

**EMC INSURANCE GROUP INC.
COMPENSATION COMMITTEE CHARTER**

PURPOSE

The purpose of the Compensation Committee (the “Committee”) of EMC Insurance Group Inc. (the “Company”) is to assist the Board in discharging the Board’s responsibilities relating to compensation of the Company’s chief executive officer and senior executive officers. The term “compensation” as used in this Compensation Committee Charter (the “Charter”) shall mean salaries, bonuses, perquisites, agreements to pay deferred compensation, and discretionary benefits such as stock options, but shall not include payments to or under any employee pension, retirement, profit sharing, stock investment or similar plan that is broadly available to the employees of Employers Mutual Casualty Company.

AUTHORITY

The committee shall evaluate and approve the compensation plans, policies, and programs of the Company with respect to the Company’s chief and senior executive officers. The Committee shall be provided with the resources and authority to discharge its duties and responsibilities, including full access to Employers Mutual Casualty Company employees, officers and directors and internal or external advisers or consultants.

COMPOSITION

The Committee shall consist of at least three members of the Board of Directors. All members of the Committee shall be “independent directors” as such term is defined by Rule 4200(a)(15) of the National Association of Securities Dealers, Inc. (“NASD”). Additionally, no director of the Company may serve on the Committee unless he or she (a) is a “non-employee director” under the qualifications set forth in Rule 16b-3 of the Securities Exchange Act of 1934 and (b) satisfies the requirements of an “outside director” for purposes of Section 162(m)(4)(c) of the Internal Revenue Code. The members shall be elected to the Committee by the Board annually or as necessary to fill vacancies in the interim. The Board shall annually designate one of the Committee members as chairperson. Committee members may be replaced by the Board.

MEETINGS

The Committee will meet at least annually, with authority to convene additional meetings as circumstances require. All Committee members are expected to attend each meeting, in person or via teleconference. The Committee will invite members of Company management and other appropriate individuals, as necessary, to attend its meetings. Meetings of the committee may occur jointly with the Senior Executive Compensation and Stock Option Committee of the

Board of Directors of Employers Mutual Casualty Company, provided, however, that any actions of the Committee shall be required to be taken independently of any actions taken by any committee of the Board of Directors of Employers Mutual Casualty Company, and all such actions of the Committee shall be reflected in the minutes of the Committee to be maintained in the permanent corporate records of the Company. All deliberations and voting of the Committee regarding the compensation of the chief executive officer shall occur outside the presence of the chief executive officer of the Company.

RESPONSIBILITIES

1. The Committee shall annually review and approve corporate goals and objectives relevant to the compensation of the chief executive officer and senior executive officers of the Company in light of those goals and objectives.

2. The Committee shall consider the total compensation package, including incentive compensation plans and equity-based plans, and the structure and award formulae and calculation and performance targets for all incentive compensation programs, for the chief executive officer and senior executive officers and how those compare to peer companies and how they relate to the Company's performance when compared to such peer companies.

3. The Committee shall make regular reports to the Board and shall prepare and issue its report on executive compensation as required by the rules of the Securities and Exchange Commission ("SEC") to be included in any proxy statement issued by the Company.

4. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall annually review its own performance.

5. The Committee shall perform such other duties and assume such other responsibilities, consistent with this Charter, as may be delegated to the Committee by the Board or required under the provisions of any compensation or benefit plan maintained by the Company, or as may be established by the SEC or the NASD.