

Radian Group Inc.

RADIAN

**Charter of the
Compensation and
Human Resources
Committee**

February 2005

Charter of the Compensation and Human Resources Committee

Purpose

The Compensation and Human Resources Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of Radian Group Inc. (the “Company”). The purpose of the Committee is:

1. To provide advice, direction and oversight responsibility for the compensation and human resources programs, processes and functions of the Company;
2. To develop and endorse a compensation philosophy that provides competitive pay, which is linked with performance and is consistent with the Company’s strategies;
3. To discharge the responsibilities of the Board as specified in this Charter relating to compensation, benefits, and human resources programs for Company employees;
4. To recommend for approval by the Board compensation, benefits and human resources programs for the CEO and all other employees constituting officers under Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (“Section 16 Officers”);
5. To assist the Board in establishing appropriate incentive compensation and equity-based plans and to administer such plans in order to attract, retain and motivate skilled and talented executives and to align such plans with Company and business unit performance, business strategies and growth in shareholder value;
6. To produce an annual report on executive compensation for inclusion in the Company’s proxy statement, in accordance with applicable rules and regulations;
7. To assess and review the Company’s management development and management succession plans and to assist the Board in CEO succession planning; and
8. To perform such other duties and responsibilities enumerated in this Charter and those delegated by the Board from time to time.

Composition

The Committee shall comprise at least three members of the Board, as shall be determined from time to time by the Board. The members of the Committee and the Committee chair shall be appointed by the Board upon the recommendation of the Governance Committee of the Board. Each member of the Committee shall serve a one year term, a year being defined as the period from one shareholder meeting to the next. The Committee shall meet at least three times per year. No more than one Committee member may be absent from a planned meeting in order for there to be a quorum and for the meeting to take place.

Each member shall qualify as independent as defined in the Company's Guidelines of Corporate Governance. In addition, each member shall qualify as an "outside director" as such term is defined in section 162(m) of the Internal Revenue Code of 1986 (as amended), as a "non-employee director" as such term is defined in section 16 of the Securities Exchange Act of 1934, and as "independent" as such term is defined by the listing standards of the New York Stock Exchange ("NYSE") and the rules of the Securities and Exchange Commission. Each member of the Committee shall be literate in compensation-related matters, as determined by the Board in its business judgment.

Responsibilities and Authority

The Committee has the following responsibilities and authority:

1. Executive and Board Compensation and Performance Evaluation

The Committee shall:

- a) Establish a process, in conjunction with the Governance Committee, to obtain an evaluation from all independent directors of the Chief Executive Officer's ("CEO") performance;
- b) Review and approve corporate goals and objectives relevant to the compensation of the CEO;
- c) Evaluate the CEO's performance in light of such goals and objectives at least annually and communicate the results to the CEO and the Board;
- d) Recommend the CEO's compensation levels based on the evaluation in (c) above (including annual salary, bonus, equity-based compensation and other direct and indirect benefits) for approval by the independent directors;

- e) Consider, among other items, the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies and the compensation provided to the Company's CEO and other executive officers in the past in determining the long-term incentive component of the CEO's compensation;
- f) Recommend compensation for all of the Company's Section 16 Officers below the level of CEO for approval by the Board;
- g) Review and recommend new executive compensation programs that are subject to Board approval;
- h) Monitor executive compensation programs to determine whether they are properly coordinated and achieving their intended purpose;
- i) Establish and periodically review policies for the administration of executive compensation programs;
- j) Modify, as necessary, any executive compensation program that yields payments and benefits that are not reasonably related to executive and corporate performance or not competitive with programs of peer businesses;
- k) Recommend to the Board new and amended employment and severance agreements for executives;
- l) Review the impact of change-in-control transactions, spin-offs, etc., on compensation plans and recommend changes, if any, to the Board for approval;
- m) Recommend to the Board the appointment of officers to receive the title of Senior Vice President or above;
- n) Conduct an annual performance evaluation of the Committee;
- o) Make recommendations to the Board regarding changes in the structure and amount of Board compensation, including cash and equity based retainers and meeting fees for regular Board meetings and Committee meetings;
- p) Produce the annual report on executive compensation for the Company's proxy statement; and
- q) The Committee shall perform such other activities and functions related to executive compensation and human resources as may be assigned from time

to time by the Board, including, preparing or commissioning reports or other disclosure required with respect to the Committee by any applicable proxy or other rules of the Securities and Exchange Commission or any applicable listing standards.

2. Executive and Director Compensation Plan Administration and Compliance

The Committee shall:

- a) Administer the executive compensation plans, including stock option and other non-qualified deferred compensation plans, of the Company in accordance with the terms of such plans;
- b) Recommend new incentive-compensation plans and plan documents and equity-based plans and plan documents to the Board, including material changes to existing equity-based plans;
- c) Recommend material additions or amendments to existing benefit plans and plan documents to the Board;
- d) Provide necessary determinations in connection with executive compensation to qualify for tax deductions in excess of limitations under applicable regulations, including section 162(m) of the Internal Revenue Code;
- e) Have sole authority, at the Company's expense, to engage and terminate consulting firms and legal counsel, as the Committee deems advisable, to advise with respect to executive compensation and human resources matters, including the sole authority to approve the firm's fees and other engagement terms; and
- f) Provide necessary approval to qualify for exemptions as may be established by the Securities and Exchange Commission under section 16 of the Securities Exchange Act of 1934.

3. Human Resources Programs and Processes

The Committee shall:

- a) Receive periodic reports from management on human resources programs and processes, including but not limited to management succession, employee training and development, workforce planning and recruitment, work life issues, etc.;
- b) Receive timely notification of employee relations complaints or Code of Conduct investigations; and
- c) Have the ability to direct management to conduct a review of the effectiveness of human resources programs such as broad-based employee benefit plans or those programs covered in (a) above.

4. In discharging the above duties, the Committee shall be guided by the following principles:

- a) The Committee shall report regularly to the Board concerning its activities;
- b) The Committee shall ensure the minutes of each meeting be kept and filed with the minutes of the Company; and
- c) The Committee shall hold regular executive sessions.

Amendment

This Charter and any provision contained herein may be amended or repealed by the Board.

Approved February 8, 2005