

NI HOLDINGS, INC.

COMPENSATION COMMITTEE CHARTER

This Compensation 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

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

- a. Make recommendations to the Board regarding compensation levels for the Company’s executive officers;
- b. Evaluate and make recommendations to the Board around officer and director compensation plans, policies, and programs;
- c. Review and make recommendations to the Board around benefit plans for officers and employees; and
- d. Produce an annual report on executive compensation for inclusion in the Proxy Statement.

Access to Information; Delegated Authority; Resources. In discharging its role, the Committee is empowered to investigate 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, in its sole discretion, retain the advice of a human resources consultant, legal counsel, compensation consultant, tax advisor, independent accountant or other advisor or consultant to assist it in carrying out its activities. The Committee shall be directly responsible for the appointment, compensation, and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the compensation committee. The Company shall provide adequate resources, as determined by the Committee, to support the Committee’s activities, including compensation of a human resources consultant, legal counsel, compensation consultant, independent accountant or other advisor or consultant retained by the Committee. The Committee shall have the sole authority to retain, compensate, terminate, and oversee the executive compensation consultant, who shall be accountable ultimately to the committee. The Committee may request any director, officer, or employee of the Company, or the Company’s human resources consultant, outside legal counsel, compensation consultant, tax advisor, independent accountant or other advisor or consultant, to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

The compensation committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the compensation committee, other than in-house legal counsel, only after taking into consideration the following factors: (i) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser; (ii) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser; (iii) the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest; (iv) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the compensation committee; (v) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and (vi) any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

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

II. COMMITTEE MEMBERSHIP

Independence: The Committee shall consist of three or more members of the Board, each of whom the Board has selected and determined to meet the independence requirements of the Nasdaq Stock Market, including but not limited to Rule 5605(d)(2)(A), and the rules of the Securities and Exchange Commission (“SEC”). In addition, no director may serve unless he or she (a) is a “non-employee director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (b) satisfies the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.

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 two times per year, and additionally as circumstances dictate. 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 Committee shall meet at least annually with the President and Chief Executive Officer (the “CEO”), and any other corporate officers the Board and Committee deem appropriate, to discuss and review the performance criteria and compensation levels of key executives. The CEO may not be present during voting or deliberations by the Committee on the CEO’s compensation.

The Committee Chair and Vice President Finance, Secretary/Treasurer and Chief Financial Officer of the Company are jointly 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 purpose, the Committee shall:

1. Establish and review the overall compensation philosophy of the Company.
2. Review and approve corporate goals and objectives relevant to CEO and other executive officers' compensation, including annual performance objectives.
3. Evaluate the performance of the CEO and other executive officers against those corporate goals and objectives, and recommend to the Board for approval the compensation level for each such person based on these evaluations.
4. Review on a periodic basis the Company's executive compensation programs to determine whether they are properly coordinated and achieve their intended purpose(s) and recommend to the Board for approval any appropriate modifications or new programs.
5. Review and recommend to the Board for approval any changes in incentive compensation plans and equity-based compensation plans.
6. Review and recommend to the Board for approval all equity-based compensation plans of the Company (whether or not final approval rests with the Company's shareholders) and recommend to the Board for approval the granting of awards of shares or share options pursuant to such equity-based plans.
7. Administer and monitor compliance by executives with the rules and guidelines of the Company's equity-based plans.
8. Review and recommend to the Board for approval any changes in employee retirement programs, and review broadly employee salary levels and ranges and employee fringe benefits.
9. Prepare a report 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.
10. Conduct a review of the adequacy of this Charter annually, and recommend to the Board such amendments as the Committee deems appropriate.
11. Consider performing a self-assessment of the performance of the Committee.
12. Report regularly to the full Board on committee findings and recommendations, and any other matters the Committee deems appropriate or the Board requests.