup>(3)</sup>	–	67,732	–	–	67,732	–	12/09/17	12/09/26
Barbara Richmond								
DBIS 2012	41,693	–	(41,693)	–	–	–	23/10/13	22/10/22
DBIS 2013	44,632	–	(44,632)	–	–	–	24/09/14	24/09/23
DBIS 2014	47,719	–	(47,719)	–	–	–	08/09/15	08/09/24
DBIS 2015 <sup>(4)</sup>	30,870	–	(15,435)	–	15,435	–	14/09/18	14/09/25
DBIS 2016 <sup>(5)</sup>	–	38,260	–	–	38,260	–	12/09/17	12/09/26

Note:

(1) All scheme interests held by Steve Morgan are receivable in cash on terms which in all other respects mirror those for other Executive Directors.

(2) On 19 September John Tutte exercised 27,328 share options at a price of 551p.

(3) On 13 September John Tutte exercised 33,866 share options at a price of 580p.

(4) On 19 September Barbara Richmond exercised 15,435 share options at a price of 551p.

(5) On 13 September Barbara Richmond exercised 19,130 share options at a price of 580p.

The Concert Party

4.5 As at the close of business on the Latest Practicable Date, the members of the Concert Party's respective interests in Ordinary Shares were as follows:

Name	Number of Ordinary Shares	Percentage of issued Ordinary Shares
Steve Morgan	120,386,045	32.5544
Bryan Dix	230,000	0.0622
Ashley Lewis	12,420	0.0034
Vincent Fairclough	55,611	0.0150
Victoria Fairclough	802	0.0002
The Housing Deposit Trust	257,500	0.0696
Total Concert Party	120,942,378	32.70

Note:

(1) Steve Morgan's interest includes 94,436,045 Ordinary Shares held by Steve Morgan indirectly through Bridgemere Securities Limited. In addition, this figure includes 25,950,000 Ordinary Shares held by the Steve Morgan Foundation, of which Steve Morgan is a trustee, for the beneficiaries of the foundation. Steve Morgan has no direct holding in the Company. Both Bridgemere Securities Limited and the trustees of the Steve Morgan Foundation form part of Mr Morgan's concert party for the purposes of the Code.

(2) Figures for individual Concert Party members' interests are given to four decimal places. Figures for the Concert Party's aggregate interest is given to two decimal places.

PART V

Additional Information continued

4 INTERESTS AND DEALINGS CONTINUED  
The Concert Party continued

4.6 Bridgemere Securities Limited is a company incorporated in Guernsey (registered number 39852), with its registered office at Floor 2, Le Marchant House, Le Truchot, St. Peter Port, Guernsey, GY1 1GR. The Directors of Bridgemere Securities Limited and their respective functions at the date of this document are as follows:

Steve Morgan	Director
Bryan Dix	Director
Sharon Parr	Director
Colin Bowman	Director
Julien Sharpe	Director

4.7 The Steve Morgan Foundation is a charitable trust founded by Mr Morgan in 2011, which has historically supported charities and organisations across North Wales. The foundation is controlled by a board of six trustees: Steve Morgan, Ashley Lewis, Vincent Fairclough, Sally Morgan, Rhiannon Walker OBE and Jonathan Masters.

4.8 As at the close of business on the Latest Practicable Date, no member of the Concert Party or any other person acting in concert with them had any interests, rights to subscribe or short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery in any relevant securities, save as disclosed in paragraph 4.5 above.

4.9 On 16 November 2016 Vincent Fairclough received 717 Ordinary Shares under the Company’s dividend reinvestment plan. On 27 February 2017 he sold 4,081 shares at a price of 490.0695 pence per Ordinary Share, and on 28 April 2017 he sold 4,849 Ordinary Shares at a price of 556.56 pence per Ordinary Share. On 10 May 2017 he received 519 Ordinary Shares under the Company’s dividend reinvestment plan. On 14 February 2017 Bridgemere Securities Limited gifted 42,000,000 Ordinary Shares to the trustees of the Steve Morgan Foundation. On 28 March 2017 Victoria Fairclough sold 1,928 Ordinary Shares at a price of 511 pence per Ordinary Share. On 3 April 2017, the trustees of the Steve Morgan Foundation sold 3,100,000 Ordinary Shares at a price of 508.75 pence per Ordinary Share. On 5 April 2017 the Housing Deposit Trust sold 12,500 Ordinary Shares at a price of 513.1222 pence per Ordinary Share. On 14 September 2017, Bridgemere Securities Limited and the trustees of the Steve Morgan Foundation sold 12,950,000 Ordinary Shares each at a price of 590 pence per Ordinary Share.

