

**CHARTER OF THE COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS OF  
IMPAC MORTGAGE HOLDINGS, INC.**

**Amended and Restated as of July 23, 2013**

**1. Purposes.**

The primary purposes of the Compensation Committee (the "Committee") are to (a) review and approve corporate goals and objectives relevant to the compensation of the company's Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of those goals and objectives and determine and approve the Chief Executive Officer's compensation level, (b) recommend to the company's Board of Directors (the "Board") the cash and non-cash compensation of the company's other executive officers as defined in the rules promulgated under Section 16 of the Securities Exchange Act of 1934, as amended, (c) evaluate the performance of the company's executive officers, (d) recommend to the Board the cash and non-cash compensation policies for the non-employee directors, (e) make recommendations to the Board with respect to incentive-compensation and equity-based plans that are subject to Board approval, (f) assist the Board in evaluating potential candidates for executive officer positions with the company, (g) review and discuss with management the Compensation Discussion and Analysis ("CD&A") and based upon such review and discussion, determine whether to recommend to the Board that the CD&A be included in the Proxy Statement or Annual Report on Form 10-K, and (h) produce a compensation committee report as required by the Securities and Exchange Commission (the "SEC").

**2. Composition.**

(a) At Least Two Members. The Committee shall consist of a minimum of two independent directors as defined in Section 2(b) below. The Board shall designate a Committee member as the Chairperson of the Committee, or if the Board does not do so, the Committee members shall appoint a Committee member as Chairperson by a majority vote of the authorized number of Committee members.

(b) Independence. All members of the Committee shall be "independent" as determined by the Board and the listing standards of any market or exchange on which the company's securities may be quoted or listed from time to time (the "Listing Standards"), the rules and regulations of the SEC and any other laws applicable to the company. All Committee members shall also meet all additional independence qualifications for compensation committee members imposed by the Listing Standards at all times such qualifications are applicable to members of the Committee. In addition, all Committee members shall qualify as "non-employee directors" within the meaning of SEC Rule 16b-3 as promulgated under the Securities Exchange Act of 1934, amended, and, to the extent deemed appropriate, as "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, or such successive provisions.

(c) Appointment and Removal. Subject to the requirements of the Listing Standards and the bylaws of the company, the Board shall appoint Committee members at the first meeting of the Board following the Annual Meeting of Stockholders. Members of the Committee shall serve for one year terms and until their successors are appointed. The Board may fill vacancies on the Committee by a majority vote of the authorized numbers of directors, but may remove Committee members only with the approval of a majority of the independent directors then serving on the full Board.

**3. Meetings, Reports and Resources of the Committee.**

(a) Meetings. The Committee shall meet as often as it determines necessary or advisable, but not less than once a year. The Committee may also hold special meetings or act by unanimous written consent as the Committee may decide. The meetings may be in person or telephone. The Committee shall keep written minutes of its meetings and shall deliver a copy of such minutes to the Board and to the corporate secretary of the company for inclusion in the company's minute books. The Committee may meet in separate executive sessions with other directors, the Chief Executive Officer and other company employees, agents or representatives invited by the Committee.

(b) Procedures. The Committee may establish its own procedures, including the formation and delegation of authority to subcommittees, in a manner not inconsistent with this charter, the bylaws, applicable laws or regulations, or the Listing Standards. The Chairperson or a majority of the Committee members may call meetings of the Committee. A majority of the authorized number of Committee members shall constitute a

quorum for the transaction of Committee business, and the vote of a majority of the Committee members present at the meeting at which a quorum is present shall be the act of the Committee, unless in either case a greater number is required by this charter, the bylaws, applicable laws or regulations, or the Listing Standards.

(c) Reports. The Committee shall review and discuss with management the CD&A and based upon such review and discussion, determine whether to recommend to the Board that the CD&A be included in the Proxy Statement or Annual Report on Form 10-K. The Committee shall provide to the Board at an appropriate time prior to preparation of the company's proxy statement for its Annual Meeting of Stockholders, a report of the Committee, which report shall be included in such proxy statement. The Committee shall evaluate its own performance and this charter on an annual basis and shall report to the Board annually the results of an annual review by the Committee of its own performance. The Committee shall also report to the Board on the major items covered by the Committee as it may determine to be appropriate.

(d) Committee Access and Resources. 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 purposes. The Committee shall have the sole authority and discretion to retain and terminate, or to obtain the advice of, at the company's expense, any compensation-consulting firm used to evaluate executive officer or director compensation, and to approve the consulting firm's fees and other retention terms and to oversee the work of the consulting firm. The Committee is also authorized, in its sole discretion, to retain and terminate, or to obtain the advice of, at the company's expense, independent counsel or other advisors selected by the Committee, who shall report directly to the Committee and whose work shall be overseen by the Committee, for matters related to the Committee's purposes. The Committee will, to the extent applicable, select, or receive advice from, a compensation-consulting firm, legal counsel or other advisor in accordance with the Listing Standards.

#### **4. Authority and Responsibility.**

In furtherance of its purpose, the Committee shall have the following authority and responsibilities:

(a) Compensation Goals. To establish and review the overall corporate policies, goals and objectives for the compensation of the company's Chief Executive Officer and other executive officers, including a review of the relationship of executive compensation to corporate performance and relative stockholder return, and, additionally in the case of the company's Chief Executive Officer, the value of similar incentive awards given to chief executive officers at comparable companies and the awards given to the company's Chief Executive Officer in past years, except to the extent already addressed in any existing officer contracts or as may be required to comply with applicable tax laws.

(b) Determination of Compensation. Evaluate the performance of the Chief Executive Officer and other executive officers in light of the corporate goals and objectives. Prior to entering into any employment agreements with the executive officers, determine the compensation of the Chief Executive Officer and make a recommendation to the Board regarding the compensation of other executive officers, including individual elements of salary, bonus, incentive and equity compensation. Make a recommendation to the Board regarding the compensation policies for the non-employee directors. The Committee may consult with the Chief Executive Officer in determining the executive compensation for any executive officer other than the Chief Executive Officer. The Chief Executive Officer may not be present during voting or deliberations related to compensation of the Chief Executive Officer. Compare and review bonuses or incentive based compensation for officers to their contracts to approve disbursements under those contracts.

(c) Officer Contracts. Review, approve and evaluate annual compliance with all employment agreements, separation and severance agreements, and other compensatory contracts, arrangement, prerequisites and payments for the executive officers and ensure such agreements are consistent with the company's general compensation goals.

(d) Equity Plan Awards. Assist the Board in the administration of the company's stock option plans and any

equity or incentive compensation plans of the company, and make recommendations to the Board as to stock option grants and other discretionary awards (including restrictions on such grants or awards) under such plans with respect to the administration of plans as to the executive officers. The Committee shall also consider adopting guidelines for ranges of option grants or other discretionary awards to the company's employees.

(e) Evaluate Incentive-Compensation and Equity-Based Plans. Periodically review and make recommendations to the Board concerning the company's incentive-compensation and equity-based plans.