

FLAGSTAR BANCORP, INC.

BOARD OF DIRECTORS

CORPORATE GOVERNANCE GUIDELINES

Amended as of October 16, 2019

FLAGSTAR BANCORP, INC.

CORPORATE GOVERNANCE GUIDELINES

These Guidelines have been adopted by the Board of Directors (the “Board”) of Flagstar Bancorp, Inc. (the “Company”), to assist the Board in the exercise of its responsibilities and duties. These Guidelines demonstrate the Board’s commitment to monitor the effectiveness of policy making and decision making by both the Board and Company management, with a view to enhancing stockholder value over the long term. The Board of Directors of Flagstar Bank, FSB, has adopted policies parallel to these guidelines insofar as applicable to the governance of that Board.

I. Board Composition

A. Board Size

The number of directors on the Board is established by the Company’s articles/charter and bylaws. The Board considers its size in light of the availability of qualified directors, the requirements and duties imposed on directors, and the issues facing the Board from time to time.

B. Board Leadership

In 2012, the Company separated the Chairman and Chief Executive Officer roles. The Board believes that the split roles provide for greater oversight of management and independence of the Board.

C. Director Qualifications

So long as the Company is not a “controlled company” under the rules of the New York Stock Exchange (“NYSE”), the Board of the Company will have at least a majority of outside directors who, in the business judgment of the Board, meet the criteria for independence required by the NYSE for continued listing and other legal requirements. If the Company is a “controlled company” under the rules of the NYSE, then the Board of the Company will meet the requirements for a “controlled company.”

D. Director Selection

The Nominating/Corporate Governance Committee is responsible for reviewing the Board, on an annual basis, to ensure that its members have the requisite skills and experience, as well as time available, in the context of the needs of the Board and the Company. The Committee will also periodically consider the mix of members of the Board, to ensure the Company’s directors can provide diverse perspectives. In doing so, the Committee will take into account such factors as the directors’ experience, specialized skills and geographical presence, as well as personal attributes, such as age, gender, race, ethnicity and family status. Finally, this review will include an assessment of the absence or presence of material relationships with the Company or others which might impair independence and objectivity. After such reviews, the Nominating/Corporate Governance Committee will recommend to the full Board the slate of directors to be nominated for election at the annual meeting of stockholders. Nominations to the Board may also be submitted to the Nominating/Corporate Governance Committee by the Company’s stockholders.

E. Term Limits and Retirement Policy

The Board does not believe it should establish term limits or a maximum age of a director or a retirement policy at this time because it would risk losing the insight and contribution of directors who understand the Company's interests and have demonstrated such contribution over a period of time. However, the Board believes it is important to monitor and evaluate overall Board performance on a regular and annual basis.

F. Change in Principal Occupation

Any director whose principal occupation or business association has changed substantially from the time he or she was elected to the Board shall tender his or her resignation to the Chairman and the Chairman of the Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee will consider the change in principal occupation or business association and determine whether continued service on the Board is appropriate.

II. Board Committees

A. Number of Committees

The Company will at all times have an Audit Committee, a Compensation Committee and a Nominating/Corporate Governance Committee. So long as the Company is not a "controlled company" under the rules of the NYSE, all of the members of these committees will be independent directors under the criteria established by the NYSE and/or the Securities and Exchange Commission or other regulatory agency or agencies having jurisdiction over the activities of the Company. If the Company is a "controlled company" under the rules of the NYSE, then the Compensation Committee and a Nominating/Corporate Governance Committee will meet the requirements for a "controlled company." The Board may have such additional standing and/or temporary committees and subcommittees as may be appropriate from time to time.

B. Charters

The Audit Committee, Compensation Committee, and the Nominating/Corporate Governance Committee will each have its own written charter. The charters will set forth the purposes, goals, and responsibilities of the committees. The charters will also provide that each committee will annually evaluate its performance. The charters will be made available on the Company's website.

C. Assignment and Rotation

All directors will be polled as to their preferences prior to any assignment to a committee of the Board. In general, committee chairs and committee members should rotate periodically, but the Board believes that such rotation may not occur due to the needs of the Company and qualifications of the directors to serve on a committee.

