

# Charter of the Audit Committee of the Board of Directors of Redfin Corporation

Adopted by the Board of Directors on March 11, 2020

## Purpose

The purpose of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Redfin Corporation ("**Redfin**") is to assist the Board in fulfilling its oversight responsibilities relating to Redfin's financial accounting, financial reporting, and internal controls. The Committee's principal functions are to assist the Board in its oversight of:

- Redfin's accounting and financial reporting processes, including its audits and the integrity of its financial statements.
- Redfin's compliance with legal and regulatory requirements as well as ethics policies; the qualifications, independence and performance of Redfin's independent auditors (the "**Independent Auditors**").
- the performance of Redfin's internal reporting, financial controls and audit function; and the preparation of the committee report as required by the rules of the Securities and Exchange Commission (the "**Commission**") to be included in Redfin's annual proxy statement.

This Charter sets forth the authority and responsibility of the Committee in fulfilling its purpose. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Redfin's financial statements are complete, accurate, and prepared in accordance with generally accepted accounting principles. This is the responsibility of Redfin's management and the Independent Auditors. Committee members are not employees of Redfin and do not perform the functions of auditors and accountants.

## Membership

The Committee will consist of at least three members of the Board (provided that the Committee may consist of a lesser number of members as permitted by the Exchange Rules (as defined below)), with the exact number determined by the Board. Each member of the Committee must:

- be an "independent director" as defined under the applicable rules, regulations and listing requirements of The NASDAQ Stock Market (the "**Exchange Rules**"), except as may otherwise be permitted by the Exchange Rules;

- be "independent" as defined in Section 10A(m) of the Securities Exchange Act of 1934 (the "**Exchange Act**") and Rule 10A-3 and any other rules and regulations promulgated by the Commission under the Exchange Act (the "**Commission Rules**"), except as may otherwise be permitted by the Commission Rules;
- not have participated in the preparation of the financial statements of Redfin or any Redfin subsidiary at any time during the past three years;
- have the ability to read and understand financial statements and meet the financial sophistication and experience requirements of the Exchange Act, the Commission Rules, and the Exchange Rules;
- be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a Committee member; and
- meet any other requirements imposed by applicable law, regulations or rules, subject to any applicable exemptions and transition provisions.

In addition, at least one member of the Committee will have prior experience in accounting, financial management, or financial oversight, as required by the Exchange Rules, and be an "audit committee financial expert" as defined in Item 407 of Regulation S-K.

The determination of independence will be made by the Board and all members of the Committee will be appointed by, and will serve at the discretion of, the Board. The Board may appoint a member of the Committee to serve as the chairperson of the Committee (the "**Chair**"). If the Board does not appoint a Chair, the Committee members may designate a Chair by majority vote. The Chair will set the agenda for Committee meetings and conduct the proceedings of those meetings.

## Responsibilities and Duties

The principal responsibilities and duties of the Committee are set forth below. These duties are a guide, with the understanding that the Committee will carry them out in a manner that is appropriate given Redfin's needs and circumstances. The Committee may engage in such other activities, and establish such policies and procedures, from time to time, as it deems necessary or advisable in implementing this Charter and fulfilling its responsibilities. The Committee will:

### Financial Statements and Disclosures

- Review and discuss with management Redfin's quarterly and annual financial results and the related earnings press releases and earnings guidance distributed to the public, including to analysts and rating agencies, paying particular attention to any pro forma or non-generally accepted accounting principles in the United States ("**GAAP**") information.

- Review Redfin's quarterly and annual financial statements.
- In connection with the Committee's review of the annual financial statements:
  - discuss the financial statements and the results of the Independent Auditors' audit of the financial statements with the Independent Auditors, any internal audit department, and management;
  - discuss any items required to be communicated by the Independent Auditors in accordance with the applicable requirements of the Public Company Accounting Oversight Board (the "**PCAOB**"); and
  - recommend to the Board whether the annual financial statements should be included in Redfin's Annual Report on Form 10-K.
- In connection with the Committee's review of the quarterly financial statements:
  - discuss with the Independent Auditors and Redfin's management the quarterly financial statements and the results of the Independent Auditors' SAS No. 100, Interim Financial Information (Codification of Statements on Auditing Standards, AU § 722), or similar, review of the quarterly financial statements; and
  - discuss significant issues, events and transactions and any significant changes regarding accounting principles, practices, policies, judgments, or estimates with management and the Independent Auditors.
- Discuss with Redfin's management and the Independent Auditors the selection, application, and disclosure of critical accounting policies and practices.
- As a Committee, and with the Independent Auditors, review any major issues regarding accounting principles, presentation of financial statements, Redfin's internal control over financial reporting, the effect of alternative GAAP methods, the impact of any regulatory or accounting initiatives or off-balance sheet arrangements, and any other audit difficulties or problems, including management's response to such issues.
- Resolve any disagreements between management and the Independent Auditors regarding financial reporting.

