

Corporate Governance Standards

R E D W O O D
T R U S T

(Revised March 18, 2021)

The Board of Directors (the “Board”) of Redwood Trust, Inc. (“Redwood”), a Maryland Corporation, is committed to monitoring the effectiveness of policy-making and decision-making, both at the Board and management levels, with a view to enhancing stockholder value over the long term. The Board has adopted the following Corporate Governance Standards and will review these standards at least annually. These standards should be interpreted in the context of all applicable laws and Redwood’s Charter, Bylaws and other corporate governance documents. These standards acknowledge the leadership exercised by the Board’s standing Committees and their Chairs and are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. These standards are subject to modification from time to time by the Board as the Board may deem appropriate in the best interests of Redwood and its stockholders or as required by applicable laws and regulations.

These standards are available on Redwood’s website at “www.redwoodtrust.com” and to any stockholder who otherwise requests a copy.

I. Board Responsibilities

The responsibility of the Board is to oversee the management of the business and affairs of Redwood in a manner the members deem to be in the best interests of the corporation. In addition to overseeing management and exercising their business judgment to act in what they reasonably believe to be in the best interests of Redwood, it is the Board’s responsibility to:

- Oversee the conduct of Redwood’s business to evaluate whether the business is being properly managed;
- Review, monitor, and, where appropriate, approve fundamental financial and business strategies and major corporate activities, including annual

- review and approval of Redwood’s strategic plan and its one-year operating plan;
- Assess major risks relating to Redwood and its performance and review, and, where appropriate, approve measures taken or proposed by management to address and mitigate such risks;
- Oversee processes designed to ensure compliance with applicable laws, rules, regulations, and codes of conduct by Redwood and its employees, including the Code of Ethics adopted by the Board;
- Elect the Chairman of the Board;
- Determine whether there shall be a Vice Chairman of the Board and, if it determines there shall be, elect the Vice Chairman;
- Elect (i) the Chief Executive Officer (“CEO”), (ii) the President, and (iii) such other officers as may or shall be elected by the Board in accordance with Redwood’s Bylaws;
- Appoint the Chairs and members of the Board’s Committees;
- Review and, where appropriate, approve any significant changes to Redwood’s compensation philosophy and any significant changes to the general design of the compensation of Executive Officers, with the Compensation Committee to carry out the responsibilities relating to compensation set forth in its committee charter;
- Evaluate the performance of Executive Officers and oversee succession and management development planning; and
- Evaluate annually the effectiveness of the Board.

The Board of Directors has delegated to the CEO and President the authority and responsibility for managing the business of Redwood in a manner consistent with the objectives and goals of Redwood and in accordance with any specific plans, instructions, or directions of the Board.

II. Board Composition

- A. Independence. A majority of the Directors on the Board shall be independent. For purposes of these Guidelines, "independence" will be determined in accordance with the Director independence standards established by the Board in accordance with the New York Stock Exchange ("NYSE") listing standards and any other applicable laws, rules, and regulations regarding independence in effect from time to time. Independent Directors shall also be non-employee Directors as defined in Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended. This determination will be made annually with respect to each Director and will be disclosed in Redwood's Proxy Statement.
- B. Board Size. The Board shall be small enough to encourage personal involvement and discussion and large enough to ensure a broad range of talents and experience. The Board has the authority under the Bylaws to set the number of Directors and has currently set the number at nine Directors. A different size may be appropriate from time to time in order to accommodate the availability of one or more outstanding candidates or the Board's changing needs and circumstances. The Board will periodically review the size of the Board and determine the size that is most effective in relation to Redwood's future operations and the other considerations noted above.
- C. Limits on Number of Board Memberships. A Director shall not serve on the board of directors of another company, whether public or private, unless the Director has given notice to the Chair of the Governance and Nominating Committee of his or her desire to do so, and the Governance and Nominating Committee has subsequently determined that (i) service on the additional board will not impair the ability of the Director to perform fully his or her duties as a Director of Redwood, (ii) service on the additional board will not present the Director with a potential conflict of interest in the performance of his or her duties as a Director of Redwood or in the performance of his or her duties as a member of the additional board, or, if the service may result in a conflict of interest, procedures satisfactory to the Governance and Nominating Committee have been or will be implemented that will enable the Director to avoid conflicts of interest without limiting the ability of the Director to perform fully his or her duties as a Director of Redwood, and (iii) service on the additional board of directors is not otherwise contrary to the best interests of Redwood. As a general rule, a Director should serve on no more than one other public company board of directors (an "Additional Public Company Board"). The Governance and Nominating Committee may, in its discretion, approve the service by a Director on a second Additional Public Company Board if it determines that the service satisfies the conditions set forth in clauses (i) through (iii) above. A