III. Board and Director Responsibility

A. General

The primary responsibility of the Board is to exercise oversight of the Company's management and to represent the interests of all Company stockholders. Each director is responsible for exercising his or her own business judgment in good faith by acting in what that director believes to be in the best interests of the Company and its stockholders, with due regard to the regulatory relationship between holding companies and depository institutions.

B. Meeting Attendance

The Board desires that directors attend all Board meetings. Notwithstanding, the Board expects that each director will attend at least 75% of all Board meetings, and meetings of committees on which they serve. The Board recognizes that due to scheduling conflicts or unforeseen circumstances 100% percent attendance may not be attainable.

C. Meeting Preparation

To prepare for meetings of the Board or any of its committees, directors are expected to review in advance all materials that are provided to directors for the respective meetings.

D. Other Directorships

Because holding directorships in other public companies could compromise a director's independence or create disclosable conflicts of interest, directors are expected to notify the Chairman of the Board and the chair of the Nominating/Corporate Governance Committee when considering an appointment or nomination to, and promptly advise upon accepting, any other public company directorship or any assignment to the audit committee or compensation committee of the Board of Directors of any public company of which such director is a member.

E. Confidentiality of Information

In order to facilitate open discussion, the Board believes that maintaining confidentiality of Company information and Board and committee deliberations is critical.

F. Conflicts of Interest

Directors are expected to avoid any action, position or interest that conflicts with an interest of the Company, or gives the appearance of a conflict. The Company annually solicits information from Directors in order to monitor potential conflicts of interest and Directors are expected to be mindful of their fiduciary obligations to the Company. In the event of a situation involving a potential conflict of interest, directors are encouraged to seek advice from the Company's legal department. Directors must recuse themselves and not participate in the discussion or vote on any matter presented at a Board meeting if they believe that they have personal interests or a conflict of interests. Additionally, the Director must disclose to the Board all material non-privileged information relevant to the Board's decision on the matter or transaction in accordance with 12 C.F.R. Sec. 163.200 and any amendments or successors thereto, including the existence, nature and extent of the Director's interests, and the facts known to the Director as to the matter or transaction being considered.

G. Code of Business Conduct and Ethics

The Company's Code of Business Conduct and Ethics applies to members of the Board, as well as Company officers, employees, agents, consultants, and others, when they are representing or acting for the Company. The Board expects all directors, as well as officers and employees, to act ethically at all times and to acknowledge their adherence to the Company's policies. Any waiver of the Code of Business Conduct and Ethics for a director or executive officer may be granted only by the Board or the appropriate Board committee and must be promptly disclosed to the stockholders.

IV. Board and Committee Meetings

A. Board Meetings

During recent years, the Board scheduled meetings to be held not less than eight (8) times per year, and held additional meetings to address specific matters when necessary or appropriate. The Board plans to continue that process for the foreseeable future.

B. Advance Distribution of Materials

The Board believes that for a meaningful discussion of topics to be discussed at a meeting, directors should have materials on such topics sufficiently in advance of the meeting. Therefore, when practicable, directors will receive, prior to any meeting, information necessary to inform the directors about the Company's business, performance and prospects, and recommendations for action by the Board.

C. Committee Meetings

Chairpersons of the various committees, in consultation with their committee members, determine the frequency and length of committee meetings. The Chairperson of each committee establishes the agenda for each committee meeting. Committee members, directors and management may suggest the addition of any matter to the agenda for any committee meeting upon reasonable notice to the Committee Chairperson.

D. Executive Sessions of Non-Management Directors

To promote open discussion among the non-management directors (i.e., directors who are not also employees of the Company), the non-management directors will meet in an executive session at least four times per year. No employee of the Company may attend or participate in such executive sessions. The non-management Chairman or a non-management director designated by the Board will chair these meetings.

E. Regular Attendance of Non-Directors at Board Meetings

The Board welcomes regular attendance at each Board meeting by senior executive management of the Company. Attendance by such managers shall be as mandated by the Chairman and otherwise as determined in the discretion of the Chief Executive Officer. The Chairman, or Committee Chair, as applicable, may direct the Chief Executive Officer of any required changes in this regard.

