

**COMPENSATION COMMITTEE CHARTER
OF
PENNYMAC FINANCIAL SERVICES, INC.**

Purpose

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of PennyMac Financial Services, Inc. (the “Company”) is to: (i) evaluate the performance of the Company’s officers; (ii) review the compensation payable, if any, to the Company’s officers; (iii) administer the PennyMac Financial Services, Inc. 2013 Equity Incentive Plan, as amended (the “Equity Incentive Plan”), and any other compensation plans, policies and programs of the Company; (iv) discharge the Board’s responsibilities relating to compensation of the Company’s independent directors; (v) review and recommend to the Board compensation plans, policies and programs; (vi) prepare the compensation committee report on executive compensation to be included in the Company’s annual proxy statement; and (vii) review and discuss with management the Company’s compensation discussion and analysis (“CD&A”) to be included in the Company’s annual proxy statement.

Composition of the Committee

The Committee shall be comprised of three or more members, each of whom (i) meets the independence requirements of the New York Stock Exchange (the “NYSE”); (ii) meets the requirements for a “Non-Employee Director” contained in Rule 16b-3 under the Securities Exchange Act of 1934, as amended; and (iii) meets the requirements for an “outside director” for the purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), as well as any other applicable legal or regulatory requirements. The Board shall make an affirmative determination that the members of the Committee do not have a material relationship with the Company, and, in making such affirmative determination, shall consider all factors specifically relevant to determining whether a member has a relationship to the Company which is material to the member’s ability to be independent from management in connection with the duties of a Committee member, including, but not limited to, (a) the source of the member’s compensation, including any consulting, advisory or other compensatory fees paid by the Company to the member, and (b) whether the member is affiliated with the Company or any of its subsidiaries. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the Board.

Any vacancy on the Committee shall be filled by the Board on the recommendation of the Nominating and Corporate Governance Committee, and members shall serve for such terms as the Board may determine, or until their earlier resignation, death or removal by the Board.

Meetings

The Committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities but, in any case, not less than twice a year. Meetings of the Committee may be called, notice of all meetings shall be given, and waiver thereof determined, and all actions of the Committee shall be conducted in accordance with the Company’s bylaws.

Delegation

The Committee may form, and delegate authority to, subcommittees when it deems appropriate to the extent permitted under applicable law.

External Advisors

The Committee shall have the authority, in its sole discretion, to retain or to obtain the advice of, and assistance from, any officer or personnel of the Company or one or more advisors, including compensation consultants and outside counsel (each an “Advisor”). The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Advisor, officer or employee retained by the Committee and shall receive appropriate funding from the Company, as determined by the Committee, for payment of reasonable compensation.

The Committee shall conduct an independence assessment, considering the factors specified in Section 303A.05(c)(iv) of the NYSE Listed Company Manual, with respect to any Advisor (other than in-house counsel) that provides advice to the Committee. The Committee is not, however, required to assess the independence of any Advisor whose services are limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees, or to providing information that is not customized for the Company or that is customized based on parameters that are not developed by the Advisor and about which the Advisor does not provide advice. The Committee may retain, or receive advice from, any Advisor, whether or not independent, after considering the factors described above. The Committee shall not be required to implement or act consistently with the advice or recommendations of any of its Advisors.

Nothing in this Charter is intended to preclude or impair the protection provided in Section 141(e) of the Delaware General Corporation Law for good faith reliance by members of the committee on reports or other information provided by others.

Access and Information

The Committee is at all times authorized to have direct, independent and confidential access to the Company’s other directors, management and personnel to carry out the Committee’s duties and responsibilities. The Committee is authorized to conduct or authorize investigations into any matters relating to the purposes, duties or responsibilities of the Committee. The Committee is authorized to obtain at the Company’s expense compensation surveys, reports on the design and implementation of compensation programs for the Company’s directors, officers and employees, and other data and documentation as the Committee considers appropriate.

