



Ocwen Financial Corporation

Compensation Committee Charter  
Version 11

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**Compensation Committee Charter, v11**

**APPROVED: 8/14/2018**

**APPROVED BY: Board of Directors**

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### **I. SUMMARY**

The purpose of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Ocwen Financial Corporation (the "Company") shall be to oversee the Company's compensation and employee benefit plans and practices, including its executive compensation plans and its incentive compensation and equity-based plans; and to produce an annual report on executive compensation for inclusion in the Company's proxy statement, in accordance with all applicable rules and regulations.

### **II. CONTENTS**

- Responsibilities and Scope
- Membership
- Meetings
- Reporting
- Evaluation and Charter Review

### **III. RESPONSIBILITIES AND SCOPE**

The following are within the authority of the Committee:

#### **A. Executive Compensation and Board of Directors Compensation**

The Committee shall have the following goals and responsibilities with respect to the Company's executive compensation plans and arrangements:

(a) To review and approve the corporate goals and objectives applicable to the compensation of the Chief Executive Officer, evaluate annually the performance of the Chief Executive Officer in light of such goals and objectives in consultation with the other independent directors and determine and approve the Chief Executive Officer's compensation level based on this evaluation. In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee shall consider all relevant factors, including the Company's performance and relative stockholder return, the value of similar awards to chief executive officers of comparable companies and the awards given to the Chief Executive Officer of the Company in past years;

(b) To review and approve the compensation of the Company's other executive officers, including base salary, incentive compensation, perquisites and equity awards, as applicable (for purposes of this charter, "executive officer" means those persons designated by the Board as executive officers pursuant to Rule 3b-7 of the Securities Exchange Act of 1934, as amended);

(c) To review and approve any severance or termination arrangements to be made with the Chief Executive Officer of the Company;

(d) To review and approve any severance or termination arrangements to be made with the Company's other executive officers;

(e) To perform such duties and responsibilities as may be assigned to the Committee under the terms of any executive compensation plan;



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(f) To perform such duties and responsibilities as may be assigned to the Committee by the Board, including with respect to evaluations of executive management, executive development, succession planning and retention;

(g) To review and discuss with management the Company's Compensation Discussion and Analysis ("CD&A"), recommend that the CD&A be included in the Company's proxy statement and produce an annual report on executive compensation for inclusion in the Company's proxy statement, in accordance with all applicable rules and regulations; and

(h) To evaluate annually the appropriate form and amount of compensation for Board and Board committee service by members of the Board.

### **B. Incentive Compensation and Equity-Based Plans**

The Committee shall have the following responsibilities with respect to the Company's incentive compensation and equity-based plans:

(a) To review, at least annually, the goals and objectives of the Company's incentive compensation and equity-based plans and, to the extent such plans are subject to Board approval, make recommendations to the Board with respect to such plans in light of such goals and objectives; and

(b) To perform such duties and responsibilities as may be assigned to the Committee under the terms of any incentive compensation or equity-based plan.

### **C. Other Compensation and Employee Benefit Plans**

(a) To review, at least annually, the Company's general compensation plans and other employee benefit plans in light of the goals and objectives of these plans, and recommend that the Board amend these plans if the Committee deems it appropriate.

(b) To perform such duties and responsibilities as may be assigned to the Committee under the terms of its general compensation plans and other employee benefit plans.

### **D. Risk Management**

To review and consider the Company's policies and practices of compensating its employees, including non-executive officers, as they relate to risk management practices and risk-taking incentives, and whether risks arising from the Company's compensation policies and practices for its employees are reasonably likely to have a material adverse effect on the Company.

### **E. Investigations and Studies; Outside Advisers**

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities.

The Committee shall have the authority, in its sole discretion, to retain or obtain the advice of a compensation consultant, independent legal counsel or such other advisers as it deems necessary to fulfill its duties and responsibilities as set forth in this Charter. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any



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compensation consultant, independent legal counsel or other adviser retained by the Committee. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any compensation consultant, independent legal counsel or any other adviser retained by the Committee. The Committee shall not be required to implement or act consistently with the advice or recommendations of any compensation consultant, independent legal counsel or other adviser to the compensation committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

In selecting a compensation consultant, independent legal counsel or other adviser (other than the Company's in-house counsel), the Committee must, if and to the extent required by the New York Stock Exchange (the "NYSE") rules, take into consideration all factors relevant to that person's independence from management, including the factors specified in the listing standards of the NYSE; provided, that after considering such factors, the Committee may select or receive advice from any compensation adviser it prefers, including ones that are not independent.

In carrying out its duties and responsibilities, the Committee's practices should remain flexible, so that it may be in a position to best react or respond to changing circumstances or conditions.

### **IV. MEMBERSHIP**

The Committee shall be comprised of three or more directors as determined from time to time by resolution of the Board, each of whom shall qualify as independent directors under the listing standards of the NYSE, and, if deemed appropriate from time to time, meet the definition of "nonemployee director" under Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended.

Any vacancy on the Committee shall be filled by majority vote of the Board, either at the next meeting of the Board following the occurrence of the vacancy or at such later time as the Board deems appropriate. No member of the Committee may be removed except by majority vote of the independent directors then in office (excluding any member subject to such vote).

### **V. MEETINGS**

The Committee shall fix its own rules of procedure, which shall be consistent with the Bylaws of the Company and this Charter. The Chair of the Committee or a majority of the members of the Committee may also call a special meeting of the Committee. In the absence of a different determination by the Committee, a majority of members shall constitute a quorum. Any action required or permitted to be taken at any meeting of the Committee or of any sub-committee thereof may be taken without a meeting, if a majority of the members of the Committee or sub-committee thereof, as the case may be, consent thereto in writing (which may be given by email or other form of electronic transmission). The Committee may form and delegate authority to subcommittees when it deems it to be appropriate. The Committee shall meet as frequently as it shall determine is necessary to carry out its duties and responsibilities.

The Committee shall maintain minutes of its meetings and records relating to those meetings and shall make copies of such minutes available to the Board.



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The Committee, in its discretion, may ask members of management, any directors or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Committee may, in its discretion, meet separately with (i) the senior-most executive of the Company's internal auditing department and (ii) the Company's independent auditors, in each case to discuss any matters that the Committee or any of the above persons or firms believes should be discussed privately.

### **VI. REPORTING**

The Committee shall provide minutes of its meetings to the Board and otherwise report to the Board as it determines is appropriate. Such reports shall be oral, unless otherwise determined by the Committee.

The Committee shall also report to the Board as provided below under "VII Evaluation and Charter Review."

### **VII. EVALUATION AND CHARTER REVIEW**

The Committee shall, on at least an annual basis, evaluate its performance under this Charter. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which matters were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

The Committee shall report to the Board regarding the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures. Such report shall be oral, unless otherwise determined by the Committee.

The Committee shall review this Charter on an annual basis or on such other basis as it deems appropriate.