

Essent Group Ltd.  
Form DEF 14A  
April 03, 2017

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No.       )

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material under §240.14a-12

Essent Group Ltd.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:



Clarendon House  
2 Church Street  
Hamilton HM11, Bermuda

April 3, 2017

Dear Shareholder:

You are cordially invited to attend the Annual General Meeting of Shareholders of Essent Group Ltd. to be held at 8:00 a.m. Atlantic Daylight Time on Wednesday, May 3, 2017, at the Fairmont Southampton Hotel, 101 South Shore Road, Southampton SN02, Bermuda.

This Proxy Statement provides you with detailed information regarding the business to be considered at the meeting. Please read it carefully.

Only holders of record of our common shares at the close of business on March 17, 2017 are entitled to vote at the 2017 Annual General Meeting of Shareholders or at any adjournment or postponement of the meeting.

Your vote is important to us. To ensure that your shares are represented at the meeting, whether or not you plan to attend the 2017 Annual General Meeting of Shareholders in person, we encourage you to vote your shares electronically via the Internet, by telephone or, if you receive a paper copy of the proxy materials, by signing, dating and completing the accompanying proxy card in the enclosed postage-paid envelope. Voting electronically via the Internet, by telephone, or by returning your proxy card in advance of the meeting does not deprive you of your right to attend the meeting. If you attend the meeting, you may vote your shares in person, even if you have previously submitted a proxy in writing, by telephone or via the Internet. Our Proxy Statement includes additional instructions on voting procedures for shareholders whose shares are held by a brokerage firm or other custodian.

Thank you for your continued support of Essent.

Sincerely,

Mark A. Casale  
Chairman of the Board of Directors,  
Chief Executive Officer and President

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Clarendon House  
2 Church Street  
Hamilton HM11, Bermuda

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**  
to be held on May 3, 2017

<b>TIME AND DATE</b>	8:00 a.m. Atlantic Daylight Time on Wednesday, May 3, 2017.
<b>PLACE</b>	Fairmont Southampton Hotel located at 101 South Shore Road, Southampton SN02, Bermuda.
<b>ITEMS OF BUSINESS</b>	<ol style="list-style-type: none"><li>(1) Election of three Class III directors to serve through the 2020 Annual General Meeting of Shareholders; Re-appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2017 and until our 2018 Annual General Meeting of</li><li>(2) Shareholders, and referral of the determination of the auditors' compensation to the board of directors;</li><li>(3) A non-binding, advisory vote to approve the 2016 compensation of our named executive officers;</li><li>(4) Approval of the Essent Group Ltd. Annual Incentive Plan;</li><li>(5) Approval of the Essent Group Ltd. 2013 Long-Term Incentive Plan, as amended and restated; and</li><li>(6) Any other business that may properly come before the meeting.</li></ol>
<b>RECORD DATE</b>	In order to vote, you must have been a shareholder at the close of business on March 17, 2017.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 3, 2017:** The Notice of Annual General Meeting of Shareholders, Proxy Statement and 2016 Annual Report to Shareholders are available at [www.essentgroup.com](http://www.essentgroup.com). These documents are first being mailed to shareholders on or about April 3, 2017. Our 2016 Annual Report to Shareholders, including our Annual Report on Form 10-K for the year ended December 31, 2016, is not part of the proxy soliciting material.

By order of the Board of Directors,

Conyers Corporate Services (Bermuda) Limited  
Secretary

TABLE OF CONTENTS	
<u>FREQUENTLY ASKED QUESTIONS</u>	<u>1</u>
<u>BOARD OF DIRECTORS</u>	<u>6</u>
<u>CORPORATE GOVERNANCE</u>	<u>9</u>
<u>EXECUTIVE OFFICERS AND EXECUTIVE COMPENSATION</u>	<u>16</u>
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	<u>41</u>
<u>SECURITIES OWNERSHIP</u>	<u>43</u>
<u>PROPOSAL NO. 1: ELECTION OF DIRECTORS</u>	<u>46</u>
<u>PROPOSAL NO. 2: RE-APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM AND REFERRAL OF THE DETERMINATION OF THE AUDITORS' COMPENSATION TO THE BOARD OF DIRECTORS</u>	<u>47</u>
<u>PROPOSAL NO. 3: ADVISORY VOTE ON EXECUTIVE COMPENSATION</u>	<u>49</u>
<u>PROPOSAL NO. 4: APPROVAL OF ESSENT GROUP LTD. ANNUAL INCENTIVE PLAN</u>	<u>50</u>
<u>PROPOSAL NO. 5: APPROVAL OF ESSENT GROUP LTD. 2013 LONG-TERM INCENTIVE PLAN, AS AMENDED AND RESTATED</u>	<u>53</u>
<u>ADDITIONAL INFORMATION</u>	<u>65</u>
<u>APPENDIX A - ESSENT GROUP LTD. ANNUAL INCENTIVE PLAN</u>	<u>A-1</u>
<u>APPENDIX B - ESSENT GROUP LTD. 2013 LONG-TERM INCENTIVE PLAN, AS AMENDED AND RESTATED</u>	<u>B-1</u>

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ESSENT GROUP LTD.  
CLARENDON HOUSE  
2 CHURCH STREET  
HAMILTON, HM11, BERMUDA  
(441) 297-9901

PROXY STATEMENT  
DATED APRIL 3, 2017

FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS  
to be held on May 3, 2017

We are providing these proxy materials to you in connection with our 2017 Annual General Meeting of Shareholders, which we refer to in this proxy statement as the Annual Meeting. The Annual Meeting will be held at the Fairmont Southampton Hotel, 101 South Shore Road, Southampton SN02, Bermuda, on Wednesday, May 3, 2017 at 8:00 a.m. Atlantic Daylight Time. This proxy statement and our 2016 Annual Report to Shareholders, which includes our Annual Report on Form 10-K for the year ended December 31, 2016, are being made available to our shareholders beginning on or about April 3, 2017. This proxy statement contains important information for you to consider when deciding how to vote on the matters brought before the Annual Meeting. Please read it carefully.

FREQUENTLY ASKED QUESTIONS

Where and when will the meeting take place?

The Annual Meeting will be held at 8:00 a.m. Atlantic Daylight Time on Wednesday, May 3, 2017 at the Fairmont Southampton Hotel, 101 South Shore Road, Southampton SN02, Bermuda.

What is the purpose of the Annual Meeting and these materials?

We are providing these proxy materials in connection with the solicitation by our board of directors of matters to be voted on at the Annual Meeting and any adjournments or postponements of the meeting.

At the Annual Meeting, you will be asked to vote on the following matters:

the election of three Class III directors to serve through the 2020 Annual General Meeting of Shareholders;

the re-appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2017 and until our 2018 Annual General Meeting of Shareholders, and the referral of the determination of the auditors' compensation to our board of directors;

a non-binding, advisory vote to approve the 2016 compensation of our named executive officers;

approval of the Essent Group Ltd. Annual Incentive Plan;

approval of the Essent Group Ltd. 2013 Long-Term Incentive Plan, as amended and restated; and

any other business that may properly come before the meeting and any adjournments or postponements thereof.

What is the board of directors' recommendations?

Our board of directors recommends a vote:

FOR the election of each of Mark A. Casale, Douglas J. Pauls and William Spiegel to serve as Class III directors through the 2020 Annual General Meeting of Shareholders;

FOR the re-appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2017 and until our 2018 Annual General Meeting of Shareholders, and the referral of the determination of the auditors' compensation to our board of directors;

FOR the approval, on a non-binding, advisory basis, of the 2016 compensation of our named executive officers;

1

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FOR the approval of the Essent Group Ltd. Annual Incentive Plan; and

FOR the approval of the Essent Group Ltd. 2013 Long-Term Incentive Plan, as amended and restated.

Who is entitled to vote at the Annual Meeting?

Our board of directors has set March 17, 2017 as the record date for the Annual Meeting. All shareholders who owned common shares at the close of business on March 17, 2017 may vote at the Annual Meeting, either in person or by proxy. As of the record date, there were 93,376,963 common shares outstanding and entitled to vote.

How many votes do I have?

You have one vote for each common share that you owned at the close of business on the record date, provided that on the record date those shares were either held directly in your name as the shareholder of record or were held for you as the beneficial owner through a broker, bank or other intermediary. There is no cumulative voting.

What is the difference between holding shares as a shareholder of record and as a beneficial owner?

Many of our shareholders hold their shares through a broker, bank or other intermediary rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

**Shareholder of Record.** If your shares are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, LLC, you are considered to be the shareholder of record with respect to those shares, and these proxy materials are being sent directly to you by us. As a shareholder of record, you have the right to grant your voting proxy directly to us or to vote in person at the Annual Meeting. We have enclosed a proxy card for you to use.

**Beneficial Owner.** If your shares are held in a stock brokerage account or by a bank or other intermediary, you are considered to be the beneficial owner of shares held in "street name," and this proxy statement and the accompanying materials are being forwarded to you by your broker, bank or other intermediary, which is considered to be the shareholder of record with respect to those shares. As a beneficial owner, you have the right to direct your broker, bank or other intermediary on how to vote and are also invited to attend the Annual Meeting. Your broker, bank or other intermediary has enclosed a voting instruction card for you to use in directing the broker, bank or other intermediary regarding how to vote your shares. However, since you are not the shareholder of record, you may not vote these shares in person at the Annual Meeting unless you obtain a proxy, executed in your favor, from the holder of record of such shares.

What if I don't vote for some of the items listed on my proxy card or voting instruction card?

If you are a record holder and return your signed proxy card in the enclosed envelope but do not mark selections, your shares will be voted in accordance with the recommendations of our board of directors. If you indicate a choice with respect to any matter to be acted upon on your proxy card, your shares will be voted in accordance with your instructions.

If you are a beneficial owner and hold your shares in street name through a broker and do not give voting instructions to the broker, the broker will determine if it has the discretionary authority to vote on the particular matter. Under the applicable rules, brokers have the discretion to vote on routine matters, such as the selection of accounting firms, but do not have discretion to vote on non-routine matters, including the uncontested election of directors. As a result, if you are a beneficial owner and hold your shares in street name but do not give your broker or other nominee instructions on how to vote your shares with respect to the election of directors, no votes will be cast on your behalf with respect to the election of directors.

If you do not provide voting instructions to your broker and your broker indicates on its proxy card that it does not have discretionary authority to vote on a particular proposal, your shares will be considered to be "broker non-votes" with regard to that matter. Proxy cards that reflect a broker non-vote with respect to at least one proposal to be considered at the Annual Meeting (so long as they do not apply to all proposals to be considered) will be considered to be represented for purposes of determining a quorum but will not otherwise be counted.

We encourage you to provide voting instructions to your broker by carefully following in the instructions provided by your broker.

What options are available to me to vote my shares?



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Whether you hold shares directly as the shareholder of record or through a bank, broker or other intermediary, your shares may be voted at the Annual Meeting by following any of the voting options available to you below:

You may vote via the Internet. You may submit your proxy or voting instructions over the Internet by following the instructions on the proxy card or voting instruction form.

You may vote via the telephone.

If you are a shareholder of record, you can submit your proxy by calling the telephone number specified on the paper copy of the proxy card that you received with the proxy materials. You must have the control number that appears on your proxy card available when submitting your proxy over the telephone.

Most shareholders who hold their shares in street name may submit voting instructions by calling the number specified on the paper copy of the voting instruction form provided by their bank, broker or other intermediary. Those shareholders should check the voting instruction form for telephone voting availability.

You may vote by mail. You can submit your proxy or voting instructions by completing and signing the separate proxy card or voting instruction form you received and mailing it in the accompanying prepaid and addressed envelope.

You may vote in person at the Annual Meeting. All shareholders of record may vote in person at the Annual Meeting. Written ballots will be passed out to anyone who wants to vote at the Annual Meeting. However, if you are the beneficial owner of shares held in street name through a bank, broker or other intermediary, you may not vote your shares at the Annual Meeting unless you obtain a "legal proxy" from the bank, broker or intermediary that holds your shares, giving you the right to vote the shares at the Annual Meeting.

Even if you plan to attend the Annual Meeting, we recommend that you submit your proxy or voting instructions in advance to authorize the voting of your shares at the Annual Meeting to ensure that your vote will be counted if you later are unable to attend.

How many votes must be present to hold the Annual Meeting?

The presence of two persons in person and throughout the meeting representing, in person or by proxy, more than a majority of the common shares outstanding and entitled to vote on the matters to be considered at the Annual Meeting, is required for the transaction of business at the Annual Meeting. This is called a "quorum." Your shares will be counted as being present at the Annual Meeting if either you are present and vote in person at the Annual Meeting or a proxy card has been properly submitted by you or on your behalf and such proxy card indicates a vote on at least one matter to be considered at the Annual Meeting. Both abstentions and "broker non-votes" (under certain circumstances described below) are counted as being present for the purpose of determining the presence of a quorum. If a quorum is not present by attendance at the Annual Meeting or represented by proxy, the meeting will be adjourned to the same date one week later, at the same time and place, or to such other date, time and place as the Secretary may determine. If a new record date is fixed for the adjourned meeting, we will provide notice of the adjourned meeting to each shareholder of record entitled to vote at the meeting.

What is the vote required to pass each proposal to be presented at the Annual Meeting?

Each proposal or matter voted on at the Annual Meeting will be decided by a simple majority of votes cast on such proposal or matter.

