



## **COMPENSATION COMMITTEE CHARTER**

### **I. Purpose**

The primary purposes of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Essent Group Ltd. (the “Company”) shall be to (i) assist in carrying out the Board’s responsibilities relating to the compensation of the Company’s Chief Executive Officer (“CEO”) and the other executive officers and directors of the Company and its subsidiaries, (ii) review and discuss with management executive compensation disclosures for inclusion in the Company’s proxy statement or annual report on Form 10-K, including any “Compensation Discussion and Analysis” contained therein, in accordance with applicable rules, regulations and exemptions, and recommend to the Board whether such disclosures should be included in the Company’s proxy statement or annual report on Form 10-K, and (iii) approve and oversee, as applicable, the Company’s incentive-compensation and equity-based plans and approve any awards made under these plans.

### **II. Membership**

The Committee shall consist of no less than three directors, each of whom shall (i) be “independent” under the rules of the New York Stock Exchange (“NYSE”), (ii) qualify as a “non-employee director” as defined under Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and (iii) qualify as an “outside director” under Section 162(m) of the United States Internal Revenue Service Code of 1986, as amended (the “Code”).

The members of the Committee shall be appointed by the Board on the recommendation of the Nominating & Corporate Governance Committee. Determinations as to whether a director is qualified for membership on the Committee shall be made by the Nominating & Corporate Governance Committee. The Chairman of the Committee shall be designated by the Board. Each Committee member and the Chairman shall serve until his or her successor is duly appointed by the Board or until such member’s resignation or removal from the Board or the Committee. Committee members shall serve at the pleasure of the Board and for such term or terms as the Board may determine. Committee members may be added, removed or replaced by the Board in its complete discretion.

### **III. Organization and Operation**

The Committee shall meet as frequently as necessary to carry out its duties and responsibilities. The Committee may request any other director, officer or employee of the Company, any member of the Company’s other standing committees or the Company’s outside counsel to attend any meeting of the Committee or to meet independently with any members of, or consultants to, the Committee.

Neither the CEO nor any of the Company’s other executive officers may attend any meeting (or portion thereof) where such person’s performance or compensation is discussed, unless specifically invited by the Committee. The Committee shall meet at least annually without any executive officer or other member of management present.

The Committee may consult with Company management on compensation issues, including a consideration of any data or other material present by management regarding executive compensation and any other information requested by the Committee.

The Chairman shall be responsible for presiding over Committee meetings, preparing Committee agendas and determining the informational needs of the Committee. Materials pertaining to the Committee meetings shall be distributed in advance of those meetings whenever feasible and appropriate. The Committee may form and delegate any of its responsibilities, as permitted by applicable laws and regulations, to a subcommittee composed of one or more members of the Committee.

The Committee shall report regularly to the Board, including after each Committee meeting, on the Committee's findings and recommendations and any other matters the Committee deems appropriate, and shall maintain minutes or other records of the Committee meetings and activities. With regard to any actions taken by the Committee in the interval since the most recent prior Board meeting, the Committee shall report such actions to the Board at the next regularly scheduled meeting of the Board.

The Committee shall conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with the Committee's charter. The Committee shall periodically review the Committee's charter and recommend any proposed changes to the Board for approval. The Board may also review the Committee's charter from time to time and determine to alter its responsibilities over time.

#### **IV. Duties and Responsibilities**

The Committee shall have the responsibility to:

1. Establish and oversee the Company's executive compensation philosophy, including to review the competitiveness of the Company's executive compensation programs in comparison to its identified peer group.
2. Determine all aspects of compensation for the CEO and other key executives, including to develop and review the corporate and individual performance goals and objectives for the CEO and other key executives, and communicate those goals and objectives to the CEO and other key executives.
3. Annually evaluate the CEO's performance in light of the goals and objectives which the Committee has established, meet with the CEO to discuss his or her performance against such goals, and approve, as applicable, the compensation for the CEO.
4. Annually discuss the CEO's evaluation of the performance of other key executives of the Company and its principal subsidiaries, and review the CEO's recommendation for, and approve all aspects of, the compensation for those key executives.
5. Approve the design of and make recommendations to the Board with respect to new incentive-compensation and equity-based plans, and any amendments to such existing plans, applying to the CEO and other key executives.
6. Develop and approve the performance standards for, apply any performance adjustments to, and award payouts for all incentive plans applying to the CEO and other key executives.
7. Annually approve the compensation programs, and the payouts for all programs, applying to non-employee members of the Board, and periodically review the competitiveness of the Company's non-employee director compensation programs.
8. If applicable, review and administer all employee and non-employee director stock-based compensation

plans, approve, as applicable, any stock option, restricted stock, performance share, and similar stock-based grants under such plans or the pool of awards available under such plans, delegate to the Company officers the authority to make off-cycle grants other than to directors and executive officers.

