



Policy Number: 2012-44-N-U

Flagstar Bank, N.A. and its additional Covered Affiliates

## **ETHICS REPORT & WHISTLEBLOWER COMPLAINT (ERWC) POLICY**



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**Organizational Functional Area:** Risk Management Division, *Enterprise Compliance Ethics, Privacy & Investments Compliance*

**Policy Owner:** Karen Aavik  
*Head of Ethics, Privacy & Investments Compliance*

**Approving Authority:** Board of Directors

**Date Policy Approved:** February 27, 2025

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### I. **POLICY OVERVIEW**

This Ethics Report & Whistleblower Complaint (ERWC) Policy (this “Policy”) describes certain requirements of Flagstar Bank, N.A. and its additional Covered Affiliates<sup>1</sup> with respect to the Company’s program for receiving and managing Ethics Reports (ERs) and Whistleblower Complaints (WCs) and associated operational activities (collectively, the “ERWC Program”) to ensure the safe and sound management of the ERWC Program in an efficient and effective manner, consistent with the *Risk Governance Framework* (the “RGF”) established by the Board of Directors<sup>2</sup>, in full compliance with all applicable federal and state laws, rules, and regulatory requirements (including regulatory guidance) (collectively, “Applicable Law”), including (without limitation) those listed in section VIII, below, and all applicable Company policies, plans, guidelines, standards, and procedures (together with Applicable Law, collectively, “Applicable Requirements”), including (without limitation) those listed in section VII, below, and in full support of the Company’s strategic objectives, as applicable, and it reflects the view of the Board that ensuring such safe and sound management, compliance, and support is a key component of Senior Management’s supervisory responsibilities.

**Note:** Unless otherwise defined herein, each capitalized term used in this Policy shall have the same meaning ascribed thereto in section IV, below.

<sup>1</sup> For purposes of this Policy, the term “Covered Affiliates” refers to the Holding Company (as defined below), the Bank (as defined below), Flagstar Specialty Finance Company, LLC, Flagstar Advisors, Inc., Flagstar Financial & Leasing, LLC, Flagstar Public Funding Corp., Grass Lake Insurance Agency, Inc., NYCB Insurance Agency, Inc., and such other FLG Entity(ies) (as defined below) as may be deemed covered by this Policy from time to time upon written confirmation by the General Counsel (the “GC”) of the Company (as defined below); the term “Holding Company” refers to Flagstar Financial, Inc.; the term “Bank” refers to Flagstar Bank, N.A.; the term “FLG Entity” refers to each of the Holding Company, the Bank, and their additional Covered Affiliates individually; and, the term “Company” or “FLG” refers collectively to all of the aforementioned companies or each individually, as applicable and the context may require.

<sup>2</sup> For purposes of this Policy, the term “Board(s) of Directors” or “Board(s)” shall mean both the Holding Company’s Board of Directors and the Bank’s Board of Directors or each individually, as applicable and the context may require.

## II. **PURPOSE, SCOPE, APPLICABILITY**

- A.** The purpose of this Policy is to, among other things: (1) set forth the ERWC Program framework established by the Company for receiving and managing ERs and WCs; (2) ensure the safe and sound management of the ERWC Program in an efficient and effective manner, consistent with the RGF, in compliance with Applicable Requirements, and in full support of the Company's strategic objectives and initiatives, as applicable; (3) aid Senior Management in determining the legal, regulatory, and internal governance parameters within which the Board expects the Company's ERWC Program-related operations to be conducted; and (4) reflect both the Board's determination that the Company shall maintain compliance with Applicable Requirements and its commitment to provide Senior Management with the means to achieve such compliance.
- B.** This Policy, in conjunction with the ERWC Program-related procedures (the "ERWC Procedures") maintained by (i) the ERWC Program Manager, (ii) the GC, and (iii) the Company's Chief Human Resources Officer (or their respective designee(s), as applicable), and (iv) certain other applicable Company policies, plans, guidelines, standards, and/or procedures, including (without limitation) those listed in section VII, below, establishes certain rules and requirements, and a framework for compliance therewith, for applicable Company personnel with respect to the ERWC Program, including by (among other things):
  - 1. setting forth the key expectations of Senior Management for the impacted Company business units (each, a "business unit") (i.e., departments, units, groups, teams, as applicable);
  - 2. identifying the business units with specific responsibilities under, or otherwise specifically impacted by, the ERWC Program and this Policy, such as the Company's:
    - a. Human Resources Department ("Human Resources");
    - b. Risk Management Division ("RMD"), including (without limitation) the Enterprise Change Management Unit ("ECM"), the Enterprise Compliance Unit ("Enterprise Compliance"), the Enterprise Risk Management Unit ("ERM"), the Operational Risk Management Unit ("ORM"), and the Tech, Cyber, Third Party & Resilience Risk Unit ("TCTPRR") within RMD;
    - c. Legal Department ("Legal"); and
    - d. Internal Audit Department ("Internal Audit"); and
  - 3. establishing and communicating expectations around each such business unit's responsibilities with respect to the ERWC Program and this Policy, as well as those of other operational functions, in fulfilling the objectives described herein.
- C.** This Policy applies to all Ethics Reports (ERs) and Whistleblower Complaints (WCs), all of the Company's ERWC Program-related activities, and all applicable Company personnel, including (without limitation) employees, vendors,<sup>3</sup> and those engaged in or providing support for or oversight over any such activity(ies) or otherwise charged with overseeing or facilitating (either directly or indirectly) compliance with this Policy and/or any plans, guidelines, procedures, or standards in support hereof.

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<sup>3</sup> For purposes of this Policy, the term "vendor" shall mean and include (without limitation) any Third Party (as defined in the Company's *Third Party Risk Management (TPRM) Policy*) that provides any service(s) that, in the ordinary course of business, would otherwise normally be conducted by Company personnel.

### **III. APPROVING AUTHORITY, POLICY OWNER, DELEGATED RESPONSIBILITIES**

#### **A. Policy Approving Authority**

The Board shall serve as the Approving Authority (as defined in the Company's *Policy on Policies & Committees* (the "POPC")) for this Policy and shall provide ongoing updates and/or direction with respect hereto to Senior Management, Executive Management, and the appropriate Committee(s) (as set forth and defined in the POPC), as applicable.

#### **B. Policy Owner**

The Company's Head of Ethics, Privacy & Investments Compliance (the "HEPI") shall serve as the Policy Owner (as defined in the POPC) for this Policy and, as such, shall be principally responsible for, among other things, maintaining this Policy in accordance with the POPC and enforcing or, as applicable, facilitating the enforcement of the requirements set forth herein, all in accordance with Applicable Requirements.