4.10 Except as described in paragraph 4.9 above, as at the close of business on the Latest Practicable Date, no member of the Concert Party nor any person acting in concert with them had any dealings (including borrowing or lending) in relevant securities which took place during the period beginning 12 months preceding the date of this document and ending on the Latest Practicable Date.

4.11 As at the close of business on the Latest Practicable Date, no relevant securities had been borrowed or lent by the Company, any member of the Concert Party or by the Directors, or any persons acting in concert with them.

4.12 As at the close of business on the Latest Practicable Date, none of the Directors or any person acting in concert with them had any interests, rights to subscribe or short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery in any relevant securities, save as disclosed in paragraph 4.1 above.

Pension Funds, Employment Benefit Trusts and Advisers

4.13 As at the close of business on the Latest Practicable Date:

- 4.13.1 Zedra Trust Company (Guernsey) Limited, as trustee of the Redrow Employee Benefit Trust, held 5,020,440 Ordinary Shares;
- 4.13.2 save as set out in paragraph 4.13.1 above, no pension fund or employee benefit trust of the Company nor of any member of the Concert Party had any interests, rights to subscribe or short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery in relevant securities;
- 4.13.3 no pension fund or employee benefit trust of any member of the Concert Party had any dealings (including borrowing or lending) in relevant securities which took place during the period beginning 12 months preceding the date of this document and ending on the Latest Practicable Date; and
- 4.13.4 neither Barclays, Peel Hunt nor any other connected adviser of the Company (including any person controlling, controlled by or under the same control as it) had any interests, rights to subscribe or short positions in relevant securities, save that Barclays held 1,856,552 Ordinary Shares.

5 DIRECTORS’ SERVICE CONTRACTS

5.1 Details of the service agreements currently in place between the Company and the Executive Directors are set out below:

Executive Director	Effective date of contract	Notice period from the Company
Steve Morgan	1 January 2011	6 months
John Tutte	1 July 2014	12 months
Barbara Richmond	18 January 2010	12 months

5.2 Details of the appointment agreements currently in place between the Company and the Non-Executive Directors are set out below:

Non-Executive Director	Effective date of contract	Notice period from either party
Debbie Hewitt	19 August 2015	3 months
Nick Hewson	1 December 2015	3 months
Sir Michael Lyons	6 January 2015	3 months
Vanda Murray	1 August 2017	3 months

- 5.3 Save as disclosed in paragraph 5.2 above, none of the Directors’ service agreements or appointment agreements have been entered into or amended during the period of six months prior to the date of this document.
- 5.4 The remuneration of the Executive Directors was increased with effect from 1 July 2017. The current and previous levels of remuneration of the Executive Directors are set out below:

	Base salary for the year ended 30 June 2017 £’000	Base salary for the year ended 30 June 2018 £’000
Executive		
Steven Morgan	487	499
John Tutte	569	583
Barbara Richmond	322	322

PART V

Additional Information continued

5 DIRECTORS' SERVICE CONTRACTS CONTINUED

5.5 The aggregate emoluments, excluding pensions of the Directors for the year ended 30 June 2017 are set out below:

	Base salary and Non- Executive Directors' fees £'000	Benefits in kind <sup>(2)</sup> £'000	Bonus <sup>(3)</sup> £'000	LTIP <sup>(4)</sup> £'000	Pensions <sup>(5)</sup> £'000	2016 Total remuneration £'000
<b>Executive</b>						
Steven Morgan <sup>(1)</sup>	15	31	–	–	–	46
John Tutte	569	16	569	1,057	114	2,325
Barbara Richmond	322	16	322	597	64	1,321
<b>Non-Executive</b>						
Debbie Hewitt	70	–	–	–	–	70
Nick Hewson	45	–	–	–	–	45
Sir Michael Lyons	45	–	–	–	–	45
Liz Peace	45	–	–	–	–	45

Note:

