

**AUDIT COMMITTEE CHARTER
OF THE
BOARD OF DIRECTORS OF EMPLOYERS HOLDINGS, INC.**

**As Amended and Restated by the Board of Directors
on October 26, 2016**

PURPOSE OF THE COMMITTEE

1. Purpose

The purpose of the Audit Committee (the "Committee") of the Board of Directors of Employers Holdings, Inc. ("EMPLOYERS" or the "Company") is to (a) assist the Board's oversight of (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the Company's independent auditor's qualifications and independence, and (iv) the performance of the Company's independent auditor and the Company's internal audit function, and (b) prepare the Audit Committee report as required by the Securities and Exchange Commission (the "SEC") for inclusion in the Company's annual proxy statement.

2. Other Duties

The Audit Committee of the Board of Directors of the Company may perform the duties of the Audit Committee of any or all of the Company's operating subsidiaries upon such designation by the Board of Directors of such operating subsidiary. Upon such designation, the Chief Financial Officer, or his/her designee, shall be responsible for reporting the actions, concerns, issues, recommendations or other matters identified by the Audit Committee of the Company to the Board of Directors of the appropriate operating subsidiary.

COMPOSITION OF THE COMMITTEE

3. Members

The Audit Committee shall consist of a minimum of three Directors. Members of the Committee shall be appointed by the Board of Directors upon recommendation of the Board Governance and Nominating Committee and may be removed by the Board in its discretion. Any vacancy on the Committee shall be filled by a majority vote of the Board after receiving the recommendation of the Board Governance and Nominating Committee.

4. Committee Chair

The Chair of the Audit Committee shall be elected by the full Board of Directors, provided that if the Board does not designate a chair, the members of the Committee, by a majority vote, may designate a chair.

5. Independence

Each member of the Committee shall be "independent" under the requirements of Rule 10A-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), applicable rules of the New York Stock Exchange (the "NYSE"), and any additional requirements that the Board deems appropriate.

6. Other Audit Committees

No Director may serve as a member of the Committee if such Director serves on the audit committee of more than one other company, unless the Board determines that such simultaneous service would not impair the ability of such Director to effectively serve on the Committee. Any such determination must be disclosed in the Company's annual proxy statement.

7. Financial Literacy

Each member of the Committee must be financially literate, as such qualification is interpreted by the Board in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment to the Committee. In addition, at least one member of the Committee must be designated by the Board to be the "audit committee financial expert," as defined by the SEC pursuant to §407. (d) (5) (ii) of Regulation S-K.

MEETINGS

8. Meetings

The Committee shall meet at such times as it determines necessary or appropriate, but not less than once every fiscal quarter. The Committee is governed by the same rules regarding meetings, action without meetings, notice, waiver of notice, quorum, and voting requirements as are applicable to the full Board of Directors.

9. Attendees

The Committee, in its discretion, may ask members of management, other Directors or any additional individuals it deems appropriate to attend its meetings (or portions thereof) and to provide pertinent information as necessary.

The Committee must meet separately on a periodic basis with (i) management, (ii) the head of the Company's Internal Audit Department or other person responsible for the internal audit function and (iii) the Company's independent auditor, in each case to discuss any matters that the Committee or any of the above persons or firms believe warrant Committee attention.

10. Minutes

The Committee shall maintain minutes of its meetings and records relating to those meetings and shall report regularly to the Board on its activities, as appropriate.

11. Limitation of Liability

The Committee is authorized to adopt its own rules of procedure that do not conflict with (a) any provision of this Charter, (b) any provision of the Bylaws of EMPLOYERS, (c) the New York Stock Exchange Listed Company Manual, or (d) federal or Nevada state law. Although the members of the Committee have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of members of the Committee, except to the extent otherwise provided under applicable federal or Nevada state law.