With respect to the election of directors, you may vote "For" all nominees, "Withhold" your vote as to any or all of the nominees, or vote "For" some but not all of the nominees and "Withhold" your vote for the remaining nominee(s). A properly executed proxy marked "Withhold" with respect to the election of any or all of the directors will not be voted with respect to the director or directors indicated. With respect to the election of directors, proxies may not be voted for more than three nominees. Shareholders may not cumulate votes in the election of directors.

With respect to the selection of our auditor and the non-binding, advisory vote on the compensation of our named executive officers, the vote on the Essent Group Ltd. Annual Incentive Plan, and the vote on the Essent Group Ltd. 2013 Long-Term Incentive Plan, as amended and restated, you may vote "For", "Against" or "Abstain". If you "Abstain" from voting on the selection of our auditor or the non-binding, advisory vote on the compensation of our named executive officers, the abstention will have no effect on the vote for such matter.

What does it mean if I receive more than one set of proxy materials?

Generally, it means that you hold common shares registered in more than one account. To ensure that all of your shares are voted, please vote in the manner described above with respect to each proxy card or voting instruction card accompanying the proxy materials.

Can I change or revoke my vote after I return my proxy card or voting instruction card?

Yes. Any shareholder of record has the power to change or revoke a previously submitted proxy at any time before it is voted at the Annual Meeting by:

3

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submitting to our Secretary, before the voting at the Annual Meeting, a written notice of revocation bearing a later date than the proxy;

timely delivery of a valid, later-dated proxy (only the last proxy submitted by a shareholder by Internet, telephone or mail will be counted); or

attending the Annual Meeting and voting in person (provided that attendance at the Annual Meeting will not by itself constitute a revocation of a proxy).

For shares held in street name, you may revoke any previous voting instructions by submitting new voting instructions to the bank, broker or other intermediary holding your shares by the deadline for voting specified in the voting instructions provided by your bank, broker or other intermediary. Alternatively, if your shares are held in street name and you have obtained a legal proxy from the bank, broker or other intermediary giving you the right to vote the shares at the Annual Meeting, you may revoke any previous voting instructions by attending the Annual Meeting and voting in person.

How can I attend the Annual Meeting?

The Annual Meeting is open to all shareholders holding common shares as of the record date.

If you are a shareholder of record, you will have to present valid picture identification. If you are a beneficial owner, you will need to obtain a legal proxy from your bank or broker. This legal proxy will serve as an admission ticket and authorize you to vote your common shares (or to change your vote) at the Annual Meeting. You will also be required to present valid picture identification.

Shareholders who do not have valid picture identification and a legal proxy (if required) may not be admitted to the Annual Meeting.

Admission to the Annual Meeting will begin at 7:30 a.m. Atlantic Daylight Time on Wednesday, May 3, 2017. Seating will be limited. In order to ensure that you are seated by the commencement of the Annual Meeting at 8:00 a.m., we recommend that you arrive early. The Annual Meeting will be held at the Fairmont Southampton Hotel located at 101 South Shore Road, Southampton SN02, Bermuda. When you arrive, signs will direct you to the appropriate meeting room. Please note that due to security reasons, all bags will be subject to search. We will be unable to admit anyone who does not comply with these security procedures. Cameras and other recording devices will not be permitted in the meeting room.

We encourage all shareholders, even those who plan to attend the Annual Meeting, to vote in advance. If you intend to vote at the Annual Meeting, you must provide our Secretary with oral or written notice either at or prior to the meeting.

What is a proxy? How do I appoint a proxy and instruct that individual how to vote on my behalf?

A proxy is your legal designation of another person to vote on your behalf the common shares that you hold.

You can appoint the proxies recommended by our board of directors (i.e., Mark A. Casale and Lawrence E. McAlee; see "What does solicitation of proxies mean?" below) to vote on your behalf, and give those individuals voting instructions by following the directions on the proxy card.

If you are a shareholder of record, you may also appoint another individual to represent you at the Annual Meeting by notifying our Secretary in writing before the Annual Meeting begins. Your appointed proxy must provide valid picture identification to be admitted to the Annual Meeting.

If you are a beneficial owner, please contact the broker that holds your common shares if you intend to appoint a proxy that is different from those recommended by our board of directors.

What does solicitation of proxies mean?

In a solicitation of proxies, one party (in this case, our board of directors) encourages shareholders to appoint one or more particular individuals (in this case, Mark A. Casale, our Chairman of the Board of Directors, Chief Executive Officer and President, and Lawrence E. McAlee, our Senior Vice President and Chief Financial Officer) to vote on their behalf (i.e., to vote as their proxy in accordance with their instructions).

We will bear the expense of printing and mailing proxy materials. In addition to this solicitation of proxies by mail, our directors, officers and other employees may solicit proxies by personal interview, telephone, facsimile or e-mail.

They will not be paid any additional compensation for such solicitation. We will request brokers and intermediaries who hold our common shares in their names to furnish proxy materials to beneficial owners of the shares. We will reimburse such brokers and intermediaries for their reasonable expenses incurred in forwarding solicitation materials to such beneficial owners.

Beneficial owners will be asked to forward the proxy materials to the broker that holds their common shares. That entity will be reimbursed for its reasonable expenses incurred in connection with distributing and collecting proxy materials.

What else will happen at the Annual Meeting?

At the Annual Meeting, the only item currently on the agenda, other than the election of directors, the re-appointment of our independent registered public accounting firm, consideration of the 2016 compensation of our named executive officers, approval of the Essent Group Ltd. Annual Incentive Plan and approval of the Essent Group Ltd. 2013 Long-Term Incentive Plan, as amended and restated, is for the shareholders to receive our financial statements and the report of our independent registered public accounting firm thereon for the year ended December 31, 2016.

How can I access Essent Group Ltd.'s proxy materials and annual report electronically?

This proxy statement and our 2016 Annual Report to Shareholders, including our Annual Report on Form 10-K for the year ended December 31, 2016, are available on our website at [www.essentgroup.com](http://www.essentgroup.com).

How do I find out the voting results?

Preliminary voting results will be announced at the Annual Meeting, and final voting results will be filed with the SEC within 4 business days following the Annual Meeting.

**BOARD OF DIRECTORS****General**

Our board of directors is composed of nine directors. Our Bye-laws provide that our directors be divided into three classes consisting, as nearly as possible, of one-third of the total number of directors constituting the entire board. Our directors hold office until their successors have been elected and qualified, or the earlier of their death, resignation or removal. Vacancies on the board of directors may be filled by the shareholders or by the board of directors. A vacancy caused by the loss of the Pine Brook designee, as described in more detail below, will be filled at the direction of Pine Brook. Our system of electing and removing directors may delay or prevent a change of our management or a change in control of our Company.

In addition to the information presented below regarding each director's specific experiences, qualifications, attributes and skills, we believe that all of our directors have a reputation for integrity and adherence to high ethical standards. Each of our directors has demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to us and our board. There are no family relationships among any of our directors or executive officers.

**Nominees for Election as Class III Directors for a Three Year Term Continuing Until the 2020 Annual General Meeting of Shareholders**

The following table identifies the members of our board of directors nominated for election at the Annual Meeting as Class III directors to serve through the 2020 Annual General Meeting of Shareholders or until his successor is duly elected and qualified:

Name	Age	Position
Mark A. Casale	52	Chairman of the Board of Directors, Chief Executive Officer and President
Douglas J. Pauls	58	Director
William Spiegel	54	Director

The nominees for election as Class III directors were recommended for nomination to our board of directors by the nominating and corporate governance committee. Unless otherwise specified in the accompanying proxy, the shares voted pursuant thereto will be cast for each of Mark A. Casale, Douglas J. Pauls and William Spiegel to serve as Class III directors through the 2020 Annual General Meeting of Shareholders. If, for any reason, any nominee is unable or unwilling to serve, the persons named in the proxy will use their best judgment in selecting and voting for a substitute candidate or our board of directors may reduce the number of directors. Our board of directors, however, has no reason to believe that any of the nominees will be unable or unwilling to be a candidate for election at the time of the Annual Meeting.

Pine Brook has designated William Spiegel as the Pine Brook designee under a shareholders agreement, and accordingly Mr. Spiegel has been nominated for re-election at the Annual Meeting to the board of director as a Class III director to serve until the 2020 Annual General Meeting of Shareholders. See "—Voting Arrangements" below. The following biographical information is furnished as to each nominee for election as a director at the Annual Meeting:

Mark A. Casale is our founder and has served as our Chief Executive Officer and as a member of our board of directors since 2008, including as its Chairman since 2013. Mr. Casale has more than 25 years of financial services management experience, with senior roles in the areas of mortgage banking, mortgage insurance, bond insurance and capital markets. From 2001 to 2007, Mr. Casale held various senior management positions with Radian Group Inc., including most recently serving as the president of its mortgage insurance subsidiary, Radian Guaranty Inc. Prior to that, Mr. Casale oversaw capital markets and strategic investments for Radian and managed its joint venture businesses. Mr. Casale also held various management positions with Advanta Corp., a financial services company, including serving as its senior vice president of corporate finance services. Mr. Casale holds a BS in accounting from St. Joseph's University and an MBA in finance from New York University. Mr. Casale current serves on the Board of Trustees of St. Joseph's University. We believe that Mr. Casale is qualified to serve on our board of directors because of his experience in the mortgage and mortgage insurance industries as well as his extensive knowledge of our operations.

Douglas J. Pauls has served as a member of our board of directors since December 2013. Mr. Pauls has over 30 years of experience in the areas of finance, accounting, internal controls, and financial reporting for public companies, including most recently senior roles with financial institutions. Mr. Pauls served as chief financial officer of BankUnited, Inc., a bank holding company, from 2009 until his retirement in 2013. From 2008 until 2009, Mr. Pauls served as executive vice president of finance for TD Bank, NA following TD Bank's acquisition of Commerce Bancorp, Inc. in March 2008. Prior to that, Mr. Pauls held several positions with Commerce, including serving as its chief financial officer from 2002 until its acquisition by TD Bank and its chief accounting officer from 1995 to 2002. Earlier in his career, Mr. Pauls was a senior manager in the audit



department of Ernst & Young in Philadelphia and Pittsburgh, Pennsylvania. He is currently a director of BankUnited, Inc. Mr. Pauls holds a BA in economics from Dickinson College and serves on Dickinson's Board of Trustees. We believe that Mr. Pauls is qualified to serve on our board of directors because of his more than 30 years of experience as a corporate executive and his experience as a chief financial officer of publicly traded companies.

William Spiegel has served as a member of our board of directors since 2008. Mr. Spiegel is co-president and a founding partner of Pine Brook Road Partners, LLC, an investment firm, where he is responsible for managing its financial services investing activities. He is also a member of Pine Brook's investment committee. Mr. Spiegel currently represents Pine Brook as a director of Aurigen Capital Limited, Fair Square Financial Holdings LLC, Fidelis Insurance Holdings Limited, Global Atlantic Financial Group, Syndicate Holding Corp and Tunbridge Partners LLC. Mr. Spiegel has over 27 years of private equity investment experience. Prior to joining Pine Brook, Mr. Spiegel was with The Cypress Group from its inception in 1994 until 2006. Prior to joining The Cypress Group, Mr. Spiegel worked in the Merchant Banking Group at Lehman Brothers. He has served on the board of directors of numerous companies, including seven publicly traded corporations. Mr. Spiegel holds a BSc in economics from The London School of Economics and Political Science, an MA in economics from the University of Western Ontario and an MBA from The University of Chicago. Mr. Spiegel is currently a member of The University of Chicago Polsky Center for Entrepreneurship and Innovation Advisory Board and the Private Equity Counsel. We believe that Mr. Spiegel is qualified to serve on our board of directors because of his experience in private equity fund management and his financial expertise, as well as his experience as a director of public and private companies.

#### Directors Whose Terms Do Not Expire at the Annual Meeting

The following table sets forth information with respect to the remaining members of our board of directors:

Name	Age	Position	Annual Meeting at Which Term Expires
Aditya Dutt	41	Director	2018
Roy J. Kasmar	61	Director	2018
Andrew Turnbull	48	Director	2018
Robert Glanville	50	Director	2019
Allan Levine	48	Director	2019
Adolfo F. Marzol	56	Director and Senior Policy Advisor on Housing Finance	2019

The following biographical information is furnished as to each of the remaining members of our board of directors:

Aditya Dutt has served as a member of our board of directors since 2010. Mr. Dutt currently serves as the senior vice president and corporate treasurer of RenaissanceRe Holdings Ltd., a reinsurance company, president of Renaissance Underwriting Managers, Ltd. and a member of RenaissanceRe's executive committee. Mr. Dutt's responsibilities include managing all of RenaissanceRe's strategic investments, insurance-linked securities investments and catastrophic reinsurance joint ventures, including Da Vinci Re, Top Layer Re, Upsilon Fund and Medici Fund. Prior to joining RenaissanceRe in 2008, Mr. Dutt served as executive director in Morgan Stanley's investment banking division in New York and Hong Kong, responsible for executing strategic transactions including mergers, acquisitions, divestitures and capital-raising for the insurance and reinsurance industry. Prior to Morgan Stanley, Mr. Dutt worked at Salomon Brothers in the corporate finance and fixed income departments in Hong Kong. Mr. Dutt holds a BA in mathematics from Dartmouth College. We believe that Mr. Dutt is qualified to serve on our board of directors because of his experience in the insurance and reinsurance industry.

