

**CHARTER OF THE COMPENSATION AND HUMAN CAPITAL COMMITTEE
OF THE BOARD OF DIRECTORS
OF THE
FEDERAL HOME LOAN MORTGAGE CORPORATION**

Effective October 28, 2019

Organization, Membership Requirements and Committee Processes

The Compensation and Human Capital Committee (the "Committee") of the Board of Directors (the "Board") of the Federal Home Loan Mortgage Corporation ("Freddie Mac") shall consist of at least three members appointed by the Board, following notice to the Federal Housing Finance Agency, as Conservator of Freddie Mac (the "Conservator"). Each Committee member shall be independent under the standards set forth in Freddie Mac's Corporate Governance Guidelines, as well as under the listing standards of the New York Stock Exchange ("NYSE"), including under any such listing standards specifically applicable to compensation committee members. One member of the Committee shall be designated by the Board as the Chair of the Committee. At least two members of the Committee shall each be a "non-employee director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934 (the "Exchange Act").

The Committee Chair shall report regularly to the Board on the Committee's activities and minutes of the Committee's meetings shall be submitted to the Board.

The members of the Committee shall have access to any employees of Freddie Mac. The Committee shall have the authority, in its sole discretion, to select, retain or obtain the advice of a compensation consultant, independent legal counsel or other advisors and shall be directly responsible for the compensation and oversight of such compensation consultant, independent legal counsel or other advisors, subject to the approval of the Conservator to the extent set forth in paragraph 6. As part of its oversight responsibility, the Committee shall conduct an annual review of the independence of any such compensation consultant, independent legal counsel or other advisors, as appropriate. Freddie Mac shall provide appropriate funding for the payment of compensation to any such compensation consultant, independent legal counsel or other advisor and for other necessary and appropriate administrative expenses of the Committee, all as determined by the Committee.

The Chair of the Committee will collaborate with the Chairs of any of the other Board committees when necessary or desirable in order to facilitate each of the Board committees in fulfilling its responsibilities. The Committee may meet in joint session with any other Board committee to discuss matters that are pertinent to both Committees.

Before initial selection and for the purpose of the annual review of the independence of any compensation consultant, legal counsel or other advisor to be retained by it, the Committee shall take into consideration all factors the Committee deems relevant to that person's independence, including the following:

- the provision of other services to Freddie Mac by the person that employs the compensation consultant, legal counsel or other advisor;

- the amount of fees received from Freddie Mac by the person that employs the compensation consultant, legal counsel or other advisor, as a percentage of such person's total revenue;
- the policies and procedures of the person that employs the compensation consultant, legal counsel or other advisor that are designed to prevent conflicts of interest;
- any business or personal relationship of the compensation consultant, legal counsel or other advisor with a member of the Committee;
- any stock of Freddie Mac owned by the compensation consultant, legal counsel or other advisor; and
- any business or personal relationship of the compensation consultant, legal counsel, other advisor or the person employing the advisor with an executive officer of Freddie Mac.

The foregoing consideration of independence shall not be required, however, with respect to (i) in-house counsel of Freddie Mac or (ii) any compensation consultant, legal counsel or other advisor who provides only services for which disclosure is not required under Item 407(e)(3)(iii) of Regulation S-K.

To the extent consistent with applicable laws, regulations, NYSE listing standards and conservatorship orders, the Committee responsibilities listed below may, in the alternative, be satisfied by actions of the full Board or by another Board committee acting at the direction of the Board or the Board's Chair.

