

**FBL Financial Group, Inc.**

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# **Audit Committee Charter**

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**Audit Committee Charter**

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# **FBL Financial Group, Inc.**

## **Audit Committee Charter**

### **Purpose**

The Audit Committee is appointed by the Board of Directors of FBL Financial Group, Inc. (the “Company”) for the primary purposes of (A) assisting the Board of Directors in oversight of (1) the integrity of the Company’s financial statements, including internal control over financial reporting, (2) the Company’s compliance with certain legal and regulatory requirements related to the Company’s financial statements, and internal control over financial reporting, (3) the qualifications, performance and independence of the independent registered public accounting firm (the “independent accountant”), and (4) the performance of the Company’s internal audit function; and (B) preparing an audit committee report as required by the SEC to be included in the Company’s annual proxy statement.

### **Organization**

The Board of Directors shall appoint an Audit Committee composed of at least three members. The Audit Committee consists solely of Class A Directors who are independent of management and free from any relationships that, in the opinion of the Board of Directors, would interfere with the exercise by the director of independent judgment as a committee member. No director who is an officer or director of a Class B common stockholder or who is an employee of the Company will qualify for Audit Committee membership. NYSE and SEC rules regarding Audit Committees will be applicable in determining which directors are independent. Each member of the Audit Committee must be financially literate or must become financially literate within a reasonable period of time after appointment to the committee and must have an appropriate understanding of the Company’s structure, controls and business transactions. At least one member of the Audit Committee shall be an Audit Committee Financial Expert as defined by the Securities and Exchange Commission with the name of that member disclosed in the Company’s annual proxy statement. Qualification of Audit Committee members shall be determined by the Board of Directors in its business judgment.

### **Meetings**

1. The Audit Committee shall meet as often as it determines, but not less than eight times per year, including telephone meetings and for sufficient time to allow it to properly discharge its responsibilities.
2. The Audit Committee shall meet with the Audit Services Vice President, the General Counsel, the independent accountant, the Chief Financial Officer, the Corporate Compliance Officer, and management in separate executive sessions as needed, but at least quarterly, to discuss any matters that the Audit Committee or these groups believe should be discussed privately with the Audit Committee.
3. The Audit Committee may request any officer or employee of the Company or the Company’s counsel or independent accountant to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

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#### **Committee Authority and Responsibilities**

The Audit Committee shall have and may exercise the powers of the Board of Directors in managing the business and affairs of the Company in accordance with the following delegated duties and functions to:

4. Provide an open avenue of communication between the independent accountant, internal auditors, Chief Financial Officer, Corporate Compliance Officer, and the Board of Directors.
5. Review and reassess the adequacy of the Audit Committee's charter at least annually. Submit the charter to the Board of Directors annually for approval and have the charter posted on the Company's website in accordance with Securities and Exchange Commission (SEC) regulations.
6. The independent accountant is ultimately accountable to the Audit Committee of the Company. The Audit Committee shall have sole authority to appoint or replace the independent accountant. The Audit Committee shall be directly responsible for the compensation and oversight of the work of the independent accountant (including resolution of disagreements between management and the independent accountant regarding financial reporting) for the purpose of preparing or issuing an audit report or related work for the Company. The Company is responsible to provide funds as directed by the Audit Committee for the appropriate fees and expenses of the independent accountant. The independent accountant shall report directly to the Audit Committee.

FBL Financial Group maintains Management Agreements with certain affiliated companies that have their own Audit Committees that oversee the independent accountant relationship for their respective company. Due to this affiliation, the FBL Audit Committee shall request that the affiliated Audit Committee inform it of decisions with regard to the affiliated Audit Committees' independent accountant relationship.

7. The Audit Committee shall pre-approve all auditing services and permitted non-audit services to be performed for the Company by its independent accountants, in accordance with Sections 201(a) and 202 of the Sarbanes-Oxley Act, and Regulations adopted thereunder by the SEC and in accordance with the separate preapproval guidelines document established by the Audit Committee.
8. The Audit Committee is empowered to conduct or authorize investigations into any matters within the Audit Committee's scope of responsibilities. The Audit Committee has the power, ability and funds needed to retain independent counsel, forensic auditors, or other experts/advisors for any purpose, including to assist it in the conduct of any investigation, without the prior approval from the Board of Directors or management. The Audit Committee actively directs such advisors and experts in their engagements.
9. The Audit Committee will perform such other functions as assigned by law, the Company's Articles of Incorporation, bylaws, or the Board of Directors. The Audit Committee will conduct an annual performance assessment in relation to the purpose, duties and

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responsibilities listed herein. If applicable, the Audit Committee will agree on areas for improvement and develop a plan to address changes. The Audit Committee chair will discuss the results with the Board of Directors.

