

DIRECTOR AND OFFICER COMPENSATION

The following sets forth the proposed compensation of the directors and officers of SMHC, submitted pursuant to Wis. Stat. § 644.07(4)(b)(4).

There are no current plans for SMHC to pay any compensation to its officers in connection with their service as officers of SMHC, other than what such officers receive as officers of Converted SIAMCO. All officer compensation is reviewed annually by the Compensation and Personnel Committee with the assistance of the Committee's outside compensation consultant (currently, Aon Hewitt LLC) and approved by the Board.

SMHC will pay fees and other compensation to its directors on the same basis that SIAMCO currently pays such fees and other compensation to its directors. There are no current plans to change any of these fees in connection with the MHC Conversion. All director compensation is reviewed periodically by the Board of Directors with the assistance of the Governance Committee and the Compensation and Personnel Committee.

- Annual director fees, paid quarterly, are currently as follows:
 - Board Retainer Compensation: \$80,000
 - Committee Member Compensation: \$20,000 per committee
 - Lead Director Compensation: \$20,000
 - Committee Chair Fee (in addition to Committee Member Compensation):
 - \$20,000 for the Audit Committee
 - \$15,000 for the Compensation and Personnel Committee
 - \$10,000 for all other Committees
- Compensation for Board or Committee level activity between quarterly Board and Committee meetings is currently as follows:
 - Consultation Fee: \$1,000 per occurrence
 - The Consultation Fee is paid for each meeting held with management, in person, that is at least one hour in duration, inclusive of time spent traveling to and from the meeting and not requiring overnight travel.
 - Telephone Meeting Requiring a Quorum and Minutes: \$1,000 per occurrence
 - Face to Face Meeting Requiring a Quorum and Minutes and No Overnight Stay: \$1,500 per occurrence
 - Face to Face Meeting Requiring a Quorum and Minutes and One Overnight Stay: \$2,000 per occurrence
 - Face to Face Meeting Requiring a Quorum and Minutes and Two Overnights: \$3,000 per occurrence
 - Face to Face Meeting Requiring a Quorum and Minutes and Three Overnights: \$4,000 per occurrence

Performance Based Compensation is currently as follows:

- Performance Based Compensation for directors is determined based on the performance of SIAMCO (the “Performance”) during a three-year performance measurement period (the “Performance Measurement Period”) beginning on January 1 of Year 1 and ending on December 31 of Year 3. A new Performance Measurement Period begins on each January 1, such that at any time, there are three separate Performance Measurement Periods in effect.
- Performance goals will be approved by the Compensation and Personnel Committee for each Performance Measurement Period. Currently, the Performance is measured against three (3) comparative metrics—premium growth, return on revenue and surplus growth—and one objective metric of return on economic capital during the Performance Measurement Period. The comparative metrics are measured against results of a peer group of similar property and casualty insurance companies.
- Each active director is awarded 40 performance units (“Performance Units”) at the beginning of the Performance Measurement Period. The target value of each Performance Unit is currently \$1,500.
- The final value of the Performance Units is determined upon completion of the Performance Measurement Period, and will vary from 0% (if Performance is below threshold) to up to 200% (if Performance is above maximum) of the target value.
- In May immediately following the end of a Performance Measurement Period, the final value of all Performance Units awarded to Directors during such Performance Measurement Period is distributed to Directors in cash.
- Any director who commences service during the then current Performance Measurement Period receives a prorated award of Performance Units for such Performance Management Period.
- Any director who terminates employment prior to the end of a Performance Measurement Period, for reasons other than retirement, death or permanent disability, forfeits all Performance Units and all rights to the Performance based compensation.