



Ocwen Financial Corporation

Risk and Compliance Committee Charter

Version 1



Risk and Compliance Committee Charter

EFFECTIVE AS OF: 1/1/2018

APPROVED BY: Board of Directors

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I. SUMMARY

The purpose of the Risk and Compliance Committee (the “Committee”) of the Board of Directors (the “Board”) of Ocwen Financial Corporation (“Ocwen” or the “Company”) is to assist the Board in fulfilling its oversight responsibility with respect to the Company’s enterprise risk management and compliance functions. To that end, the Committee shall be responsible for ensuring that management has (1) identified the relevant risks that could affect the ability of the Company to achieve its strategies and preserve its assets, (2) established an enterprise risk management infrastructure—the people, processes and technology—to identify, measure, monitor and report on the risks the Company faces, and (3) established a compliance management system that seeks to ensure the Company’s compliance with applicable laws, rules and regulations governing its consumer-oriented businesses (including applicable state and Federal consumer financial protection laws and regulations). It is not the responsibility of the Committee to conduct risk or compliance assessments or manage risk or compliance; rather, the Committee is responsible for reviewing management’s processes for assessing and managing risk and compliance, and management’s implementation thereof, and for providing guidance to management with respect thereto.

The Committee shall also assist management in its efforts to ensure a culture of people at all levels in the Company recognizing and managing risk and help to set the tone for a strong risk management and compliance culture at the Company.

II. CONTENTS

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

III. RESPONSIBILITIES AND SCOPE

The Committee shall have the following oversight responsibilities:

A. Risk Oversight

- (a) Review the Company’s enterprise risk management framework, including the processes, technology and personnel that support the identification, measurement, monitoring and reporting of the Company’s material strategic, credit, market, liquidity, operational, reputational and regulatory compliance risks;
- (b) Meet periodically with the Company’s Chief Risk Officer (“CRO”) to review and consider the Company’s significant risk exposures and the steps management has taken to monitor, control and mitigate such exposures;
- (c) Review and recommend that the Board approve the Company’s Risk Appetite Statement Policy, which policy describes the amount and types of risk that the Company is able and willing to accept in pursuit of its strategic and business objectives;



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- (d) Review the alignment of the Company's risk profile with the Company's strategic plan and the risk appetite set forth in the Risk Appetite Statement Policy;
- (e) Receive reports from the CRO, or other individuals, as appropriate, with respect to the risk metrics used for assessing adherence to the Company's risk appetite;
- (f) Review with management the progress and results of key risk management projects, including Enterprise Risk Assessments;
- (g) Oversee the effective and timely implementation of corrective actions to address any material risk-management deficiencies or "breaches" in risk appetite limits; and
- (h) Review, approve and oversee Related Party Transactions (as defined in the Company's Related Party Transactions Approval Policy).

B. Compliance Oversight

- (a) Oversee the Company's compliance management system, consisting of four interdependent control components: (i) Board and management oversight, (ii) written compliance program, (iii) response to consumer complaints, and (iv) compliance audit function;
- (b) Receive reports from the Chief Compliance Officer ("CCO") regarding the Company's compliance programs, including the Company's consumer complaint intake and resolution function;
- (c) Receive reports from the CCO regarding state and Federal regulatory examinations and any significant issues arising therefrom;
- (d) Receive reports from the CCO and/or the Company's General Counsel and/or other members of management regarding the Company's compliance with applicable laws, rules and regulations governing its consumer-oriented businesses and any significant issues relating thereto; and
- (e) Review with the CCO new consumer financial products and services to determine the appropriate degree of compliance function participation.

C. General

- (a) Oversee management's efforts to ensure a strong risk management and compliance culture at the Company;
- (b) Coordinate with other Board committee chairs on areas where the substance of their activities overlap, including the risk review assessment of the Company's incentive compensation plans and programs; and
- (c) Review whether sufficient and appropriate resources are being dedicated to risk management and compliance efforts.



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The Committee shall have the authority to retain consultants or advisors to assist the Committee in fulfilling its responsibilities, the cost of such consultants or advisors to be borne by the Company.

IV. MEMBERSHIP

The Committee shall be comprised of three or more directors as determined from time to time by resolution of the Board. Unless otherwise determined by the Board, at least one member of the Committee must have experience in identifying, assessing and managing risk at a large, complex financial firm or firms of at least the size and complexity of the Company. Each member of the Committee must qualify as an independent director under the listing standards of the New York Stock Exchange ("Independent Director"). No member of the Committee may own any securities of a Related Company (as defined in the Company's Related Party Transactions Approval Policy).

The Chair of the Committee shall be designated by the Board, provided that if the Board does not so designate a Chair, the members of the Committee, by a majority vote, may designate a Chair. The Committee may have Co-Chairs and, in such event, references herein to the Chair shall include the Co-Chairs, acting jointly or singly.

Any vacancy on the Committee shall be filled by resolution of the Board. 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 removal vote).

At any time when the Committee consists of three or more members, the Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee.

V. MEETINGS

The Committee shall meet once every fiscal quarter or more frequently as it shall determine is necessary to carry out its duties and responsibilities. The Chair may ask the CRO, the CCO, the Chief Executive Officer ("CEO"), the General Counsel and/or other members of management, directors or others to attend Committee meetings (or portions thereof) and to provide pertinent information as necessary.

The Committee may 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 all 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 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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VI. REPORTING AND PERFORMANCE REVIEW

The CRO shall:

- (a) Report to the CEO and the Chair of the Committee;
- (b) Make reports to the Committee at every regular quarterly Committee meeting, unless the Chair determines otherwise;
- (c) Make reports to the Committee at any other Committee meetings, unless the Chair determines otherwise;
- (d) Notify the Committee of any breaches of the Risk Appetite Statement or risk appetite limits and the proposed course of action to address such breaches;
- (e) Have direct and unfettered access to the Chair;
- (f) Confer with the Chairs of the Audit and Compensation Committees on risk-related matters and report at meetings of such Committees, in each case if the applicable Audit or Compensation Chair determines that is appropriate; and
- (g) Perform such other tasks and make such other reports as the Chair may determine to be appropriate.

The CCO shall:

- (a) Report to the CEO and the Chair of the Committee;
- (b) Make reports to the Committee at every regular quarterly Committee meeting, unless the Chair determines otherwise;
- (c) Make reports to the Committee at any other Committee meetings, unless the Chair determines otherwise;
- (d) Have direct and unfettered access to the Chair;
- (e) Confer with the Chairs of the Audit and Compensation Committees on compliance-related matters and report at meetings of such Committees, in each case if the applicable Audit or Compensation Chair determines that is appropriate; and
- (f) Perform such other tasks and make such other reports as the Chair may determine to be appropriate.

The Committee shall 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 “Section VII - Evaluation and Charter Review.”

The CEO shall consult with the Chair of the Committee regarding the CRO’s and the CCO’s annual performance appraisal and with respect to any recommendation from management to the Compensation Committee regarding the CRO’s and the CCO’s compensation. The CEO



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shall consult with the Chair of the Committee regarding any decision to terminate the employment of the CRO or CCO and any decision to appoint a new CRO or CCO.

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.