Director shall not serve on more than two Additional Public Company Boards and a member of the Audit Committee shall not serve on the audit committee of more than two Additional Public Company Boards. Directors should advise the Chair of the Governance and Nominating Committee before agreeing to serve on the Audit Committee or any other significant committee of any Additional Public Company Board.

III. Board Qualifications

- A. Selection Process. The Board shall nominate candidates for election as a Director by stockholders at the annual meeting, as well as elect new Directors to fill vacancies on the Board between annual meetings of stockholders. The Board has delegated the selection and initial evaluation of potential Director nominees to the Governance and Nominating Committee with direct input from the CEO and President. The Governance and Nominating Committee will make the final recommendation of candidates to the Board for nomination. The Board, taking into consideration the assessment of the Governance and Nominating Committee, shall also determine whether a nominee would be an independent Director.

The Governance and Nominating Committee and the Board of Directors will also consider a nominee for election to the Board of Directors recommended by a stockholder if the stockholder submits the nomination in compliance with the requirements of Redwood's Bylaws or requirements of applicable law and regulation, if such law or regulation preempts Redwood's Bylaws. Any stockholder nominations proposed for consideration by the Governance and Nominating Committee should include the nominee's name and qualifications for Board membership and should be addressed to the Secretary at the Company's principal executive offices (as well as such other information required by Redwood's Bylaws and/or applicable law and regulation).

- B. Director Qualifications. Each member of the Board must exhibit high standards of integrity, commitment, and independence of thought and judgment and must be committed to promoting the best interests of Redwood. In addition, each Director must devote the time and effort necessary to be a responsible and productive member of the Board. This includes developing knowledge about Redwood's business operations and doing the work necessary to participate actively and effectively in Board and Committee meetings. The members of the Board should collectively possess a broad and diverse range of talent, skill, expertise, background and life experience useful to effective oversight of Redwood's business and affairs and sufficient to provide sound and prudent guidance with respect to Redwood's operations and interests. The Board considers diversity as broadly construed to mean a variety of identities, perspectives, personal and professional experiences and backgrounds. This can be represented in characteristics that include but are not limited to race, ethnicity, national origin, gender and sexual orientation.
- C. Attendance/Participation in Meetings. Board members are expected to attend at least 75% of all meetings of the Board and at least 75% of all meetings of Committees of which they are members and to attend the annual stockholders' meeting. Attendance is an important component of the Board evaluation process and a consideration in determining whether a Director should be re-nominated. Each Director should be sufficiently familiar with the business of Redwood, including its financial statements and capital structure, and the risks and the competition it faces, to ensure active and effective participation in the deliberations of the Board and of each Committee on which he or she serves. Directors should not hesitate to ask questions, raise concerns, or request more time or information. Upon request, Redwood's officers will make appropriate personnel available to answer any proper questions a Director may have about any aspect of Redwood's business. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its Committees and should arrive prepared to discuss the issues presented.