10. The Audit Committee shall report committee actions to the Board of Directors with such recommendations as the Audit Committee may deem appropriate. The Audit Committee also reviews with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent accountants, or the performance of the internal audit function.

**Financial Statement and Disclosure Measures**

11. Review the Company's annual audited financial statements prior to filing or distribution, including reviewing the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations." Review should include discussion with management and the independent accountant of any significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analysis of the effects of alternative GAAP methods on the financial statements. Based on this review and other discussions with management and the independent accountant include a "Report of the Audit Committee" within the Company's annual proxy statement that indicates whether the Audit Committee has recommended to the Board of Directors that the financial statements should be included in the Annual Report on Form 10-K.
12. Review with management and the independent accountant the Company's quarterly financial results prior to filing of its Form 10-Q, including reviewing the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations." Review should include discussion with management and the independent accountant of any significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analysis of the effects of alternative GAAP methods on the financial statements. If necessary, the Chair of the Audit Committee may represent the entire Audit Committee for purposes of pre-filing or distribution review. Discussion with the full Audit Committee should be made as soon as practical in these circumstances.

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13. Discuss with management, the independent accountant and Audit Services Vice President significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal control over financial reporting and any special steps adopted in the light of material control deficiencies. The discussion may include their judgments about the quality, not just acceptability, of accounting principles and the clarity of the financial disclosure practices used or proposed to be used.
14. Review and discuss quarterly reports from the independent accountant which can include areas such as:
  - a. All critical accounting policies and practices to be used.
  - b. All alternative treatments of financial information within U.S. generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent accountant.
  - c. Other material written communications between the independent accountant and management, such as any management letter, status of prior year's management letter comments or schedule of unrecorded misstatements.
15. Discuss with management and the independent accountant the Company's practices regarding earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information. Discuss with management the Company's practices regarding financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations).
16. Discuss with management and the independent accountant the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
17. Discuss with management, the Audit Services Vice President, and the independent accountant the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
18. Review disclosures made to the Audit Committee by the Company's CEO and CFO during their Section 302 and 906 certification process for the Form 10-K and Form 10-Q, including the design and effectiveness of disclosure controls and procedures, accuracy of the financial statements, identified material weaknesses or significant deficiencies in the design or operation of internal control over financial reporting or any fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting.

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19. Discuss with the independent accountants the matters required to be discussed by American Institute of Certified Public Accountants (AICPA) Statement on Auditing Standards No. 122 AU-C Section 260 relating to the conduct of the audit. In particular, discuss any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management. Also discuss with the independent accountants the matters required to be discussed by Public Company Accounting Oversight Board (PCAOB) Auditing Standard 2201 relating to any material weaknesses or significant deficiencies identified in the course of the audit of internal control over financial reporting.
20. The Audit Committee will receive quarterly briefings from management and the independent accountants on the status of the internal control over financial reporting required by Sarbanes Oxley Section 404 and review the annual "Management's Report on Internal Control Over Financial Reporting" and the annual "Report of Independent Registered Public Accounting Firm On Internal Control Over Financial Reporting."

**Oversight of the Company's Relationship with the Independent Accountant**

21. Review and approve the independent accountant's engagement letter.
22. Evaluate the qualification, performance and independence of the independent accountant, including considering whether the accountant's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the accountant's independence, and taking into account the opinions of management and the Audit Services Vice President. The Audit Committee shall present its conclusions with respect to the independent accountant to the Board.
23. Review and evaluate the experience and qualifications of the senior members of the independent accountant.
24. Obtain and review a report from the independent accountant at least annually regarding:
  - a. The independent accountant's internal quality control procedures.
  - b. Any material issues raised by the most recent internal quality control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years regarding one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.
  - c. All relationships between the independent accountant and the Company as documented in a written report prepared by the independent accountants as required by the PCAOB Rule 3526, *Communication with Audit Committees Concerning Independence*, and AICPA Professional Standards.
25. Ensure the rotation of the lead audit partner having primary responsibility for the audit, concurring partner responsible for reviewing the audit and any audit partner as defined by the commission as required by law.

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26. Recommend to the Board of Directors policies for the Company's hiring of employees or former employees of the independent accountant who participated in the audit of the Company.
27. Meet with the independent accountant towards the beginning of the audit to discuss the planning and staffing of the audit.
28. Review with the Audit Services Vice President 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.
29. The Audit Committee shall discuss with the independent accountant its independence from management and the Company including the matters in the written disclosures required by the Securities and Exchange Commission and shall consider the compatibility of non-audit services with the independent accountant's independence.

