

CHAMPION ENTERPRISES, INC.

COMPENSATION AND HUMAN RESOURCES COMMITTEE OF THE BOARD OF DIRECTORS

CHARTER

Organization

There shall be a standing committee of the Board of Directors to be known as the Compensation and Human Resources Committee. The Committee shall be comprised of not less than three (3) directors each of whom is: (1) “independent” under the applicable standards of the Company’s Corporate Governance Guidelines and the New York Stock Exchange, (2) a ‘non-employee director’ within the meaning of Rule 16b-3 under the federal securities laws, and (3) an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended. Members of the Committee shall be appointed annually by the Board at its annual meeting or as necessary to fill vacancies in the interim. Committee members may be removed by the Board in its discretion. The Board shall designate one of the Committee members as Chairman. A majority of the Committee members shall constitute a quorum for the transaction of business. The action of a majority of those present at a meeting at which a quorum is present shall be the action of the Committee. The Committee shall hold meetings (in person or by telephone conference) as necessary and will meet not less than three (3) times each year. The Committee shall keep a record of its actions and proceedings, and make a report thereof from time to time to the Board.

Statement of Policy

The primary function of the Committee shall be to develop, monitor and make recommendations to the Board concerning the compensation programs, benefits and awards for all executive officers of the Corporation (including the Chief Executive Officer) and the Directors.

Responsibilities

The Committee shall:

1. Consider and make recommendations to the Board regarding the selection and retention of all executive officers of the Corporation, including the Chief Executive Officer, and other key employees as appropriate.
2. Consider and make recommendations to the Board regarding salary structure, officer gradings within such structure, and salaries for executive officers.
3. Administer, interpret, make grants and awards, adopt rules and recommend to the Board amendments of the Corporation’s executive compensation programs as needed and provided under such programs. Such programs shall include the 2005 Equity Compensation and Incentive Plan, the 1995 Stock Option and Incentive

Plan, the 1993 Management Stock Option Plan and the 1990 Nonqualified Stock Option Program.

4. Consider and make recommendations to the Board concerning bonus awards, perquisites and other remuneration with respect to executive officers.
5. Consider and make recommendations to the Board concerning: (i) the total compensation package, (ii) the structure and award formulae and calculation and performance targets for all incentive compensation programs for all executive officers, and (iii) how such incentive compensation programs compare to peer companies and how they relate to the Corporation's performance when compared to such peer companies.
6. Prepare the annual proxy compensation committee report and review and approve other proxy compensation disclosures.
7. Have sole authority to: (i) select, retain and terminate outside consultants to review the Corporation's executive compensation program as appropriate, (ii) meet privately with such consultants without management present if desired; and (iii) retain independent outside consultants on behalf of the Board in certain circumstances as needed.
8. Review and make recommendations to the Board regarding committee member qualifications, appointments, and removals, and executive management succession.
9. Review and approve corporate goals and objectives relevant to Chief Executive Officer compensation. Evaluate the performance of the Chief Executive Officer with respect to the Chief Executive Officer's performance targets and otherwise and report such evaluations to the other independent members of the Board.
10. Make recommendations to the other independent members of the Board concerning the Chief Executive Officer's and other executive officers' compensation based on their performance evaluations. The independent members of the Board shall determine and approve compensation for all executive officers after reviewing these recommendations.
11. Consider and make recommendations to the Board regarding compensation for members of the Board of Directors.
12. Conduct an annual performance evaluation of the Committee in consultation with and oversight by the Nominating and Corporate Governance Committee.
13. The Committee shall have the authority to delegate any of its responsibilities to a subcommittee of the Committee.
14. Conduct an annual review of the activities of the Human Resources Department.

15. The Committee shall prepare and maintain an annual calendar of its activities.
16. Review and reassess this Charter at least annually, and recommend to the Board any changes to this Charter that the Committee deems appropriate.