V. Other

A. Board Interaction with Institutional Investors, Peers, Customers, etc.

The Board believes that, under ordinary circumstances, only executive management speaks for the Company and only the Chairman speaks for the Board. Directors may, from time to time, meet or communicate with various constituencies that are involved with the Company. It is expected that directors would do this with the prior knowledge of executive management and, in most instances, at the request of the Chief Executive Officer or Chairman.

B. Director Access to Management

Directors shall have full and free access to management and other employees of the Company. In addition, the Board and each committee have full and free access, when necessary and appropriate, to the Company's outside advisors.

C. Compensation

The form and amount of director compensation will be determined by the Compensation Committee in accordance with the policies and principles set forth in its charter. The Compensation Committee will conduct an annual review of the director compensation and provide any recommended changes to the Board of Directors for consideration and approval. The Company's director compensation program will be structured to align the interests of Board members and executives with those of stockholders and to attract and retain director talent of the highest quality.

D. Director Orientation/Education

The Board of Directors is committed to training new directors and providing continuing education for existing directors, including presentations by management on the Company's strategic plans, its significant financial, accounting, and risk management issues, its compliance programs, its management structure and executive officers and its internal and independent auditors. The Board of Directors encourages directors to participate in continuing education programs, including, but not limited to, director education programs certified by Institutional Shareholder Services, to assist them in performing their responsibilities on the Board of Directors, and the Company will reimburse directors for reasonable costs and expenses of such programs.

E. Management Succession

The Chief Executive Officer and the Nominating/Corporate Governance Committee shall review succession planning on an annual basis with the Board, including succession plans for the Chief Executive Officer.

F. Annual Evaluation

Each director will participate in an annual performance evaluation of the Board and its committees on which he or she serves to determine whether the Board and its committees are functioning effectively. The Nominating/Corporate Governance Committee will coordinate the process for the evaluations of the Board and its committees.

G. Stock Ownership

In order to better align the interests of the stockholders with those of the Board of Directors and management, the Company has established stock ownership guidelines for non-employee directors and management. The target stock ownership guidelines are set forth below.

Non-Employee Directors. Non-employee directors must beneficially own shares of the Company's common stock in an amount equal to three times the Director's annual cash retainer. This ownership requirement must be fulfilled within 5 years of each new director joining the Board of Directors, but in no event shall a Director hold less than 1000 shares of the Company's common stock.

Chief Executive Officer. The Chief Executive Officer must beneficially own shares of the Company's common stock in an amount equal to five times base salary. This ownership requirement is expected to be fulfilled within five years of assuming the role, but in no event shall a Chief Executive Officer hold less than 100 shares of the Company's common stock.

Chief Operating Officer. The Chief Operating Officer must beneficially own shares of the Company's common stock in an amount equal to three times base salary. This ownership requirement is expected to be fulfilled within five years of assuming the role, but in no event shall a Chief Operating Officer hold less than 100 shares of the Company's common stock.

Executive Vice Presidents. Executive Vice Presidents must beneficially own shares of the Company's common stock in an amount equal to two times base salary. This ownership requirement is expected to be fulfilled within 7 years of assuming the Executive Vice President role, but in no event shall an Executive Vice President hold less than 100 shares of the Company's common stock.

For purposes of the above guidelines, stock ownership includes shares of the Company's common stock held outright, in the Flagstar 401(k) Plan, by a spouse or by a trust that benefits the Director, executive or that person's spouse. It also includes unvested shares of restricted stock, vested or unvested stock options or stock appreciation rights.

H. Guidelines Subject to Annual Review

These guidelines will be subject to an annual review, first by the Nominating/Corporate Governance Committee, and then the full Board to assure that they are in accordance with sound corporate governance. If changes are needed, they will be recommended by that committee for review and possible approval by the Board. Waivers of these guidelines are subject to disclosure and other provisions of the Securities Exchange Act of 1934, the rule promulgated thereunder and the applicable rules of the New York Stock Exchange. As a result, waivers of these guidelines should be reviewed and approved by the full Board.