GERMANIA FARM MUTUAL INSURANCE ASSOCIATION

COMPENSATION AND HUMAN CAPITAL COMMITTEE CHARTER

Purpose:

The purpose of the Germania Compensation and Human Capital 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;
- compensation and benefits of the President/CEO; and
- ensuring that appropriate compensation policies and practices are in place for GFMIA Directors and the President/CEO.

The Committee shall also assist the GFMIA Board in discharging its oversight responsibilities relating to:

- the process(es) for the selection, acquisition, and retention of senior management;
- planning for succession of senior management;
- the availability of talent and professional development programs for team members;
- the President/CEO's compensation processes and practices related to members of senior management; and
- the guidelines and philosophies for total compensation.

Specific Duties and Responsibilities:

1. Review the organizational structure of GFMIA and its subsidiaries and affirm processes are in place for the selection, acquisition, and retention of senior management, where appropriate.
2. Review and monitor GFMIA's succession plan for senior management.
3. Review and monitor talent and professional development programs, including training and retention programs, for members of senior management.
4. Review and monitor policies and practices of performance reviews used to evaluate members of senior management.
5. Approve, on an annual basis, all compensation of team members at such levels as required by statute to receive Board approval.
6. Monitor GFMIA incentive compensation plans, amendments to such plans, performance targets and annual awards under such plans to members of senior management, all of which the President/CEO has authority and control over, for compliance with the total compensation philosophy.
7. Review, develop, and administer a President/CEO performance evaluation process.
8. Make President/CEO compensation recommendations.
9. Review Company goals and objectives to develop and recommend annual incentive plan criteria for the President/CEO.
10. Assess and recommend changes to Director compensation and benefits.
11. Select and utilize outside professional resources to enable the Compensation Committee to fulfill its charter.
12. Monitor the continuing GFMIA compensation process, including the total compensation philosophy of GFMIA.

13. Review and monitor GFMIA's strategies for its team members including those related to corporate culture, recruitment, retention, incentive, advancement, and development, for consistency with GFMIA's mission, purpose, guiding beliefs, and strategy.
14. Review the Committee Charter annually and provide any suggested amendments to the Board for consideration and approval.
15. The Committee will notify the appropriate GFMIA Committee Chairperson of any information it becomes aware of which could potentially impact any risk under the purview of that GFMIA Committee.
16. 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 by the GFMIA Board Chairperson providing a recommendation to the GFMIA Board for approval.
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.

<u>Attachment A</u>

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