

# NI HOLDINGS, INC.

## EXECUTIVE COMMITTEE CHARTER

This Executive Committee Charter was adopted by the Board of Directors (the “Board”) of NI Holdings, Inc. (the “Company”) on November 8, 2016.

This Charter is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company’s Articles of Incorporation and Bylaws, it is not intended to establish, by its own force, any legally binding obligations.

### I. GENERAL

The Executive Committee (the “Committee”), in order to assist the Board in fulfilling its responsibilities, shall:

1. Act on behalf of the Board on major matters that require decisions between Board meetings;
2. Review and approve Reinsurance structure for the Company;
3. Review with senior management the Enterprise Risk Management plan;
4. Review and approve investment policy for the Company and approve quarterly and annual investment activity;
5. With the assistance of senior management’ hire and/or terminate investment advisors; and
6. Serve as the Merger and Acquisition Committee, reviewing with management potential opportunities and approving initial discussions and due diligence.

**Access to Information; Delegated Authority; Resources.** In discharging its role, the Committee is empowered to inquire into any matter it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of the Company and, subject to the direction of the Board, the Committee is authorized and delegated the authority to act on behalf of the Board with respect to any matter necessary or appropriate to the accomplishment of its purposes. The Committee is empowered to retain investment advisors, legal counsel, compensation consultants, tax advisors, accounting advisors or other advisors or consultants to assist it in carrying out its activities. The Company shall provide adequate resources to support the Committee’s activities, including compensation of the Company’s investment advisors, legal counsel, accounting advisor or other advisor or consultant retained by the Committee. The Committee may request any director, officer, or employee of the Company, or the Company’s investment advisors, outside legal counsel, compensation consultant, tax advisor, or independent accountant, to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

This charter/committee applies to the governance of the Company and its wholly-owned subsidiaries (Nodak Insurance Company, American West Insurance Company, and Primero Insurance Company) and its affiliate Battle Creek Mutual Insurance Company.

### II. COMMITTEE MEMBERSHIP

**Composition of the Committee:** The Committee shall have at least three or more members of the Board, each of whom the Board has selected.

**Tenure.** Except as otherwise directed by the Board, a director selected as a Committee member shall continue to be a member for as long as he or she remains a director or until his or her earlier resignation from the Committee. Any member may be removed from the Committee by the Board, with or without cause, at any time.

**Committee Chair.** The Chair of the Committee shall be appointed from among the Committee members by, and serve at the pleasure of, the Board, shall preside at meetings of the Committee and shall have authority to convene meetings, set agendas for meetings, and determine the Committee's information needs, except as otherwise provided by action of the Committee. In the absence of the Chair at a duly convened meeting, the Committee shall select a temporary substitute from among its members to serve as chair of the meeting.

### **III. MEETINGS AND RECORDS**

The Committee shall meet on a regularly scheduled basis at least four times per year and additionally as circumstances dictate. At least quarterly, the Committee shall meet to review and approve investment activity. The Committee shall otherwise establish its own schedule of meetings. The Committee may also act by unanimous written consent of its members. Notice of meetings shall be given to all Committee members, or may be waived, in the same manner as required for meetings of the Board. Meetings of the Committee may be held by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. A majority of the members of the Committee shall constitute a quorum for a meeting and the affirmative vote of a majority of members present at a meeting at which a quorum is present shall constitute the action of the Committee. The Committee may form, and delegate any of its responsibilities to, a subcommittee so long as such subcommittee is solely comprised of one or more members of the Committee. The Committee shall otherwise establish its own rules of procedure, subject to the provisions of the Company's Articles of Incorporation and Bylaws.

