



GERMANIA FARM MUTUAL INSURANCE ASSOCIATION

COMPENSATION COMMITTEE CHARTER

Purpose: The purpose of the Germania Compensation Committee (the “Committee”) is to assist the Board of Directors in discharging its responsibilities relating to compensation and benefits of Germania’s Directors and the President/CEO. The Committee will ensure that appropriate compensation policies and practices are in place for Germania 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 Germania compensation process
7. Review and reassess the adequacy of this Charter periodically and recommend changes as appropriate
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, Member and Meeting Procedures:

1. The Committee will consist of five Germania District directors.
2. To have a quorum present, no more than two voting members may be absent from a meeting. Action shall be taken where approved by the affirmative vote of a majority of the voting members in attendance at any meeting where a quorum is present. A meeting of the Committee may be conducted by means of telephonic conference or electronic means where all persons participating in such meeting can hear each other or otherwise participate. Participation in a meeting held pursuant to this paragraph shall constitute presence in person at such meeting.
3. Committee members shall be elected at a meeting of the Board of Directors. Each Committee position shall be voted upon by the Board of Directors separately. If there be more than two nominees for any committee position to be voted upon, and if no one receives a majority vote on the first ballot, then the two receiving the highest number of votes shall enter a run-off with the one receiving the most votes in the run-off election being declared the one elected to the Compensation Committee. In the event of a tie, a winner will be determined by the flip of a coin.
4. At its first meeting following the election of Committee members, the Committee shall select a chairperson from among its members.
5. Member terms will be three years (staggered per rotation established by the Committee). A Committee member may serve successive terms.
6. Any vacancy on the Committee may be filled for the unexpired term by a majority vote of the Board of Directors.

7. If any member of the Committee ceases to be a member of the Germania Farm Mutual Insurance Association Board of Directors, then such Committee member's term on the Committee shall terminate as of the date of termination from the GFMIA Board.
8. The committee may ask members of management or others to attend meetings and provide pertinent information as necessary.
9. The Committee will meet as necessary to conduct its work (see Attachment A for the suggested activities).

Decision Making:

The Committee will present all recommendations and assessments to the Germania 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
 - Set 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)
- Set CEO incentive plan criteria
- Set agent incentive plan criteria
- Board approval of CEO and agent incentive plans