

**CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS OF
OHIO CASUALTY CORPORATION AND
ITS INSURANCE SUBSIDIARIES**

This charter identifies the membership, purpose, authority and responsibilities of the Audit Committee of the Board of Directors of Ohio Casualty Corporation and its Insurance Subsidiaries (the “Companies”).

I. PURPOSE

The purpose of the Audit Committee (“the Committee”) is to represent the Board of Directors (“the Board”) by providing an independent oversight of accounting and financial reporting practices and the Companies’ system of internal control. The Committee shall assist the Board in monitoring the independence and integrity of the financial reporting process and the adequacy of the internal control structure of the organization. The Committee shall review management’s performance regarding financial reporting and shall make inquiry on a periodic basis of management, the internal auditors and the independent accountants with respect to the following:

- A. whether a fair presentation of published financial information is made in compliance with all applicable professional and regulatory requirements;
- B. whether an effective internal control structure has been established and maintained, including adequate policies and procedures over financial reporting, operations, and compliance with laws and regulations;
- C. whether the quality of internal and external audit efforts is adequate and the Companies’ public accountants are qualified and independent.

II. MEMBERSHIP

- A. The Committee’s membership is determined by the Board and shall consist of not less than three directors, each of whom shall meet the independence requirements prescribed by The NASDAQ Stock Market, Inc. as well as Section 10A of the Securities Exchange Act of 1934 and the rules promulgated by the Securities and Exchange Commission (“SEC”) thereunder.

Each director serving on the Committee shall have the qualifications applicable to members of an audit committee as may from time to time be

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required by the rules and standards of the SEC and The NASDAQ Stock Market, Inc. In addition, at least one member of the Committee shall be an “audit committee financial expert” as defined in the applicable rules of the SEC.

The Board shall appoint one of the members of the Committee to be Chair of the Committee.

- B. Members of the Committee shall serve at the discretion of the Board (considering any recommendation of the Governance Committee).

III. MEETINGS

- A. The Committee shall meet at least quarterly, or more frequently as may be necessary or appropriate in its judgment. Meetings of the Committee may be called by the Chairman of the Board, the President of the Companies or by any member of the Committee. The Committee may act by a majority of its members at a meeting or by a writing or writings signed by all of its members. Meetings of the Committee may be held by means of communications equipment.
- B. A majority of the Committee members must be present at the Committee meeting, either in person or by means of communications equipment, to constitute a quorum for such meeting. Once a quorum is established, voting will be based upon majority rule.
- C. The Committee shall report regularly to the Board with respect to such matters that are within the Committee’s responsibilities and with respect to such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chair or by any other member designated by the Committee to make such report. The Committee shall maintain minutes or other records of meetings and activities of the Committee.

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- D. To give the Committee access to the internal auditors, independent accountants and key financial management, the Committee may request the attendance at its meetings of representatives of the independent accountants, the internal auditors, and such members of the Companies' management as the Committee requests. The Committee shall meet periodically with the internal auditors and the independent accountants, in each case without members of management present.

IV. AUTHORITY

- A. The Committee has authority to conduct or authorize investigations into any matters within the scope of its responsibilities. It is empowered to:
 - 1. Appoint, retain, compensate, evaluate and, where appropriate, terminate the Companies' independent accountants.
 - 2. Oversee the work of the independent accountants (including the resolution of disagreements between management and the independent accountants).
 - 3. Pre-approve the audit engagement, including fees and terms, and all other audit or permitted non-audit services performed by the independent accountants.
 - 4. Retain independent accounting, legal and other advisors to the extent the Committee deems it necessary or appropriate to assist the Committee in carrying out its duties. The Companies shall provide for appropriate funding, as determined solely by the Committee, for payment of compensation to the independent accountants engaged for the purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Companies, compensation to any advisors employed by the Committee and ordinary administrative expenses of the Committee that the Committee determines are necessary or appropriate in carrying out its duties.
 - 5. Seek any information the Committee requires from employees of The Ohio Casualty Insurance Company, all of whom are directed to cooperate with the Committee's requests, and requests from external parties on behalf of the Committee.

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6. Request that any directors, officers or employees of the Companies, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests.
 7. Approve any waivers from the Companies' Code of Ethics for Senior Financial Officers.
- B. The Committee may delegate to its Chair such power and authority as the Committee deems to be appropriate, except such powers and authorities required by law to be exercised by the whole Committee. Such delegated power and authority may include the authority to pre-approve all audit and permitted non-audit services, and the decisions made pursuant to such delegated power and authority shall be reported to the Committee at its next scheduled meeting.