The Vice President Finance, Secretary/Treasurer and Chief Financial Officer of the Company is responsible to the Committee to create, obtain, and retain correct and complete records and/or minutes of its proceedings in a manner consistent with the Company's Articles of Incorporation and Bylaws. Such records are subject to inspection by the Board at any reasonable time. The Chairperson of the Committee shall oversee the process of proper retention and filing of the Committee documents and shall have authority to delegate management of such process to a Committee member, Company officer, or Secretary of the Board. Unless otherwise directed by the Chairperson, the Vice President Finance, Secretary/Treasurer and Chief Financial Officer shall be the custodian of the Committee's minutes and records.

### **IV. DUTIES AND RESPONSIBILITIES**

The following duties, responsibilities, and functions are set forth as a guide to fulfilling the Committee's purposes, with the understanding that the Committee may undertake other and different activities, and that the Committee's activities may diverge from those described below, as appropriate under the circumstances.

In such a manner as the Committee determines is appropriate to fulfill its purposes, the Committee shall:

1. With respect to decisions that the Chairperson and/or Chief Executive Officer of the Company may determine appropriate, act on behalf of the Board on major matters that require decisions between Board meetings.
2. Meet with senior management and develop an understanding of the methodology used to manage enterprise-wide risks. This discussion should include a summary of the risks reviewed, the documentation maintained to summarize the review, and the frequency of the review and updates.
3. Discuss with management the manner in which the Company monitors compliance with the processes established to mitigate the risks identified above. Determine, in conjunction with the activities around internal audit overseen by the Audit Committee, whether these compliance efforts should be supplemented by further internal audit or other activities.
4. Discuss with senior management the Company's evaluation of the need for, and levels of, reinsurance at each

of the Company's insurance subsidiaries and affiliates. Approve the overall reinsurance structure for each of the subsidiaries and affiliates, and for the Company as a whole.

5. Review the overall conclusions reached by management regarding enterprise-wide risks.
6. Review and approve the discussion of the Board's involvement in the risk management process to be included in the Company's annual Proxy Statement, in accordance with applicable rules and regulations of the SEC, and other applicable regulatory bodies.
7. Review and approve the Company's investment policy. The investment policy should address the needs of the individual subsidiaries and affiliates, as well as the Company as a whole. The Committee should also solicit recommendations to the investment policy from the investment advisor(s).
8. Review the quarterly investment activity of the Company, including purchases, sales, and maturities. Review a list of downgrades on individual securities for the quarter. Review investment performance (investment income, market value fluctuations, etc.) against established benchmarks. Determine whether investment limitations established by the investment policy have been maintained. All of these reviews should be performed at the individual subsidiary level. Approve the investment activity (albeit, after the fact).
9. Annually, review the performance of the investment portfolio for the year relative to the investment policies and benchmarks.
10. Based upon recommendations from senior management, review and approve the investment advisor(s) to be used by the Company, its subsidiaries and affiliates. As a part of the approval process, the Committee should review:
  - a. The portion of the portfolio each of the advisors will be responsible;
  - b. The compensation to be paid;
  - c. The benchmarks to be used to evaluate the performance of the advisor;
  - d. Relationships between the investment advisor(s) and the Company, relationships between the investment advisor and any holdings in the Company's portfolio or any other relationships or services that may impact the objectivity of the investment advisor(s);
  - e. Issues encountered during the past year (or years) in serving the Company;
  - f. Overall industry experience of the advisor and the individuals assigned to the Company's account; and
  - g. Other pertinent considerations.
11. Review the status of potential merger and/or acquisition targets with senior management. Provide guidance to senior management as to information needs, risk exposures, legal and regulatory concerns and considerations, and next steps. Assess additional resource needs, if any, to supplement senior management. When appropriate and based upon recommendations from senior management and Committee conclusions, make recommendations to the full Board for consideration.
12. Conduct a review of the adequacy of this Charter annually, and recommend to the Board such amendments as the Committee deems appropriate.
13. Consider performing a self-assessment of the performance of the Committee.
14. Report regularly to the full Board on committee findings and recommendations, and any other matters the Committee deems appropriate or the Board requests.