**Oversight of the Company's Internal Audit Function**

30. Review and concur in the appointment, replacement, reassignment, or dismissal of the Audit Services Vice President. Ensure the Audit Committee has direct access to internal audit through a direct reporting line relationship thereby supporting its independence from management.
31. Review and provide input on the Audit Services Vice President's performance and compensation on an annual basis.
32. Consider and review with management and the Audit Services Vice President:
  - a. Significant findings during the year and management's responses thereto.
  - b. Any difficulties encountered in the course of Audit Services Department's audits, including any restrictions on the scope of their work or access to required information.
  - c. The Annual Audit Plan and staffing levels.
  - d. Any changes required in the planned scope of the approved audit plan.
  - e. The Audit Services Department's financial budget and staff qualifications.
  - f. The Audit Services Department's Charter.
  - g. Audit Service's compliance with the Institute of Internal Auditor's International Professional Practices Framework.

**Compliance Oversight**

33. Review and concur in the appointment, replacement, reassignment, or dismissal of the Corporate Compliance Officer. Ensure the Audit Committee has direct access to compliance through a direct reporting line relationship.



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34. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting control or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters and matters involving criminal conduct or potential criminal conduct.
35. Oversee policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by Audit Services or the independent accountant.
36. Review legal and regulatory matters that may have a material impact on the financial statements, including how management is addressing these risks and what impacts the risks have on the financial statements.
37. Oversee policies and procedures regarding insider trading and review trading activities of the Section 16 employee group and report findings to the Board of Directors.
38. Review with the independent accountant and management any transaction or series of similar transactions to which the Company or a subsidiary of the Company was within the past year or is currently expected to be a party not previously made known to the Board involving more than \$120,000, and with respect to which any of the following persons had or is expected to have a direct or indirect material interest:
  - a. Any director or executive officer of the Company;
  - b. Any nominee for election as a director;
  - c. Any stockholder who is known to the Company to own of record or beneficially more than five percent of any class of the Company's voting stock; and
  - d. Any member of the immediate family of any of the foregoing persons.
  - e. Any company managed by the Company

Report to the Board of Directors any of these transactions determined by the Audit Committee to be unfair to the Company.

39. The Committee shall review annually the Codes of Ethics for Senior Financial Officers and the Code of Business Ethics and Conduct for employees and agents. In addition, the Corporate Compliance Officer shall provide a quarterly report from the Corporate Compliance Committee which shall include a regulatory/legal update on compliance matters, activities of the Corporate Compliance Committee and other information relative to the implementation and effectiveness of the Company's Ethics and Compliance Program.

**Oversight of Enterprise Risk Management (ERM)**

40. Evaluate the adequacy of risk management throughout the constituent companies of FBL Financial Group, Inc.
41. Receive updates from the ERM Committee at least quarterly.

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42. Assure that risk mitigation responsibilities are properly assigned, both to designated members of senior management and/or to the FBL Financial Group, Inc. Board of Directors or any of its standing committees.

**Responsibilities Specific to the Audit Committee Chair**

The Audit Committee Chair (the “Chair”) manages and oversees the affairs of the Audit Committee. Specifically, the Chair will:

1. Work with the management liaison, Audit Services Vice President and staff to assure the creation of an agenda for each meeting of the Audit Committee.
2. Consult with the management liaison, Audit Services Vice President and staff regarding all matters to be considered at upcoming meetings of the Audit Committee.
3. Chair the Audit Committee meetings.
4. Ensure that there is a quorum in attendance at Audit Committee meetings.
5. Ensure that all business set out in the Audit Committee meeting agenda is discussed and brought to resolution, as required.
6. Encourage free and open discussion at all Audit Committee meetings.
7. Ensure any pertinent discussions and decisions, by way of resolution or otherwise, are recorded accurately in the minutes and that these minutes are presented in a timely manner.
8. Following each meeting of the Audit Committee, report to the Board of Directors on behalf of the Audit Committee. This includes items presented during Audit Committee meetings requiring Board of Director approval and other activities as deemed necessary.

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### **Limitations**

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with U.S. generally accepted accounting principles. This is the responsibility of the management and the independent accountant. Nor is it the duty of the Audit Committee to assure compliance with laws and regulation and the Company's internal policies.