#### **C. Delegated Responsibilities**

Each Senior Officer to whom responsibility is assigned for any action(s) required to be taken under this Policy shall be responsible for the performance of such action(s), for organizing their business unit(s) in a manner that efficiently allocates such work, and for promptly notifying Human Resources and Legal of any changes to such organization structure or related delegation of responsibilities (including, without limitation, so that appropriate corresponding changes can be made within this Policy to reflect such delegations or possible future changes in business unit names or personnel); however, any actions delegated by such Senior Officer will not thereby relieve the Senior Officer from responsibility for the performance of such actions.

### **IV. DEFINITIONS**

#### **A. For purposes of this Policy:**

1. **Anonymous Report** or **AR** shall mean any Anonymous EthicsPoint Report or Anonymous Non-EthicsPoint Report, each as respectively defined as follows:
  - a. **Anonymous EthicsPoint Report** shall mean any EthicsPoint Report submitted anonymously in accordance with section V.C.2.a, below.
  - b. **Anonymous Non-EthicsPoint Report** mean any Non-EthicsPoint Report submitted anonymously in accordance with section V.C.3.a.ii, below.
2. **Control** shall have the same meaning ascribed thereto in the RGF, as the same may be amended from time to time and which currently (as of this Policy's approval date) provides, in pertinent part, that this term shall mean: "any process(es) designed to provide reasonable assurance regarding the achievement of any objective(s) in [one or more of] the following areas: effectiveness and efficiency of operations; compliance with applicable laws and regulations; reliability of financial reporting; and safeguarding assets."
3. **ERWC Program Manager** shall mean the HEPI or any Company officer otherwise so designated by Executive Management and, as such, to whom primary responsibility is assigned for the day-to-day oversight of the ERWC Program.

4. "EthicsPoint" (commonly referred to internally as the "Hotline") shall mean both the Flagstar Ethics Hotline (FEH) and the Flagstar Ethics Website (FEW) or each individually, as applicable and the context may require – each as respectively defined as follows:

- a. "Flagstar Ethics Hotline" or "FEH" shall mean the following Toll-Free Hotline Number maintained by the Company for the purpose of, among other things, receiving ERs and WCs:

**1-844-715-6101**

- b. "Flagstar Ethics Website" or "FEW" shall mean the following website maintained by the Company for the purpose of, among other things, receiving ERs and WCs:

**flagstarethics.ethicspoint.com**

*Note:* The Company has partnered with NAVEX, an independent third-party service provider, to manage EthicsPoint, which is NAVEX's comprehensive and confidential reporting tool that enables Company personnel to, among other things, submit confidential EthicsPoint Reports and, if desired, Anonymous EthicsPoint Reports, all of which submissions are entered directly onto a secure server and can only be accessed by limited, authorized Company personnel charged with reviewing and/or evaluating EthicsPoint Reports based on their content (e.g., Human Resources personnel and Legal personnel), all in accordance with the requirements this Policy.

5. "EthicsPoint Report" shall mean any ER or WC submitted via EthicsPoint (i.e., via the FEH or the FEW).
6. "Ethics Report" or "ER" shall mean a formal report submitted in accordance with this Policy regarding any suspected violation(s) of ethical standards or misconduct within the Company that does not constitute a WC.

*Note:* An ER may raise issues such as fraud, corruption, conflicts of interest, violations of the Company's *Code of Conduct* (the "COC"), or any other actions that undermine the Company's ethical standards and/or legal obligations.

7. "Executive Management" shall mean the President and Chief Executive Officer (the "CEO") of the Company, its Chief Credit Officer, its Chief Financial Officer (the "CFO"), its President of Commercial Real Estate Banking, its President of Commercial & Private Banking, its President of Consumer Banking, its President of Mortgage, the GC, and such other Senior Officers of the Company as the CEO shall designate from time to time, including (without limitation) the Company's Chief Risk Officer, whether acting individually or collectively, with respect to the subject matter hereof.
8. "Fraudulent Behavior" shall mean any deliberate act(s) or omission(s) with the intention of obtaining an unauthorized benefit or causing harm, generally characterized by, involving, or proceeding from fraud, as actions, enterprise, methods, or gains, such as deception, bribery, forgery, extortion, corruption, and theft (etc.).

*Note:* For purposes of this Policy, examples of Fraudulent Behavior relating to financial matters covered by this Policy may include (*without limitation*): (i) deliberate error in the preparation, evaluation, review, or audit of any financial statement; (ii) false accounting and/or making fraudulent statements for personal gain or gain for another (e.g., falsely claiming overtime, sick leave, etc.); (iii) participation in illegal or fraudulent transactions; (vi) deceptive, misleading or false statements about corporate transactions; (iv) forgery or alteration of accounting and financial records; (v) failing to keep material non-public information of the Company confidential; (vi) non-disclosure of material information needed

for an informed investment decision; (vii) excessive pressures to participate in fraudulent or illegal transactions in order to achieve certain sales goals; or (viii) other Fraudulent Behaviors causing any kind of loss to the Company. For the avoidance of doubt, the foregoing list of examples is not an exhaustive list.

9. **Key Risk Indicator** or **KRI** shall have the same meaning ascribed thereto in the Company's *Key Risk Indicator (KRI) Policy* (the "KRI Policy"), as the same may be amended from time to time and which currently (as of this Policy's approval date) provides, in pertinent part, that this term shall mean: "any established quantification or measurement of the level of exposure the Company has, at a particular point in time, to a specific Risk, which may be further classified as one of the following KRI types...":
  - a. "Risk Appetite KRI" shall mean any KRI established to monitor the Risk Appetite of the Company, as set forth in the [Company's *Risk Appetite Policy* (the "RAP")].
  - b. "Management KRI" shall mean any KRI established to monitor a specific Risk throughout the Company other than those specifically covered by Risk Appetite KRIs. ..."
10. "Non-EthicsPoint Report" shall mean any WC submitted outside of EthicsPoint in accordance with section V.C.3.a, below.
11. "Risk" shall have the same meaning ascribed thereto in the RGF, as the same may be amended from time to time and which currently (as of this Policy's approval date) provides, in pertinent part, that this term shall mean: "the possibility that an event will occur and adversely affect the achievement of the goals and objectives set forth in the Company's *Strategic Plan*. [In accordance with the RAP], Risk is classified into eight "Level 1" categories: Credit; Liquidity; Interest Rate; Price; Strategic; Operational; Compliance; and Reputation."
12. "Risk Appetite" shall have the same meaning ascribed thereto in the RGF, as the same may be amended from time to time and which currently (as of this Policy's approval date) provides, in pertinent part, that this term shall mean: "the maximum aggregate level and type of Risk that the Board and Company management are willing to assume to achieve the Company's strategic objectives..., consistent with applicable capital, liquidity, and other regulatory requirements."
13. "Risk Profile" shall have the same meaning ascribed thereto in the RGF, as the same may be amended from time to time and which currently (as of this Policy's approval date) provides, in pertinent part, that this term shall mean: "a point in time assessment, based on forward-looking assumptions, of the Company's aggregated Inherent Risk or Residual Risk exposures [(each as respectively defined in the RAP)]. The Risk exposures are aggregated within and across each relevant Risk category."
14. "Senior Management" shall mean officers of the Company who hold the corporate title of Executive Vice President or higher, or such other officers of the Company as Executive Management shall designate with responsibility for the related business unit(s) from time to time, whether acting individually or collectively, with respect to the subject matter hereof.
15. "Senior Officer" shall mean any officer of the Company who has direct or oversight authority over any applicable Company personnel reporting to them with respect to actions required under this Policy.
16. "Whistleblower Complaint" or "WC" shall mean a formal report submitted in accordance with this Policy regarding a possible violation of securities law (including, but not limited to, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the Securities Exchange Act of 1933, the Securities Exchange Act of 1934, and the Sarbanes Oxley Act of 2002) and/or Fraudulent Behavior involving any FLG Entity(ies), including those involving accounting, internal accounting controls, financial fraud, excessive Incentive compensation pressures, or auditing matters.