Purposes, Powers, Duties and Responsibilities of the Committee

The Committee is hereby charged by the Board with the following authority and responsibilities:

1. Executive Compensation: With respect to executive compensation:
 - (a) In consultation with senior management, to approve Freddie Mac's executive compensation philosophy and to oversee and monitor Freddie Mac's executive compensation policies, plans and programs to ensure that they are consistent with this philosophy, as well as the responsibilities of the Board in light of the conservatorship;
 - (b) To approve on an annual basis the companies that will be included in the group that provides market data for the purposes of comparing the reasonableness and comparability of compensation for the Senior Officers (as defined below) (the "Comparator Group") and, in the event that the data available from such Comparator Group for a specific position is insufficient, to review the Committee's independent compensation consultant's and/or management's recommendations concerning the use of one or more alternative benchmarks;

- (c) With respect to the Chief Executive Officer (“CEO”), to approve:
 - (i) Subject to approval by the Conservator as set forth in paragraph 6, all elements of compensation (and the specific amounts thereof) and other terms of employment, *provided that* no separate action shall be necessary to the extent that the compensation is derived from a plan that covers all officers or a larger group of Freddie Mac’s employees; and
 - (ii) The goals and objectives relevant to assessing the CEO’s annual performance, the evaluation of the CEO’s performance in light of those goals and objectives and such other factors as the Committee deems relevant; and, subject to approval by the Conservator as set forth in paragraph 6, the CEO’s compensation in light of such evaluation, *provided that* the Committee shall obtain and consider the views of the other non-management members of the Board with respect to the CEO’s compensation.

- (d) With respect to Senior Vice Presidents and above, other than the CEO, and including any other executive as the Conservator may deem necessary (each a “Senior Officer”):
 - (i) To approve the subset of Senior Officers who, along with the CEO, shall be considered executive officers and to approve the subset of Senior Officers who, along with the CEO, shall be considered reporting officers for purposes of Section 16 of the Securities Exchange Act of 1934 (each a “Section 16 Officer”); and
 - (ii) To approve, subject to approval by the Conservator as set forth in paragraph 6, all elements of compensation (including the specific amounts thereof) of such Senior Officers, *provided that* no separate action shall be necessary to the extent that the compensation is derived from a plan that covers all officers or a larger group of Freddie Mac’s employees, *provided further that* the Committee shall provide input to the Audit Committee prior to the Audit Committee’s approval of the General Auditor’s compensation and the Internal Audit Division’s incentive compensation, *and provided further that* the Committee shall obtain and consider the views of the other independent members of the Board with respect to the compensation of individuals occupying the positions of President or Chief Operating Officer (“COO”) prior to taking any action.

- (e) To review and oversee incentive compensation plans and programs, with a view to appropriately balance risk and financial results in a manner that does not encourage employees to expose Freddie Mac to imprudent risks, and to discuss with management, including the Chief Enterprise Risk officer, at least annually, its risk assessment of Freddie Mac’s compensation plans and programs;

- (f) To approve the Committee's report for inclusion in any securities disclosure filings in accordance with applicable regulatory requirements, to review and discuss with management Freddie Mac's proposed compensation discussion and analysis ("CD&A") and to recommend to the Board that the CD&A be included in such disclosures;
- (g) The Committee hereby delegates any of its authority described in paragraph 1(d)(ii) above to the Committee Chair where competitive circumstances or efficiency and/or performance considerations preclude delaying approval to the next Committee meeting, *provided that* such authority shall not be exercised with respect to the President or COO or any other Senior Officer who is likely to be identified as a "Named Executive Officer" in Freddie Mac's annual securities disclosure, and *provided further that* the Committee Chair shall report to the Committee on such action at the Committee's next regularly-scheduled meeting; and
- (h) To approve (i) any employment, professional, consulting or other relationship of the CEO or the President or COO with any entity other than Freddie Mac; and (ii) any other matters that, pursuant to the terms of their respective employment agreements, may require approval by the Board; and to report to the Board on any such approval.