AUTHORITY, RESPONSIBILITIES AND LIMITATIONS

In furtherance to this purpose, the Audit Committee shall have the following authority, responsibilities, and limitations consistent with and subject to applicable law and rules and regulations promulgated by the SEC, NYSE or any other applicable regulatory authority:

Relationship with Company's Independent Auditor

12. Responsibility

Be directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing attestation services for the Company, and such registered public accounting firm must report directly to the Committee (the registered public accounting firm engaged for the purpose of preparing or issuing an audit report for inclusion in the Company's Annual Report on Form 10-K is referred to herein as the Company's "independent auditor"). Management will inform the Committee of services provided to the company by other public accounting firms.

13. Engagement of Auditor

Review and, in its sole discretion, approve in advance the Company's independent auditor's annual engagement letter, including the proposed fees contained therein, as well as all audit and, as provided in the Exchange Act and the SEC rules and regulations promulgated thereunder, all permitted non-audit engagements, tax services and other relationships between the Company and such independent auditor (which approval should be made after receiving input from the Company's management, if desired). Approval of audit and permitted non-audit services will be made by the Committee or by one or more members of the Committee as shall be designated by the Committee/the Chair of the Committee and the person(s) granting such approval shall report such approval to the Committee at the next scheduled meeting.

14. Auditor Performance Review

Review the performance of the Company's independent auditor, including the lead partner of the Company's independent auditor, and, in its sole discretion, make decisions regarding the replacement or termination of the Company's independent auditor.

15. Auditor Report

Obtain at least annually from the Company's independent auditor and review a report describing:

- a. the Company's independent auditor's internal quality-control procedures;
- b. any material issues raised by the most recent internal quality-control review, or peer review, of the Company's independent auditor, or by any inquiry or investigation by any governmental or professional authority, within the preceding five years, respecting one or more independent audits carried out by the Company's independent auditor, and any steps taken to deal with any such issues; and
- c. all relationships between the Company's independent auditor and the Company (including a description of each category of services provided by the Company's independent auditor to the Company and a list of the fees billed for each such category).

16. Report to the Board

Present the Committee's conclusions to the Board with respect to the report from the Company's independent auditor, as well as its review of the lead partner of the Company's independent auditor, and its views on whether there should be a regular rotation of the Company's independent auditor.

17. Independence Evaluation

Evaluate the independence of the Company's independent auditor by, among other things:

- a. monitoring compliance by the Company's independent auditor with the audit partner rotation requirements contained in the Exchange Act and the rules and regulations promulgated by the SEC thereunder;
- b. monitoring compliance by the Company of the employee conflict of interest requirements contained in the Exchange Act and the rules and regulations promulgated by the SEC thereunder; and
- c. engaging in a dialogue with the Company's independent auditor to confirm that audit partner compensation is consistent with applicable SEC rules.

18. Audit Plan

Review and discuss with the Company's independent auditor their annual audit plan, including the timing and scope of audit activities, and monitor such plan's progress and results during the year.

Financial Disclosure

19. Required Communications

Review with management, the Company's independent auditor and the head of the Company's Internal Audit Department, the following information which is required to be reported by the Company's independent auditor:

- a. all critical accounting policies and practices to be used;
- b. all alternative treatments of financial information that have been discussed by the Company's independent auditor and management, the ramifications of the use of such alternative treatments, and the treatment preferred by the Company's independent auditor;
- c. all other material written communications between the Company's independent auditor and management, such as any management letter and any schedule of unadjusted differences;
- d. any material financial arrangements of the Company which do not appear on the financial statements of the Company; and
- e. discuss with the Company's independent auditor any other matters required to be discussed by Public Company Accounting Oversight Board's Auditing Standard No. 16, Communications with Audit Committees.

20. Review Financial Statements

Meet to review with management, the Company's independent auditor and, if appropriate, the head of the Company's Internal Audit Department, the Company's annual audited financial statements and quarterly financial statements, including the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and any major issues related thereto.

21. Accounting Review

Review with management, the Company's independent auditor and, if appropriate, the head of the Company's Internal Audit Department, the following:

- a. major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles;
- b. any analyses prepared by management and/or the Company's independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative generally accepted accounting principles methods on the Company's financial statements;
- c. the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company; and
- d. the type and presentation of information to be included in earnings press releases (paying particular attention to any use of "pro forma" or "adjusted" non-GAAP information), as well as review any financial information and earnings guidance provided to analysts and rating agencies.