**B.** If any definition provided herein conflicts with any corresponding definition(s) provided under Applicable Law (as applicable and as may be amended from time to time), then the associated definition(s) provided under Applicable Law shall govern.

## **V. GENERAL REQUIREMENTS**

### **A. ERWC Program Overview**

The Company shall maintain an ERWC Program that is adequately designed to, among other things, effectively manage ERs and WCs and ensure compliance with Applicable Requirements, consisting of the following interdependent elements:

1. Board- and Executive Management- level oversight with clearly defined paths and processes for escalating ERWC Program-related matters in accordance with Applicable Requirements, including (without limitation) the RGF, the Company's *Risk Data Aggregation & Risk Reporting (RDARR) Policy* (the "RDARR Policy"), and the Charter(s) of any Committee(s) (as defined in the POPC) with oversight responsibilities related hereto;
2. an ERWC Program Manager who shall have and maintain, as applicable, the appropriate experience and qualifications for that officer's role and responsibilities, shall have sufficient stature, authority, resources, and autonomy as Executive Management determines to be appropriate to achieve the objectives of the ERWC Program, and shall have direct access to Executive Management to discuss ERWC Program-related matters as and when needed;
3. the Risk Profile and the Risk Appetite of the Company shall inform the establishment, review, modification, implementation, and operation of the ERWC Program, and the Risks and Controls associated with the ERWC Program shall be identified, assessed, reported, and escalated, as applicable, in accordance with Applicable Requirements, including (without limitation) the RGF, this Policy, the RAP, the RDARR Policy, and the Company's *Control Assurance Policy* (once effective);
4. a formal process for managing ERWC Program-related Risk, including (without limitation) identifying, assessing, reporting, escalating, monitoring, and mitigating such Risk;
5. the identified Risks and Controls associated with the ERWC Program shall be evaluated at least annually (or at such frequency as may be otherwise required under Applicable Requirements) under the Company's "Risk & Control Self-Assessment Process" and, as applicable, such other Risk assessment process(es) required pursuant to the RGF from time to time, with any Issues (as defined in the RGF) identified as a result such assessment(s) being timely remediated in accordance with Applicable Requirements, including (without limitation) the Company's *Issues Management Policy* (once effective); and
6. Company policies, plans, guidelines, standards, and/or procedures, including (without limitation) this Policy and the ERWC Procedures, that give both content and effect to the objectives and requirements of the ERWC Program and, accordingly, guide and inform the Company's day-to-day operations related thereto and that address and aim to reduce Risks identified by the Company as part of its Risk assessment process.

## **B. ERWC Program Oversight**

In addition to the responsibilities set forth in section VI, below, and as otherwise provided herein, the Board, the respective Audit Committees (collectively, the “Audit Committee”) of the Board, Executive Management, the Company’s Enterprise Risk Management Committee (“ERMC”), the ERWC Program Manager, Enterprise Compliance and Legal personnel, and all applicable Senior Officers shall each be responsible for oversight of various aspects of the ERWC Program, as respectively applicable:

### **1. Board of Directors**

Because the Board oversees management of the Company, provides organizational leadership, and establishes core corporate values, it plays a pivotal role in setting the tone at the top to drive a culture of compliance and effective governance of the Company. Accordingly, the Board shall be responsible for, among other things, the following with respect to the ERWC Program:

- a. overseeing management of, and providing organizational leadership with respect to, the ERWC Program and endeavoring to make reasonably prudent determinations with respect to ERWC Program-related matters presented for its consideration, as necessary and appropriate, in accordance with Applicable Requirements;
- b. playing a pivotal role in setting the tone at the top to drive a culture of compliance and effective governance of the ERWC Program;
- c. providing strong support for this Policy, all other policies of the Company, and Senior Management’s effort to ensure compliance with Applicable Requirements;
- d. overseeing implementation of this Policy and holding Senior Management accountable for implementing the ERWC Program in a manner that is consistent with the Company’s strategic objectives, Risk culture, and Risk Appetite;
- e. establishing an unambiguous culture for compliance, and working with Executive Management to:
  - i. demonstrate clear and unequivocal expectations about compliance with Applicable Requirements;
  - ii. adopt clear policy statements for the ERWC Program to ensure such compliance; and
  - iii. allocate resources to ERWC Program-related functions commensurate with the level and complexity of the Company’s operations; and
- f. periodically discussing ERWC Program-related topics during Board meetings and in communications to applicable Company personnel, where appropriate.

(Continued on the following page.)

## 2. Audit Committee

As further set forth in its Charter, the Audit Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities with respect to, among other things, review and, as applicable, approval of (i) the integrity of the Corporation's financial statements, (ii) the Corporation's compliance with applicable legal and regulatory requirements, and (iii) the effectiveness of internal Controls relating to financial reporting, accounting, legal compliance, and ethics established by Senior Management and the Board, including (without limitation) those related to ER and WC management. Accordingly, in furtherance of that purpose and the duties and responsibilities set forth in its Charter, the Audit Committee shall be responsible for, among other things, the following with respect to the ERWC Program:

- a. providing the Board with such assistance as is directed or otherwise requested from time to time with respect to overseeing management of, and providing organizational leadership with respect to, the ERWC Program and endeavoring to make reasonably prudent determinations with respect to ERWC Program-related matters presented for its consideration, as necessary and appropriate, in accordance with Applicable Requirements;
- b. playing a pivotal role in setting the tone at the top to drive a culture of compliance and effective governance of the ERWC Program;
- c. providing strong support for this Policy, the ERWC Program, and Senior Management's efforts to ensure compliance with Applicable Requirements with respect to all ERWC Program-related activities;
- d. overseeing implementation of this Policy and holding Senior Management accountable for implementing the ERWC Program in a manner that is consistent with the Company's strategic objectives, Risk culture, and Risk Appetite; and
- e. periodically discussing ERWC Program-related topics during Audit Committee meetings and in communications to applicable Company personnel, where appropriate.

