

MANAGEMENT RESOURCES COMMITTEE MANDATE

SAGEN MI CANADA INC. and SAGEN MORTGAGE INSURANCE COMPANY CANADA (collectively the “Company”)

1. Purpose And Scope

The Management Resources Committees (the “Committees”) of the Board of Directors of Sagen MI Canada Inc. (“MIC”) and the Board of Directors of Sagen Mortgage Insurance Company Canada (“SMICC”) (collectively the “Board”) (shall exercise the responsibilities and duties set forth below, including but not limited to, the strategic oversight of the Company’s human capital including organizational effectiveness, succession planning, alignment of compensation with the Company’s philosophy, risk appetite and programs and making recommendations with respect to all forms of compensation consistent with the overall business objectives of the company as described in Section 4 below, the disclosure of such compensation, to the extent required by applicable law, in the Management Information Circular.

2. Membership

Number

The Committees shall be composed of three or more members of the applicable Board, a majority of which will be independent (as such term is defined by National Instrument 58-101) of the Company.

Composition and Qualifications:

The Committees have a majority of Directors who are independent (as such term is defined by National Instrument 58-101) and who are non-executives of the Company. Member qualifications include executive experience and an understanding of compensation programs and practices.

Chair

Unless a Chair is elected by the applicable Board, the members of the Committees may designate a Chair by majority vote of the full Committees membership.

Term of Members

The members of the Committees shall be appointed annually by the applicable Board. Each member of the Committees shall serve at the pleasure of the respective Board until the member resigns, is removed, or ceases to be a member of the Board.

3. Meetings

Number of Meetings

The Committees shall meet as many times as required to carry out its duties and responsibilities, including in-camera sessions without members of management present.

“In Camera” Meetings of the Committees and Private Meetings with Members of Management

At the beginning and/or end of each regularly scheduled meeting, the Committees will schedule an “*in camera*” meeting without the presence of Management. The Committees may meet in “*in camera*” at its discretion following an ad-hoc meeting.

Following each meeting, the Committees may meet in private with any members of Management required.

Quorum

No business may be transacted by the Committees at a meeting unless a quorum of the Committees is present. A majority of members of the Committees shall constitute a quorum.

Minutes; Reporting to the Board

The Committees shall maintain minutes or other records of meetings and activities of the Committees in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committees, the minutes shall be circulated to the members of the applicable Board. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

Attendance of Non-Members

The Committees may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. The Committees shall have available to it a senior member of the Company’s (or one of the Company’s subsidiary’s) human resources or legal functions, who, at the request of the Committee, may serve as secretary of Committees meetings and assist the Committees in the preparation of its reports.

The Committees shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the Company. The Company shall provide appropriate funding, as determined by the Committees, for the services of these advisors.

Procedure

The procedures for calling, holding, conducting and adjourning meetings of the Committees shall be the same as those applicable to meetings of the respective Board.

4. Duties and Responsibilities

Subject to the powers and duties of the applicable Board, the Board has delegated the following powers and duties to be performed by the Committees on behalf of and for the Board:

(i) CEO Performance, Compensation & Employment Arrangements

The Committees shall:

- (a) Make recommendations to the Board regarding the appointment, assessment, and termination of the Chief Executive Officer’s (“**CEO**”);

- (b) periodically review the job description of the CEO;
- (c) review and approve the long term and annual performance goals and objectives relevant to the CEO compensation;
- (d) evaluate the CEO's performance in light of those corporate goals and objectives, and make recommendations to the Board with respect to the CEO's compensation, including base salary, bonus and long term incentive level based on its evaluation;
- (e) facilitate a CEO evaluation process with the entire Board of Directors;
- (f) review and recommend to the Board the arrangement with the CEO relating to his or her terms of employment;

(ii) Senior Leadership Performance, Compensation & Employment Arrangements

- (g) review the CEO's recommendations to the Committees respecting the appointment, compensation, terms of employment and termination (if applicable) of the senior leadership team who are direct reports to the CEO and senior officers appointed by the Board and, if advisable, approve, with or without modifications, any such appointment, compensation, terms of employment and termination (if applicable);
- (h) evaluate annually the performance, compensation and payout recommendations against pre-established, measurable performance goals and objectives of the senior officers who are direct reports to the CEO;

(iii) Incentive Compensation

- (i) select an appropriate proxy comparator group with which to benchmark compensation positioning and decision making;
- (j) review and approve all short term incentive compensation and recommend to the applicable Board for approval the aggregate short term incentive bonus pool for the Company and its subsidiaries;
- (k) review all incentive compensation in coordination with the Risk and Investment Committee with a view to ensure that the compensation practices do not promote undue risk taking;
- (l) review and approve all long term incentive compensation;
- (m) the Committee of MIC shall administer and interpret the Company's share compensation arrangements and its policies respecting the grant of options and other equity-based compensation or the sale of securities thereunder, and review and recommend for approval of the MIC Board the grant of options and other equity-based compensation thereunder and the terms thereof, and determine any delegation of the ability to make grants of options and other equity-based compensation;
- (n) review on a periodic basis the terms of and experience with the Company's executive compensation programs for the purpose of determining if they are properly co-ordinated and achieving the purpose for which they were designed and administered;

- (o) review the Company's pension and retirement arrangements and executive perquisites in light of the overall compensation policies and objectives of the Company;
- (p) the Committee of SMICC shall approve any changes and updates to the pension and retirement arrangements provided by SMICC;

(iv) Succession Planning and Talent Management

- (q) prepare the succession plan and emergency preparedness plan for the CEO role;
- (r) review and discuss with the CEO the talent management and succession plans for all senior management positions and other vital business positions of the Company;
- (s) the Committee of MIC shall review and approval of any updates to the MIC's Change of Control Plan;

(vi) Disclosure of Compensation Information

- (t) review executive compensation disclosure (in the Management Information Circular) before the issuer publicly discloses this information;
- (u) oversee the Company's compliance with any rules promulgated by a regulatory body prohibiting loans to officers and directors of the Company;
- (v) review the report included in MIC's Management Information Circular to shareholders respecting the process undertaken by the Committees in its review and preparing of a recommendation in respect of the CEO's, Directors and other senior officers who's compensation is disclosed in the Management Information Circular;

(vii) Compensation Policies

- (w) review the Company's methodology, governance practices and policies to ensure their alignment with the Company's overall compensation philosophy; and
- (x) recommend changes to the Board to the compensation philosophy and related methodology, governance practices and policies as it may identify from time to time.

5. Access to Management and Outside Advisors

The Committees shall have unrestricted access to management and employees of the Company. The Committees shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the Company. The Company shall provide appropriate funding, as determined by the Committees, for the services of these advisors.

6. No Rights Created

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the applicable Board assist the Board in directing the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations

and listing requirements, as well as in the context of the Company's articles and by-laws, it is not intended to establish any legally binding obligations.

7. Mandate Review

The Committees shall review and assess the adequacy of this Mandate at least biennially to ensure compliance with any rules of regulations promulgated by any regulatory body and recommend to the respective Board for its approval any modifications to this Mandate as considered.