22. Disagreements

Resolve all disagreements between the Company's independent auditor and management regarding financial reporting.

23. Problems or Difficulties

Review on a regular basis with the Company's independent auditor any problems or difficulties encountered by the Company's independent auditor in the course of any audit work, including management's response with respect thereto, any restrictions on the scope of the Company's independent auditor's activities or access to requested information, and any significant disagreements with management. In connection therewith, the Committee should review with the Company's independent auditor the following:

- a. any accounting adjustments that were noted or proposed by the Company's independent auditor but were rejected by management (as immaterial or otherwise);
- b. any communications between the audit team and the Company's independent auditor's national office respecting auditing or accounting issues presented by the engagement; and
- c. any "management" or "internal control" letter issued, or proposed to be issued, by the Company's independent auditor to the Company.

24. Internal Control

Review:

- a. the adequacy and effectiveness of the Company's accounting and internal control policies and procedures on a regular basis, including the responsibilities, budget, compensation and staffing of the Company's internal audit function, through inquiry and discussions with the head of the Company's Internal Audit Department and management;
- b. the yearly report prepared by management assessing the effectiveness of the Company's internal control over financial reporting and stating management's responsibility for establishing and maintaining adequate internal control over financial reporting prior to its inclusion in the Company's Annual Report on Form 10-K;
- c. the yearly report prepared by the Company's independent auditor expressing its opinion on the effectiveness of the Company's internal control over financial reporting; and
- d. the Committee's involvement and interaction with the Company's independent auditor and with the head of the Company's Internal Audit Department, as well as interaction with key members of financial management, including the Chief Financial Officer and Chief Accounting Officer.

25. Deficiencies

Periodically review with the Chief Executive Officer, Chief Financial Officer, head of the Company's Internal Audit Department and the Company's independent auditor, the following:

- a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting; and
- b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

26. Exposure to Risk

Discuss with management and the head of the Company's Internal Audit Department the guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company, including the Internal Audit Department, assess and manage the Company's exposure to risk, as well as the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

Internal Audit Matters

27. Head of Internal Audit

Be directly responsible for the appointment and replacement of the head of the Company's Internal Audit Department. After receiving input from the Company's management, recommend the compensation for that position for approval by the Company.

28. Internal Audit Plan

Review the activities, organizational structure, independence and effectiveness of the internal audit function, which should be done after receiving input from the Company's management, if desired. Review and approve the annual internal audit plan, and recommend the staffing and budget for inclusion in the Company's overall budget submitted to the Board of Directors. Review completed audit reports, including management's responses to items identified by the internal auditors, and monitor outstanding items to ensure they are completed timely.

29. Special Audit Steps

Review with management the Company's administrative, operational and accounting internal controls, including any special audit steps adopted in light of the discovery of any significant or material control deficiencies.

Reports

30. Financial Reporting

Receive periodic reports from the Company's independent auditor, management and head of the Company's Internal Audit Department to assess the impact on the Company of significant accounting or financial reporting developments that may have a bearing on the Company.

31. Audit Results, 10-K and 10-Q Reports

Review and discuss with the Company's independent auditor the results of the year-end audit of the Company, including any comments or recommendations of the Company's independent auditor and, based on such review and discussions and on such other considerations as it determines appropriate, recommend to the Board whether the Company's financial statements should be included in the Annual Report on Form 10-K.

Review and discuss with management and the Company's independent auditor the Company's Annual Report on Form 10-K, including the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operation" and the Company's Form 10-Qs concerning management's judgment about the quality, not just the acceptability, of accounting principles.

32. Audit Committee Report

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

33. Earnings Release

Discuss the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and ratings agencies. These discussions may be general in nature, including the types of information to be disclosed and the type of presentation to be made. The Committee need not always discuss each earnings release or each instance in which the Company may provide earnings guidance; however, if not discussed in advance, the Committee should receive a copy of the disclosure as soon as practicable thereafter.

