

## **FLAGSTAR BANCORP, INC.**

### **COMPENSATION COMMITTEE CHARTER**

#### **I. Purpose**

The Compensation Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Flagstar Bancorp, Inc. (the “Company”) to assist the Board in fulfilling its oversight responsibility. The primary purpose and responsibilities of the Committee are to establish and monitor various compensation policies of the Company and provide guidance relative to other human resource programs and practices of the Company. In carrying out its responsibilities, the Committee will use its best efforts to ensure that the Company’s compensation programs, practices, and policies are aligned with its strategic objectives, its shareholders’ interests, and the Company’s pay for performance compensation philosophy. Such programs, practices, and policies will be reviewed annually, or more frequently, as necessary.

#### **II. Membership**

Members shall be appointed and removed by the Board. The members of the Committee shall appoint the chairman of the Committee.

The members of the Committee shall consist of at least two members. Each member of the Committee must qualify as independent under the listing standards of the New York Stock Exchange (the “NYSE”), so long as the Company is not a “controlled company” under the rules of the NYSE. If the Company is a “controlled company” under the rules of the NYSE, then the Board of the Company will meet the requirements under the rules of the NYSE for a “controlled company.” The members of the Committee shall also meet any rules promulgated by the Securities and Exchange Commission (the “SEC”) and shall qualify as “non-employee directors” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934 (the “Exchange Act”) and as “outside directors” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended. In addition, each member of the Committee must satisfy all other applicable legal and regulatory requirements for membership.

Each member shall promptly inform the Committee of any facts or any change in circumstances that disqualifies, or has the potential to disqualify, the member from service on the Committee.

The Committee shall annually review and confirm the qualifications of its members as described in this Charter. The subsequent failure of a Committee member to satisfy the independence requirement, if required, during the year shall not invalidate any action of the Committee taken prior to becoming aware of such failure.

#### **III. Meetings**

The Committee shall meet at least three times annually, or more frequently as needed as determined by the chairman of the Board or the chairman of the Committee.

#### **IV. Functions**

In addition to the aforementioned, the Committee shall have the following responsibilities:

##### **A. Compensation and Benefit Plans:**

1. In consultation with management, establish a total compensation philosophy, which is aligned with strategic objectives.
2. Review and provide advice on the practices that govern executive compensation and perquisites.
3. Annually approve the compensation arrangements for the Chief Executive Officer (“CEO”), the Chief Operating Officer (“COO”) and all other Senior Executive Officers, as defined by applicable banking regulation (collectively, the “Senior Executive Officers”).
4. Approve changes in compensation arrangements for Senior Executive Officers, and approve compensation arrangements for any newly hired or promoted Senior Executive Officer.
5. At least annually, approve the compensation structure and components for the non-Senior Executive Officers who are Executive Vice Presidents (“EVP”), and other management level employees as requested by the CEO.
6. Provide advice and recommendations to the Board with respect to management’s proposed changes to, or introductions of, programs and/or plans for incentive compensation, deferred compensation and retirement benefits, including an analysis of financial impact (not including investment performance), legal and regulatory considerations and risk considerations, but only if such programs involve equity grants, compensation deferral or require the Board to establish and certify performance criteria. The Committee may review and advise management on other compensation programs at its discretion.
7. At least annually, review and approve the Chief Risk Officer’s reports and certifications related to review of the Company’s incentive and other compensation programs.
8. Annually approve the Compensation Committee Report, and any other materials, required to be included in the Company’s proxy statement and annual report on Form 10-K in compliance with the rules and regulations promulgated by the SEC.
9. Approve all equity incentive awards, unless such approval will compromise the exception under the SEC short-swing rules, in which case the Committee should recommend all equity incentive awards to the Board for approval.
10. Review and recommend, on an annual basis, non-executive director compensation and benefits.

11. At least annually, review employee benefit plans of the Company including, but not limited to, such factors as health and welfare, 401(k), or deferred compensation for financial impact (not including investment performance), alignment with competitive companies and employee satisfaction.
12. Periodically review and establish peer group to be utilized in benchmarking executive and director compensation.
13. Review and recommend, as needed, the form of contractual agreement for specific types of employment positions (i.e., loan officer, etc.).

B. Goals and Performance:

1. Annually review and approve corporate goals and objectives relevant to compensation of the CEO.
2. Annually evaluate the performance of the CEO in light of those goals and objectives, and provide a written performance appraisal to the CEO.

C. Succession Planning:

1. Annually make or ratify existing recommendations to the Board on matters relating to the organization and succession of Senior Executive Officers.
2. Periodically review and provide advice on management's succession planning for key positions other than those of Senior Executive Officers, including the identification of key positions and successors, and the development of succession plans for all key positions.

D. Committee Management:

1. Annually review this charter and prepare updates, as necessary, for consideration and adoption by the Board, and delegate authority to subcommittees or to other committees of the Board when appropriate, provided that any such committees are composed solely of directors that satisfy the membership requirements of a member of the Committee.
2. Make reports to the Board when the Committee deems it appropriate or upon request of the Board.
3. Review, on an annual basis, its own performance.
4. Perform such other functions as necessary or appropriate under law, the Company's articles of incorporation or by-laws, or the resolutions or other directives of the Board.

The duties and responsibilities of a member of the Committee are in addition to those duties generally pertaining to a member of the Board.

## **V. Other**

The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of compensation, benefit plans or any other matter deemed necessary by the Committee, and shall have sole authority to approve the compensation consultant's fees and other terms, at the Company's expense. In selecting such consultant(s), the Committee shall consider: (i) the provision of other services by the consultant, including fees for same, (ii) potential conflicts of interest, including but not limited to personal or business relationships between the consultant and the members of the Committee and/or executive officers of the Company, and (iii) equity in the Company owned by the consultant.

The Committee, and each member of the Committee in his or her capacity as such, shall be entitled to rely, in good faith, on information, opinions, reports or statements or other information prepared or presented to them by (i) officers and other employees of the Company or Flagstar Bank, FSB, whom such member believes to be reliable and competent in the matters presented, and/or (ii) counsel, public accountants or other persons as to matters which the member believes to be within the professional competence of such person.

Nothing contained in this charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the Board or Committee members. The purposes and responsibilities outlined in this charter are meant to serve as guidelines rather than as inflexible rules, and the Committee is encouraged to adopt such procedures and standards as it deems necessary to fulfill its responsibilities.