V. DUTIES AND RESPONSIBILITIES

A. Financial Reporting and the Independent Accountants

1. Appoint and oversee the work of the independent accountants to be engaged for the examination of the consolidated financial statements of the Companies for each fiscal year. The Committee shall have a clear understanding with management and the independent accountants that the independent accountants are ultimately responsible to the Board and the Committee, and report directly to the Committee.
2. Review and approve the independent accountants' proposed audit scope and approach, and approve the fees to be paid for such audit services.
3. Review and discuss with management and the independent accountants the Companies' annual audited financial statements and the disclosures to be made under "Management's Discussion and Analysis of Financial Condition and Results of Operations" prior to the filing of each Annual Report on Form 10-K. The Committee shall consult with the independent accountants outside the presence of management about the internal controls and the effectiveness thereof and the completeness and accuracy of the Companies' financial statements. The Committee's discussion should include the matters required to be discussed by Statement on Auditing Standards No. 61 (as such Standard may be modified or supplemented) and an explanation from the independent accountants of

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the factors considered by the independent accountants in determining the audit's scope. The independent accountants should confirm that no limitations have been placed on the scope or nature of the audit. The Committee shall discuss with the independent accountants any other matters required to be communicated to the Committee by the independent accountants under generally accepted auditing standards. The Committee should recommend to the entire Board whether the audited financial statements should be included in the Companies' Annual Report on Form 10-K to be filed with the SEC.

4. Ensure that the independent accountants submit on a periodic basis to the Committee a formal written statement delineating all relationships between the independent accountants and the Companies, consistent with Independence Standards Board Standard No. 1, as modified or supplemented. The Committee shall also be responsible for actively engaging in a dialogue with the independent accountants with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent accountants.
5. Review separately with each of management, the head of Corporate Audit and the independent accountants, any difficulties or disagreements encountered during the course of the audit, such as restrictions on scope of work or access to required information, as well as any improvements that could be made in the audit or internal control procedures.
6. Review and approve, in advance, the engagement of the Companies' independent accountants to perform any permitted non-audit services during the year. Such review and approval will include both the types of services rendered and the applicable fees. The Committee should weigh the effects such services may have on the continuing independence of the independent accountants.
7. At least annually, obtain and review a report of the independent accountants describing: the firm's internal quality-control procedures; 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, and any steps taken to deal with any such issues.
8. Review and discuss the Companies' quarterly financial statements with management and the independent accountants, including the Companies' disclosures under "Management's Discussion and Analysis of Financial

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Condition and Results of Operation” prior to the filing of each Quarterly Report on Form 10-Q with the SEC. The Committee shall review and discuss the results of the independent accountants’ review of the Companies’ quarterly financial statements and any other matters required to be communicated to the Committee by the independent accountants under generally accepted auditing standards.

9. Discuss with management and, where appropriate, the independent accountants, the type and presentation of financial information to be disclosed in the Companies’ earnings press releases, as well as financial information and earnings guidance provided to investors.

B. Internal Controls and the Internal Audit Function

1. Approve changes in the Internal Audit Charter.
2. Review the internal auditors’ involvement in the audit of the financial reporting process and the coordination of their activities with the independent accountants.
3. Review the activities and reports of the internal auditors and management’s cooperation with the internal audit process.
4. Consult with the independent accountants, internal auditors and management, together or separately, as appropriate, regarding the adequacy of the Companies’ system of internal control and any control failures that may have been detected.
5. Review the scope of the internal auditors’ responsibilities, including the annual audit plan, any change in the internal audit role or function, the resources committed to the internal audit function and the quality and depth of staffing.
6. Discuss with the independent accountants, the internal auditors and management their assessments of the adequacy and effectiveness of the Companies’ systems of disclosure controls and procedures.
7. Review and approve the appointment or dismissal of the head of Corporate Audit.

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C. Other Responsibilities

1. Provide a direct and, when necessary, confidential line of communication to the independent accountants, internal auditors, legal counsel and management.
2. Establish and maintain procedures and require the Companies to obtain or provide the necessary resources and mechanisms for (i) the receipt, retention and treatment of complaints received by the Companies regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Companies of concerns regarding questionable accounting or auditing matters.
3. Review annually, with the Chief Executive Officer and Chief Financial Officer, the key operational and financial exposures of the Companies and the steps taken by management to monitor and control such exposures.
4. Review and assess this Charter at least annually and recommend to the Board for adoption any revisions that the Committee believes are appropriate or necessary. This Charter shall be filed, as an appendix to Ohio Casualty Corporation's Proxy Statement as required by the rules of the SEC.
5. Provide a report annually in the Proxy Statement of Ohio Casualty Corporation in accordance with applicable SEC regulations.
6. Perform an annual self-evaluation of the Committee's performance, including a review of the Committee's compliance with this Charter. The Committee shall conduct its self- evaluation and review in such manner as it deems appropriate and report the results of the evaluation to the Board.