

PETROGEN INSURANCE CORPORATION BOARD COMPENSATION COMMITTEE CHARTER

INTRODUCTION

This Committee Charter (this “Charter”) of the Compensation Committee of Petrogen Insurance Corporation (the “Company”) sets out the roles, responsibilities, and authority of the Compensation Committee and the rules of procedure that will guide the function of the Compensation Committee.

PURPOSE

The Compensation Committee is a standing committee of the Board of Directors constituted for the purpose of reviewing and approving the remuneration of directors and senior management.

AUTHORITY

The Compensation Committee shall be granted access to records and be provided with such resources as may be necessary for the purpose of fulfilling its duties and responsibilities under this Charter.

LIMITATIONS ON MEMBERS

A member of the Compensation Committee shall not participate in decisions with respect to his or her own remuneration, unless the same shall be applied to all directors.

COMPOSITION

The Compensation Committee consists of three (3) members of the Board of Directors, one of whom is an independent director as defined in the Code of Corporate Governance of the Company. The Board of Directors will appoint the members and the Chairman of the Compensation Committee at the organizational board meeting that follows each annual stockholders’ meeting or at any earlier time as the Board of Director may deem necessary.

In the absence of the Chairman during any meeting of the Compensation Committee, a Chairman *pro tempore* shall be designated by the members present. The Head of the Human Resources Management Department of the Company is the secretary of the Compensation Committee.

The Compensation Committee shall act only on the affirmative vote of at least two (2) of voting members at a meeting or by unanimous written consent of the voting members.

The Compensation Committee may appoint one or more persons to act as advisor to the committee who shall have the right to attend the meetings of the committee but shall have no right to vote.

THE CHARTER OF THE COMPENSATION COMMITTEE OF PETROGEN INSURANCE CORPORATION

MEETINGS

The Compensation Committee shall meet at such times and places as it considers appropriate. The Chairman may call a meeting at any time as needed.

All committee members are expected to attend each meeting, in person or via tele- or video-conference. The meetings are limited to the committee members and whoever is authorized by the Compensation Committee to attend. As necessary, the Compensation Committee will invite members of management and organization staff or any independent adviser to provide pertinent information or data.

The Compensation Committee, through the committee secretary, distributes the notice, the agenda and the appropriate committee materials at least two (2) days before any meeting so the members can intelligently review the various matters raised. The meetings begin with the reading and approval of the minutes of the previous meeting.

Two (2) of the three (3) members of the Compensation Committee constitute a quorum for the transaction of the Committee's business. The vote of at least two (2) voting members will be required for any action of the Compensation Committee.

DUTIES AND RESPONSIBILITIES

In meeting its purposes, the Compensation Committee will carry out the following duties and responsibilities:

1. Consider and approve the remuneration of directors and senior management; and
2. Monitor and review the propriety of other benefits.

REPORTING PROCEDURES

The Chairman of the Compensation Committee, or in his absence, the member elected by the members present in a meeting, shall report to the Board of Directors the decisions and recommendations made by the Compensation Committee following each meeting.

PERFORMANCE EVALUATION

The Compensation Committee shall periodically assess its effectiveness by comparing its performance with the requirements of this Charter to ensure compliance with this Charter and best practice.

The Compensation Committee shall also review and assess the adequacy of this Charter annually or as conditions dictate, recommend any modifications as deemed appropriate, and obtain the approval of the Board of Directors for any revisions.