### **Definition**

*Internal control over financial reporting:* A process designed by, or under the supervision of, the Company's principal executive and principal financial officers, or persons performing similar functions, and effected by the Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles and includes those policies and procedures that:

1. Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

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**Meeting Material Matrix**

	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	*Final Action
<b>Audit Committee</b>					
Minutes of previous meeting	X	X	X	X	C
Audit Committee Charter				X	B
Appointment of the Independent Accountant	X				C
Pre-approve Independent Accountant Fees	X				C
Approve Independent Accountant Pre-approval Guidelines	X				C
Review selection of Independent Accountant by other Audit Committees	X				R
Review annual Audit Committee self-assessment	X				C
Recommend changes to policy for hiring employees of independent accountant	X				B
Review proxy statement Audit Committee Report	X				C
Approve permitted non-audit services provided by independent accountant	As Required				C
Executive session of Audit Committee members	As Required				R
Report Audit Committee actions to the Board of Directors	As Required				C
Annual Meeting of Class A Directors		X			N/A
<b>Chief Financial Officer</b>					
Update overview and discussion of financial results for the quarter including changes to Form 10-Q, if any		X	X	X	R
Update overview and discussion of financial results for the year including changes to Form 10-K, if any	X				B
Discuss material financial risk exposures	X	X	X	X	R
Material interest transactions greater than \$120,000	X	X	X	X	R
Make available financial information provided to rating agencies	X	X	X	X	R
Other matters	X	X	X	X	
Executive session with management and CFO	X	X	X	X	R
<b>Corporate Compliance Officer</b>					
Review and concur in the appointment, replacement, reassignment, or dismissal of the Corporate Compliance Officer	As Required				C
Compliance Report (including a review of complaints)	X	X	X	X	R
Report on compliance hotline activity	X	X	X	X	R
Review Code of Ethics Policies (Senior Financial Officers, Employees, Agents)	X				R
Executive session with Corporate Compliance Officer	X	X	X	X	R
<b>Audit Services Vice President</b>					
Review and concur in the appointment, replacement, reassignment, or dismissal of the Audit Service Vice President	As Required				C
Audit Services Charter	X				C

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**Meeting Material Matrix**

	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	*Final Action
Sarbanes-Oxley – Section 404 briefing	X	X	X	X	<b>R</b>
Scope of the Annual Audit Plan				X	<b>C</b>
Compliance with the Institute of Internal Auditor’s International Professional Practices Framework	X				<b>R</b>
Audit Services Financial Budget	X				<b>C</b>
Update as to progress made on Annual Audit Plan	X	X	X	X	<b>R</b>
Coordination with independent accountant		X			<b>R</b>
Review staff qualifications				X	<b>R</b>
Executive Officer perquisites and expenses			X		<b>R</b>
Summary of significant findings	X	X	X	X	<b>R</b>
Executive session with Audit Services Vice President	X	X	X	X	<b>R</b>
<b>Independent Accountant</b>					
Report on quarterly findings and required communications discussion		X	X	X	<b>R</b>
Report on annual financial statements and required communications discussion	X				<b>R</b>
Scope of independent accountant’s audit plan			X		<b>R</b>
Independent accountant’s engagement letter			X		<b>C</b>
Review senior independent accountant members qualifications		X			<b>R</b>
Review independent accountant quality control procedures	X				<b>R</b>
Review written statement delineating all relationships between the accountant and the Company	X				<b>R</b>
Independent accountant’s auditing and consulting fees	X				<b>C</b>
Independent accountant’s report on internal control weaknesses and recommendations	X				<b>R</b>
Independent accountant’s report on the status of prior years internal control weaknesses and recommendations	X				<b>R</b>
Executive session with independent accountant	X	X	X	X	<b>R</b>
<b>Corporate Counsel</b>					
Oversee insider trading policies and procedures	X	X	X	X	<b>R</b>
Executive session with General Counsel	X	X	X	X	<b>R</b>
<b>Actuary</b>					
Enterprise Risk Management (ERM) Report	X	X	X	X	<b>R</b>
<b>Chief Information Officer</b>					
Cybersecurity update	X	X	X	X	<b>R</b>
Executive session with Information Security Vice President	X	X	X	X	<b>R</b>
<b>Other</b>					
Legal matters		As Required			
Tax matters		As Required			
Information system matters		As Required			
Regulatory matters		As Required			

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**Meeting Material Matrix**

The Audit Committee holds quarterly meetings to discuss the financial results pursuant to the Charter. These quarterly meetings are generally scheduled the day of, but prior to, the release of the financial results to the public.

	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	*Final Action
<b>Quarterly Conference Call Meetings</b>					
Overview of quarter's financial results	X	X	X	X	<b>R</b>
Review press release	X	X	X	X	<b>R</b>
Review earnings guidance & other information provided to analysts	X	X	X	X	<b>R</b>
Review quarterly CEO/CFO certification	X	X	X	X	<b>R</b>
Comments on independent accountant quarterly review		X	X	X	<b>R</b>
Comments on independent accountant year-end audit	X				<b>R</b>
Update independent accountant required communications	X	X	X	X	<b>C</b>
Review of complex accounting rules	As Required				
Current accounting and financial reporting matters/developments	As Required				
Other matters	As Required				

**\* Indicates that final action is required either by the full board (B) or just by the committee (C), or that only receipt and review is required in lieu of a final action (R).**