## 3. Executive Management

The Board generally delegates authority to Executive Management for directing and overseeing day-to-day operations of the Company in a manner consistent with the Board's strategic objectives and Risk Appetite, including (without limitation) such operations related to maintaining and implementing the ERWC Program. Accordingly, Executive Management shall be responsible for, among other things, the following with respect to the ERWC Program:

- a. providing the Board (and/or any designated committee(s) and/or member(s) thereof, as applicable) with such assistance as is directed or otherwise requested from time to time with respect to overseeing management of, and providing organizational leadership with respect to, the ERWC Program and endeavoring to make reasonably prudent determinations with respect to ERWC Program-related matters presented for its consideration, as necessary and appropriate, in accordance with Applicable Requirements;
- b. driving a culture of compliance and participation throughout the Company with respect to the ERWC Program;

- c. ensuring that the ERWC Program Manager has the appropriate authority, stature, and autonomy within the Company and is provided with appropriate resources, including systems, capital, and human resources, to carry out the ERWC Program as designed and, in any event, in a manner that conforms to the Board-approved Risk Appetite and Applicable Requirements;
- d. working with the ERWC Program Manager and appropriate members of Senior Management to ensure the ERWC Program is carried out as designed and, in any event, in a manner that conforms to the Board-approved Risk Appetite and Applicable Requirements; and
- e. providing the Board (and/or any designated committee(s) and/or member(s) thereof, as applicable) with updates and recommendations regarding the ERWC Program, as necessary and appropriate.

#### **4. Enterprise Risk Management Committee (ERMC)**

In furtherance of the purpose, duties, and responsibilities set forth in its Charter, ERMC shall serve as the executive management committee responsible for overseeing the adequacy and effectiveness of the ERWC Program and for ensuring the Company's compliance with Applicable Requirements with respect to activities related thereto, including (without limitation) in connection with the identification, assessment, and monitoring of ERWC Program-related Risks and reporting requirements regarding same.

#### **5. ERWC Program Manager (HEPI)**

The ERWC Program Manager shall, among other things:

- a. have and maintain, as applicable, the appropriate experience and qualifications for that officer's role and responsibilities, shall have sufficient stature, authority, resources, and autonomy as Executive Management determines to be appropriate to achieve the objectives of the ERWC Program, and shall have direct access to Executive Management to discuss ERWC Program-related matters as and when needed; and
- b. be principally responsible for:
  - i. maintaining, implementing, operating, monitoring, assessing, revising as needed, and reporting on the ERWC Program;
  - ii. regularly reporting on the efficacy of the ERWC Program to the Audit Committee and the Board, as necessary and appropriate or otherwise provided herein; and
  - iii. providing, in conjunction with the GC (or his/her designee(s), as applicable), quarterly reports to the Audit Committee that include, at minimum, aggregate raw/trending data and individual ER and WC information, as appropriate, depending upon the sensitivity of the underlying data.

#### **6. Enterprise Compliance & Legal Personnel**

Appropriate Company personnel within Enterprise Compliance, including (without limitation) those within Enterprise Compliance's Ethics, Privacy & Investments Compliance Group ("Ethics Office"), and Legal shall be responsible for, among other things, the following, as respectively applicable:

- a. providing the ERWC Program Manager with such assistance as is necessary and appropriate with respect to maintaining, implementing, operating, monitoring, assessing, revising as needed, and reporting on the ERWC Program;

- b. implementing, reviewing and, as applicable, recommending updates to the ERWC Procedures to ensure they continue to support and address the requirements of the ERWC Program and this Policy;
- c. defining quality assurance processes, with supporting standards and/or procedures, to monitor adherence to the requirements set forth in this Policy;
- d. maintaining a complete and accurate systems-based inventory of all ERs and WCs received under the ERWC Program (the "ERWC Inventory");
- e. reporting on the identified Risk(s) associated with the ERWC Program, individually and in aggregate, to ensure proper Risk-mitigating measures are applied to each and every such Risk and escalating findings related thereto to ERMC, Executive Management, the respective Risk Assessment Committees (collectively, the "RAC") of the Board, the Audit Committee, and/or the Board, as appropriate, and monitoring such Risk-mitigating measures and/or Risk acceptances, as applicable, in accordance with Applicable Requirements; and
- f. designating the appropriate "System(s) of Record" to store and maintain information on ERWC Program activities, including (without limitation) the ERWC Inventory, and ensuring such System(s) of Record function in compliance with Applicable Requirements, including (without limitation) the Company's *Enterprise Corporate Information Management (ECIM) Policy* (the "ECIM Policy") and its *Enterprise Data Governance (EDG) Policy*.

## 7. Senior Officers

In addition to the general responsibilities set forth in section VI, below, and as otherwise set forth herein, the Senior Officer for each business unit engaging in or otherwise directly impacted by any ERWC Program-related activity(ies) shall be responsible for, among other things:

- a. incorporating the applicable ERWC Program elements described herein into the existing business processes and governance activities of their business unit(s);
- b. ensuring their business unit's(s') compliance with Applicable Requirements, including (without limitation) this Policy;
- c. maintaining business unit-specific procedures that align with this Policy (or designating certain personnel within their business unit(s) with responsibility for maintaining such procedures), as necessary or appropriate; and
- d. providing the ERWC Program Manager (or his/her designee(s), as applicable) with such assistance as is necessary and appropriate to ensure their business unit's(s') compliance with this Policy.

(Continued on the following page.)



## C. ERWC Program Implementation

### 1. General Provisions

#### a. Reporting Requirement

Any Company personnel that becomes aware of conduct by any Company personnel and/or vendor(s) that they reasonably believe, in good faith, may be unethical and/or a violation of Applicable Requirements, including (*without limitation*) Applicable Law, any other regulatory requirement (such as a regulator directive), and the COC, shall be required to submit a formal report (*i.e.*, an ER or a WC, as applicable) regarding such conduct as promptly as reasonably possible under the circumstances by filing either:

- i. an EthicsPoint Report in accordance with section V.C.2.a, below; or
- ii. a Non-EthicsPoint Report in accordance with section V.C.3.a, below.

