

COMPENSATION COMMITTEE CHARTER
of the Compensation Committee of
Mercury General Corporation

This Compensation Committee Charter, as amended, was adopted by the Board of Directors (the “Board”) of Mercury General Corporation (the “Company”) on March 15, 2021.

I. Purpose

The purpose of the Compensation Committee (the “Committee”) of the Board is (1) to discharge the Board’s responsibilities relating to compensation and employee benefit plans and practices, including the compensation of the Company’s executives, executive succession planning and the Company’s organizational culture, including with respect to diversity and inclusion.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s bylaws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

II. Membership

The Committee shall be composed of at least three directors as determined by the Board, none of whom shall be an employee of the Company and each of whom shall (1) satisfy the independence requirements of the New York Stock Exchange, (2) be a “non-employee director” within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the “1934 Act”), and (3) meet all other eligibility requirements of applicable law.

The members of the Committee, including the Chair of the Committee, shall be appointed by the Board. Committee members may be removed from the Committee, with or without cause, by the Board. Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the membership requirements herein.

III. Meetings and Procedures

The Chair (or in his or her absence, a member designated by the Chair) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company’s bylaws that are applicable to the Committee.

All non-management directors that are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of the Company's management, representatives of the independent auditor, the internal auditor, any other financial personnel employed or retained by the Company or any other persons whose presence the Committee believes to be necessary or appropriate. Notwithstanding the foregoing, the Committee may also exclude from its meetings any persons it deems appropriate, including but not limited to, any non-management director that is not a member of the Committee.

The Committee shall have the sole authority, as it deems appropriate, to retain and/or replace or obtain the advice of, as needed, any independent counsel, compensation and benefits consultants and other outside experts or advisors as the Committee believes to be necessary or appropriate, and shall be directly responsible for the appointment, compensation and oversight of the work of any such person retained by the Committee. The Committee may also utilize the services of the Company's regular legal counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee in its sole discretion, for payment of reasonable compensation to any such persons retained by the Committee. Prior to the retention of an independent counsel, compensation and benefits consultant or other outside expert or advisor, and from time to time as the Committee deems appropriate, the Committee shall assess such person's independence from management, taking into consideration all factors relevant to such advisor's independence, including factors specified in the New York Stock Exchange listing standards.

The Chair shall report to the Board following meetings of the Committee and as otherwise requested by the Chairman of the Board.

IV. Duties and Responsibilities

1. The Committee shall have the authority to review the overall compensation philosophy of the Company.
2. The Committee shall review and approve corporate goals and objectives relating to the compensation of the chairman of the Board and the chief executive officer, evaluate the performance of such officers in light of those goals and objectives and determine and set the compensation of each based on such evaluation (either alone or, if directed by the Board, in conjunction with a majority of the independent directors on the Board). The Committee shall have sole authority to determine the compensation of such officers.
3. The Committee shall review and set or make recommendations to the Board with respect to the compensation of executives other than the chairman of the Board and the chief executive officer.
4. The Committee shall have the authority to review and make recommendations to the Board regarding director compensation.
5. The Committee shall review and approve or make recommendations to the Board regarding the Company's incentive-compensation plans and equity-based plans and arrangements and performance targets under all annual bonus and long-term incentive compensation plans, as

appropriate, including the authority to administer any such plans and arrangements; provided that the Committee's general oversight shall not include service as the plan administrator or involve the general administration of any plan subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

6. The Committee shall review the development of, and periodically monitor the progress of, programs regarding the Company's organizational culture, including diversity and inclusion.

7. The Committee shall review and discuss with management the compensation arrangements of executive officers of the Company and the disclosure of such arrangements in the Company's publicly filed documents, including disclosures under "Compensation Discussion and Analysis."

8. The Committee shall, based on its review of the Compensation Discussion and Analysis and discussion of the Company's executive compensation arrangements with management and such outside advisors as it deems necessary, determine whether to recommend to the Board that the Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K, proxy statement or information statement for the fiscal year described therein.

9. The Committee shall prepare and approve the Compensation Committee report required to be included as part of the Company's annual proxy statement.

10. The Committee shall periodically review and evaluate the chief executive officer's succession plan for Company executives and other key positions, including those that are critical to the continued effective execution of internal controls for financial reporting.

11. The Committee shall evaluate its own performance on an annual basis, including its compliance with this Charter, and provide the Board with any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.

12. The Committee shall review and reassess this Charter at least annually and submit any recommended changes to the Board for its consideration.

13. The Committee shall report regularly to the Board regarding the activities of the Committee.

V. Delegation of Duties

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee, except for any matters that involve executive compensation or any matters where it has determined such compensation is intended to be exempt from Section 16(b) under the 1934 Act pursuant to Rule 16b-3 by virtue of being approved by a committee of "non-employee directors." The Committee also has the authority to authorize an officer of the Company to grant rights or options to officers (other than executive officers) and employees, in a manner that is in accordance with applicable law.