

# **Medmarc Mutual Insurance Company Corporate Governance Committee Charter**

(Approved by Board of Directors – March 14, 2008)

## **MISSION:**

The Corporate Governance Committee (the “Committee”) of the Board of Directors of Medmarc Mutual Insurance Company (the “Company”), as constituted by the Board of Directors, shall be charged with the following responsibilities:

1. To develop and implement a process to install and maintain Board members who will enhance the Company’s and Board’s strengths as well as meet the requirements of the By-Laws, any statutory requirements and fulfill any other need.
2. To coordinate with senior management in locating and reviewing for approval any potential board members, determine criteria for adding new directors, retaining existing members and recommending the size of the Board within the By-Laws’ minimum of nine and maximum of fifteen directors.
3. To develop, publish and regularly update a compilation of corporate governance policies and procedures that describe and set standards or criteria for the role, responsibilities and structure of the Board and its committees.
4. To recommend, annually or as needed, directors for election by the Board of Directors to the positions of Chairman of the Board and Vice Chairman.
5. Review, assess the effectiveness of, recommend changes and monitor the implementation of, and compliance with, Company policies, practices and procedures regarding laws, rules and regulations and ethical standards applicable to the Company consistent with the duties and responsibilities outlined below.
6. To keep abreast of the developments in the corporate governance field that might affect the Company.

The Committee shall report periodically to the Board as to its findings.

## **METHODOLOGY, PRINCIPAL DUTIES AND RESPONSIBILITIES:**

1. On an ongoing basis, the Committee will evaluate the composition of the Board and recommend changes as needed, while maintaining the limitations prescribed by the By-Laws and statutory requirements.

2. The Committee periodically will review the requirements of the By-Laws and recommend changes as needed to ensure that the current and future needs of the Company are being addressed and that the long-term interest of the policyholders is appropriately represented.
3. The Committee will develop a list of potential candidates to fill vacancies on the Board, such list will be reviewed by senior management and the Board; Committee will review the qualifications of any candidates proposed by senior management.
4. The Committee will recommend to senior management and the Board criteria to be used in adding new directors and retaining existing directors.
5. Board compensation will be reviewed bi-annually to determine if it is in line with businesses of like size.
6. The Committee will recommend committee leadership appointments and the assignment of directors to various committees on a yearly basis at each Annual Meeting of the Company.
7. The Committee will review and resolve potential conflicts of interest (including external directorships) involving either senior management or members of the Board of Directors.
8. Review periodically the status and findings of internal regulatory compliance audits as well as any external state regulatory compliance audits conducted by state regulators, excluding any audits of the Company's financial condition.
9. Receive reports on the status of any material litigation involving the Company.

### **Ethics Responsibilities**

The Committee shall:

1. Recommend a code of ethical and business conduct (the "Code") to the Board for dissemination to all employees of the Company and its subsidiaries.
2. Promote compliance with the Code through various means as may be selected by the Committee, including, among others, periodic questionnaires submitted to key employees and distribution of information from time to time.
3. Review all responses to the questionnaires and other information received relating to non-compliance with the Code.

4. Promptly investigate and submit a report to the Board with recommendations for responses or information received by the Committee which are likely to have a materially adverse effect on the Company.

**STAFFING:**

President and CEO as well as General Counsel shall serve as the senior staff assigned to meet with the Committee. The President and CEO shall not vote on matters brought before the Committee.