

CHARTER

COMPENSATION COMMITTEE

PARTNERS MUTUAL INSURANCE COMPANY

APPROVED BY: The Board of Directors

APPROVED DATE: November 19, 2015

**CHARTER
OFFICERS SALARY COMMITTEE
PARTNERS MUTUAL INSURANCE COMPANY**

I. FUNCTION/PURPOSE:

The purpose of the Officers Salary Committee of Partners Mutual Insurance Company (the “Committee”) is to evaluate the job performance of the CEO of Partners Mutual Insurance Company (the “Company”) and to recommend to the Company’s Board of Directors (the “Board of Directors”) the compensation of the elected officers.

II. COMMITTEE MEMBERSHIP/ORGANIZATION:

The Committee shall consist of at least three (3) members of the Board of Directors. Upon recommendation of the Chair, the Board shall appoint the Committee members. If a Committee Chair is not designated or present, the members of the Committee may designate a Chair by majority vote of the Committee membership. The Committee shall have the authority to appoint one or more subcommittees to fulfill the duties outlined herein.

III. MEETING SCHEDULE/ACTIVITIES:

The Committee will meet as necessary, but not less than annually, in order to fulfill the purpose and functions enumerated herein. The Committee will report its actions, decisions and recommendations to the Board of Directors. The Committee shall maintain minutes of each meeting.

IV. RESPONSIBILITIES:

The Committee has the responsibility and authority to:

- A. review and recommend officer compensation strategies;
- B. review and recommend officer incentive plan goals and objectives;
- C. establish and execute a process to establish the annual performance objectives for the CEO, to conduct the annual performance evaluation of the CEO and to receive a report from the CEO of the CEO’s performance evaluations of the other officers;

- D. review and recommend for approval to the Board of Directors the compensation of the elected officers:
- E. periodically direct the development of, review and recommend for approval by the Board of Directors the fees paid to directors; and
- F. perform other oversight functions as requested by the Board of Directors or as deemed necessary by the Committee.

V. COMMITTEE RESOURCES

The Committee shall have the resources and authority it deems appropriate to discharge its duties and responsibilities, including the sole authority to select, retain, terminate, and approve the fees and other retention terms of special or independent counsel, or other experts or consultants relating to compensation, benefits or other matters within the purview of the Committee. In carrying out its responsibilities, the Committee may rely upon advice of legal counsel and of qualified accounting, compensation and valuation experts, any of which may be internal or external resources.

VI. COMMITTEE EVALUATION

The Committee shall conduct a performance evaluation periodically, but not less than every three years, which assesses the performance of the Committee relative to the requirements of this Charter and such other matters as the Committee deems appropriate. The performance evaluation shall be conducted in such manner as the Committee deems appropriate.

The Committee shall annually review the Charter and recommend to the Board of Directors for approval any revisions that the Committee deems appropriate.

VII. REPORTING

After any executive session of the Committee, the Committee Chair shall communicate with the Chair of the Board of Directors and with the President/CEO to provide feedback and to effect the decisions and recommendations of the Committee.