2. Other Compensation-Related Matters: With respect to other compensation-related matters:

- (a) To approve, subject to approval by the Conservator, as set forth in paragraph 6, any establishment or modification of performance management processes to be used to determine any element of compensation paid to Senior Officers, other than a Conservator scorecard;
- (b) To approve the assessment of corporate performance against any performance management process used to determine any element of compensation paid to Senior Officers, other than a Conservator scorecard;
- (c) To review, approve, amend and/or terminate any retirement plan;
- (d) To review any Company recoupment or forfeiture policy or agreement and any significant changes thereto, and oversee their application as appropriate; and
- (e) To the extent any action is required while Freddie Mac is in conservatorship: (i) to review, approve, amend and/or terminate any stock-based compensation or stock-based benefit plan for employees; (ii) to amend any outstanding awards to employees under such plans; and (iii) to review the stock grant date policy.

3. Human Capital Matters: With respect to human capital matters generally:
- (a) To review, at least annually, the talent development programs and initiatives including succession planning, leadership development, performance enablement, talent acquisition and retention of Senior Officers, consistent with the objectives of the conservatorship covering:
 - i. General oversight responsibility for Senior Officer succession planning other than for the CEO and the Senior Vice President – General Auditor, which shall be overseen by the Board and the Audit Committee, respectively;
 - ii. Review of the CEO's past appointment and promotion of Senior Officers and, in conjunction with the CEO, evaluate the performance and potential of Senior Officers and the potential successors of such Senior Officers, and make reports and recommendations to the Board and the CEO on such matters as deemed appropriate; and
 - iii. Review of programs, and the results of those programs, designed to facilitate the selection, retention, and development of Senior Officers.
 - (b) To oversee inclusion and diversity programs and policies, as well as the results of those programs and policies, including:
 - i. Recommending to the Board the approval of an enterprise-wide diversity and inclusion policy that describes the Freddie Mac inclusion and diversity organizational framework and provides direction in implementing the requirements the Freddie Mac inclusion and diversity program across the Company;
 - ii. Annually reviewing the Freddie Mac inclusion and diversity strategic plan and, at least once every three years, recommending to the Board the approval of the inclusion and diversity strategic plan, and recommending to the Board the approval of any interim amendments to the inclusion and diversity strategic plan;
 - iii. Overseeing the Freddie Mac inclusion and diversity program and reviewing periodic reports from management related thereto, for example, the annual report that Freddie Mac submits to the FHFA Office of Minority and Women Inclusion in accordance with applicable regulations and reports providing information about Freddie Mac inclusion and diversity efforts and performance against established goals, metrics and other performance measures; and
 - iv. Recommending to the Board the approval of an annual statement confirming the Company's commitment to the principles of equal opportunity in employment and contracting.
 - (c) To oversee management strategies and the design and execution of initiatives to strengthen the Company's culture in alignment with the Company's strategy and supporting a Company-wide culture of ethical decision making.

4. Committee Operations and Charter: With respect to the Committee's operations:
 - (a) To review, at least annually, under the oversight of the Nominating and Governance Committee, this Committee's performance, including review of its structure and operations, its process for reporting to the Board, and the process for determining the membership of the Committee, including qualifications for Committee membership; and
 - (b) To review and reassess the adequacy of the Committee's Charter on an annual basis and recommend any changes to the Board for approval.
5. Other Duties: To perform such other duties as may from time to time be assigned by the Conservator, the Board or requested by the Non-Executive Chair.
6. Conservator Approval: Notwithstanding anything set forth above, prior approval by the Conservator shall be required for any Committee actions involving:
 - (a) Entering into new compensation arrangements for, or compensation or benefit increases of, Senior Officers;
 - (b) Any establishment or modification of performance management processes used to determine any element of compensation paid to Senior Officers, other than the Conservator scorecard;
 - (c) Any assessment of corporate performance against a performance management process used to determine any element of compensation paid to Senior Officers, other than the Conservator scorecard;
 - (d) Retention or termination of any law firm serving as a consultant to the Committee or the Board; and
 - (e) Actions that, in the reasonable business judgment of management, are likely to cause significant reputation risk or result in substantial negative publicity.

Board or Committee action and Conservator approval shall also be required for any other matter that is designated by the Conservator as requiring such approval.