#### b. Prohibition on Retaliatory Action

Retaliatory action against anyone who, in good faith, (i) submits, facilitates the submission of, raises or addresses any concern(s) or question(s) relating to, any ER or WC and/or (ii) exercises any legally protected right(s) shall be **strictly prohibited**.

#### c. Freedom of Certain Actions

Nothing in this Policy, nor in any other Company plan, policy, or agreement, shall prohibit anyone from (i) cooperating with or participating in any investigation by a governmental agency, (ii) reporting possible violations of Applicable Law to or filing a charge with any governmental agency or entity, or making other disclosures that are protected under the whistleblower provisions of Applicable Law, and the prior authorization of or notification to the Company is not needed to make any such reports or disclosures, or (iii) receiving a monetary award from the U.S. Securities and Exchange Commission (SEC) for information provided in connection with Section 21F(b) of the Securities and Exchange Act of 1934 or pursuant to other similar whistleblower award programs.

## 2. EthicsPoint Reports

#### a. Intake Methods

The ERWC Program Manager (and/or his/her designee(s), as applicable) shall be responsible for ensuring that EthicsPoint Reports may be submitted using either of the following EthicsPoint intake methods:

##### i. Flagstar Ethics Hotline (FEH) EthicsPoint Report Submissions

(A) EthicsPoint Reports may be submitted via the FEH by calling:

**1-844-715-6101**

(B) When any Company personnel chooses to utilize the FEH, they will be connected with a designated NAVEX employee who will assist them with the reporting process (*e.g.*, identifying the appropriate issue type, clearly and succinctly documenting the key facts regarding the incident(s) being reported, etc.).

(C) Once the EthicsPoint Report information has been documented, the NAVEX employee will read the content of the EthicsPoint Report back to the reporting Company personnel, who will confirm its accuracy. Once this process is complete, the NAVEX employee will submit the EthicsPoint Report on behalf of the employee.

**ii. Flagstar Ethics Website (FEW) EthicsPoint Report Submissions**

(A) EthicsPoint Reports may be submitted via the FEW at:

**flagstarethics.ethicspoint.com**

(B) When any Company personnel chooses to utilize the FEW, they are responsible for selecting “*Report a Concern*” on the FEW homepage, providing general division and location information, and clearly and succinctly documenting the key facts regarding the incident(s) being reported. Once the relevant information has been entered, the reporting Company personnel will “submit” the EthicsPoint Report.

(C) When any EthicsPoint Report submitted via the FEW involves a WC (either alone or in conjunction with another matter(s)), the reporting Company personnel should select the “*Accounting and Auditing (a/k/a Whistleblower) Matters*” issue type, which selection will result in Legal being immediately notified upon submission of the EthicsPoint Report.

**b. Anonymous EthicsPoint Reports**

The Company appreciates certain individuals may only feel comfortable submitting an EthicsPoint Report anonymously, which EthicsPoint is designed to accommodate; however, any Company personnel electing to submit an Anonymous EthicsPoint Report should provide as much issue detail as possible to help facilitate a comprehensive investigation, while simultaneously being careful to avoid including information within their report that may reveal their identity (e.g., making statements such as, “From my cube next to Jan Smith...”, “In my 33 years...”, etc.).

**c. Investigation & Resolution**

The ERWC Program Manager, the GC, and/or the Company’s Chief Human Resources Officer (and/or their respective designee(s), as applicable), with the support of appropriate personnel within Enterprise Compliance, Legal, Human Resources, and/or any other applicable business unit(s), shall be responsible for ensuring that each EthicsPoint Report submitted via EthicsPoint is investigated, escalated, and resolved in accordance with the following requirements, as respectively applicable:

**i. ER-Designated EthicsPoint Reports**

(A) Upon receipt of an EthicsPoint Report, the Company carefully reviews the details provided by the reporter in order to, among other things: (1) determine whether the EthicsPoint Report has been properly designated as an ER and (2) identify the key underlying issues and matters for investigation.

(B) Depending on the subject matter of the allegations (i.e., whether they are Human Resources, Corporate Security, Fraud, etc., in nature), one or more reviewers shall be assigned to investigate the various issues outlined within the ER-designated EthicsPoint Report in accordance with their established review procedures.

- (C) The ER-designated EthicsPoint Report reviewer(s) may utilize a variety of mechanisms in order to facilitate a comprehensive investigation, including (without limitation) interviews and reviews of related data and documentation. When necessary, the reviewer(s) may contact an anonymous reporter through EthicsPoint to request additional detail/information; when this occurs, EthicsPoint structurally protects and preserves the anonymity of the reporter.
- (D) Once all allegations detailed in any ER-designated EthicsPoint Report have been investigated in accordance with Applicable Requirements, action will be taken at the necessary levels (e.g., individual, business unit, line(s) of business, regional, and/or enterprise) by the appropriate member(s) of Company personnel.
- (E) Subject to Applicable Requirements, the manner in which documentation pertaining to ER-designated EthicsPoint Report investigations is maintained shall be dependent upon the type(s) of allegations contained within each such EthicsPoint Report.
  - (1) Documentation pertaining to all ER-designated EthicsPoint Report investigations that are exclusively Human Resources in nature, and those pertaining to portions of other ER-designated EthicsPoint Report investigations (i.e., those that involve both Human Resources-related and other types of allegations) that are conducted by Human Resources, shall be preserved and protected in accordance with Human Resources' current policies and procedures.
  - (2) Documentation pertaining to ER-designated EthicsPoint Report investigations that are conducted by reviewers outside of Human Resources shall be maintained within EthicsPoint; and, access to such documentation shall be limited to those specifically assigned to the subject EthicsPoint Report.

ii. **WC-Designated EthicsPoint Reports**

All WC-designated EthicsPoint Reports (i.e., any EthicsPoint Report that reporting Company personnel designate as an “*Accounting and Auditing (a/k/a Whistleblower) Matter*”) shall be automatically assigned to Legal and resolved in accordance with section V.C.3, below; and, all records pertaining to any such WC shall be maintained outside of EthicsPoint, in accordance with Applicable Requirements.

(Continued on the following page.)



### 3. Non-EthicsPoint Reports

Company personnel who do not wish to utilize EthicsPoint (for any reason) may submit: (1) a Non-EthicsPoint Report directly to the GC, in accordance with section V.C.3.a.i, below; or (2) an Anonymous Non-EthicsPoint Report to the Chairman of the Audit Committee (the "Audit Committee Chair"), in accordance with section V.C.3.a.ii, below.

*Note:* Subject to Applicable Requirements, any Company personnel authorized to access a Non-EthicsPoint Report or information related thereto shall be required to treat such Non-EthicsPoint Report and information confidentially to the extent reasonably possible.

