

HOMESTREET, INC.
HUMAN RESOURCES AND CORPORATE
GOVERNANCE COMMITTEE CHARTER

1. MEMBERS

The Board of Directors (the "Board") of HomeStreet, Inc. (the "Company") has appointed a Human Resources and Corporate Governance Committee (the "HRCG"), which shall consist of at least three members, all of whom shall be independent in accordance with the provisions of Rule 10C-1(b)(1) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act") and the listing rules of the Nasdaq Stock Market, including Listing Rule 5605(a)(2). Additionally, members of the HRCG must qualify as "non-employee directors" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and as "outside directors" for purposes of Section 162(m) of the Internal Revenue Code. The Board will appoint a chairperson to the HRCG, and hereby delegates authority to the HRCG to designate one member as chairperson of the HRCG in the event the Board has not appointed one. Members of the HRCG are appointed by the Board upon the recommendation of the HRCG. The members of the HRCG shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the HRCG at any time with or without cause.

2. PURPOSE, DUTIES AND RESPONSIBILITIES

The purpose, duties and responsibilities of the HRCG are to (a) assist the Board in discharging its responsibilities relating to compensation of the Company's executive officers (for these purposes, "executive officers" shall mean the Company's officers within the meaning of Section 16 of the Exchange Act); (b) identify individuals qualified to become Board members (consistent with criteria approved by the Board) and recommend to the Board director candidates for election at the annual meeting of stockholders; and (c) develop and recommend to the Board a set of corporate governance principles and perform a leadership role in shaping the Company's corporate governance. Among its specific duties and responsibilities, the HRCG will:

(a) Compensation Functions:

- (i) Oversee the Company's overall compensation structure, policies and programs, and assess whether the Company's compensation structure establishes appropriate incentives for management and employees.
- (ii) Review and approve the incentive plan arrangements as they are developed, added or modified for (1) the senior management team; (2) individual employees, including non-executive employees, whose activities may expose the

Company to material amounts of risk; and (3) groups of associates who are subject to the same or similar incentive compensation arrangements and who, in the aggregate, may expose the Company to material amounts of risk, even if no individual associate is likely to expose the Company to material risk.

- (iii) Review the Company's incentive compensation arrangements to determine whether they encourage excessive risk taking, and review and discuss at least annually the relationship between risk and management policies and practices and compensation, and evaluate compensation policies and practices that could mitigate such risk.
- (iv) Approve, amend or modify the terms of any compensation or benefit plan that does not require shareholder approval.
- (v) Review and approve the corporate goals and objectives relevant to the compensation of the Chief Executive Officer ("CEO"), evaluate the CEO's performance in light of those goals and objectives, and recommend to the independent directors the CEO's compensation level based on this evaluation. The CEO cannot be present during any voting or deliberations by the HRCG on his or her compensation.
- (vi) Oversee the evaluation of other executive officers and set the compensation of the other executive officers.
- (vii) Review and approve the design of other benefit plans subject to Board approval pertaining to executive officers and employees.
- (viii) Review the compensation of directors for service on the Board and its committees at least annually and recommend changes in compensation to the Board.
- (ix) Make recommendations to the Board with respect to the Company's incentive-compensation and equity-based compensation plans that are subject to Board approval.
- (x) Approve stock option and other stock incentive awards for executive officers.
- (xi) Monitor compliance by executive officers and directors with the Company's stock ownership guidelines requirements, if any.
- (xii) Review, approve and recommend to Board, employment

agreements and severance arrangements for executive officers, including change-in-control provisions, plans or agreements, which includes the ability to adapt, amend and terminate such agreements or arrangements.

- (xiii) Review and discuss with management the Company's Compensation Discussion and Analysis ("CD&A"), if to be reported, and related disclosures that Securities and Exchange Commission ("SEC") rules require be included in the Company's annual report and proxy statement, recommend to the Board based on the review and discussions whether the CD&A should be included in the annual report and proxy statement, and prepare the compensation committee report required by SEC rules for inclusion in the Company's annual report and proxy statement.
- (xiv) Review succession plans relating to positions held by executive officers, and make recommendations to the Board regarding the selection of individuals to fill these positions.