IV. Board Committees

- A. Committees of the Board. The Board has established the following standing Committees to facilitate and assist in the execution of the Board's responsibilities: (1) Audit Committee, (2) Compensation Committee, and (3) Governance and Nominating Committee. Other Committees may be created and dissolved from time to time in accordance with Redwood's Bylaws. Each standing Committee shall have a written charter of responsibilities, duties, and authorities, which shall be approved by the Board and periodically be reviewed by the Committee and the Board. Each Committee will meet as frequently and for as long as may be necessary to perform its duties and responsibilities. Each Committee member is free to suggest items for inclusion in the agenda or to raise at any meeting any matter of interest or concern. Each Committee shall keep minutes of its meetings and report to the full Board with respect to its activities, findings, and recommendations at the next scheduled Board meeting.
- B. Committee Composition. The Audit, Compensation, and Governance and Nominating Committees will be composed solely of independent Directors who meet the Director independence standards established by the Board in accordance with the NYSE listing standards. Members of the Audit Committee must also meet the additional requirements of the NYSE listing standards and Rule 10A-3 of the Securities Exchange Act of 1934, as amended. Members of the Compensation Committee shall also be (i) outside Directors as defined under Section 162(m) of the Internal Revenue Code, as amended, and regulations promulgated hereunder and (ii) Directors who meet any independence standards applicable to members of a Compensation Committee under the NYSE listing standards. The Governance and Nominating Committee shall recommend for Board approval appointments of standing Committee members and Chairpersons of such Committees. A Director may serve on more than one Committee.

V. Board Orientation and Evaluation

- A. Orientation and Continuing Education. The Governance and Nominating Committee and Redwood's officers shall provide appropriate orientation for new Directors, which shall be designed both to familiarize new Directors with the full scope of Redwood's businesses and key challenges and to assist new Directors in developing and maintaining skills necessary or appropriate for the performance of their responsibilities. The Board and Redwood's officers shall similarly work together to develop and implement appropriate continuing education programs for the same purposes.

- B. Board and Committee Performance Evaluations. The Board will conduct a self-evaluation at least annually to determine whether it and its Committees are functioning effectively. The Governance and Nominating Committee will receive evaluations and recommendations from all Directors and report annually to the Board with an assessment of the performance of the Board and its Committees. The assessment will focus on the contribution of the Board and its Committees to Redwood and focus on areas of potential improvement.

VI. Board Leadership Structure

The Chairman of the Board presides over meetings of the Board and stockholder meetings and serves as the primary liaison between the Board and management of Redwood. The Chairman is responsible for chairing executive sessions of non-management Directors. In addition, the Chairman is responsible for providing input regarding Board agendas, materials, and areas of focus, working with the Chair of each of the Board's Committees to ensure that each Committee functions effectively, keeping the Board apprised of business developments and actions taken by Redwood, and performing other functions to facilitate effective communication and corporate governance. As requested by the Chief Executive Officer or the Board, the Chairman may represent Redwood to external constituencies such as investors, governmental representatives, and business counterparties. The Board will provide stockholders with an e-mail address whereby stockholders or other interested parties may communicate directly with the Chairman (or with the Chairman for further distribution to the non-management Directors or the Board of Directors as a group). The Chairman is elected annually by the Board.

If there is a Vice Chairman of the Board, the Vice Chairman will preside over meetings of the Board and stockholder meetings in the absence of the Chairman, and will act as a resource to management by providing strategic counsel and advice upon request.

VII. Board Planning and Oversight Functions

- A. Board Meetings. The CEO and President will establish the agenda for the Board meetings after consultation with the Chairman. Any Board member may recommend the inclusion of specific agenda items to any of such officers, the Chairman, or the appropriate Committee Chair. Materials important to the Board's understanding of agenda items will be distributed to the Board in a timely manner before Board meetings. The Board encourages the CEO and President in consultation with the Chairman to bring Company management and outside advisors or consultants from time to time into Board meetings to make presentations and provide insight and advice with respect to items being considered or discussed by the Board. Attendance of non-Directors at Board meetings is at the discretion of the Chair, after any necessary or appropriate consultation with the Board.
- B. Executive Sessions of Non-Employee Directors. The non-management Directors will meet in a separate executive session at each regularly scheduled Board meeting. If determined by the Chairman to be necessary or appropriate, the independent Directors will meet in separate executive sessions. If any non-management Director is not independent, the independent Directors shall meet at least annually in executive session without any non-management Directors who are not independent.
- C. Succession Planning. The Board, acting through the Governance and Nominating Committee, shall regularly engage in succession planning and reviews of management's succession planning process to ensure continuity in Redwood's management. In particular, prior to any change in the CEO or President position, the Board shall develop policies and principles for selecting the successor to either of those positions (unless succession is on a temporary basis due to an emergency).
- D. Access to Management. Directors have full and free access to Redwood's officers and employees for purposes of discharging their responsibilities. Any meetings or contacts that a Director wishes to initiate may be arranged directly by the Director.