Roy J. Kasmar has served as a member of our board of directors since the consummation of our initial public offering in November 2013. Mr. Kasmar has been a member of the board of directors of our mortgage insurance subsidiary, Essent Guaranty, Inc., since 2012. Mr. Kasmar is currently the president of Kazmar Co. LLC, which provides advisory services to the mortgage and mortgage insurance industry. Mr. Kasmar has over 30 years of experience in the mortgage and mortgage insurance industry. Prior to forming Kazmar Co. LLC, Mr. Kasmar served as the president of Radian Group Inc. and Radian Guaranty Inc., a private mortgage insurer, from 1999 to 2007. Prior to joining Radian, Mr. Kasmar served as the president and chief operating officer of Amerin Guaranty Corporation, a mortgage insurer, from 1996 to 1999. Additionally, Mr. Kasmar has held senior management positions with Prudential Home Mortgage,

First Boston Capital Group and Chase Home Mortgage. Mr. Kasmar holds a BS in economics and business administration from Drury College and an MBA in finance from Fairleigh Dickinson University. We believe that Mr. Kasmar is qualified to serve on our board of directors because of his experience in the mortgage and mortgage insurance industries, including his prior role as president of Radian Group Inc. and Radian Guaranty Inc.

Andrew Turnbull has served as a member of our board of directors since 2013. Mr. Turnbull has over 25 years of insurance and reinsurance experience, including the underwriting, pricing and risk management of alternative risk transfer products and derivatives. Mr. Turnbull has served as a consultant to Everest Re, a reinsurance company, since 2016. From 2011 to 2015, Mr. Turnbull served as group strategy and business development officer of PartnerRe Ltd., a reinsurance company, and general manager of the group's Bermuda carrier. From 2008 to 2011, Mr. Turnbull held various roles with Torus Insurance Holdings Limited, including serving as group chief actuary. Prior to joining Torus, Mr. Turnbull managed the non-traditional insurance and reinsurance business of XL Capital Ltd., and served as executive vice president of XL Insurance (Bermuda) Ltd and XL Re Ltd. He holds a joint BSc (Hons) degree in mathematics and statistics from the University of Edinburgh and is a Fellow of the Casualty Actuarial Society, the Society of Actuaries, the Institute and Faculty of Actuaries and is a member of the American Academy of Actuaries. We believe that Mr. Turnbull is qualified to serve on our board of directors because of his experience in the insurance and reinsurance industry.

Robert Glanville has served as a member of our board of directors since 2008. Mr. Glanville currently serves as the managing member of REG Consulting LLC, a financial advisory business. Mr. Glanville was a founding partner and served as a managing director on the financial services investment team of Pine Brook Road Partners, LLC, an investment firm, from 2006 to 2015. From 2003 to 2006, Mr. Glanville was senior vice president, financial and treasury services for Arch Capital Group, Ltd., an insurance and reinsurance company. From 1999 to 2003, Mr. Glanville was employed by Warburg Pincus, a private equity firm. Before joining Warburg Pincus, Mr. Glanville founded FA Services, an emerging markets financial services and investment boutique based in Moscow. From 1988 to 1992, Mr. Glanville worked in New York and Tokyo for Morgan Stanley, an investment banking firm, specializing in corporate finance and M&A. Mr. Glanville holds an AB in American history from Princeton University. We believe that Mr. Glanville is qualified to serve on our board of directors because of his experience in private equity fund management and his financial expertise, as well as his management experience with financial services and insurance and reinsurance companies.

Allan Levine has served as a member of our board of directors since 2008. Mr. Levine currently is the chairman and chief executive officer of Global Atlantic Financial Group, a global financial services company, formerly the Goldman Sachs Reinsurance Group which he initially joined in 1997. Prior to the spin-off of Global Atlantic from Goldman Sachs in 2013, Mr. Levine was a partner and managing director of Goldman, Sachs & Co. and global head of the Goldman Sachs Reinsurance Group, and prior to assuming that role, was co-head of the firm's strategy group. Mr. Levine holds a BS from Miami University and an MBA from Columbia Business School. We believe that Mr. Levine is qualified to serve on our board of directors because of his extensive experience in the financial services and insurance and reinsurance industries as well as his financial expertise.

Adolfo F. Marzol has served as a member of our board of directors since May 2016 and has served as our Senior Policy Advisor on Housing Finance since September 2016. Previously, Mr. Marzol served as our Executive Vice President and executive Vice Chairman from 2009 until 2015. Mr. Marzol has more than 30 years of experience in the areas of financial management, capital markets, credit risk, operations risk and mortgage servicing. From 2006 to 2009, Mr. Marzol served as a senior advisor to companies in the areas of mortgage risk management, policy and governance as the managing member of Marzol Enterprises, LLC, a consulting business. Mr. Marzol previously held leadership positions at the Federal National Mortgage Association (Fannie Mae) between 1996 and 2006, including serving as its executive vice president and chief credit officer. Prior to that, Mr. Marzol held a series of senior positions with Chase Manhattan Mortgage from 1988 to 1995, including serving as its executive vice president and chief financial officer. Mr. Marzol holds a BS in economics and an MA in finance from the University of Florida. We believe that Mr. Marzol is qualified to serve on our board of directors because of his experience in the mortgage and mortgage insurance industries, including his past service as our Executive Vice President and executive Vice Chairman and his current service as our Senior Policy Advisor for Housing Finance.

#### Voting Arrangements

Upon the consummation of our initial public offering in November 2013, we entered into a shareholders agreement with Essent Intermediate, L.P. and Pine Brook Essent Co-Invest, L.P. (which we refer to collectively as "Pine Brook"), pursuant to which, for so long as Pine Brook holds at least 35% of the common shares held by it at the

consummation of our initial public offering, Pine Brook will have the right to nominate one Class III director (the "Pine Brook designee") to the board of directors at each annual general meeting of shareholders at which the term of the Pine Brook designee expires. In addition, we are required under the shareholders agreement to use commercially reasonable efforts to take all necessary and desirable actions within our control to cause the election, removal and replacement of the Pine Brook designee in accordance with the agreement and applicable law. In the event that the Pine Brook designee ceases to serve on our board of directors, the resulting vacancy may be filled by an individual designated by Pine Brook. See "Certain Relationships and Related Party Transactions—Pine Brook Shareholders Agreement" elsewhere in this proxy statement. Pine Brook has nominated Mr. Spiegel as the Pine Brook designee for election at the Annual Meeting.

## CORPORATE GOVERNANCE

### Our Commitment to Corporate Governance

Our board of directors and management have a strong commitment to effective corporate governance. We believe that we maintain a comprehensive corporate governance framework for our operations which, among other things, takes into account the requirements of the Securities and Exchange Commission (SEC), the New York Stock Exchange (NYSE), the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Wall Street Reform and Consumer Protection Act. The key components of this framework are set forth in:

- our Bye-laws;
- our Corporate Governance Guidelines;
- our Code of Business Conduct and Ethics;
- our Related Party Transaction Policy;
- our Audit Committee Charter;
- our Compensation Committee Charter;
- our Nominating and Corporate Governance Committee Charter; and
- our Risk Committee Charter.

A copy of each of these documents is published on our website at [www.essentgroup.com](http://www.essentgroup.com), except our Bye-laws, which are filed with the SEC and can be found on the SEC's website at [www.sec.gov](http://www.sec.gov). Each of these documents is available in print to any shareholder upon request by writing to our Secretary at Essent Group Ltd., Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. Our board of directors regularly reviews corporate governance developments and modifies our committee charters and key practices and policies as our board believes to be warranted.

### Corporate Governance Guidelines

Our board of directors has adopted Corporate Governance Guidelines that serve as a flexible framework within which our board of directors and its committees operate. These guidelines cover a number of areas including the size and composition of the board, board membership criteria and director qualifications, director responsibilities, board agenda, roles of the chairman of the board and chief executive officer, meetings of independent directors, committee responsibilities and assignments, board member access to management and independent advisors, director communications with third parties, director compensation, director orientation and continuing education, evaluation of senior management and management succession planning.

### Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics includes information regarding procedures established by the audit committee for the submission of complaints about our accounting or auditing matters. Our Code of Business Conduct and Ethics is applicable to our directors, executives and employees, and reflects and reinforces our commitment to integrity in the conduct of our business. Amendments to our Code of Business Conduct and Ethics and any grant of a waiver from a provision of our Code of Business Conduct and Ethics will be included in a current report on Form 8-K within four days of the date of the amendment or waiver, unless posting such information on our website will then satisfy the rules of the NYSE.

Our audit committee, on behalf of itself and our other non-management directors, has established procedures to enable employees or other parties who may have a concern about our conduct or policies to communicate that concern. Our employees are encouraged and expected to report any conduct which they believe in good faith to be an actual or apparent violation of our Code of Business Conduct and Ethics. In addition, our audit committee has established procedures pertaining to receiving, retaining, and treating complaints received regarding accounting, internal accounting controls, or auditing matters, and with respect to the confidential, anonymous submission by our

employees of concerns regarding, among other things, questionable accounting or auditing matters. Such communications may be confidential or anonymous, and may be e-mailed, submitted in writing, or reported by phone through various internal and external mechanisms as provided on the our internal website. Additional procedures by which internal communications may be made are provided to each employee.

Our Code of Business Conduct and Ethics prohibits any employee or director from retaliating or taking any adverse action against anyone for raising or helping to resolve an integrity concern.

#### Board Leadership Structure

Our board of directors does not have a policy regarding the separation of the roles of chief executive officer and chairman of our board of directors, as our board of directors believes it is in our best interests to make that determination based on the position and direction of the Company and the membership of our board of directors. Both the chairman and chief executive officer positions are currently held by Mr. Casale. Pursuant to our Corporate Governance Guidelines, in the event that the role of chairman is held by a member of our management, the independent members of our board of directors may designate one independent director to serve as the lead independent director. Mr. Spiegel currently serves as our lead independent director. Under the terms of our Corporate Governance Guidelines, the lead independent director has broad responsibility and authority, including:

- organizing and presiding over all meetings of our board of directors at which the chairman is not present, including all executive sessions of our non-management and independent directors;

- serving as the liaison between the chairman and the non-management directors;

- overseeing the information sent to our board of directors by management;

- approving meeting agendas and schedules for our board of directors;

- facilitating communication between our board of directors and management; and

- performing such other duties as requested by our board of directors.

Our board of directors has determined that having Mr. Casale serve as both our chief executive officer and the chairman of our board of directors, along with a lead independent director, is in the best interests of the Company and our shareholders at this time.

A number of factors support the leadership structure chosen by our board, including, among others:

Mr. Casale has extensive knowledge of all aspects of us and our business and risks, our industry and our customers, is intimately involved in our day-to-day operations and is best positioned to elevate the most critical business issues for consideration by our board of directors;

- our board of directors believes that having Mr. Casale serve in both capacities allows him to more effectively execute our strategic initiatives and business plans and confront our challenges;

the combined role is both counterbalanced and enhanced by the effective oversight and independence of our board of directors and the independent leadership provided by our lead independent director and independent committee chairs; and

our board of directors believes that the appointment of a strong lead independent director and the use of regular executive sessions of the non-management directors, along with the board's strong committee system and all directors being independent except for Mr. Casale, allow it to maintain effective oversight of management.

#### Determination of Director Independence

Our board of directors has considered whether our directors qualify as "independent" directors in accordance with NYSE listing requirements. The NYSE independence definition include a series of objective tests, such as that the director is not, and has not been for at least three years, one of our employees and that neither the director nor any of his family members has engaged in various types of business dealings with us.

Based upon these standards, our board of directors has determined that only Messrs. Casale and Marzol are not considered to be independent, as each is a current employee of the Company. In making this determination, our board of directors reviewed and discussed information provided by the directors and us with regard to each director's business and personal activities and relationships as they may relate to us and our management.

Meetings and Committees of our Board of Directors

Our board of directors met four times during 2016. Each incumbent director attended at least 75% of the aggregate meetings of our board of directors during 2016 that were held following his election and of the meetings held by all board



committees on which he served. Although we do not have a policy regarding the attendance of our board members at our annual general meetings of shareholders, we encourage all directors to attend our annual general meetings of shareholders. All of our directors at the time of our 2016 Annual General Meeting of Shareholders were present at that meeting.

Our non-management and independent directors also hold regular meetings without our management being present. Our non-management and independent directors held four such meetings in 2016.

Our board of directors maintains standing audit, compensation, nominating and corporate governance, and risk committees. Each committee has a charter that, among other things, reflects what we believe to be the best current practices in corporate governance.

#### Audit Committee

The audit committee has the responsibility for, among other things, assisting the board of directors in reviewing our financial reporting and other internal control processes, our financial statements, the independent auditors' qualifications, independence and compensation, the performance of our internal audit function and independent auditors, and our compliance with legal and regulatory requirements and our Code of Business Conduct and Ethics. Our audit committee consists of Messrs. Pauls, Dutt, Glanville and Turnbull. Mr. Pauls serves as the chairman of the audit committee. Our board of directors has determined that all of the members of the audit committee are independent, and meet the requirements for financial literacy, under applicable rules and regulations of the SEC and the NYSE. Our board of directors has determined that each of Messrs. Pauls and Glanville is an "audit committee financial expert" as defined under the applicable rules of the SEC and has the requisite financial sophistication as defined under the applicable rules and regulations of the NYSE.