#### a. Intake Methods

##### i. General Non-EthicsPoint Report Submissions

(A) Company personnel who wish to submit a Non-EthicsPoint Report (*without anonymity*), are invited and urged to do so by providing the Non-EthicsPoint Report directly to the GC in a sealed envelope that is addressed and clearly marked as follows:

Flagstar Financial, Inc.  
c/o General Counsel & Chief of Staff  
102 Duffy Avenue, 5<sup>th</sup> Floor  
Hicksville, NY 11801

***Confidential Internal Complaint***

(B) If the reporting Company personnel requests that their Non-EthicsPoint Report be handled anonymously, despite not being submitted as an Anonymous Non-EthicsPoint Report in accordance with sec V.C.3.a.ii, below, then the GC shall be responsible for treating all correspondence relating to the Non-EthicsPoint Report in accordance with appropriate standards and practices to ensure, to the extent reasonably possible, that the identity of the named reporting Company personnel is not revealed. However, if the reporting Company personnel does not request anonymous treatment, upon receipt of a Non-EthicsPoint Report, the GC may contact the reporting Company personnel to discuss the WC in further detail and then act accordingly.

##### ii. Anonymous Non-EthicsPoint Report Submissions

(A) Company personnel who wish to submit an Anonymous Non-EthicsPoint Report (for any reason), are invited and urged to do so by providing the Anonymous Non-EthicsPoint Report to the Audit Committee Chair in a sealed envelope that is addressed and clearly marked as follows:

Alan Frank, Audit Committee Chairman  
Flagstar Financial, Inc.  
c/o General Counsel & Chief of Staff  
102 Duffy Avenue  
Hicksville, New York 11801

***Confidential Internal Complaint  
Relating to a Whistleblower Complaint  
Confidential/Anonymous Treatment Requested***

(B) Upon the GC's receipt of an Anonymous Non-EthicsPoint Report, the GC shall be responsible for, among other things:

- (1) ensuring that the envelope is promptly delivered, unopened, to the Audit Committee Chair;
- (2) reminding the Audit Committee Chair of the requirements of this Policy regarding the confidential and anonymous treatment of the Anonymous Non-EthicsPoint Report and the Audit Committee's authority and responsibility under this Policy for determining an appropriate response to the WC (see sections V.C.4.b, below); and
- (3) requesting that the Audit Committee Chair advise whether the GC should conduct an investigation in accordance with section V.C.4.a, below, and, if so, that the Audit Committee Chair provide the GC with the Anonymous Non-EthicsPoint Report and such other available information related thereto that the Audit Committee Chair deems necessary or appropriate in order for the GC to conduct the required investigation.

**b. Content**

- i. All Non-EthicsPoint Reports should be as clear and succinct as possible so that an appropriate evaluation can be made and response formulated. Company personnel who wish to make a Non-EthicsPoint Report anonymously should provide as much detail as possible to allow for a thorough review without revealing their identity. Furthermore, the Company expects all WCs to be made in good faith.
- ii. In crafting any Non-EthicsPoint Report, reporters should consider the following questions which (if applicable/appropriate) will assist in the review of the underlying WC:
  - (A) Have you reported this complaint previously (if so, when and to whom was the complaint reported)?
  - (B) What type of Fraudulent Behavior are you reporting (e.g., deception, bribery, forgery, extortion, corruption, theft)?
  - (C) Which securities law, if any, does the conduct you are reporting about violate?
  - (D) How does this complaint relate to any public or non-public disclosure made by the Company (including disclosures relating to an annual report, a quarterly report on Form 10-Q, a Press Release, or otherwise)?
  - (E) If this complaint relates to a specific document (e.g., a 10-Q, a Call Report, a Report of the Board of Directors), what document does it relate to?
  - (F) How long have you been aware of this conduct or the issue that gives rise to the complaint?
  - (G) Which member(s) of Senior Management do you think is(are) directly responsible for the subject matter of the complaint?
  - (H) Do you think that the conduct about which you are reporting constitutes:
    - (1) a violation of law or regulation,
    - (2) a violation of Company policy or other written guidelines,

- (3) a violation of Company practice, and/or
- (4) a matter that should be addressed in order to improve Company business practices generally?

#### 4. WC Investigations & Responses

##### a. WC Investigations

Unless the Audit Committee Chair advises otherwise (see section V.C.3.a.ii.(B)(3), above), the Audit Committee shall be responsible for conducting or directing the conduct of an investigation of the relevant facts underlying each WC in accordance with established procedures and the following requirements, as respectively applicable:

- i. As promptly as reasonably possible upon receipt of a WC, either the GC or the Audit Committee Chair, as respectively applicable, based on whether the complaint was submitted as an Anonymous Report (AR), shall be responsible for reviewing the submission to determine if it is, in fact, a WC.
  - (A) If the complaint was **not submitted as an AR**, then the GC (or his/her designee(s) within Legal, as applicable) shall review the submission to determine if it is, in fact, a WC.
  - (B) If the complaint **was submitted as an AR**, then the Audit Committee Chair shall review the submission to determine if it is, in fact, a WC.
- ii. If the submission **is** determined to be a WC and:
  - (A) the complaint was **not submitted as an AR**, then the GC (or his/her designee(s) within Legal, as applicable) shall be responsible for, among other things:
    - (1) reporting the WC to the CEO and to the Audit Committee at its next regularly scheduled meeting;
    - (2) contacting the reporting Company personnel, as appropriate, to request additional information, if needed; and
    - (3) requesting a response from the Senior Officer(s) of the affected business unit(s) (such response should be in writing, addressed to the GC, and indicate whether such Senior Officer agrees or disagrees with the WC and, if he/she agrees, concisely state how he/she proposes such matter should be resolved).
  - (B) the complaint **was submitted as an AR**, then:
    - (1) the Audit Committee Chair shall be responsible for reporting the WC to the Audit Committee during the executive session of its next regularly scheduled meeting;
    - (2) the Audit Committee shall determine what further investigation is necessary and appropriate under the circumstances; and
    - (3) based on, among other things, any such further investigation, the Audit Committee shall determine an appropriate response to the WC in accordance with section V.4.b, below.