- E. Review of Performance. The Compensation Committee will annually evaluate the performance of the Executive Officers and determine their annual compensation. The evaluation will be based on individual and corporate performance and competitive, economic, and other factors deemed relevant by the Compensation Committee. The Compensation Committee also adopts a compensation philosophy to provide guidance and foundation to Redwood's compensation process.
- F. Board/Committee Advisors. The Board and each Committee shall have full power and authority at the expense of Redwood to retain the services of legal, financial, or other independent advisers and experts as they deem necessary or appropriate to discharge their respective responsibilities.

VIII. Compensation of Directors and Stock Ownership

- A. Directors' Compensation. The Governance and Nominating Committee in conjunction with the Compensation Committee has responsibility for recommending to the Board the compensation for non-management Directors and will conduct an annual review of their compensation. The Board shall set the form and amounts of Directors compensation, taking into account the recommendations of the Governance and Nominating Committee in conjunction with the Compensation Committee. The Board believes that Director compensation should fairly reflect Directors' responsibilities and their contribution to the performance of Redwood consistent with current practices of comparable companies. Only non-management Directors shall receive compensation for services as a Director.

- B. Stock Ownership. Within three years of being elected a non-employee Director, each non-employee Director shall own shares of Redwood Common Stock equal to \$50,000 (based on cost) paid from the Director's own funds. For the avoidance of doubt, a Director shall satisfy this requirement if such Director owns shares of Company Common Stock equal to \$50,000 (based on cost) on the date of becoming a non-employee Director. By the fifth anniversary of his or her initial election to the Board of Directors, each Director shall own shares of Company common stock equal to five times the annual cash retainer payable to non-employee Directors (based on cost) which may include deferred stock units. Five years are allowed to acquire additional incremental shares if an increase in the annual cash retainer results in a higher ownership requirement. Options for shares of common stock owned by a Director may not be counted toward these requirements. The time periods described above to achieve the required levels of stock ownership shall be automatically extended in the event that any such period would expire at a time when Redwood's trading window under its Insider Trading Policy applicable to Directors, officers, and employees is closed, in order to allow for the purchase of shares in compliance with the Insider Trading Policy when the trading window next opens.

IX. Director Retirement

- A. Retirement Age for Directors. No individual, including an incumbent Director, 75 years of age or older shall be eligible to stand for election to the Board.
- B. Management Directors Required to Resign upon Termination of Employment. Any Redwood employee (including employees of any subsidiary of Redwood) serving as a Director shall submit an offer of resignation to the Board upon his or her termination of employment from Redwood or its subsidiaries. The Governance and Nominating Committee will make a recommendation as to whether the Board should accept any such offer.

X. Director Resignation Policy

Any nominee for Director in an uncontested election who fails to receive a greater number of votes cast “for” his or her election than votes cast “against” such Director’s election (with “abstentions” and “broker non-votes” not counted as votes cast as either “for” or “against” such Director’s election) shall tender his or her resignation for consideration by the Governance and Nominating Committee and the Board of Directors. The Governance and Nominating Committee shall recommend to the Board the actions to be taken with respect to such offer of resignation, and the Board will determine the ultimate course of action after considering all relevant factors.

XI. Rule 10b5-1 Trading Plans

Any Director or Section 16 officer of Redwood that desires to establish a trading plan pursuant to the provisions of SEC Rule 10b5-1 shall provide notice to the Chair of the Governance and Nominating Committee prior to establishing such a plan.