The audit committee met four times during 2016.

#### Compensation Committee

The compensation committee has the responsibility for, among other things, determining the compensation of our executive officers and directors, reviewing our executive compensation policies and plans, administering and implementing our equity compensation plans, and preparing a report on executive compensation for inclusion in our proxy statement for our annual meeting.

Our compensation committee consists of Messrs. Kasmar, Levine and Spiegel. Mr. Kasmar serves as the chairman of our compensation committee. Our board of directors has determined that all of the members of the compensation committee are independent under applicable rules and regulations of the SEC and the NYSE. Each of the members of our compensation committee is an "outside director" as that term is defined in Section 162(m) of the Internal Revenue Code.

The compensation committee met four times during 2016.

#### Nominating and Corporate Governance Committee

The nominating and corporate governance committee has the responsibility for, among other things, reviewing board structure, composition and practices, and making recommendations on these matters to our board of directors, reviewing, soliciting and making recommendations to our board of directors and shareholders with respect to candidates for election to the board of directors, overseeing our board of directors' performance and self-evaluation process, and developing and reviewing a set of corporate governance principles for the Company.

Our nominating and corporate governance committee consists of Messrs. Spiegel, Levine and Kasmar. Mr. Spiegel serves as the chairperson of our nominating and corporate governance committee. Our board of directors has determined that all of the members of the nominating and corporate governance committee are independent under applicable rules and regulations of the SEC and the NYSE.

The nominating and corporate governance committee met four times during 2016.

#### Risk Committee

The risk committee has the responsibility for, among other things, assisting with the oversight of key risks that we face and the review of our investing activities.

Our risk committee consists of Messrs. Glanville, Dutt, Pauls and Turnbull. Mr. Glanville serves as the chairman of our risk committee.

The risk committee met four times during 2016.



### Board of Directors' Role in Risk Oversight

Our board of directors as a whole has responsibility for risk oversight, with reviews of certain areas being conducted by the relevant committees of the board that report on their deliberations to the board. The oversight responsibility of our board of directors and its committees is enabled by management reporting processes that are designed to provide visibility to the board about the identification, assessment and management of critical risks and management's risk mitigation strategies. These areas of focus include competitive, economic, operational, financial (accounting, credit, liquidity and tax), legal, regulatory, compliance and reputational risks. Our board of directors and its committees oversee risks associated with their respective principal areas of focus, as summarized below.

Committee	Primary Areas of Risk Oversight
Audit Committee	Risks and exposures associated with financial matters, particularly financial reporting, tax, accounting, disclosures, compliance, internal control over financial reporting, financial policies and credit and liquidity matters and our enterprise risk management program.
Nominating and Corporate Governance Committee	Risks and exposures associated with leadership and succession planning and corporate governance.
Compensation Committee	Risks and exposures associated with executive compensation programs and arrangements, including incentive plans.
Risk Committee	Risks associated with insurance and investment portfolios and investment guidelines, including credit, underwriting, pricing risk, market risk and liquidity risk.

### Director Nominations

The nominating and corporate governance committee is responsible for recommending to our board of directors candidates for nomination and election as directors at annual general meetings of shareholders or for appointment to fill vacancies on the board. The committee annually reviews with the board the applicable skills and characteristics required of board nominees in the context of current board composition and company circumstances. In making its recommendations to our board of directors, the nominating and corporate governance committee considers, among other things, the qualifications of individual director candidates in light of the criteria described below. In accordance with its charter, the committee may use a variety of sources, including but not limited to executive search firms, to identify director candidates, and has the authority to retain and approve compensation for such firms.

In evaluating a candidate, our corporate governance and nominating committee and our board of directors takes into account a variety of factors as it deems to be appropriate, including the following:

- high personal and professional ethics, values and integrity;

- sound business judgment and financial literacy;

- diversity of point of view, including the candidate's education, skill, professional background, personal accomplishments, geography, race, gender, age, ethnic background, national origin, experience with mortgage, insurance, reinsurance or other businesses and organizations that our board deems relevant and useful, including whether such attributes or background would contribute to the diversity of the board as a whole;

- ability and willingness to serve on any committees of our board of directors;

- ability and willingness to commit adequate time to the proper functioning of our board of directors and its committees; and

- any criteria regarding independence and other matters required by the NYSE or other applicable law or regulations.

Based on the information available to the corporate governance and nominating committee about a potential nominee, the committee will make an initial determination whether to conduct a full evaluation of a candidate. As part of the full evaluation process, the corporate governance and nominating committee may conduct interviews, obtain additional background information and conduct reference checks of potential nominees. The corporate governance and

nominating committee may also ask potential nominees to meet with management and other members of our board of directors. After completing this

evaluation process, the corporate governance and nominating committee makes a recommendation to the full board of directors, which makes the final determination whether to nominate the candidate as a director.

Our board of directors evaluates each individual in the context of the board as a whole, with the objective of recommending a group that can perpetuate the success of our business and represent shareholder interests through the exercise of sound judgment, using its diversity of experience.

Each director is expected to maintain an acceptable level of attendance, preparedness and participation with respect to meetings of the board of directors and its committees. In determining whether to recommend a director for re-election, the nominating and corporate governance committee also considers the director's past attendance at meetings, participation in and contributions to the activities of our board of directors, and the results of the most recent board self-evaluation.

Shareholders desiring to recommend nominees should submit their recommendations in writing to our Secretary at Essent Group Ltd., Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. Recommendations from shareholders should include pertinent information concerning the proposed nominee's background and experience. The corporate governance and nominating committee may consider, as one of the factors in its evaluation of shareholder recommended nominees, the size and duration of the interest of the recommending shareholder or shareholder group in our capital stock. The corporate governance and nominating committee may also consider the extent to which the recommending shareholder intends to continue holding its interest in our capital stock, including, in the case of nominees recommended for election at an annual general meeting of shareholders, whether the recommending shareholder intends to continue holding its interest at least through the time of such annual general meeting of shareholders.

#### Communications with our Board of Directors and Non-Management Directors

Any shareholder or other interested party that desires to communicate directly with our board of directors, any committee of the board of directors or our non-management directors as a group may do so by addressing the communication in care of our Secretary at Essent Group Ltd., Clarendon House, 2 Church Street, Hamilton HM11, Bermuda with a request to forward the communication to the intended recipient. The Secretary's office opens all such correspondence and forwards it to the relevant director or group of directors, except for items unrelated to the functions of the board, including business solicitations or advertisements.

#### Director Compensation

The compensation committee reviews and establishes the compensation of our non-employee directors. Our director compensation program is designed to compensate our non-employee directors for their service to the Company and the level of responsibility they have assumed in today's corporate governance environment.

Our compensation committee retains the services of an independent compensation consultant, Korn Ferry Hay Group, to review our non-employee director compensation program in comparison with market data. In connection with our initial public offering in November 2013, the compensation committee of our board of directors, based on information provided by Korn Ferry Hay Group, set the total annual compensation of the non-employee directors to position it at the median of our peer group at that time (for additional information regarding our peer group see below under "Executive Officers and Executive Compensation—Compensation Discussion and Analysis—Peer Group Composition" on page 21). In late 2016, the compensation committee asked Korn Ferry Hay Group to re-evaluate the compensation that we pay to our board of directors. Based on information provided by Korn Ferry Hay Group, the compensation committee approved modest changes to our non-employee director compensation program commencing in 2017 in order to bring certain elements of the program closer in line with competitive market practices while continuing to position total annual compensation at the median of our peer group.

The compensation arrangements for the non-employee directors of the board for 2016 and 2017 are described below. Mr. Casale, the chairman of the board of directors, and our chief executive officer and president, does not receive additional compensation for serving as a member of our board of directors. As a result of the commencement of his employment with us on September 1, 2016 as our senior policy advisor on housing finance, Mr. Marzol no longer qualified to receive compensation for serving as a member of our board of directors as of such date. We did, however, pay Mr. Marzol for his service as a director between the date of his election to the board of directors, May 3, 2016, and the commencement of his employment with the Company on September 1, 2016.

Our non-employee directors were entitled to receive for 2016, and effective as of January 1, 2017 currently receive, the following compensation in consideration of their board service:

13

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	2016	2017
Annual Cash Retainer	\$70,000	\$80,000
Additional Annual Cash Retainer for Board Committee Chairpersons		
Audit Committee	\$10,000	\$15,000
Compensation Committee	\$7,500	\$10,000
Nominating and Corporate Governance Committee	\$5,000	\$5,000
Risk Committee	\$—	\$5,000
Additional Annual Cash Retainer for Board Committee Members		
Audit Committee	\$10,000	\$10,000
Compensation Committee	\$7,500	\$7,500
Nominating and Corporate Governance Committee	\$5,000	\$5,000
Risk Committee	\$—	\$5,000
Additional Annual Cash Retainer for Lead Independent Director	\$15,000	\$20,000

In addition, each non-employee director was entitled to receive in 2016, and will continue to receive in 2017, an annual equity award valued at \$110,000 in the form of restricted common share units granted under the Essent Group Ltd. 2013 Long-Term Incentive Plan, or 2013 Plan, that vests on the first anniversary of the grant date (which is the date of our next annual general meeting of shareholders). If a non-employee director joins our board of directors after the grant date for the annual equity award, such director will receive a prorated award based on the date that he or she joined our board.

Our non-executive directors are required to maintain certain ownership levels of our common shares during their service as described below on page 28.

The following table sets forth compensation earned by our non-employee directors during the year ended December 31, 2016:

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(1)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Non-qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Aditya Dutt	80,000	110,000	—	—	—	—	190,000
Robert Glanville	80,000	110,000	—	—	—	—	190,000
Roy J. Kasmar	92,500	110,000	—	—	—	—	202,500
Allan Levine	82,500	110,000	—	—	—	—	192,500
Adolfo F. Marzol (2)	23,334	110,000	—	—	—	—	133,334
Douglas J. Pauls	95,000	110,000	—	—	—	—	205,000
William Spiegel	102,500	110,000	—	—	—	—	212,500
Vipul Tandon (3)	33,333	—	—	—	—	—	33,333
Andrew Turnbull	80,000	110,000	—	—	—	—	190,000

The amounts reported in this column represent the aggregate grant date fair value of the restricted common share units granted in 2016 computed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, disregarding for this purpose the estimate of forfeitures related to service-based vesting conditions. For additional information, including a discussion of the assumptions used to calculate these values, see Note 10 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2016. On May 3, 2016, each of our non-employee directors received 5,545 restricted share units in respect of their board service through our 2017 Annual General Meeting of Shareholders. All of such stock awards remained outstanding on December 31, 2016.

Represents compensation paid to Mr. Marzol between the date of his election to the board of directors, May 3, 2016, and the commencement of his employment with us, September 1, 2016, after which time Mr. Marzol was no longer eligible to receive compensation under our non-employee director compensation program. Under the terms of his employment with

14

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us, Mr. Marzol receives an annual salary of \$100,000 and is eligible to receive an annual restricted common share unit award valued at \$110,000.

(3) Mr. Tandon's service on our board of directors terminated on May 3, 2016 when he did not stand for reelection at our 2016 Annual General Meeting of Shareholders.

#### Succession Planning

Our board of directors, primarily through the nominating and corporate governance committee, assesses succession planning for management and leadership, with a primary focus on succession in the event of the unexpected incapacity of our chairman of the board of directors, chief executive officer and president. Our Corporate Governance Guidelines provide that our chairman, chief executive officer and president should at all times make available to our board, on a confidential basis, his recommendations and evaluations of potential successors.

#### Indemnification

Our Bye-laws provide that we are required to indemnify our directors and officers, in each case to the fullest extent permitted by Bermuda law.

We have entered into agreements to indemnify each of our directors and officers. These agreements provide for indemnification of our directors and officers to the fullest extent permitted by applicable Bermuda law against all expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by any such person in actions or proceedings, including actions by us or in our right, arising out of such person's services as our director or officer, any of our subsidiaries or any other company or enterprise to which the person provided services at our request.

We believe that these bye-law provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

We also maintain standard policies of insurance that provide coverage (i) to our directors and officers against losses arising from claims made by reason of breach of duty or other wrongful act and (ii) to us with respect to indemnification payments that we may make to such directors and officers.

#### Compensation Committee Interlocks and Insider Participation

Roy J. Kasmar, Allan Levine and William Spiegel served as the members of our compensation committee in 2016. No member of our compensation committee is an officer or employee of our Company. None of our executive officers serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

## EXECUTIVE OFFICERS AND EXECUTIVE COMPENSATION

## Executive Officers

The following table identifies each of our executive officers:

Name	Age	Position
Mark A. Casale	52	Chairman of the Board of Directors, Chief Executive Officer and President
Lawrence E. McAlee	53	Senior Vice President and Chief Financial Officer
Vijay Bhasin	52	Senior Vice President and Chief Risk Officer
Jeff R. Cashmer	46	Senior Vice President, Business Development
Mary Lourdes Gibbons	55	Senior Vice President, Chief Legal Officer and Assistant Secretary
Joseph Hissong	53	Senior Vice President and President, Essent Reinsurance Ltd.
David B. Weinstock	52	Vice President and Chief Accounting Officer

The following are biographical summaries of our executive officers, except for Mr. Casale, whose biography is included in the section entitled "Board of Directors" above.

