



MILESTONE

Guaranty and Assurance Corp.

COMPENSATION COMMITTEE CHARTER

Roles and Responsibilities

The objective of the Committee is to review and make recommendations to the Board in relation to the overall remuneration policy for the Company.

Specific Functions of the Committee:

1. To plan, prepare and recommend to the Board the Company's remuneration and incentive framework including policies, practices and performance indicators to ensure that they are appropriately designed as well as aligned to the Board's vision, values and overall business objectives;
2. To review and make recommendations regarding the implementation of, and amendment of, any short term and long term incentive plans;
3. To review and make recommendations to the Board regarding the Managing Director's recommendations regarding staff remuneration; including those of the Senior Executive team;
4. To review and make recommendations regarding the Managing Director's remuneration
5. To review and make recommendations regarding the Non-Executive Directors' remuneration including fees, travel and other benefits;
6. To assist the Chairman of the Board in the annual performance review of the Managing Director including key performance indicators in order to determine the annual short term and long term incentive components;
7. To exercise oversight of management's preparation of the annual remuneration report for inclusion in the Company's annual report;
8. To consider whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees;
9. To consider any other matters referred to the Committee by the Board.

Where the Committee seeks advice independently of management, the Committee should engage those advisers directly and request that any advice be provided directly to the Committee (or Chairman of the Committee).

Membership

The Committee is comprised of:

- a. A majority of independent directors;
- b. Only Non-Executive Directors;
- c. At least three members.

The Committee is chaired by an independent Director.

Reporting Lines

The Compensation and Remuneration Committee reports to the Board of Directors.

Meetings

The Committee is to meet as required by the Committee Chairman, although it is intended that the Committee meet no less than twice each year. Committee members may attend meetings in person or by **Remote Communication, Teleconferencing, Videoconferencing, Computer Conferencing** or **Audio Conferencing**, provided that reasonable efforts are made to have all members of the Committee participate.

At a meeting of the Committee the number of Committee members whose presence is necessary to constitute a quorum is two. In the absence of the Chair, one of the Committee Members, either nominated by the Chair, or elected by the Committee, will act as the Committee Chair for that meeting. The Corporate Secretary will act as secretary to the Committee, unless otherwise determined by the Committee. The Chairman of the Committee, or a delegate, will report to the Board following each meeting of the Committee and a copy of the minutes of each meeting of the Committee will be made available to all members of the Board subsequent to each meeting.

The Committee Chairman may also invite such other parties to attend meetings as deemed appropriate, including the Managing Director and the Chief Operating Officer; however, such persons must not be present at meetings or participate in any decisions in relation to their own remuneration or specific remuneration policies applicable to them.

Review and self-assessment

The Committee will regularly assess its effectiveness with a view to ensuring that its performance is in accordance with best practice. The Committee’s Charter will be reviewed and updated at least once each year, and the Chairman of the Committee will, following such review, either confirm the appropriateness of the Charter to the Board or recommend any amendments deemed desirable to the Board for approval.