- (1) Steve Morgan draws a nominal salary of £15k per annum which he donates via Payroll Giving to the Steve Morgan Foundation, a UK registered charity of which Steve Morgan is a trustee.
- The Company also made a donation to The Steve Morgan Foundation of £716k in respect of 2017 (2016: £698k). This donation amount is made up of a notional salary of £472k (being the balance of Steve Morgan's notional salary of £487k less the £15k nominal salary) and £244k (being an amount in respect of the cash annual bonus which Steve Morgan waived his entitlement to). The notional cash bonus represents half of the total bonus for 2017, calculated using the notional salary of £487k and a bonus percentage of 100% of maximum, equivalent to that earned by John Tutte and Barbara Richmond.
- The remaining half of Steve Morgan's 2017 bonus amount (£244k) is deferred into cash awards over notional Redrow shares and will become exercisable as described in footnote (iv) below. Steve Morgan's 2014 LTIP award, also structured as a cash award over notional Redrow shares, will vest in full on 8 September 2017 based on performance to the 2017 financial year (as described in the section below). The value of this award (calculated using the average share price over the last three months of 2017 in accordance with the footnote (v) below) is £904k (2016: £748k). Steve Morgan currently intends to waive his entitlement to these awards at a future point (at any time during the relevant exercise period). A donation to The Steve Morgan Foundation may be made by the Company of an amount equivalent to the cash value of the awards over notional Redrow shares at that time. Any such donation will be disclosed in the relevant remuneration report.
- Further details on the donation to The Steve Morgan Foundation are given in the Directors' Report on page 101 and in note 22 to the financial statements.
- Further details of the donation to The Steve Morgan Foundation are given in the Directors' Report on page 101 and in note 22 to the financial statements.
- (2) Benefits include a fully expensed company car (or equivalent cash allowance) and private health insurance.
- (3) Annual bonus represents the full value of the bonus awarded in respect of the relevant financial year. Half of the bonus is deferred into Ordinary Shares, which vests in two tranches of 50% each, on the first and second anniversaries of the grant date, subject to continued employment. For Steve Morgan, deferral is in the form of cash awards over notional Ordinary Shares.
- (4) LTIP represents the value of the LTIP award which vests in respect of a performance period ending in the relevant financial year. The 2017 column includes the value of the 2014 LTIP award which will vest in full on 8 September 2017, using the average share price over the last three months of 2017. The 2016 column includes the vested value of the 2013 LTIP award (which vested at 100% of maximum), based on the share price on the date of vesting (24 September 2016).
- (5) Pension includes the value of the cash allowance paid to John Tutte and Barbara Richmond in respect of the relevant year.

6 RELATIONSHIPS, ARRANGEMENTS AND UNDERTAKINGS

6.1 The Concert Party has not entered into any relationships (whether personal, financial or commercial), arrangement or understanding with: (i) any of the Independent Directors (or their close relatives and related trusts); (ii) any of the Independent Shareholders (or any person who is, or is presumed to be, acting in concert with any such Shareholder); or (iii) Barclays or Peel Hunt (or any person who is, or is presumed to be, acting in concert with Barclays or Peel Hunt) which has any connection with or dependence upon the proposals set out in this document or for the transfer of any Ordinary Shares acquired by the Company pursuant to the buyback authority granted under the Buy Back Resolution to any other person.

6.2 In addition, the Independent Directors are not aware of any agreement, arrangement or understanding having any connection with or dependence upon the proposals set out in this document or for the transfer of any Ordinary Shares acquired by the Company pursuant to the buy back authority granted under the Buy Back Resolution to any other person between the Concert Party and: (i) any of the Independent Directors (or their close relatives and related trusts); (ii) any of the Independent Shareholders (or any person who is, or is presumed to be, acting in concert with any such Shareholder); or (iii) Barclays or Peel Hunt (or any person who is, or is presumed to be, acting in concert with Barclays or Peel Hunt).

6.3 The Concert Party has not entered into or proposed to enter into any form of incentivisation arrangements with members of the Company's management who are interested in Ordinary Shares.

7 FINANCIAL AND OTHER INFORMATION ON THE COMPANY

7.1 The Group is one of the UK's leading residential and mixed use property developers. For the year to 30 June 2017, the Group delivered revenues of £1,660m, operating profit of £322m, basic earnings per share of 70.2 pence and ended the year with a net debt position of £73m.

7.2 As set out in Part VI of this document, this document incorporates by reference the audited consolidated financial statements of the Group, and the related auditor's report of PricewaterhouseCoopers LLP thereon, for the years ended 30 June 2016 and 30 June 2017. Please refer to Part VI of this document for a list of cross references to the relevant sections of these reports and accounts, and for how to access this information.