Lawrence E. McAlee has served as our Senior Vice President and Chief Financial Officer since 2009. Mr. McAlee has over 25 years of experience in the areas of finance, accounting, controls and risk management. Between 2002 and 2009, Mr. McAlee held a series of senior management positions at Sovereign Bancorp, Inc., including serving as its chief accounting officer, general auditor and chief enterprise risk management officer. Prior to joining Sovereign, Mr. McAlee was a partner with Arthur Andersen LLP. Mr. McAlee holds a BS in accounting from St. Joseph's University and is a certified public accountant.

Vijay Bhasin has served as our Senior Vice President and Chief Risk Officer since 2009. Mr. Bhasin has significant mortgage finance industry expertise, including multiple senior management positions specializing in mortgage risk. From 2006 to 2008, Mr. Bhasin served as a managing director of Countrywide Financial Corporation and Bank of America, with responsibility for economic capital assessment, asset liability management, counterparty credit risk measurement and structured credit analytics. Earlier in his career, Mr. Bhasin held management positions with the Federal Home Loan Mortgage Corporation (Freddie Mac), including serving as vice president overseeing development and implementation of a variety of mortgage credit and prepayment models. He has also held research positions with the Federal National Mortgage Association (Fannie Mae) and the Board of Governors of the Federal Reserve System. Mr. Bhasin holds a BS in mechanical engineering from the National Institute of Technology, Kurukshetra, India, an MBA in finance and marketing from Southern Illinois University, and a PhD in finance from Indiana University, Bloomington.

Jeff R. Cashmer has served as the Senior Vice President and Chief Business Officer of Essent Guaranty, Inc., our mortgage insurance subsidiary, since 2009. Mr. Cashmer has more than 20 years of experience in mortgage finance, mortgage insurance and business development. From 2006 to 2009, Mr. Cashmer held several management positions with Radian Guaranty Inc., a mortgage insurance company, including most recently as Radian's executive vice president and chief operating officer, with responsibility for all operations, pricing and sales functions. He has also held other management positions within the mortgage insurance industry, including business development, capital markets, international business and strategic planning. Mr. Cashmer also worked at Household Finance Corporation, with roles in underwriting and quantitative marketing analytics. Mr. Cashmer holds a BS in finance from Illinois State University and an MBA from DePaul University's Kellstadt Graduate School of Business.

Mary Lourdes Gibbons has served as our Senior Vice President, Chief Legal Officer and Assistant Secretary since 2008. Ms. Gibbons has more than 25 years of experience in the mortgage industry. From 2003 to 2008, Ms. Gibbons served as chief legal officer of Wilmington Finance, Inc., a mortgage lender. Ms. Gibbons began her career at the U.S. Bankruptcy Court and White and Williams LLP, a law firm. Ms. Gibbons' mortgage-related experience includes senior roles at ContiMortgage Corp. and Advanta Mortgage Corp. Ms. Gibbons holds a BS in marketing from St. Joseph's University and a JD from The Delaware Law School.

Joseph Hissong has served as our Senior Vice President and the President of Essent Reinsurance Ltd., our Bermuda-based reinsurance company, since 2015. Mr. Hissong has over 25 years of experience, specializing in strategy development and executing upon new business initiatives associated with international reinsurance transactions and strategic investment opportunities. From 2013 to 2015, Mr. Hissong was president of Cartesian Re

Management Company, an insurance linked securities manager. Prior to joining Cartesian Re, Mr. Hissong worked for ParnterRe, Ltd. from 2003 to 2013, most recently as its executive director and head of private equity/strategic investments, where he sponsored PartnerRe's original investment in Essent. Earlier in his career, Mr. Hissong served as a managing director of Swiss Re Financial Services

Group and as a partner in the law firm LeBoeuf, Lamb, Greene & MacRae LLP. Mr. Hissong holds a BS in mathematics and philosophy from Fordham University and a JD from the University of Chicago Law School. David B. Weinstock has served as our Vice President and Chief Accounting Officer since 2009. Mr. Weinstock has over 25 years of experience in the areas of finance, accounting and controls. Between 1998 and 2009, Mr. Weinstock held a series of senior management positions at Advanta Corp., including serving as its chief accounting officer and vice president of investor relations. Prior to joining Advanta, Mr. Weinstock was a senior manager at Arthur Andersen LLP. Mr. Weinstock holds a BS in accounting from The Pennsylvania State University and is a certified public accountant.

Our executive officers are appointed by our board of directors and serve until their successors have been duly appointed and qualified or their earlier resignation or removal.

#### Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes our executive compensation program for our named executive officers, whose compensation is set forth in the Summary Compensation Table elsewhere in this proxy statement.

For the year ended December 31, 2016, our named executive officers were:

- Mark A. Casale, Chairman of the Board of Directors, Chief Executive Officer and President;
- Lawrence E. McAlee, Senior Vice President and Chief Financial Officer;
- Vijay Bhasin, Senior Vice President and Chief Risk Officer;
- Jeff R. Cashmer, Senior Vice President, Business Development, Essent Guaranty, Inc.; and

- Mary Lourdes Gibbons, Senior Vice President, Chief Legal Officer and Assistant Secretary

#### Executive Summary

The following summarizes our Company's pay-for-performance and key compensation-related actions that we took in 2016 and demonstrates the alignment of our compensation program with Company performance.

#### Overview of Our Performance in 2016

During 2016, we continued to execute on our core financial and business objectives:

new insurance written in 2016 was \$34.9 billion, compared to \$26.2 billion in new insurance written in 2015—exceeding our target level for 2016 by \$7.9 billion, or approximately 30%;

earnings per share increased by 40.1% year-over-year, to \$2.41 per share for the year ended December 31, 2016, as compared to \$1.72 per share for 2015—exceeding our target level for 2016 by \$0.31 per share; and

return on average equity for the year ended December 31, 2016 was 18.1%, exceeding our 16% target level for the year.

In addition, during 2016, our Bermuda reinsurance subsidiary, Essent Reinsurance Ltd. ("Essent Re") continued to execute third-party reinsurance transactions. As of December 31, 2016, Essent Re provided insurance and reinsurance in connection with GSE risk-share transactions covering approximately \$384.1 million of risk on mortgage loans in reference pools associated with Freddie Mac's Agency Credit Insurance Structure (ACIS) and Fannie Mae's Credit Insurance Risk Transfer (CIRT) programs. Essent Re also continues to reinsure 25% of our US-based mortgage insurance business.

#### Executive Compensation Highlights

Based in large part on the Company's continued strong performance in 2016 and consistent with our emphasis on performance-based compensation (see "—Compensation Philosophy" below), the actual incentive compensation paid to our named executive officers for 2016 was above target. The compensation committee of our board of directors, which we refer to as the "compensation committee" or the "committee" in this Compensation Discussion and Analysis, awarded each of our named executive officers above-target incentive compensation under our annual bonus

plan for 2016, in each case representing 175% of his or her respective annual incentive compensation target. As discussed below, effective for the year ended December 31, 2016, all of the annual bonuses for each of our named executive officers are payable solely in cash (rather than in a combination of cash and shares, as had been the case in prior years).

The compensation committee, with the assistance of its independent compensation consultant, engages in an ongoing review of our executive compensation program to determine that it supports the competitive compensation philosophy established by the committee and ultimately serves the interests of our shareholders. For 2016, the committee followed a similar process as it has used in prior years:

Process used for compensation determinations. The committee reviewed external market data presented by its independent compensation consultant to aid it in setting market-based compensation levels. The committee also considered individual and Company performance, skill sets, experience, leadership, growth potential and other business needs as well as current best practices and developments when making compensation decisions.

Total target cash compensation. Total target cash compensation for 2016 was targeted around the 25th percentile of our peer group (see "—Compensation Processes and Decisions During 2016" on page 22 for additional information).

Annual equity compensation. As discussed below, commencing in 2016, the committee has elected to make annual long-term incentive awards to our chief executive officer (who, prior to 2016, had not received any long-term incentive awards since our initial public offering in 2013). In 2016, we continued to make relatively modest annual long-term equity incentive grants to our other named executive officers.

Based upon its ongoing review of the Company's compensation program, the compensation committee approved in February 2016 the following changes to the compensation of certain of our named executive officers:

annual base salaries of each of Messrs. Casale, Bhasin and Cashmer were increased to \$900,000, \$400,000 and \$400,000 (from \$700,000, \$350,000 and \$350,000), respectively, effective January 1, 2016;

the target annual bonus award for Mr. Casale was increased to 150% of his annual base salary from 125%;

the target annual long term equity incentive award for Mr. Casale was set at 400% of his annual base salary, with 75% of such award being subject to performance- and time-based vesting and 25% being subject to time-based vesting over a three-year period;

the target annual long term equity incentive awards for Messrs. Bhasin and Cashmer were set at 75% of his respective annual base salary, with 50% of each award being subject to performance- and time-based vesting and 50% being subject to time-based vesting over a three-year period; and

commencing with the annual bonuses payable to each of our named executive officers for the year ended December 31, 2016, all such bonuses will be paid in cash (rather than in a combination of cash and shares, as had been the case in prior years).

In February 2017, the compensation committee made the following additional changes to the compensation of each of our named executives officers other than our chief executive officer:

the annual base salaries of each of Messrs. McAlee, Bhasin and Cashmer and Ms. Gibbons were increased to \$400,000, \$450,000, \$450,000 and \$400,000 (from \$350,000, \$400,000, \$400,000 and \$350,000), respectively, effective January 1, 2017; and

the target annual long term equity incentive awards for Messrs. McAlee, Bhasin and Cashmer and Ms. Gibbons were set at 150%, 200%, 200% and 150%, respectively, of his or her annual base salary, with 50% of each award being subject to performance- and time-based vesting and 50% being subject to time-based vesting over a three-year period.

Our compensation committee made the foregoing changes to the compensation of our named executive officers in order to better align their compensation with those holding similar positions within our peer group and in recognition of the performance of the Company as a whole and the contributions of our named executive officers to our growth.

#### Advisory Vote on Compensation

At our 2016 Annual General Meeting of Shareholders, our "say on pay" proposal resulted in a favorable vote from approximately 99% of the shares cast. We believe this high percentage primarily was due to the appropriateness of the overall design of our compensation programs and our regular communications with our shareholders and responsiveness to shareholder feedback obtained through our regular engagement process. After consideration of the shareholder input we received, which in general supported the structure and design of our compensation plans and programs, particularly our



emphasis on long-term equity awards, as well as our strong performance and management's and the compensation committee's assessment of the continuing success of our compensation programs, the compensation committee determined that the overall design of our compensation programs during 2016 would be maintained consistent with immediate past years. The compensation committee will continue to work to ensure that our named executive officers' interests are aligned with our shareholders' interests to support long-term value creation and continue to strengthen the Company.

Consistent with the shareholder resolution on the frequency of the vote to approve our named executive officer's compensation, our board of directors has determined that we will hold a non-binding, advisory vote on our executive compensation on an annual basis until the next required vote on the frequency of such votes on our executive compensation.

#### Executive Compensation Best Practices

We maintain strong compensation governance practices that we believe support our pay-for-performance principles and align management incentives with the interests of our shareholders. We have adopted a number of "best practices" with respect to executive compensation, including:

##### What We Do

- ü A significant portion of target annual compensation for our named executive officers is "at-risk" compensation, including performance-based incentive and long-term equity-based awards.

- ü Maintain robust share ownership guidelines.

- ü Double-trigger equity vesting in respect of time-based restricted common shares upon a change in control.

- ü Prohibit employees from hedging the value of our common shares.

- ü Retain an independent compensation consultant to review our executive compensation program and practices.

- ü Engage with our shareholders.

- ü Design our executive compensation programs to manage business and operational risk and to discourage short-term risk taking at the expense of long-term results.

##### Compensation Philosophy

Our compensation philosophy centers upon:

- attracting and retaining industry-leading talent to maximize shareholder value creation over the long-term by targeting compensation levels that are competitive when measured against other companies within our industry;

- emphasizing performance-based compensation that appropriately rewards our executives for delivering financial, operational and strategic results that meet or exceed pre-established goals, as reflected in our annual incentive program as well as through the use of restricted common shares subject to performance-based vesting in our long-term incentive program;

- rewarding individual performance and contribution to our success; and

- aligning the interests of our executives with those of our shareholders and the long-term interests of the Company through equity ownership requirements and grants of equity-based awards.

##### Executive Compensation Participants

##### Compensation Committee—Role and Permitted Members

##### What We Don't Do

- x No significant perquisites.

- x No special retirement plans for our named executive officers.

- x No re-pricing of stock options without shareholder approval.

- x No tax gross-ups on excise taxes.

- x No dividends or dividend equivalents are paid in respect of unearned performance-based restricted common shares.



The compensation committee oversees the compensation and benefit programs of our executive officers. The committee is responsible for ensuring that our compensation policies and practices support the successful recruitment, development, and retention of executive talent and leadership required to achieve our business objectives. The responsibilities of the compensation committee include:

approving the goals and objectives relating to our chief executive officer's compensation, evaluating the performance of our chief executive officer in light of such goals and objectives, and setting the compensation of our chief executive officer based on this evaluation;

approving the salaries and annual incentive awards of our other executive officers who report directly to our chief executive officer, including each of our senior vice presidents as well as our vice president and chief accounting officer, taking into account the recommendation of our chief executive officer and such other information as the compensation committee believes appropriate;

administering our equity incentive plans, including authorizing restricted common shares, restricted common share units, performance units, options and other equity-based awards under these plans;

retaining and terminating, in its sole discretion, third party consultants to assist in the evaluation of director and executive compensation (with sole authority to approve any such consultant's fees and other terms of engagement); and

assessing the appropriate structure and amount of compensation for our directors.