- iii. If the submission is determined not to be a WC (whether initially or at any point during the course of an investigation) and:
  - (A) the complaint was **not submitted as an AR**, then the GC, or designee, shall notify the reporting Company personnel of such determination through appropriate confidential means and shall direct them to either (1) EthicsPoint, where the complaint may be reevaluated for designation as ER, or (2) the appropriate business unit(s) for resolution of the complaint, where the complaint clearly will not be considered an ER.
  - (B) the complaint **was submitted as an AR**, then the Audit Committee Chair shall notify the GC and the ERWC Program Manager of such determination, and the ERWC Program Manager shall notify the reporting Company personnel of such determination through appropriate confidential means and shall direct them to either (1) EthicsPoint, where the complaint may be reevaluated for designation as an ER, or (2) the appropriate business unit(s) for resolution of the complaint, where the complaint clearly will not be considered an ER.

b. **WC Responses**

- i. **If the WC was not submitted as an Anonymous Report (AR)**, then the GC (or his/her appropriate designee(s) within Legal, as applicable) shall be responsible for, among other things, providing a proposed response to the WC in writing to the Audit Committee for review and consideration and, unless the Audit Committee directs otherwise, for communicating to applicable Company personnel the response to the WC ultimately approved by the Audit Committee and ensuring that appropriate corrective action is implemented in line with such response (as necessary).
- ii. **If the WC was submitted as an AR**, then the Audit Committee shall determine the validity and materiality of the WC and the implications of any changes that may be required to address the WC and ensure that appropriate corrective action is implemented in response (as necessary).
- iii. Notwithstanding section V.C.4.b.i, above, and in furtherance of section V.C.4.b.ii, above:
  - (A) The Audit Committee may direct that the CEO, the CFO, and/or such other Company personnel who may be primarily responsible for a matter which is the subject of the WC (e.g., the GC, concerning reporting of the financial impact of certain legal claims) (in each case, the "Responsible Officer(s)") provide a proposed response to the WC in writing to the Audit Committee for review and consideration (in each case, a "Management Response"). If any Responsible Officer(s)' conduct is itself the subject of the WC or the WC was submitted as an AR, then the Audit Committee may direct that an external auditor or outside legal counsel respond to the WC to be followed by such additional inquiries of the Responsible Officer(s) as the Audit Committee shall desire.
  - (B) All WCs and Management Responses shall be evaluated by the Audit Committee, in consultation with such experts as it desires (including, for example, Legal, the Company's Chief Audit Executive, and/or the Company's external auditors) and any independent external counsel, auditors, and other advisors as the Audit Committee deems necessary or appropriate.
  - (C) To the extent that any Audit Committee member desires additional information concerning the substance of a WC and its significance, if any, to the Company's financial reporting, the Audit Committee Chair, with the assistance of the GC or other appropriate Company personnel, should arrange for the submission of such written materials, or the conducting

of such meetings of the Audit Committee, or any interviews with members of Senior Management or Executive Management, as the Audit Committee Chair or other Audit Committee members deem necessary or appropriate to secure the desired information. To the extent that the Audit Committee desires to rely on any independent external advisor(s), it should notify the GC concerning the engagement of such advisor(s) and arrange for such advisor(s) to be hired.

(D) Upon completing its evaluation of a WC, the Audit Committee, with the assistance of the GC and/or the Audit Committee's independent advisor(s), if any, shall make, and cause to be maintained, a record of its response to the WC, indicating, among other things, the procedures followed, the resolution and the bases for all material decisions about the Company's governance disclosures, accounting policy, or other disclosures which result from such inquiry and shall deliver a copy of such record to the GC and the Chairman of the Board (unless anonymous treatment is required, in which case the Audit Committee's chosen external advisor would retain the record, a notice about which would be provided, on an anonymous basis, to the GC).

#### **c. Records Retention**

Subject to Applicable Requirements, each WC and the associated documents required by this Policy shall be retained for at least five (5) years after the WC was received, after which time such information may be destroyed unless relevant to any pending or potential litigation, inquiry, or investigation, in which case the information shall not be destroyed and must be retained for the duration of that litigation, inquiry, or investigation and thereafter as necessary.

*Note:* For additional information and requirements relating to records retention, please see the ECIM Policy.

### **5. General Escalation Requirements**

In addition to the escalation requirements set forth in section V.C.6, below, and as otherwise set forth herein, the ERWC Program Manager and the GC (or their respective designee(s), as applicable) shall be principally responsible for, among other things, escalating or, as applicable, facilitating the escalation of all ERWC Program-related matters reasonably warranting escalation or otherwise required to be escalated in accordance with Applicable Requirements, including (without limitation) this Policy.

### **6. KRI Monitoring, Reporting, and Escalation**

ERWC Program-related KRIs shall be monitored, reported, and escalated in accordance with the KRI Policy and the following specific ERWC Program-reporting and escalation criteria:

- a. All KRI breaches and Warning Triggers (as defined in the KRI Policy) shall be escalated to the Audit Committee.
- b. Escalations to ERMC shall be required, at a minimum, in the below scenarios and as described below:
  - i. all Risk Appetite KRI breaches and Warning Triggers;
  - ii. all Management KRI breaches for three (3) consecutive reporting periods;
  - iii. when ERWC Program-related Risk exposure exceeds Risk Appetite, report the drivers for the elevated Risk Profile, and corresponding action plan(s) to mitigate the elevated Risk; and

- iv. any other item as determined by the ERMC chairperson, including emerging Risks.
- c. Escalations to the RAC shall be required for all Risk Appetite KRI breaches and Warning Triggers.

#### **D. Training & Communications**

The ERWC Program Manager (or his/her designee(s), as applicable), with the support of Ethics Office personnel, Legal personnel (as applicable), and the Learning and Development Unit within Human Resources, as necessary and appropriate, shall be responsible for:

- 1. designing and conducting, or causing to be conducted, training for applicable Company personnel that describes the ERWC Program and how to adhere to its requirements, which training must be conducted on an annual basis, or as more frequently as is necessary or appropriate to address any material update(s) to the ERWC Program; and
- 2. maintaining appropriate records of such training.

### **VI. ROLES AND RESPONSIBILITIES**

- A.** All Company personnel and business units in the First Line, the Second Line, and the Third Line (each as respectively defined in section VI.B, below, and each, a “Line”) shall be responsible, as respectively applicable, for managing Risk in accordance with, among other Applicable Requirements, the RGF and the RAP.
- B.** Business units with responsibilities and accountabilities with respect to this Policy include (without limitation) the following:
  - 1. First line business units (collectively, the “First Line”):
    - a. generally, all business units, as applicable; and
    - b. more specifically, in carrying out certain responsibilities articulated within this Policy:
      - i. Ethics Office;
      - ii. Human Resources; and
      - iii. Legal.
  - 2. Second line business units (collectively, the “Second Line”): all business units within RMD, as applicable, including (without limitation):
    - a. ECM;
    - b. Enterprise Compliance;
    - c. ERM;
    - d. ORM; and
    - e. TCTPRR.
  - 3. Third line business unit (the “Third Line”): Internal Audit.

