

## Compensation Committee Charter

1. *Members.* The Committee shall be composed entirely of independent directors, including an independent chair and at least two other independent directors. Committee members shall be appointed by the Board upon recommendation by the Nominating and Corporate Governance Committee, and may be removed by the Board in its discretion. An "independent director" is a director who satisfies the independence standards adopted by the Board as set forth in the Fannie Mae Corporate Governance Guidelines and who meets the requirements for "independence" contained in 12 C.F.R. §1239.5, both as determined by the Board.
2. *Purpose of the Committee.* The purpose of the Committee shall be to discharge the responsibilities of, or make recommendations to, the Board relating to the appointment and compensation of Fannie Mae's senior management; to oversee and advise the Board on the adoption of policies that govern certain annual compensation and stock ownership plans consistent with the Board's Delegation of Authority to the CEO and reservation of powers and as provided by Fannie Mae's plans; to approve the Company's compensation policy, which applies to all employees of the Company, from time to time (the "Compensation Policy"); to review and discuss with management the compensation discussion and analysis (CD&A) for inclusion in Fannie Mae's annual report or proxy statement, as applicable; and to produce the report of the committee to accompany the CD&A in such annual report or proxy statement.
3. *Duties to the Conservator.* The directors of Fannie Mae serve on behalf of the Federal Housing Finance Agency, as Conservator of Fannie Mae, and shall exercise authority as directed by the Conservator. The Committee shall consult and obtain approval of the Conservator before taking those actions indicated in Sections 4 and 5 below as being subject to the Conservator's approval.
4. *Duties and Responsibilities of the Committee.* The Committee's duties and responsibilities shall include:
  - i. Consistent with the Board's Delegation of Authority to the CEO and reservation of powers and as provided by Fannie Mae's plans, overseeing compensation policies and plans for officers and other management group employees and the Compensation Policy and key compensation and benefits programs governing employees of Fannie Mae, in a manner consistent with Fannie Mae's obligations under the Charter Act.
  - ii. Making recommendations to the Board with respect to Fannie Mae's incentive-compensation plans and stock-based plans that are subject to Board approval.
  - iii. Overseeing the recruitment, retention, and evaluation of senior management with appropriate qualifications and expertise to operate Fannie Mae's business.
  - iv. Reviewing objectives relevant to CEO performance and evaluating the CEO's performance in light of those objectives. With respect to the compensation of the CEO, the Committee shall oversee compliance with applicable FHFA directives.

- v. Recommending to the Board corporate goals for measurement of performance and recommending to the Board an assessment of performance against those goals.
- vi. Recommending to the Board the compensation of “executive officers” as defined in Rule 3b-7 under the Securities Exchange Act, the Chief Audit Executive, and the Chief Compliance Officer (collectively, the “Designated Executive Officers”), subject to the Conservator’s approval of the compensation of the Designated Executive Officers. With respect to the compensation of the Chief Audit Executive and Chief Compliance Officer, the Compensation Committee’s recommendation shall be made in consultation with the Audit Committee.
- vii. Approving the appointment and compensation of senior vice presidents, excluding Designated Executive Officers, subject to the Conservator’s approval of the compensation of senior vice presidents.
- viii. Approving the list of companies in the comparator group against which Fannie Mae benchmarks its compensation and reviewing the compensation ranges for Fannie Mae officers and other management group employees against the compensation of the companies in this comparator group.
- ix. Reviewing management’s risk assessment of compensation policies and practices.
- x. Performing the functions assigned to it, under Fannie Mae’s various compensation and benefit plans and arrangements, or by the Board with respect to those plans and arrangements.
- xi. Reviewing succession plans for the CEO and other senior management in preparation for discussion by the entire Board regarding succession planning for the CEO and other key members of senior management.
- xii. Reviewing periodic reports from management on matters relating to Fannie Mae’s compensation, promotion, hiring and talent programs.
- xiii. Periodically reviewing Fannie Mae’s employee benefits and retirement programs.
- xiv. Reviewing and discussing annually with management the CD&A required by Item 402 of Regulation S-K and, based on such review and discussion, determining whether to recommend to the Board that the CD&A be included in Fannie Mae’s annual report or proxy statement.
- xv. Providing annually, over the names of the Committee’s members, the required report of the Committee for Fannie Mae’s annual report or proxy statement, as applicable.
- xvi. Reviewing the report on Fannie Mae’s compensation annually submitted to Congress pursuant to The Federal Housing Enterprises Financial Safety and Soundness Act of 1992.
- xvii. Evaluating annually the independence of advisors to the Committee.
- xviii. Annually evaluating its performance and the adequacy of its charter.

5. *Outside advisors.* Subject to the Conservator's approval, the Committee shall have the authority to retain and terminate such outside legal counsel as it determines appropriate to assist it in the full performance of its functions. The Committee shall also have sole authority with respect to, and shall be directly responsible for, the appointment, compensation and oversight of such other experts and advisors as it determines appropriate to assist it in the full performance of its functions. Prior to the Committee receiving any advice from any advisor, the Committee shall consider all factors relevant to the advisor's independence from management, including any factors specified under New York Stock Exchange rules. Fannie Mae shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any advisor retained by the Committee.
6. *Meetings.* The Committee shall meet as often as may be deemed necessary or appropriate in its judgment, but not less than four times per year, either in person or telephonically, and at such times and places as the Committee shall determine. The Committee shall make regular reports to the Board on its activities. These reports will generally occur after each Committee meeting or at such other times as the Committee deems appropriate.
7. *Subcommittees.* In its discretion, the Committee may establish and delegate responsibility to subcommittees consisting of one or more members, who shall report on their activities to the Committee.

*Charter Last Amended: July 21, 2016*