The committee is made up entirely of "independent" directors, consistent with the current listing standards of the NYSE. Each member of the committee also qualifies as a "non-employee director" as defined under Section 16 of the Securities Exchange Act of 1934 and as an "outside director" under Section 162(m) of the Internal Revenue Code.

#### Role of Management and Chief Executive Officer in Compensation Decisions

The compensation committee strongly believes in aligning the interests of our executives with those of our shareholders through an executive compensation program designed with input from our chief executive officer who is in regular dialogue with the committee and, as appropriate, the committee's independent compensation consultant, regarding internal, external, cultural, business and motivational challenges and opportunities facing us and our executive talent. To that end, our management team analyzes, with assistance from the committee's independent compensation consultant, trends and may recommend improvements to the compensation programs.

Our compensation committee seeks the views of our chief executive officer in setting and administering our executive compensation programs. In particular, at the beginning of each year, Mr. Casale, the Chairman of our board of directors and our Chief Executive Officer and President, oversees the development of corporate and individual goals for purposes of annual and long term compensation of each of our named executive officers (other than himself).

These goals are derived from our corporate business plan and include both quantitative measurements and qualitative considerations selected to reinforce and enhance achievement of our operating and growth objectives. The compensation committee reviews these goals with Mr. Casale, adopts revisions it deems appropriate and determines the final goals for compensation.

Following the end of each year, Mr. Casale reviews with the compensation committee the achievement of corporate, business unit/regional and individual goals and the performance of each named executive officer (other than himself) and presents his recommendations (without any recommendation as to his own compensation) regarding base salary adjustments, annual bonus, and long-term equity awards for our named executive officers (other than his own) to ensure alignment of shareholder interests with each executive's goals as well as to reward the executive for their performance. Although the committee receives management's input with respect to executive compensation, all decisions regarding compensation for our named executive officers are made by the committee. With respect to the non-quantitative performance measures applicable to our named executive officers, the compensation committee relies heavily on the views of Mr. Casale (other than as to himself). As our Chief Executive Officer, Mr. Casale oversees the day to day performance of the other named executive officers. As such, our compensation committee believes that he is well positioned to evaluate their performance and make recommendations as to their overall compensation.

#### Independent Compensation Advisor

The compensation committee has the power to hire and fire independent compensation consultants, legal counsel, or financial or other advisors as it may deem necessary to assist it in the performance of its duties and responsibilities,

without consulting or obtaining the approval of management of the Company. The compensation committee recognizes the importance of objective, independent expertise and advice in carrying out its responsibilities. The compensation committee has retained Korn Ferry Hay Group as its independent compensation consultant since before our initial public offering in 2013. Korn Ferry Hay Group reports directly to, and is directly accountable to, the committee, and the committee has the sole authority to retain, terminate and obtain the advice of Korn Ferry Hay Group at the Company's expense. The compensation committee selected Korn Ferry Hay Group as its consultant because of its expertise and reputation and the

fact that Korn Ferry Hay Group has no other ties to management that could jeopardize its fully independent status, and has strong internal governance policies that help ensure that it maintains its independence. The committee partnered with Korn Ferry Hay Group throughout 2016 on executive compensation matters, including a review of the Company's compensation programs which resulted in the changes discussed above to the compensation of our named executive officers for 2016 and for early 2017. The committee, with the assistance of its independent compensation consultant, monitors market compensation practices and developments, as well as the appropriateness of the various components of the executive pay program, as our business progresses and evolves with anticipated growth and changing market conditions.

The compensation committee annually assesses the independence of Korn Ferry Hay Group pursuant to the rules of the SEC and the listing standards of the NYSE rules. In performing the annual independence assessment, the committee considers various factors bearing on adviser independence, including the nature and amount of work performed for the committee during the year, the nature of any unrelated services performed for the Company, the amount of fees paid for those services in relation to the firm's total revenues, the adviser's policies and procedures designed to prevent conflicts of interest, and the existence of any business or personal relationship that could impact the adviser's independence. Pursuant to SEC and NYSE rules, the committee assessed the independence of Korn Ferry Hay Group and determined that Korn Ferry Hay Group's work for the committee has not raised any conflicts of interest. During 2016, we paid Korn Ferry Hay Group approximately \$43,062 in fees for its services to the compensation committee relating to executive and director compensation.

#### Peer Group Composition

In making compensation decisions, the compensation committee considered competitive market data presented by its independent compensation consultant, including data derived from a peer group of companies approved by the committee.

Our peer group consists of the following 15 publicly traded companies, which the committee initially approved in October 2014 and reconfirmed in February 2016:

- Arch Capital Group Ltd.
- Assurant, Inc.
- Everbank Financial Corp.
- Fidelity National Financial Inc.
- First American Financial Corp.
- Genworth Financial Inc.
- Markel Corporation
- MGIC Investment Corp.
- Nationstar Mortgage Holdings Inc.
- NMI Holdings, Inc.
- Ocwen Financial Corp.
- PHH Corporation
- Radian Group Inc.
- Stewart Information Services Corp.
- W.R. Berkley Corp.

This peer group was used by the committee to evaluate our executive compensation, including the changes made to our executive compensation in 2016 and in February 2017. In selecting peers, the compensation committee seeks to maintain consistency from year to year, to the extent appropriate, and the compensation committee's intention is to update its peer group every other year (other than for events potentially calling for the immediate elimination of a peer group member, such as a merger, acquisition or bankruptcy of a peer group member). The compensation committee selected the members of this peer group based on the consideration of the size (measured by both revenue and market capitalization), industry, organizational complexity of each company, the companies that we compete with for experienced executives, and the recommendations of its independent compensation consultant.

#### Compensation Objectives and Principles

The compensation committee believes that the establishment and maintenance of a competitive executive compensation program is in the best interests of our shareholders. Consistent with our compensation philosophy, the executive compensation program approved by the compensation committee is designed to facilitate the attraction and retention of top-caliber talent and to align the interests of our executives with those of our shareholders. For our fiscal year 2016:

target cash compensation of our named executive officers was determined to target generally the 25th percentile of our peer group (see "—Peer Group Composition" above); and

annual incentive opportunities for our named executive officers as a percentage of base salary were determined to target the 50th percentile (median) relative to our peer group.

### Compensation Processes and Decisions During 2016

In 2016, our compensation committee made the following changes to the compensation of certain of our named executive officers in order to better align their compensation with those holding similar positions within our peer group and in recognition of the performance of the Company as a whole and the contributions of those named executive officers to our growth:

Base salaries and target annual incentive opportunities (as a percentage of base salary) were reviewed. As a result of that review, the annual base salaries of each of Messrs. Casale, Bhasin and Cashmer were increased to \$900,000, \$400,000 and \$400,000 (from \$700,000, \$350,000 and \$350,000), respectively. The compensation committee approved an increase in the target annual bonus payable to Mr. Casale to 150% of his annual base salary from 125%. The compensation committee elected to maintain the base salaries of each of our other named executive officers at the level set in connection with our initial public offering in November 2013, continuing to reflect total target cash compensation positioned around the 25th percentile of our peer group (see "—Peer Group Composition" above). The committee determined that setting base salaries at the 25th percentile was appropriate given our current size in comparison to other companies in our peer group (see "—Compensation Objectives and Principles" above).

The compensation committee examined total target cash compensation (which consists of an executive's base salary plus the portion of his or her target annual incentive that prior to 2016 had been mandatorily deferred into restricted common shares). Effective for 2016, the committee decided to discontinue the requirement that 25% of each executive's earned annual incentive award be deferred into restricted common shares (subject to a three-year vesting schedule), and accordingly all annual bonuses paid to our named executive officers for 2016 and after will be paid solely in cash.

In order to maintain the competitiveness our compensation programs for certain of our named executive officers relative to similar executives employed in our peer group, the committee made adjustments to the long-term incentive awards to each of Messrs. Casale, Bhasin and Cashmer effective January 1, 2016:

The target annual long term equity incentive award for Mr. Casale was set at 400% of his annual base salary, with 75% of such award being subject to performance- and time-based vesting and 25% being subject to time-based vesting over a three-year period; and

The target annual long term equity incentive awards for Messrs. Bhasin and Cashmer was set at 75% of his annual base salary, with 50% of each award being subject to performance- and time-based vesting and 50% being subject to time-based vesting over a three-year period.

As discussed above under "—Executive Summary—Executive Compensation Highlights," in February 2017, the compensation committee approved additional changes to the compensation of our named executive officers other than our chief executive officer commencing in 2017, again in order to better align their compensation with those holding similar positions within our peer group and in recognition of the Company's overall performance and the contributions of those named executive officers to our growth.

### Elements of Compensation

In accordance with our overall compensation philosophy and program, executives are provided with a mix of base salary, short-term incentives, long-term incentives, and retirement and welfare benefits. Our compensation philosophy places a greater portion of the potential compensation for each named executive officer "at risk" such that compensation will vary based on performance. The following table describes key elements of compensation and the philosophy behind providing for each such element:



Compensation Element	Description	Philosophy Behind Providing Compensation Element
Annual Compensation:		<ul style="list-style-type: none"> <li>• Attract and retain key talent</li> <li>• Provide financial certainty and stability</li> <li>• Recognition of individual performance</li> <li>• Incentivize and motivate our named executive officers to meet or exceed our pre-established annual performance goals</li> <li>• Attract and retain key talent</li> <li>• Reward team success</li> <li>• Align named executive officers' and shareholders' interests</li> <li>• Discourages excessive risk taking</li> </ul>
Annual Base Salary	<ul style="list-style-type: none"> <li>• Fixed component of annual cash compensation that reflects expertise and scope of responsibilities</li> </ul>	
Performance-Based Annual Incentive	<ul style="list-style-type: none"> <li>• Cash bonus plan based on performance relative to Company and individual objectives.</li> </ul>	
Long-Term Compensation:		<ul style="list-style-type: none"> <li>• Foster a focus on long-term Company performance and long-term success</li> <li>• Attract and retain key talent</li> <li>• Align named executive officers' and shareholders' interests</li> <li>• Discourages excessive risk taking</li> </ul>
Long-Term Incentive Program	<ul style="list-style-type: none"> <li>• A long-term incentive program using time-vested and performance-based restricted common share awards, with performance-vested awards subject to a multi-year performance period</li> </ul>	
Other Executive Benefits:		
Retirement Programs	<ul style="list-style-type: none"> <li>• Participation in a 401(k) defined contribution plan, including a matching contribution of 100% of a participant's contribution up to 4% of the participant's compensation</li> </ul>	<ul style="list-style-type: none"> <li>• Attract and retain key talent</li> <li>• Provide income security for retirement</li> <li>• Assist with financial planning needs so executives can better focus on key responsibilities</li> <li>• Allow executives to focus on general health and well being</li> <li>• Attract and retain key talent</li> <li>• Provide for safety and wellness of executive</li> <li>• Provide competitive benefits to employees</li> </ul>
Perquisites	<ul style="list-style-type: none"> <li>• Financial planning services</li> <li>• Diagnostic wellness examinations</li> </ul>	
Other Benefits	<ul style="list-style-type: none"> <li>• Medical, dental, vision, life insurance, short and long-term disability, and other benefits</li> </ul>	

The compensation committee reviews all elements that collectively contribute to total compensation rather than any specific formula to determine the allocation between performance-based and fixed compensation in making its decisions each year. This process ensures that judgments made in respect of any individual element of compensation are taken in the context of the total compensation that an individual receives, particularly the balance between base salary, annual incentives and long-term incentives.

#### Base Salary

Base salaries are an important element of compensation and provide our executive officers with a fixed rate of cash compensation that is "non-variable" during the relevant period. In determining base pay, our compensation committee considers the executive's responsibilities, growth potential, individual performance against predetermined objectives,



base salary competitiveness as compared to the external market, and our operating performance.

While the compensation committee targeted base salary for 2016 at the 25th percentile of our peer group (see "—Peer Group Composition" above), actual base salary may be above or below that percentile based on the committee's review of the underlying scope of a named executive officer's responsibilities, individual performance and experience, internal pay equity, and retention concerns. The compensation committee strives to maintain base salaries at levels that will attract top talent, while linking a significant portion of an executive's total compensation opportunity to our success.

The annual base salaries for our named executive officers for 2016 (as compared to base salaries in 2015) were:

Name	2015 Base Salary	2016 Base Salary
Mark A. Casale	\$700,000	\$900,000
Lawrence E. McAlee	\$350,000	\$350,000
Vijay Bhasin	\$350,000	\$400,000
Jeff R. Cashmer	\$350,000	\$400,000
Mary Lourdes Gibbons	\$350,000	\$350,000

#### Annual Incentive Compensation

In connection with our initial public offering in November 2013, our board of directors approved, and our shareholders adopted, the Essent Group Ltd. Annual Incentive Plan, which we refer to as the "Annual Plan." In 2016, incentive awards were made under our annual leadership bonus program pursuant to the Annual Plan. The Annual Plan is intended to advance the interests of the Company and its shareholders by:

providing those employees designated by the compensation committee, which may include our named executive officers, senior vice presidents, other senior executives, and other employees, incentive compensation tied to pre-established performance goals;

identifying and rewarding superior performance;

providing competitive compensation to attract, motivate, and retain outstanding employees who achieve superior performance for us; and

fostering accountability and teamwork throughout the Company.