Legal Compliance/General

34. Communication

Establish and maintain free and open means of communication between and among the Committee, the Company's independent auditor, the Company's Internal Audit Department and management, including providing such parties with appropriate opportunities to meet separately and privately with the Committee on a periodic basis.

35. Former Auditor Employees

Establish clear hiring policies by the Company for employees or former employees of the Company's independent auditor.

36. Meet with Counsel

Meet periodically with the General Counsel, and outside counsel when appropriate, to review legal and regulatory matters, including (i) any matters that may have a material impact on the financial statements of the Company and (ii) any matters involving potential or ongoing material violations of law or breaches of fiduciary duty by the Company or any of its Directors, officers, employees or agents or breaches of fiduciary duty to the Company.

37. Conflicts of Interest

Review the Company's policies relating to the ethical handling of conflicts of interest and review past or proposed transactions between the Company and members of management as well as policies and procedures with respect to officers' expense accounts and perquisites, including the use of corporate assets. The Committee shall consider the results of any review of these policies and procedures by the Company's independent auditor or the Internal Audit Department.

38. Auditor Services

Review and approve in advance any services provided by the Company's independent auditor to the Company's executive officers or members of their immediate family.

39. Code of Conduct

Review the Company's program to monitor compliance with the Company's Code of Conduct, and meet periodically with the Company's Compliance Officer to discuss compliance with the Code of Conduct.

40. Whistleblower

Review and approve procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

41. Material Violations

Review and approve procedures for the receipt, retention and treatment of reports of evidence of a material violation made by attorneys appearing and practicing before the SEC in the representation of the Company or any of its subsidiaries, or reports made by the Company's Chief Executive Officer or General Counsel in relation thereto.

42. Consultants

Secure independent expert advice to the extent the Committee determines it to be appropriate, including retaining, with or without Board approval, independent counsel, accountants, consultants or others, to assist the Committee in fulfilling its duties and responsibilities, the cost of such independent expert advisors to be borne by the Company.

43. Report to the Board

Report regularly to the Board on its activities, as appropriate. In connection therewith, the Committee should review 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 auditor, or the performance of the internal audit function.

44. Other Responsibilities

Perform such additional activities, and consider such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate.

RISK MANAGEMENT

45. Risk Management

Review the following risks facing the Company and management's approach to addressing these risks including: reserves for losses and LAE; pricing of insurance policies; financial reports, analytics, and the oversight of business strategy; financial reporting and financial management; and internal and external financial fraud.

DELEGATION OF AUTHORITY

46. Delegation

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; provided, however, that no subcommittee shall consist of fewer than two members; and provided further that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

EVALUATION OF THE COMMITTEE

47. Committee Evaluation

The Committee shall evaluate its performance on an annual basis utilizing the processes established and approved by the Board. In conducting this review, the Committee shall evaluate whether the Charter appropriately addresses the matters that are or should be within its scope and shall recommend such changes as it deems necessary or appropriate. The evaluation shall address all matters that the Committee considers relevant to its performance, including a review and assessment of the adequacy of this Charter, and shall be conducted in such manner as the Board deems appropriate. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

48. Report to the Board

The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures.

INVESTIGATIONS

49. Investigations, Studies and Outside Advisers

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may retain, at the Company's expense, such independent counsel or other consultants or advisers as it deems necessary or appropriate. The Committee shall have the sole authority to retain or terminate any consultant to assist the Committee in carrying out its responsibilities, including sole authority to approve the consultant's fees and retention terms, such fees to be borne by the Company.

50. Limitation of Responsibility

While the Committee has the duties and responsibilities set forth in this Charter, the Committee is not responsible for preparing or certifying the financial statements, for planning or conducting the audit or for determining whether the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles.

51. Reliance

In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Company, it is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to set auditor independence standards, and each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company from which it receives information and (ii) the accuracy of the financial and other information provided to the Committee, in either instance absent actual knowledge to the contrary.

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