

GERMANIA FARM MUTUAL INSURANCE ASSOCIATION AND SUBSIDIARIES

AUDIT COMMITTEE CHARTER

The audit committee is a committee of the board of directors of GFMIA. Its primary function is to assist the Germania Farm Mutual board and its subsidiary boards (collectively referred to as the "boards of directors") in fulfilling oversight responsibility by reviewing the financial information which will be provided to the boards of directors, the systems of internal controls which management has established, and the audit process.

The audit committee should meet its responsibilities through meetings with the independent accountant, internal auditor and management. It is not expected that the committee or individual members will perform audit procedures.

In meeting its responsibilities, the audit committee should:

1. Provide an open avenue of communication between the internal auditor, the independent accountant, and the boards of directors.
2. Review and retain independent accountants.
3. Review with management, any replacement, reassignment, or dismissal of the internal auditor.
4. Confirm and assure the independence of the internal auditor and the independent accountant.
5. Inquire of management, the internal auditor, and the independent accountant about significant risks, estimates or exposures and assess the steps management has taken to minimize such risk in accordance with the approved ERM policy.
6. Consider in consultation with the independent accountant and the internal auditor, the audit scope and plan of the internal auditor and the independent accountant.
7. Review with the internal auditor and the independent accountant the coordination of the audit effort to assure completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
8. Consider and review with the independent accountant and the internal auditor:
 - a. The adequacy of the internal controls including computerized information system controls and security.
 - b. Any related significant findings and recommendations of the independent accountant and internal auditor together with management's responses thereto.
9. Review with management and the independent accountant at the completion of the annual examination:
 - a. The annual financial statements and related footnotes.
 - b. The independent accountant's audit of the financial statements and his or her report thereon.
 - c. Any significant changes required in the independent accountant's audit plan.

- d. Any serious difficulties or disputes with management encountered during the course of the audit.
 - e. Other matters related to the conduct of the audit which are to be communicated to the committee under generally accepted auditing standards.
10. Consider and review with the independent accountant and the internal auditor:
 - a. Significant findings during the year and management's responses thereto.
 - b. Any difficulties encountered in the course of their audits, including any restrictions on the scope of their work or access to required information.
 - c. Any changes required in the planned scope of their audit plan.
11. Review legal and regulatory matters that may have a material impact on the financial statements, related company compliance policies, and programs and reports received from regulators.
12. If needed, meet with the internal auditor, the independent accountant, and management in separate executive sessions to discuss any matters that the committee or these groups believe should be discussed privately with the audit committee.
13. Report committee actions to the boards of directors with such recommendations as the committee may deem appropriate.
14. The committee shall meet at least two times per year or more frequently as circumstances require. The committee may ask members of management or others to attend the meeting and provide pertinent information as necessary.
15. The committee will perform such other functions as assigned by the Association's charter or bylaws, or the boards of directors.
16. Determine bond coverage is in existence and meets the requirements of the GFMIA Constitution.

The membership of the audit committee shall consist of at least five members of the GFMIA board of directors who shall serve at the pleasure of the GFMIA board of directors. Audit committee members and the committee chairperson shall be designated by the full board of directors upon the recommendation of the Audit Committee chairperson.

The duties and responsibilities of a member of the audit committee are in addition to those duties set out for a member of the board of directors.