(b) Nominating Functions:

- (i) Develop and recommend to the Board criteria for identifying and evaluating director candidates.
- (ii) Identify, review the qualifications of, and recruit candidates for election to the Board.
- (iii) Assess the contributions and independence of incumbent directors in determining whether to recommend them for reelection to the Board and appointment to one or more committees of the Board. In determining the independence of HRCG members, who function as compensation committee members for the purposes of Rule 5605(d), the HRCG should make an assessment of the following and include in the recommendation to the Board:
 - (1) Whether or not the director has accepted directly or indirectly any consulting, advisory or other compensatory fee, other than for board service, from the Company or any subsidiary of the Company;
 - (2) Whether the director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company and, if so, whether or not such affiliation would impair the director's judgment as

a member of the HRCG; including whether the director has any affiliate relationship with the Company that places the director under the direct or indirect control of the Company or its senior management, or creates a direct relationship between the director and members of senior management, in each case of a nature that would impair the director's ability to make independent judgments about the Company's executive compensation; and

(3) Whether the fees received by a director as a member of the HRCG, the board of directors or any other committee, considered in the aggregate with all other sources of compensation to the director, would impair the director's judgment as a member of the HRCG.

- (iv) Establish a procedure for the consideration of Board candidates recommended for the HRCG's consideration by the Company's shareholders.
- (v) Recommend to the Board the Company's candidates for election or reelection to the Board at each annual shareholders' meeting.

(c) Corporate Governance Functions:

- Recommend to the Board candidates to be elected by the Board as necessary to fill vacancies and newly created directorships.
- Develop and recommend to the Board a set of corporate governance principles, and annually review and recommend changes as appropriate to these principles.
- Review and recommend changes as appropriate in the Code of Business Conduct and Ethics to the Board, and biannually review this Code.
- Make recommendations to the Board concerning the structure, composition and functioning of the Board and its committees.
- Recommend to the Board candidates for appointment to Board committees and consider periodically rotating directors among the committees.
- Review and recommend to the Board retirement and other

tenure policies for directors.

- Review directorships in other public companies held by or offered to directors and senior officers of the Company.
- Review and assess the channels through which the Board receives information, and the quality and timeliness of information received.
- Develop and oversee an orientation program for new directors and a continuing education program for all directors.
- Oversee the evaluation of the Board and its committees.
- Annually evaluate the performance of the HRCG and the adequacy of the committee's charter.

3. SUBCOMMITTEES

The HRCG may delegate any of the foregoing duties and responsibilities to a subcommittee of the HRCG consisting of not less than two members of the committee.

4. OUTSIDE ADVISORS

(a) The HRCG will have the authority, in its sole discretion, to select, retain and obtain the advice of a compensation consultant, legal counsel, executive search firm or other advisor to assist it in the full performance of its functions as set forth in this Charter. The HRCG shall set the compensation, and oversee the work, of any compensation consultant, legal counsel, executive search firm or other advisor retained by the HRCG. The HRCG shall receive appropriate funding from the Company, as determined by the HRCG in its capacity as a committee of the Board, for payment of compensation to its compensation consultants, legal counsel, and any other advisors. However, the HRCG shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant, legal counsel or other advisors to the HRCG, and the authority granted in this Charter shall not affect the ability or obligation of the HRCG to exercise its own judgment in fulfillment of its duties under this Charter.

(b) In retaining or seeking advice from compensation consultants, outside counsel and other advisors (other than Company's in-house counsel), the HRCG must take into consideration the factors specified in Nasdaq Listing Rule 5605(d)(3)(D). The HRCG may retain, or receive advice from, any compensation advisor they prefer, including ones that are not independent, after considering the specified factors. The HRCG is not required to assess the independence of any compensation consultant or other advisor that acts in a role 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 providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice.

(c) The HRCG shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K.

5. MEETINGS

The HRCG will meet as often as may be deemed necessary or appropriate, in its judgment, either in person or telephonically, and at such times and places as the HRCG determines. The majority of the members of the HRCG constitutes a quorum. The HRCG will report regularly to the full Board with respect to its activities. The HRCG may invite such members of management to its meetings as it deems appropriate. However, the HRCG shall meet regularly without such members present, and in all cases the CEO and any such officers shall not be present at meetings at which their compensation or performance is discussed or determined.

6. ANNUAL REVIEW

The HRCG shall review this Charter at least annually and recommend any proposed changes to the Board for approval.