In accordance with the terms of the Annual Plan, the compensation committee established our fiscal year (which coincides with the calendar year) as the performance period, designated those executives eligible to participate, set the level of potential awards and determined the financial targets or other performance measures which, if attained, result in payment of awards under our annual leadership bonus program for 2016 (the "performance goals").

#### Performance Targets for Past Year/Performance Period

The table below sets forth each named executive officer's 2016 threshold, target and maximum annual incentive opportunities under our annual leadership bonus program, expressed as a percentage of base salary.

#### 2016 Annual Incentive Opportunity

Expressed as a Percentage of Base Salary in 2016

Name	Threshold	Target	Maximum
Mark A. Casale	112.5%	150%	262.5%
Lawrence E. McAlee	75%	100%	175%
Vijay Bhasin	75%	100%	175%
Jeff R. Cashmer	75%	100%	175%
Mary Lourdes Gibbons	75%	100%	175%

The weighting of corporate and individual performance goals for annual incentive compensation opportunities varies among our named executive officers. Mr. Casale's annual award is based entirely on the achievement of corporate goals, and the annual awards of our other named executive officers are based 50% on achievement of each of corporate and individual goals. We believe that these goals in concert help ensure that executives are focused on creating long-term value for our shareholders by effectively growing in a profitable manner with an emphasis on the long-term prospects of the Company.

With respect to corporate goals, the annual incentive opportunity for 2016 was designed to focus our named executive officers on both quantitative and qualitative financial and strategic goals: new insurance written (35% weighting); earnings per share (25% weighting); average return on equity (20% weighting); and subjective corporate-level strategic accomplishments determined and evaluated by the compensation committee (20%). Management and the compensation committee view the substance and nature of the subjective corporate-level strategic accomplishments to be proprietary and sensitive.



The following table summarizes the corporate performance goals for 2016 applicable to our named executive officers.

#### 2016 Annual Incentive Plan Performance Goals

Goal	Threshold	Target	Maximum	Actual
New insurance written	\$24.0 billion	\$27 billion	\$30.0 billion	\$34.9 billion
Earnings per share	\$1.85	\$2.10	\$2.25	\$2.41
Return on average equity for the year ended December 31, 2016	14%	16%	>17%	18.1%
Strategic accomplishments	as determined by the Compensation Committee			100% accomplished

In determining the annual incentive award for each of our named executive officers (other than Mr. Casale), the compensation committee considered the achievement of the following individual performance goals:

Name	Individual Performance Goals
Lawrence E. McAlee	<ul style="list-style-type: none"> <li>• Finalize revolving credit facility</li> <li>• Evaluate potential changes in offshore affiliate quota share reinsurance arrangement</li> <li>• Evaluate and implement automation and efficiency projects within the Company's finance operations</li> <li>• Evaluate expense management opportunities</li> <li>• Evaluate strategic opportunities for the Company</li> <li>• Manage the Company's capital position and investment portfolio</li> </ul>
Vijay Bhasin	<ul style="list-style-type: none"> <li>• Evaluate risk/profitability strategies</li> <li>• Evaluate potential efficiencies in underwriting, post-closing and quality assurance processes</li> <li>• Implement efficiency measures to support underwriting, post-closing and QA processes</li> <li>• Support the Company's new product development efforts</li> <li>• Develop economic commentary and housing market analysis for potential distribution to customers</li> <li>• Refine risk and economic capital models</li> <li>• New insurance written of at least \$27 billion in 2016</li> <li>• Various thresholds regarding the number of "active" customers during 2016</li> </ul>
Jeff R. Cashmer	<ul style="list-style-type: none"> <li>• Support growth of the Company's direct marketing platform</li> <li>• Develop career planning process for the Company's account representatives</li> <li>• Support business development efforts with various customers</li> <li>• Finalize revolving credit facility</li> <li>• Provide legal support to assist in strategies to grow the Company's business</li> <li>• Implement HRIS system</li> </ul>
Mary Lourdes Gibbons	<ul style="list-style-type: none"> <li>• Introduce executive education programs for high potential employees</li> <li>• Negotiate new and/or renewal leases for the Company's offices</li> <li>• Achieve milestone deliverables on strategic marketing plan</li> </ul>

Based on the achievement of corporate and, as applicable, individual performance goals, the compensation committee approved annual incentive awards in the following amounts for each of our named executive officers. As discussed above, commencing in 2016, 100% of the bonus earned by each of our named executive officers is paid in cash.

Name	Target Annual Incentive Bonus - 2016	Annual Incentive Award - 2016	% of Target
Mark A. Casale	\$1,350,000	\$2,362,500	175%

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Lawrence E. McAlee	\$350,000	\$612,500	175%
Vijay Bhasin	\$400,000	\$700,000	175%
Jeff R. Cashmer	\$400,000	\$700,000	175%
Mary Lourdes Gibbons	\$350,000	\$612,500	175%

### Long-Term Equity Incentive Compensation

Through our long-term equity incentive program, we provide our senior executives, including each of our named executive officers, the opportunity to earn equity awards which are in part contingent on the attainment of multi-year performance goals. Our long-term equity incentive awards provide balanced equity incentives that reward executive focus on delivering both financial results and long-term growth. Equity-based compensation is used in order to facilitate retention, provide long-term motivation and focus our executives on increasing shareholder value. In addition, we believe that our long-term equity incentive compensation program balances the risks associated with short-term incentive compensation that may reward behavior with short-term benefits that may be less beneficial over the long-term. The target long-term equity incentive awards are designed to achieve, when combined with the executive's base salary and target annual incentive compensation opportunity, total compensation at approximately the 50th percentile of comparable positions at peer group companies (see "—Peer Group Composition" above).

As discussed above, commencing in 2016, the compensation committee approved changes in the target annual long term equity incentive awards to Messrs Casale, Bhasin and Cashmer. For 2016, the target annual long term equity incentive award for Mr. Casale was set at 400% of his annual base salary, with 75% of such award being subject to performance- and time-based vesting and 25% being subject to time-based vesting over a three-year period, and the target annual long term equity incentive awards for Messrs. Bhasin and Cashmer were set at 75% of his respective annual base salary, with 50% of each award being subject to performance- and time-based vesting and 50% being subject to time-based vesting over a three-year period. The committee elected to keep the target annual long term equity incentive awards for our other named executive officers for 2016 at 50% of his or her respective annual base salary in the form of time-vested and time- and performance-vested restricted common shares.

The following table sets forth the annual long term equity incentive awards granted to our named executive officers in 2016:

Name	Restricted Shares Subject to Time-Based Vesting	Restricted Shares Subject to Time- and Performance- Based Vesting	Total Restricted Shares Granted
Mark A. Casale	52,911	158,731	211,642
Lawrence E. McAlee	5,145	5,145	10,290
Vijay Bhasin	8,819	8,819	17,638
Jeff R. Cashmer	8,819	8,819	17,638
Mary Lourdes Gibbons	5,145	5,145	10,290

The time-vested restricted common shares vest in equal annual installments during the three-year period commencing on March 1, 2016, subject to the executive's continuous employment through each such vesting date. The performance-vested shares become earned upon the Company's achievement of the compounded annual book value per growth percentage set out in the following table (with straight line interpolation between the respective levels) during the three-year performance period commencing on January 1, 2016, and any earned shares will vest on March 1, 2019, subject to the executive's continuous employment through such date:

Performance Level	Compounded Annual Book Value Per Share Growth	Restricted Common Shares Earned(*)
Threshold	<13%	—%
	13%	25%
	14%	50%
	15%	75%
Maximum	>16%	100%

In the event that the compounded annual book value per share growth falls between the performance levels shown (\*) above, the restricted common shares earned will be determined on a straight line basis between the respective levels.

Other Elements of Compensation

As described below, we also provide certain retirement benefits and welfare benefits to our named executive officers.

#### Retirement Benefits

Our eligible employees, including each of our named executive officers, are eligible to participate in a tax-qualified 401(k) retirement plan. In addition to being able to make contributions (up to tax law limits), participants are eligible for a Company matching contribution of 100% on their contributions up to 4% of their eligible compensation effective January 1, 2017 (prior to January 1, 2017, our 401(k) matching contribution was 50% on contributions up to 4% of eligible compensation). The matching contribution is provided on the same basis to our named executive officers as all other employees who participate in the plan. The amounts contributed to the 401(k) plan on behalf of each of the named executive officers are listed in the Summary Compensation Table elsewhere in this proxy statement.

#### Perquisites

We do not have a formal perquisite policy and do not emphasize special perquisites for our executive officers, although the compensation committee periodically reviews perquisites for our named executive officers. Rather, there are certain specific perquisites we have agreed to compensate particular executives based on their specific situations. In particular, each of our named executive officers is entitled to participate in the Company's financial counseling and diagnostic wellness programs as in effect from time to time.

#### Medical and Other Welfare Benefits

Our named executive officers, along with all of our other employees, are eligible to participate in medical, dental, life, accidental death and disability, long-term disability, short-term disability, and other employee benefits. The purpose of these plans is to provide competitive benefits to our employees and to help to attract and retain employees by offering a comprehensive package of benefits.

#### Termination, Severance and Change in Control Benefits

The employment agreements with each of our named executive officers provide severance payments and benefits upon certain qualifying terminations of employment. In addition, upon certain qualifying terminations following, or in some circumstances upon the occurrence of, a change in control, our named executive officers may be entitled to receive certain vesting of their outstanding restricted common share awards pursuant to the terms of their respective employment agreement or the terms of our equity incentive plans.

Based on the input of its independent compensation consultant, the compensation committee determined that these arrangements are appropriate and that the payments and benefits provided for under these arrangements upon certain qualifying terminations of employment or in connection with a change in control are consistent with market practice and essential in attracting and retaining key talent. In addition, the change in control provisions are significant to ensure that we have the continued attention and dedication of our executives during circumstances that could result in a change in control. These provisions are further described beginning on page 36 ("—Potential Payments and Benefits upon Termination or Change in Control").

#### Impact of FASB ASC Topic 718

The accounting standards applicable to the various forms of long-term incentive plans under FASB ASC Topic 718 is one factor that the compensation committee and the Company consider in the design of long-term equity incentive programs. Other factors include the link to the performance that each vehicle provides, the degree of upside leverage and downside risk inherent in each vehicle, the impact on dilution and overhang that the vehicles have, and the role that each vehicle has in the attraction, retention, and motivation of our executive and key employee talent. The Company and its external financial advisors consider FASB ASC Topic 718 expense to ensure that it is reasonable, but expense will not be the most important factor in making decisions about awards under long-term incentive plans.

#### Tax Considerations and Deductibility of Compensation

Section 162(m) of the Internal Revenue Code generally disallows public companies a tax deduction for compensation in excess of \$1 million paid to their chief executive officers and the three other most highly compensated executive officers (other than the chief financial officer) unless certain performance and other requirements are met. Our intent generally is to design and administer executive compensation programs in a manner that will preserve the deductibility of compensation paid to our executive officers, and we believe that a substantial portion of our current executive compensation program satisfies the requirements for exemption from the \$1 million deduction limitation. We have also intended to comply with applicable laws in order to rely on transition rules under Section 162(m) for newly public companies; to the extent such transition rules apply to us, the \$1 million deduction limitation would not



be applicable. The transition period applicable to us for Section 162(m) will expire as of the date of the Annual Meeting. In any event, the compensation committee reserves

the flexibility to structure compensation programs as it determines, in its business judgment, to be appropriate for us, regardless of whether any of such compensation ultimately may be deductible.

#### Share Ownership Guidelines

Both our non-executive directors as well as our senior executives (which we define as our chief executive officer and each of his direct reports and includes all of our named executive officers) are required to maintain certain ownership levels of common shares during their service.

As of the later of (i) November 2019, which is five years after the adoption of our director and senior executive share ownership guidelines, and (ii) five years after the date on which a director is appointed to our board or a senior executive is appointed to a position subject to the ownership guidelines, each director and senior executive is required to own a minimum number of our common shares with an aggregate value equal to the following (or such lesser amount as the director or senior executive may have been granted to date):

Position	Minimum Value of Common Shares Held
Director	Five times annual cash compensation
Chief Executive Officer	Six times annual base salary
Other Senior Executives	Two times annual base salary

Furthermore, each director and senior executive must hold at least 50% of the common shares that we issue to that individual until he or she satisfies the applicable share ownership threshold, less any shares used to satisfy tax obligations arising from receiving common shares from us.

For the purposes of our share ownership guidelines, restricted common shares and restricted common share units subject to time-based vesting are treated as shares held by a director or senior executive. However, unvested performance-based restricted common shares and restricted common shares units are not treated as being owned until they are earned and vested.

Our non-employee directors and executive officers are also subject to our insider trading policy, which prohibits transactions in our securities outside of "window" periods (except pursuant to previously adopted, approved Rule 10b5-1 plans), including short sales on our shares, or the purchase or sale of options, puts, calls, straddles, equity swaps, or other derivative securities that are directly linked to our equity.

Our compensation committee retains discretion to waive non-compliance with our share ownership guidelines in light of an individual director's particular facts and circumstances from time to time.

As of December 31, 2016, our chief executive officer and each of our senior executives have met the applicable share ownership guidelines. Our board members are expected to satisfy their share ownership guidelines through their annual equity compensation grants in respect of their board service.