#### Internal Controls

- Review and discuss with the Independent Auditors and management their periodic reviews of the adequacy and effectiveness of Redfin's accounting and financial reporting processes and systems of internal control, including any significant deficiencies and material weaknesses in their design or operation.

- Review, with management, Redfin's finance function, including its budget, organization, and quality of personnel.
- Review any fraud involving management or any Redfin employee with a significant role in Redfin's internal controls over financial reporting that are disclosed to the Committee.
- Discuss any comments or recommendations of the Independent Auditors outlined in their annual management letter or internal control reports.
- Periodically consult with the Independent Auditors out of the presence of management about internal controls, the fullness and accuracy of Redfin's financial statements and any other matters that the Committee or the Independent Auditors believe should be discussed privately with the Committee.
- Periodically, meet separately with management and with internal auditors (or other personnel responsible for the internal audit function) to discuss such matters within the scope of the Committee's authority, as determined by the Committee from time to time to be necessary or appropriate.
- Review with management Redfin's major financial and cybersecurity risk exposures and the steps management has taken to monitor such exposures, including Redfin's policies with respect to risk assessment, risk management and the risk of management's ability to override Redfin's internal controls.
- Establish procedures for the receipt, retention, and treatment of complaints received by Redfin regarding accounting, internal controls, or auditing matters and the confidential, anonymous submission by Redfin employees of concerns regarding questionable accounting or auditing matters.
- Oversee the review of any complaints and submissions that have been received under Redfin's Whistleblower and Complaint Policy, Code of Conduct and Ethics or other compliance policies and retain authority to determine the appropriate response and remedy.
- Consider waivers of Redfin's Code of Conduct and Ethics for executive officers and directors.

#### Independent Auditors

- Establish a clear understanding with the Independent Auditors that the Independent Auditors shall report directly to the Committee and be ultimately accountable to the Board.
- Be directly responsible for the appointment, compensation, retention, oversight and, if appropriate, replacement of the Independent Auditors, including annually reviewing and

selecting the Independent Auditors and overseeing the work performed by the Independent Auditors for the purpose of preparing or issuing an audit report or related work.

- Annually review the qualifications of the lead audit partner and confirm that each of the lead audit partner, the audit partner responsible for reviewing the audit and all other audit partners have been and will be rotated in accordance with the requirements of the Exchange Act and the rules and regulations promulgated thereunder, and present the Committee's conclusions to the Board.
- Review the continuing independence of the Independent Auditors, including:
  - obtaining and reviewing, on an annual basis, a formal written statement from the Independent Auditors describing all relationships between the Independent Auditors and Redfin required to be disclosed by applicable requirements of the PCAOB;
  - reviewing and discussing with the Independent Auditors their objectivity and independence based on the nature and scope of any such relationships, including satisfying itself that the provision of services by the Independent Auditors not related to the audit of Redfin's annual financial statements and the review of interim financial statements included in Redfin's Form 10-Qs for such year is compatible with maintaining the Independent Auditor's independence;
  - overseeing the rotation of the Independent Auditors' lead audit and concurring partners and the rotation of other audit partners, with applicable time-out periods, in accordance with applicable law; and
  - taking, or recommending that the Board take, appropriate action to oversee the independence of the Independent Auditors, including discontinuing any relationships that the Committee believes compromise the independence of the Independent Auditors.
- Set hiring policies for Redfin's hiring of employees or former employees of the Independent Auditors, as required by regulations and by Exchange Rules.
- Discuss, at least annually, with the Independent Auditors the overall scope and planning for their audit, including the adequacy of staffing and compensation.
- Approve the fees and other compensation to be paid to the Independent Auditors, and preapprove all audit and non-audit related services provided by the Independent Auditors permitted by the Exchange Rules, Commission Rules, and applicable law or regulation. The Committee may establish pre-approval policies and procedures, as permitted by the Exchange Rules, Commission Rules and applicable law or regulation, for the engagement of the Independent Auditors to render services to Redfin.

