

GERMANIA FARM MUTUAL INSURANCE ASSOCIATION

COMPENSATION COMMITTEE CHARTER

Purpose:

The purpose of the Germania Compensation Committee (the “Committee”) is to assist the Germania Farm Mutual Insurance Association (“GFMIA”) Board of Directors (the “Board”) in discharging its responsibilities relating to compensation and benefits of GFMIA’s Directors and the President/CEO. The Committee will ensure that appropriate compensation policies and practices are in place for GFMIA Directors and the President/CEO. Compensation issues to be addressed are total compensation, salary, incentive plan, and Director compensation.

Specific Duties and Responsibilities:

1. Review, develop, and administer a President/CEO performance evaluation process.
2. Make President/CEO compensation recommendations.
3. Review Company goals and objectives to develop and recommend annual incentive plan criteria for the President/CEO.
4. Assess and recommend changes to Director compensation.
5. Select and utilize outside professional resources to enable the Compensation Committee to fulfill its charter.
6. Monitor and assess the continuing GFMIA compensation process.
7. Review the Committee Charter annually and provide any suggested amendments to the Board for consideration and approval.
8. Perform any other activities consistent with this Charter and any other duties the Committee deems appropriate given the intent of this Charter.

Committee Structure, Members, Term and Meeting Procedures:

1. The Committee will consist of not less than three (3) GFMIA Directors.
2. The GFMIA Board Chairperson will provide a recommendation of Committee membership to the GFMIA Board for full approval.
3. At its first meeting following the appointment of the Committee members, the Committee shall select a Chairperson from among its members.
4. The term for each Committee member shall be two (2) years. Committee members may be appointed to serve successive terms.
5. If any member of the Committee ceases to be a member of the GFMIA Board of Directors, then such Committee member’s term on the Committee shall terminate as of the date of termination from the GFMIA Board.
6. A Committee member’s term on the Committee may be modified at any time at the discretion of the GFMIA Board Chairperson.
7. Meetings of the Committee shall be held on an as needed basis to conduct its work (see Attachment A for the suggested activities). To have a quorum present, a majority of the voting members must be present at the meeting. Action shall be taken where approved by the affirmative vote of a majority of the voting members in attendance at any meeting in which a quorum is present. A meeting of the Committee may be conducted by means of telephonic conference or electronic means wherein all persons participating can hear each other or otherwise participate. Participation in a meeting held pursuant to this

- paragraph shall constitute presence in person at such meeting.
8. The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary.
 9. The Committee may utilize such professionals and/or individuals (including, but not limited to, consultants) from time to time as the Committee deems necessary.
 10. The duties and responsibilities of a member of the Committee are in addition to those duties set out for a member of the GFMIA Board.

Decision Making:

The Committee will present all recommendations, assessments, and any amendments to this Committee Charter to the GFMIA Board of Directors for final approval.

Attachment A

Examples of Activities: The Committee will meet as necessary to conduct the work of the committee:

- President/CEO evaluation process
 - Audit/review previous year compensation committee process
- Finalize President/CEO evaluations & meet with the same
 - Review market compensation materials from the independent consulting firm retained by the committee
 - Recommend President's/CEO's salaries
 - Summarize evaluation process and make recommendations to Board for President/CEO salary increases
- Review Committee Charter and evaluation process for any necessary revisions
- Mid-term President/CEO performance review (informal)
- Recommend CEO incentive plan criteria
- Recommend agent incentive plan criteria
- Board approval of CEO and agent incentive plans