Duties and Responsibilities

In carrying out its duties, the Committee shall:

Executive and Director Compensation

1. Review and approve corporate goals and objectives of the Company relevant to the compensation of the Executive Chairman and the Chief Executive Officer. Evaluate annually the performance of the Executive Chairman and the Chief Executive Officer in

- light of such goals and objectives and present its evaluation to the independent directors.
2. If the Company chooses to separately compensate the Executive Chairman and the Chief Executive Officer, determine his or her compensation level, based on the Company's performance and the Committee's evaluation of the Executive Chairman and the Chief Executive Officer, respectively, and other relevant factors.
 3. Evaluate annually the performance of the other executive officers of the Company in light of the goals and objectives of the Company. If the Company chooses to separately compensate the other executive officers of the Company, determine and, as it deems appropriate, approve, or make recommendations to the Board regarding, the compensation levels of such officers based on such evaluation. The Committee shall consider all relevant factors in determining the appropriate levels of such compensation.
 4. Review and approve any employment agreements, severance agreements, change in control agreements or special or supplemental employee benefits, and any amendments to any of the foregoing, applicable to the Chief Executive Officer and any other executive officers of the Company.
 5. Evaluate and recommend to the full Board appropriate compensation for the Company's non-employee directors, including compensation and expense reimbursement policies for attendance at Board and committee meetings.
 6. Determine stock ownership guidelines for the Company's non-employee directors and executive officers and monitor compliance with such guidelines.
 7. Prepare the compensation committee report on executive compensation required to be included in the Company's annual proxy statement.
 8. Review and discuss with management the Company's CD&A, and based on that review and discussion, recommend to the Board that the CD&A be included in the Company's annual proxy statement.
 9. Review carefully the results of any advisory stockholder vote on executive compensation and consider whether to recommend adjustments to the Company's executive compensation policies and practices as a result of such votes.
 10. Develop and implement policies with respect to the recovery or "clawback" of any excess compensation (including stock options) paid to any of the Company's executive officers based on erroneous data.
 11. Review and assess on a periodic basis the Company's compliance with all laws and regulations relating to compensation and employee benefits, ERISA, labor laws, employment discrimination and other human resources matters.
 12. Review and approve any perquisites or other personal benefits to the Company's executive officers and directors.

Oversight of Risks Related to Compensation Policies and Practices

13. Review incentive-compensation arrangements and confirm that incentive pay arrangements do not encourage unnecessary risk-taking and report the results thereof to the Board.
14. Review with management the basis for the Company's conclusions relating to compensation policies, practices and risks.
15. Review and discuss with the full Board, as needed, any issues relating to the assessment and mitigation of risks affecting the Company related to the Company's compensation policies and practices.

General Compensation and Employee Benefit Plans

16. Review and monitor the Company's employee benefit plans and policies and provide oversight of any employee benefit plan.
17. Review periodically reports from management with respect to benefits provided to the employees of the Company.
18. Review, monitor and make recommendations to the Board regarding the Company's compensation plans, including with respect to incentive-compensation plans and equity-based plans, policies and programs, including the Equity Incentive Plan.
19. Approve grants and/or awards of incentive stock option and nonstatutory stock options, stock appreciation rights, restricted stock and stock unit awards, performance units, stock grants, qualified performance-based awards or other forms of equity-based compensation under the Equity Incentive Plan or other share option, incentive-compensation and equity-based plans.
20. Approve (i) the adoptions of, and any material revisions to, plans intended to meet the requirements of Section 401(a) or Section 423 of the Internal Revenue Code or the requirements for a "parallel excess plan" contained in Section 303A.08 of the NYSE's Listed Company Manual, (ii) grants and/or awards of equity-based compensation under any plans acquired in corporate acquisitions or mergers and any conversions, replacements or adjustments of outstanding share options or other equity-based compensation awards made to reflect an acquisition or a merger and (iii) any inducement grants of share options or other equity-based compensation made to persons hired or rehired by the Company or any of its subsidiaries.
21. Periodically review and advise the Board concerning both regional and industry-wide compensation practices and trends in order to assess the adequacy and competitiveness of the Company's compensation programs for the Chief Executive Officer and other executive officers relative to comparable companies in the Company's industry.

Other Duties and Responsibilities

22. Review and reassess the adequacy of this Charter annually and recommend any proposed

changes to the Board for approval.

23. Conduct an annual performance evaluation of the Committee to, at a minimum, (i) compare the performance of the Committee to the requirements of this Charter and any other duties or responsibilities delegated to the Committee by the Board and (ii) recommend to the Board any improvements to this Charter that the Committee deems to be necessary or appropriate, and report to the Board the results of the evaluation, which may take the form of an oral presentation by a member of the Committee to the Board.
24. Report to the Board on a regular basis and make such recommendations with respect to any of the above and other matters as the Committee deems necessary or appropriate.
25. Perform such other duties and responsibilities, consistent with this Charter, delegated to the Committee by the Board or required under the provisions of any compensation or benefit plan maintained by the Company.