7.3 For the two years ended 30 June 2016 and 30 June 2017, the Company reported the following dividend per share information:

	Dividend (£m)	Dividend per share (pence)	Basic earnings per share (pence)
2016	30	6.0	55.4
2017	44	4.0	70.2

7.4 Save as described in the Annual Report and Accounts for the year ended 30 June 2017, there have been no material changes in the financial or trading position of the Company since 30 June 2017 (the date of its latest published audited accounts).

7.5 There are no current ratings or outlooks publicly accorded to the Company by ratings agencies.

8 MIDDLE MARKET QUOTATIONS

Set out below are the middle market quotations for an Ordinary Share, as derived from the Daily Official List of the London Stock Exchange, for the first dealing day of each of the six months preceding the date of this document and for the Latest Practicable Date.

Date	Price per Ordinary Share (pence)
1 April 2017	510.00p
2 May 2017	591.50p
1 June 2017	556.50p
1 July 2017	547.00p
1 August 2017	590.00p
1 September 2017	616.50p
22 September 2017	556.84p

PART V

Additional Information continued

9 OTHER INFORMATION

- 9.1

Each of Barclays and Peel Hunt has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.
- 9.2

Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between the Concert Party and any of the Directors, recent directors, Shareholders or recent Shareholders of the Company having any connection with or dependence upon the proposals set out in this document.
- 9.3

There is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Ordinary Shares to be acquired by the Company pursuant to the buy back authority granted under the Buy Back Resolution will be transferred to any other person. Such Ordinary Shares will, in accordance with the Companies Act 2006, either be held in treasury up to the amounts permitted to be held in treasury or be cancelled and the issued share capital of the Company reduced by the nominal amount of those Ordinary Shares so purchased.
- 9.4

Barclays, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for the Company and no one else in connection with the Waiver and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Barclays nor for providing advice in relation to the Waiver or any other matter referred to in this document.
- 9.5

Peel Hunt, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for the Company and no one else in connection with the Waiver and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Peel Hunt nor for providing advice in relation to the Waiver or any other matter referred to in this document.

10 DOCUMENTS AVAILABLE FOR YOUR INSPECTION

- 10.1

Copies of the following documents will be available on the investor section of the Company's website at <http://investors.redrowplc.co.uk> and will be available for inspection during normal business hours on Monday to Friday each week (public holidays excepted) at the Company's registered office and at the office of Slaughter and May at One Bunhill Row, London EC1Y 8YY from the date of this document up to and including the date of the Annual General Meeting and at the place of the Annual General Meeting from 11.45 a.m. on 9 November 2017 until the close of the meeting:
- 10.1.1

a copy of the Annual Report and Accounts of the Company for each of the years ended 30 June 2016 and 30 June 2017;
- 10.1.2

the Articles of Association and Memorandum of the Company;
- 10.1.3

the letters of appointment and service contracts of the Executive and Non-Executive Directors;
- 10.1.4

the letters of consent from Barclays and Peel Hunt to the Company referred to in paragraph 9.1 of Part V of this document; and
- 10.1.5

this document.

PART VI

Information Incorporated by Reference

The table below sets out the various sections of those documents which are incorporated by reference into this document, so as to provide the information required pursuant to the Code. These documents will also be available at the investor's section of the Company's website, <http://investors.redrowplc.co.uk>, from the date of this document and available for inspection as set out on page 22 of this document. For the avoidance of doubt, the contents of this website are not incorporated into and do not form part of this document.

Document	Section	Page number(s) in such document
2017 Group Financial Statements	Independent auditor's report	108–113
	Consolidated income statement	114
	Consolidated balance sheet	115
	Consolidated statement of changes in equity	116
	Consolidated cash flow statement	117
	Accounting policies	118–122
	Notes to the consolidated financial statements	123–146
2016 Group Financial Statements	Independent auditor's report	97–101
	Consolidated income statement	102
	Consolidated balance sheet	103
	Consolidated statement of changes in equity	104
	Consolidated cash flow statement	105
	Accounting policies	106–110
	Notes to the consolidated financial statements	111–133

Any Shareholder, person with information rights or other person to whom this document is sent may request a copy of each of the documents set out above in hard copy form. Hard copies will only be sent where valid requests are received from such persons. Requests for hard copies are to be submitted to our Registrar, Computershare, either by calling +44 (0)370 707 1257 or writing to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. All valid requests will be dealt with as soon as possible and hard copies mailed by no later than two business days following such request.