9. Periodically review and approve policies with respect to executive perquisites, review reports on executive perquisites and monitor compliance with the Company's policies and procedures related to executive perquisites.
10. Review and approve new employment agreements, consulting arrangements, severance or retirement arrangements and/or change in control agreements or provisions, and any material amendments to such agreements, for the CEO and other key executives.
11. Review reports on the shareholdings and recent transactions of the Board members, CEO and other key executives.
12. Review and advise on succession plans for the CEO and other key executives in preparation for review by the Board, including recommending to the full Board, when the facts and circumstances warrant, the selection of a new CEO.
13. Oversee the administration of the Company's major compensation and benefit plans and review material changes to those plans.
14. Review and, if appropriate, establish policies regarding stock ownership levels for the CEO, other key executives and the Board.
15. Review and, if appropriate, approve or recommend to the Board that it approve management's compensation-related proposals to be voted upon by shareholders, including any proposals relating to say on pay and equity compensation plans.
16. To the extent the Company is required to or elects to prepare an annual "Compensation Discussion and Analysis" to be included in the Company's proxy statement or annual report on Form 10-K, review and discuss with management the Company's disclosures made therein and recommend to the Board whether such disclosures should be included in the Company's proxy statement or annual report on Form 10-K, as applicable.
17. Oversee engagement and communications with shareholders and proxy advisory firms on executive compensation matters, including with respect to any shareholder votes on executive compensation, and review the results of the Company's most recent advisory vote on executive compensation (once such requirement has become applicable for the Company) and consider any implications, if applicable.
18. To the extent the Company is required to or elects to prepare a "Compensation Committee Report" in the Company's proxy statement or annual report on Form 10-K, review and approve such "Compensation Committee Report" in accordance with applicable rules and regulations, and make such other reports, certifications and disclosures as may be required.
19. Review and analyze potential risks associated with the Company's compensation programs and policies.

## V. Authority and Resources

The Committee is empowered to select, retain or dismiss independent legal counsel, compensation consultants, or financial or other advisors (each, a “Compensation Advisor”) as it may deem necessary or appropriate to assist it in the performance of its duties and responsibilities, without consulting or obtaining the approval of senior management of the Company in advance, in accordance with the following:

1. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Compensation Advisor.
2. The Company shall provide for adequate funding, as determined by the Committee, for payment of compensation to, and to cover expenses of, a Compensation Advisor retained by the Committee.
3. Prior to hiring or initially obtaining formal advice from a Compensation Advisor whether retained by the Committee (other than for the avoidance of doubt internal legal counsel), the Committee will consider all factors that it determines to be relevant to the Compensation Advisor’s independence from management, including the following:
  - » the provision of other services to the Company by the person or firm that employs the Compensation Advisor (including subsidiaries or affiliates of the Compensation Advisor);
  - » the amount of fees received from the Company by the person or firm that employs the Compensation Advisor, as a percentage of the total revenue of such person or firm;
  - » the policies and procedures of the person or firm which employs the Compensation Advisor that are designed to prevent conflicts of interest;
  - » any business or personal relationships of the Compensation Advisor with a member of the Committee;
  - » any stock of the Company owned by the Compensation Advisor;
  - » any business or personal relationship of the person or firm which employs the Compensation Advisor, or of the Compensation Advisor, with an executive officer of the Company; and
  - » any other factor(s) prescribed by the NYSE that the Committee needs to consider in reviewing the independence of prospective Compensation Advisors.
4. The Committee will annually (or, at such other times deemed pertinent by the Committee) perform an assessment of any potential conflict of interest raised by the work of a Compensation Advisor (whether retained by the Committee or management) that is involved in determining or recommending executive compensation.
5. Relationships with Compensation Advisors shall be disclosed in accordance with applicable legal authority or regulatory guidance.

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