- Review and discuss the reports delivered by the Independent Auditors regarding the following:
  - critical accounting policies, estimates and practices used;
  - any “critical audit matters” (as that term is defined in PCAOB AS 3101);
  - alternative treatments of financial information within GAAP that have been discussed with management, the ramifications of the alternatives, and the treatment preferred by the Independent Auditors;
  - and other material written communications between the Independent Auditors and management.

### General

- On a regular basis, review the status of any legal matters that could have a significant impact on the Redfin's financial statements. Discuss with management, the Independent Auditors, and Redfin's counsel, as appropriate, any correspondence with regulators and governmental agencies and any employee complaints or reports that raise material issues regarding Redfin's financial statements, accounting policies or internal controls.
- Annually prepare a report to Redfin's stockholders for inclusion in Redfin's Form 10-K or annual proxy statement as required by the Commission Rules.
- Discuss with the Independent Auditors their evaluation of Redfin's identification of, accounting for and disclosure of its relationships with related parties as set forth under the standards of the PCAOB.

### Other Duties

- Perform any other activities required by applicable law, rules or regulations, including the Commission Rules and the Exchange Rules, and take such other actions and perform and carry out any other responsibilities and duties delegated to it by the Board or as the Committee deems necessary or appropriate consistent with its purpose.

## Studies and Advisors

The Committee, in discharging its responsibilities, may conduct, direct, supervise or authorize studies of, or investigations into, any matter that the Committee deems appropriate, with full and unrestricted access to all books, records, documents, facilities and personnel of Redfin.

The Committee has the sole authority and right, at Redfin's expense, to retain and terminate legal and other consultants, accountants, experts, and advisers of its choice to assist the Committee in connection with its functions, including any studies or investigations. The

Committee will have the sole authority to approve the fees and other retention terms of such advisers. Redfin will provide for appropriate funding, as determined by the Committee, for

- payment of compensation to any legal and other consultants, accountants, experts and advisers retained by the Committee; and
- ordinary administrative expenses of the Committee that are necessary and appropriate in carrying out its functions.

Irrespective of the retention of any legal and other consultants, accountants, experts and advisers to assist the Committee, the Committee must exercise its own judgment in fulfillment of its functions.

## Delegation of Authority

The Committee may form and delegate authority to subcommittees as it deems appropriate and to the extent permitted under applicable laws, rules and regulations, and Redfin's Certificate of Incorporation and Bylaws, each as amended from time to time.

## Meetings, Minutes, and Reports

Meetings of the Committee will be held at least once each quarter or more frequently, as determined by the Committee. The Chair, in consultation with the other members of the Committee, will set the dates, times and places of such meetings. The Chair or any other member of the Committee may call meetings of the Committee by notice in accordance with Redfin's Bylaws. Briefing materials will be provided to the committee as far in advance of meetings as practicable. A quorum of the Committee for the transaction of business will be a majority of its members. Meetings may be held in person or via telephonic or video conference. The Committee also may act by unanimous written consent in lieu of a meeting in accordance with Redfin's Bylaws. Subject to the requirements of this Charter, applicable law, the Exchange Rules and the Commission Rules, the Committee and the Chair may invite any Redfin director, executive or employee, or such other person, as it deems appropriate in order to carry out its responsibilities, to attend and participate (in a non-voting capacity) in all or a portion of any Committee meeting. The Committee may exclude from all or a portion of its meetings any person it deems appropriate in order to carry out its responsibilities. The Chair will designate a secretary for each meeting, who need not be a member of the Committee. The Secretary will provide the Committee such staff support as it may require.

The Committee will maintain written minutes of its meetings and copies of its actions by written consent, which will be filed with the minutes of the Board. The Committee will report to the Board periodically as appropriate.

## Review of Committee Composition, Performance, and Charter

The Committee will annually evaluate the Committee's composition and performance and report its findings to the Board. The Committee will also periodically review and reassess the adequacy of this Charter, and recommend to the Board any changes the Committee determines are appropriate.

## Publication

Redfin will make this Charter freely available to stockholders on request and, provided that Redfin is subject to the periodic reporting requirements of the Exchange Act, will publish it on Redfin's website.