ProAssurance Corporation
Compensation Committee Charter

1. <u>Members</u>. The Board of Directors of ProAssurance Corporation (the "Company") shall appoint a Compensation Committee of at least three members in accordance with the By-Laws. Each member of the Compensation Committee must be independent. For purposes hereof, the term "independent" shall mean a director that the Board of Directors determines meets the independence requirements for Compensation Committee members under the rules and regulations of the Securities Exchange Commission ("SEC") and listing standards of the New York Stock Exchange, Inc., as such rules, regulations or listing standards may be amended from time to time. In addition, (i) each member of the Compensation Committee shall be a "Non-Employee Director" as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended, or any successor provision, (ii) each member of the Compensation Committee shall be an "outside director" as defined in the regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended, and (iii) no member of the Compensation Committee may have any interlocking relationships required to be disclosed under the federal securities laws, including Item 402(j)(3) of Regulation S-K.

2. <u>Purposes, Duties and Responsibilities</u>.

The purposes of the Compensation Committee shall be:

- Represent and assist the Board of Directors in discharging its oversight responsibility relating to compensation matters; and

- Prepare the report required by SEC rules to be included in the Company's annual proxy statement.

Among its specific duties and responsibilities, the Compensation Committee shall:

(i) Review and approve corporate goals and objectives relevant to CEO compensation and evaluate the CEO's performance in light of those goals and objectives; determine and approve, subject to ratification by a majority of the independent directors, the CEO's compensation level based on this evaluation; and report its determination of the CEO's compensation to the Board of Directors for ratification by the independent directors. In determining the CEO's compensation, the Committee shall consider the Company's performance and relative shareholder return, the level of base compensation and the value of similar incentive awards to CEOs at comparable companies and the awards given to the CEO in past years; and

(ii) Review the competitiveness of the Company's non-CEO executive compensation programs to ensure the attraction and retention of corporate officers, the motivation of corporate officers to achieve the Company's business objectives, and to align the interest of key leadership with the long-term interests of the Company's shareholders.

(iii) Review retirement, incentive-compensation and equity-based plans for employees of the Company and to recommend changes for consideration by the Board as needed;

(iv) Administer the ProAssurance Corporation Incentive Compensation Stock Plan and fix and determine awards to employees of equity-based compensation pursuant to the Plan or such other equity incentive plans hereafter in effect and exercise such other power and authority as may be permitted or required under such plans.

(v) Approve any and all "change of control" agreements or severance plans, programs or similar agreements for executive officers of the Company.

(vi) Review the Company's disclosure under "Compensation Discussion and Analysis" in the Company's annual proxy statement and annual report on Form 10-K, and produce a Compensation Committee report on executive compensation as required by the SEC to be included in the Company's annual proxy statement (or annual report on Form 10-K) filed with the SEC.

(vii) From time to time review and make recommendations to the Board of Directors with respect to the compensation of directors.

(viii) Annually evaluate the performance of the Compensation Committee and assess the adequacy of the Compensation Committee charter.

(ix) Perform such other compensation related duties and responsibilities as may be assigned from time to time by the Board of Directors.

3. **Outside Advisors.** The Compensation Committee shall have the exclusive authority to retain such outside compensation consultants, counsel, accountants, experts and other advisors as it determines appropriate to assist it in the performance of its functions. The Compensation Committee shall retain and terminate the outside advisors, and shall have the exclusive authority to approve the firm's fees and other retention terms, in accordance with the requirements and selection procedures under the rules and regulations of the SEC and listing standards of the New York Stock Exchange, Inc. The Compensation Committee shall receive appropriate funding, as determined by the Compensation Committee, from the Company for payment of compensation to any such advisors.

4. **Meetings.** The Compensation Committee shall meet at least two times per year, either in person or telephonically, and at such times and places as the Compensation Committee shall determine. The majority of the members of the Compensation Committee shall constitute a quorum.

5. **Reports.** The Compensation Committee shall report regularly to the full Board of Directors with respect to its activities.