- C. The First Line, as the owners of Risk, shall be responsible for identifying, assessing, monitoring, controlling, reporting, and mitigating Risks associated with their activities and for adhering to Risk Tolerances (as defined in the RGF) and Limits (as defined in the KRI Policy) established by Senior Management and the Board, all in accordance with and pursuant to Applicable Requirements. The First Line also shall be responsible for developing, maintaining, and implementing First Line processes, procedures, and such other internal Controls (including, without limitation, establishing, refining, and testing of Controls catalogued in the Company's Governance, Risk, and Compliance (GRC) System) as are necessary to ensure the Company and its third-party vendors and partners, as applicable, comply with Applicable Requirements.
- D. The Second Line shall be responsible for independent oversight and effective challenge over and assessment of the Company's Risk-taking activities specific to this Policy, including (without limitation) monitoring, reporting on, and escalating issues related to the First Line's adherence to the Company's established Risk Tolerances and Limits, and for providing tools to assist all applicable business units in managing certain Risks related thereto, all in accordance with and pursuant to Applicable Requirements.
- E. The Third Line shall be responsible for providing timely, relevant, independent, and objective enterprise-level perspectives on, and assurance regarding, among other things, the effectiveness of governance, Risk management, and internal Controls related hereto and the overall safety and soundness of the Company as a result thereof, all in accordance with and pursuant to Applicable Requirements.

## **VII. ASSOCIATED INTERNAL DOCUMENTS**

This Policy shall be carried out by each Line, as applicable, in accordance with the respective programs and procedures of its applicable business unit(s), which shall be consistent with the requirements of this Policy and any other related Company policies, plans, guidelines, standards, or procedures, including (*without limitation*) the following (as applicable and as may be amended from time to time):

1. Risk Governance Framework (RGF)
2. Risk Appetite Policy (RAP)
3. Code of Conduct
4. Control Assurance Policy (once effective)
5. Enterprise Change Management (ECM) Policy
6. Enterprise Compliance Risk Management (ECRM) Policy
7. Enterprise Corporate Information Management (ECIM) Policy
8. Enterprise Data Governance (EDG) Policy
9. Issues Management Policy (once effective)
10. Key Risk Indicator (KRI) Policy
11. Operational Risk Management (ORM) Policy
12. Policy on Policies & Committees (POPC)
13. Risk Data Aggregation & Risk Reporting (RDARR) Policy
14. Third Party Risk Management (TPRM) Policy
15. ERWC Procedures

## **VIII. ASSOCIATED EXTERNAL DOCUMENTS**

This Policy shall be reflective of and carried out by each Line, as applicable, in accordance with Applicable Law, including (*without limitation*) the following (as applicable and as may be amended from time to time):

1. 12 CFR Part 30, Appendix D<sup>4</sup>
2. “*Corporate and Risk Governance*” booklet<sup>5</sup> of the *Comptroller’s Handbook* (the “OCC Comptroller’s Handbook”) issued by the Office of the Comptroller of the Currency (“OCC”)
3. “*Internal Control*” booklet<sup>6</sup> of the OCC Comptroller’s Handbook
4. DOJ Whistleblower Protection Act
5. DOJ Sarbanes-Oxley Act
6. DOJ Corporate Compliance Programs Evaluation

## **IX. POLICY CONFLICTS, QUESTIONS, AND VIOLATIONS**

- A. To the extent that any of the terms of this Policy conflict with any applicable law, rule, or regulation, the terms of such applicable law, rule, or regulation shall govern. To the extent that this Policy conflicts with, or is superseded by, any other Company rule or policy, or with written instructions provided to an employee by any officer of the Company to whom such employee reports, the applicable portions of this Policy and such other rules, policies, and instructions shall be applied so as to give effect to the term, rule, policy, or instruction which is most restrictive, unless otherwise indicated in writing by the Policy Coordinator (as defined in the POPC). Company personnel shall be responsible for promptly reporting all such conflicts to the Policy Coordinator.
- B. Anyone with questions about the meaning or applicability of this Policy and, unless specifically provided otherwise herein, anyone aware of any violation of this Policy, shall contact the undersigned Policy Owner, and the Policy Owner shall confer with a duly designated in-house attorney regarding any questions about the interpretation or application of any applicable law, rule, or regulation (including related regulatory guidance).
- C. Subject to Applicable Requirements, any Company personnel determined to have committed any violation(s) of this Policy may be subject to disciplinary action, which, depending on the severity of the situation, may include dismissal. For the avoidance of doubt, under no circumstance shall this Policy be deemed to limit the Company’s rights, remedies, causes of action, or other options in response to any violation(s) of this Policy or with respect to any party.

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<sup>4</sup> [12 CFR Part 30](#), Appendix D, OCC *Guidelines Establishing Heightened Standards for Certain Large Insured National Banks, Insured Federal Savings Associations, and Insured Federal Branches*.

<sup>5</sup> “[Corporate and Risk Governance](#)” booklet (Version 2.0, July 2019), OCC Comptroller’s Handbook.

<sup>6</sup> “[Internal Control](#)” booklet (January 2001), OCC Comptroller’s Handbook.

## **X. POLICY REVIEW AND APPROVAL REQUIREMENTS**

- A.** The Policy Owner shall review this Policy, and solicit input from any Senior Officer(s) whose responsibilities (and/or whose employees' responsibilities) fall within the scope of this Policy, at least annually (or as may otherwise be required, whether pursuant to the POPC and its underlying procedures, regulator directive, or other business need) in order to determine whether any revision(s) is(are) necessary, including to enhance the effectiveness of this Policy, to comply with any pertinent change(s) in Applicable Requirements, and/or to address any material change(s) in the Company's strategy, objectives, business activities, size, structure, and/or management, and shall make all necessary revisions, all in accordance with the POPC.
- B.** Any proposed revision(s) to this Policy (except the correction of any clerical error(s)) must be reviewed and signed off upon by the applicable Designated Reviewers (as defined in the POPC) in Enterprise Compliance, ERM, and Legal and by the Policy Coordinator, prior to being presented to the applicable Senior Officer(s), Committee(s), and/or the Board for consideration and signoff or approval, as appropriate and applicable pursuant to and in accordance with the POPC.
- C.** The Policy Owner shall ensure that this Policy is presented, with his/her observations and recommendations as to any changes, not less than annually to the Board for review and approval.

## **XI. POLICY EXCEPTIONS**

There shall be no exceptions to this Policy.

This Policy was reviewed and approved by the respective Boards of Directors of Flagstar Financial, Inc. and Flagstar Bank, N.A. on February 27, 2025.

(Signed)  
Policy Owner:

**Karen Aavik** Digitally signed by Karen Aavik  
Date: 2025.02.27 15:58:57 -05'00'

Karen Aavik  
Head of Ethics, Privacy & Investments Compliance

Dated: February 27, 2025