#### No Hedging Policy

Members of our board of directors and our executives are prohibited from hedging their ownership or offsetting any decline in the market value of our common shares, including by trading in publicly-traded options, puts, calls or other derivative instruments related to our common shares.

#### Compensation Committee Report

We have reviewed and discussed the Compensation Discussion and Analysis with management. Based on our review and discussion with management, the compensation committee recommended to our board of directors that the Compensation Discussion and Analysis be included in this proxy statement.

#### Compensation Committee of the Board of Directors

Roy J. Kasmar, Chairman

Allan Levine

William Spiegel

The foregoing report of the compensation committee does not constitute soliciting material and shall not be deemed filed, incorporated by reference into or a part of any other filing by the Company (including any future filings) under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent the Company specifically incorporates such report by reference therein.



## Summary Compensation Table

The following table sets forth information regarding the compensation awarded to, earned by, or paid to our named executive officers in fiscal years 2016, 2015 and 2014.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards(1) (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation(2) (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation(3) (\$)	Total (\$)
Mark A. Casale Chairman of the Board of Directors, Chief Executive Officer and President	2016	900,000	—	3,950,045	—	2,362,500	—	30,122	7,242,667
	2015	700,000	—	350,023	—	1,050,000	—	13,495	2,113,518
	2014	700,000	229,687	279,264	—	820,313	—	32,420	2,061,684
Lawrence E. McAlee Senior Vice President and Chief Financial Officer	2016	350,000	—	306,298	—	612,500	—	29,679	1,298,477
	2015	350,000	—	306,263	—	393,750	—	42,224	1,092,237
	2014	350,000	65,625	293,777	—	328,125	—	9,204	1,046,731
Vijay Bhasin Senior Vice President and Chief Risk Officer	2016	400,000	—	431,288	—	700,000	—	41,093	1,572,381
	2015	350,000	—	306,263	—	393,750	—	47,192	1,097,205
	2014	350,000	65,625	293,777	—	328,125	—	34,463	1,071,990
Jeff R. Cashmer (4) Senior Vice President and Chief Business Officer	2016	400,000	—	431,288	—	700,000	—	11,670	1,542,958
	2016	350,000	—	306,298	—	612,500	—	12,188	1,280,986

Mary Lourdes Gibbons Senior Vice President, Chief Legal Officer and Assistant Secretary	2015	350,000	—	306,263	—	393,750	—	11,674	1,061,687
	2014	350,000	65,625	293,777	—	328,125	—	5,200	1,042,727

The amounts reported in this column represents the aggregate grant date fair value of the share awards computed in accordance with FASB ASC Topic 718, disregarding for this purpose the estimate of forfeitures related to service-based vesting conditions. The value of restricted common shares that are subject to both time- and (1) performance-based vesting conditions has been computed assuming the probable outcome of the performance conditions on the date of grant. For additional information, including a discussion of the assumptions used to calculate these values, see "—Outstanding Equity Awards at Fiscal Year-End" below and Note 10 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2016.

The amounts reported in this column represent the cash portion of the annual bonuses earned by our named (2) executive officers pursuant to our annual leadership bonus program pursuant to our Annual Plan. For additional information regarding our annual leadership bonus program and Annual Plan, see "—Narrative to Summary Compensation Table—Annual Leadership Bonus Plan."

The amounts reported in this column for 2016 include: (a) financial planning services fees of \$24,822, \$24,379, \$8,045 and \$6,888 paid on behalf of each of Messrs. Casale, McAlee and Cashmer and Ms. Gibbons, respectively; (3)(b) matching 401(k) contributions of \$5,300 on behalf of each of Messrs. Casale, McAlee and Bhasin and Ms. Gibbons and \$3,625 on behalf of Mr. Cashmer; and (c) reimbursement of \$35,793 in travel and housing expenses incurred by Mr. Bhasin.

Mr. Cashmer was not a named executive officers prior to 2016. In accordance with SEC regulations, only (4) compensation information starting in the fiscal year in which an individual became a named executive officer is reported in the Summary Compensation Table.

## Grants of Plan Based Awards Table

The following table sets forth information regarding grants of plan based awards to our named executive officers for the year ended December 31, 2016.

	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)		All Other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock and Option Awards (\$)(3)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Maximum (#)		
Mark A. Casale	—	1,012,500	1,350,000	2,362,500	—	—	—	—
	2/10/2016(4)	—	—	—	—	—	20,577	350,015
	2/10/2016(5)	—	—	—	—	—	52,911	900,016
	2/10/2016	—	—	—	39,683	158,731	—	2,700,014
Lawrence E. McAlee	—	262,500	350,000	612,500	—	—	—	—
	2/10/2016(4)	—	—	—	—	—	7,177	131,266
	2/10/2016(5)	—	—	—	—	—	5,145	87,516
	2/10/2016	—	—	—	1,286	5,145	—	87,516
Vijay Bhasin	—	300,000	400,000	700,000	—	—	—	—
	2/10/2016(4)	—	—	—	—	—	7,177	131,266
	2/10/2016(5)	—	—	—	—	—	8,819	150,011
	2/10/2016	—	—	—	2,205	8,819	—	150,011
Jeff R. Cashmer	—	300,000	400,000	700,000	—	—	—	—
	2/10/2016(4)	—	—	—	—	—	7,177	131,266
	2/10/2016(5)	—	—	—	—	—	8,819	150,011
	2/10/2016	—	—	—	2,205	8,819	—	150,011
Mary Lourdes Gibbons	—	262,500	350,000	612,500	—	—	—	—
	2/10/2016(4)	—	—	—	—	—	7,177	131,266
	2/10/2016(5)	—	—	—	—	—	5,145	87,516
	2/10/2016	—	—	—	1,286	5,145	—	87,516

Represents the threshold, target and maximum value of annual incentive awards that could have been earned by our named executive officers under our annual leadership bonus program pursuant to our Annual Plan for the year (1) ended December 31, 2016. For a discussion of the terms of our annual leadership bonus program and Annual Plan and the amounts earned thereunder by the named executive officers for 2016, see "—Compensation Discussion and Analysis—Elements of Compensation—Annual Incentive Compensation" above.

The restricted common shares are eligible to become earned as set forth in the table below based upon achievement of our compounded annual book value per share growth percentage during the three-year performance period (2) commencing January 1, 2016. All restricted common shares that are earned will vest on March 1, 2019, subject to the executive's continuous employment through the applicable date.

Performance Level	Compounded	Restricted
	Annual Book	Common

	Value Per Share Growth	Shares Earned(*)
	<13%	—%
Threshold	13%	25%
	14%	50%
	15%	75%
Maximum	>16%	100%

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In the event that the compounded annual book value per share growth falls between the performance levels shown (\*) above, the restricted common shares earned will be determined on a straight line basis between the respective levels.

The amounts reported in this column represent the aggregate grant date fair value of the share awards granted in 2016, computed in accordance with FASB ASC Topic 718, disregarding for this purpose the estimate of forfeitures related to service-based vesting conditions. The value of restricted common shares that are subject to both time- (3) and performance-based vesting conditions has been computed assuming the probable outcome of the performance conditions on the date of grant. For additional information, including a discussion of the assumptions used to calculate these values, see "—Outstanding Equity Awards at Fiscal Year-End" below and Note 10 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2016.

Represents time-based vesting restricted common shares granted to each of our named executive officers in February 2016 for 2015 performance under our annual leadership bonus program pursuant to our Annual Plan, (4) which vest in three equal annual installments on each of March 1, 2017, 2018 and 2019, subject to the executive's continuous employment through each such date.

Represents time-based vesting restricted common shares granted to each of our named executive officers under our (5) long-term equity incentive program, which vest in three equal annual installments on each of March 1, 2017, 2018 and 2019, subject to the executive's continuous employment through each such date.

#### Narrative to Summary Compensation Table and Grants of Plan-Based Awards Table Executive Employment Agreements

Certain of the compensation awarded to, earned by, or paid to our named executive officers reflected in the Summary Compensation Table and the Grants of Plan-Based Awards Table above is provided pursuant to employment arrangements entered into with us and/or our affiliates. In connection with our initial public offering in November 2013, we and/or our affiliates entered into a new employment agreement with each of Messrs. Casale, McAlee, Bhasin and Cashmer and Ms. Gibbons, which replaced and superseded each of the executive's prior employment agreements with us and/or our affiliates.

The current employment agreement with each of Messrs. Casale, McAlee, Bhasin and Cashmer and Ms. Gibbons has an initial term which expired on November 5, 2016 and automatically extends for successive one-year periods, unless at least 120 days prior to the expiration of the then current term either party to the agreement provides the other party with written notice of its intention not to renew the agreement.

Under the terms of his or her respective employment agreement, Mr. Casale is entitled to an annual base salary, currently \$900,000, and Messrs. McAlee, Bhasin and Cashmer and Ms. Gibbons are each entitled to annual base salaries, currently \$350,000, \$400,000, \$400,000 and \$350,000, respectively.

Each of our named executive officers are also eligible to receive an annual bonus based upon the achievement of corporate and individual performance objectives. Mr. Casale is entitled to a target annual bonus, currently equal to 150% of his annual base salary, while each of Messrs. McAlee, Bhasin and Cashmer and Ms. Gibbons are entitled to a target annual bonus, currently equal to 100% of his or her respective annual base salary. For a discussion of our annual bonus plan, see "—Compensation Discussion and Analysis—Elements of Compensation—Annual Incentive Compensation" above and "—Annual Leadership Bonus Program" below.

Each of our named executive officers is also eligible to participate in our long-term incentive program. Pursuant to their employment agreements, each of our named executive officers is entitled to a target opportunity under our long-term incentive program. See "—Compensation Discussion and Analysis—Elements of Compensation—Long-Term Equity Incentive Compensation" above for additional information.

Our named executive officers are also entitled to participate in health, insurance, retirement and other benefits on no less favorable terms to similarly situated employees.

For a discussion of the severance pay and other benefits to be provided in connection with a termination of employment and/or a change in control under these employment arrangements, see "—Potential Payments upon Termination or Change in Control" below.

#### Annual Leadership Bonus Program



All employees with the title of senior vice president and above who report directly to our chief executive officer, and certain other designated employees, are eligible to participate in our annual leadership bonus program pursuant to the Annual Plan. Our annual leadership bonus program pays for performance, which means that both we and the executive must meet minimum stated goals for the executive to qualify for a bonus. The weighting of corporate and individual goals varies by level of employee. Mr. Casale's annual bonus is based entirely on the achievement of corporate goals. The weighting of the annual bonus is 50% individual goals and 50% corporate goals for each of Messrs. Bhasin and McAlee and Ms. Gibbons and 75% individual goals and 25% corporate goals for Mr. Cashmer.

Bonus payments under the program occur as soon as practicable following the end of the fiscal year, and in no event later than March 15th of the following year, subject to the executive's continuous employment through such payment date. Effective for 2016, bonuses are paid in cash.

Pursuant to the employment agreements with our named executive officers, no less than 50% of any bonus will be paid in cash. As discussed above under "—Compensation Discussion and Analysis-Executive Compensation Highlights", in February 2016 our compensation committee determined that, commencing with annual bonuses paid for the year ended December 31, 2016, all of such annual bonuses payable to our senior executive officers, including each of our named executive officers, will be paid solely in cash. For additional information regarding the vesting of outstanding restricted common shares held by our named executive officers on a termination of employment, see "—Potential Payment upon Termination or Change in Control" below.

In connection with our initial public offering, our board of directors adopted, and our shareholders approved, the Essent Group Ltd. Annual Incentive Plan, or the Annual Incentive Plan. Commencing in 2014, annual cash incentive awards have been made pursuant to the Annual Incentive Plan. For a summary of the Annual Incentive Plan, see "—Compensation Discussion and Analysis—Elements of Compensation—Incentive Compensation Plans" above and "Proposal 4: Approval of Essent Group Ltd. Annual Incentive Plan" below.

#### Outstanding Equity Awards at Fiscal Year-End

The following table sets forth the outstanding equity awards of our common shares held by each of our named executive officers as of December 31, 2016.

##### Stock Awards

Name	Grant Date	Number of Shares or Units that have not Vested (#)	Market Value of Shares or Units that have not Vested(1) (\$)	Equity Incentive Plan Awards: Number of Shares, Units or Other Rights that have not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that have not Vested(1) (\$)
Mark A. Casale	2/10/2016 (2)	20,577	666,077	—	—
	2/10/2016 (3)	52,911	1,712,729	—	—
	2/10/2016 (3)	—	—	158,731	5,138,122
	2/10/2015 (2)	9,540	308,810	—	—
	11/5/2013 (4)	156,250	5,057,813	—	—
	11/5/2013 (4)	937,500 (7)	30,346,875	—	—
Lawrence E. McAlee	2/10/2016 (2)	7,717	249,799	—	—
	2/10/2016 (3)	5,145	166,544	—	—
	2/10/2016 (3)	—	—	5,145	166,544
	2/10/2015 (2)	3,577	115,787	—	—
	2/10/2015 (5)	2,385	77,202	—	—
	2/10/2015 (5)	—	—	3,577	115,787
	2/14/2014 (2)	1,593	51,565	—	—
	2/14/2014 (6)	1,174	38,002	—	—
	2/14/2014 (6)	3,521 (7)	113,975	—	—
	11/5/2013 (4)				