The documents incorporated by reference into this document have been incorporated in compliance with Rule 24.15 of the Code. Except as set forth above, no other portion of these documents is incorporated by reference into this document.



## Definitions

In this document:

**“acting in concert”** has the meaning given to it in the Code;

**“Annual General Meeting”** or **“AGM”** means the annual general meeting of the Company to be held on Thursday 9 November 2017 at Village Urban Resort St. David's, St. David's Park, Flintshire CH5 3YB at 12.00 p.m.;

**“Annual Report”** has the meaning given to it in Part II of this document;

**“Auditors”** means the external auditors of the Company;

**“Barclays”** means Barclays Bank PLC, acting through its Investment Bank, a company registered in England, with its registered address at 1 Churchill Place, London E14 5HP;

**“Bridgemere Securities Limited”** means Bridgemere Securities Limited, a company incorporated in Guernsey (registered number 39852), with its registered office at PO Box 671, Regency Court, Gategny Esplanade, St. Peter Port, Guernsey GY1 3ST;

**“Buy Back Resolution”** means the special resolution of Shareholders authorising market purchases of Ordinary Shares to be proposed at the Annual General Meeting and set out in Resolution 19;

**“Code”** means the UK City Code on Takeovers and Mergers;

**“Company”** means Redrow plc, a company incorporated under the laws of England and Wales (registered number 2877315), with its registered office at Redrow House, St. David's Park, Flintshire CH5 3RX;

**“Computershare”** means Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY;

**“Concert Party”** means that group of Shareholders which the Panel has confirmed is deemed to be acting in concert as set out in paragraphs 4.5 and 4.6 of Part V of this document;

**“control”** means an interest or interests, in shares carrying an aggregate 30 per cent., or more of the voting rights (as defined in the Code) irrespective of whether the holding or aggregate holding gives de facto control;

**“dealing”** or **“dealt”** includes the following:

- (i) the acquisition or disposal of relevant securities, or the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to securities, or of general control of securities;
- (ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;
- (iii) subscribing or agreeing to subscribe for relevant securities;
- (iv) the exercise or conversion, whether in respect of new or existing securities, of any relevant securities carrying conversion or subscription rights;
- (v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
- (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities;
- (vii) the redemption or purchase of, or taking or exercising an option over, any of its own relevant securities by Steve Morgan; and
- (viii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;

**“Directors”** or **“Board”** means the Executive Directors and the Non-Executive Directors;

**“dealings”** in relation to securities has the meaning given to it in the Code;

**“derivative”** includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;

**“DBIS”** means the Company's deferred bonus incentive scheme;

**“Executive Directors”** means Steve Morgan, John Tutte and Barbara Richmond;

**“Form of Proxy”** means the enclosed proxy form for completion by those Shareholders who wish to vote on the resolutions set out in this document but are unable to attend the AGM;

**“Group”** means the Company together with its subsidiaries and subsidiary undertakings from time to time;

**“Independent Directors”** means the Directors other than Steve Morgan;

**“Independent Shareholders”** means those Shareholders who are not members of the Concert Party;

**“interests in securities”** has the meaning given to it in the Code;

**“issued share capital”** means, except where stated to the contrary, the issued share capital of the Company excluding treasury shares;

**“Latest Practicable Date”** means 22 September 2017 being the latest practicable date prior to the publication of this document;

**“London Stock Exchange”** means London Stock Exchange plc, together with any successors thereto;

**“LTSIP”** means the Company's long term share incentive scheme;

**“Non-Executive Directors”** means Debbie Hewitt, Nick Hewson, Sir Michael Lyons and Vanda Murray;

**“Ordinary Shares”** means the ordinary shares of 10 pence each in the capital of the Company;

**“Panel”** means the Panel on Takeovers and Mergers;

**“Peel Hunt”** means Peel Hunt LLP, a limited liability partnership registered in England with its registered address at 125 London Wall, London EC2Y 5AJ;

**“relevant securities”** means Ordinary Shares (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;

**“SAYE”** means the Company's save as you earn share scheme;

**“Shareholders”** means the holders of Ordinary Shares from time to time;

**“short position”** means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;

**“Waiver”** has the meaning given to it in Part 1 of this document; and

**“Waiver Resolution”** means the ordinary resolution of Independent Shareholders to be taken on a poll concerning the Waiver to be proposed at the AGM and set out in the notice of AGM as Resolution 16.