

**CHARTER OF THE EXECUTIVE COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS OF  
OHIO CASUALTY CORPORATION AND  
THE OHIO CASUALTY INSURANCE COMPANY**

**This charter identifies the membership, purpose, authority and responsibilities of the Executive Compensation Committee of the Board of Directors of Ohio Casualty Corporation and The Ohio Casualty Insurance Company (the “Companies”).**

**I. PURPOSE**

The purpose of the Executive Compensation Committee (the “Committee”) is to assist the Board of Directors (“the Board”) in discharging its responsibilities as they relate to the compensation of the executive officers of the Companies. The Committee will also carry out the Board’s oversight responsibilities by reviewing the compensation and benefit practices applicable to officers and employees.

**II. MEMBERSHIP**

A. The Committee’s membership shall be determined by the Board and shall consist of not less than three directors, each of whom is a member of the Board and (1) a “non-employee director” as defined in Rule 16b-3 promulgated by the Securities Exchange Commission, (2) an “outside director” as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder and (3) an independent director as defined in rules of The NASDAQ Stock Market, Inc.

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 annually, 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

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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.

IV. AUTHORITY

The Committee is empowered to:

- A. 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.
- B. 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.
- C. 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 any advisors employed by the Committee and ordinary administrative expenses of the Committee that the Committee determines is necessary or appropriate in carrying out its duties.

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V. DUTIES AND RESPONSIBILITIES REGARDING COMPENSATION

- A. Review and approve changes to The Ohio Casualty Insurance Company's overall executive compensation and benefit strategies.
- B. Annually determine and recommend to the Board the compensation of the CEO and all other executive officers. The CEO shall not be present during a vote or deliberations regarding CEO compensation.
- C. Review and approve material changes to executive benefits and perquisites.
- D. Review and recommend to the Board all stock incentive plans.
- E. Review and recommend to the Board all long term or annual incentive plans.
- F. Review and approve all awards under various board-approved incentive plans of the Company.
- G. Review and approve all exceptions to the long term and annual incentive plans for executive officers.
- H. Determine and recommend to the Board any material amendment, adoption or elimination of employee benefits under ERISA or non-qualified plans of The Ohio Casualty Insurance Company.
- I. Review and approve the continuance amount or termination of The Ohio Casualty Insurance Company Employee Savings Plan ("ESP") 'additional company contribution'.
- J. Review and approve the ESP profit sharing contribution matrix.
- K. Determine and recommend to the Board all offerings of employment contracts.
- L. Determine and recommend to the Board all offerings of change in control agreements.
- M. Evaluate executive equity ownership relative to guidelines.

VI. OTHER RESPONSIBILITIES

- A. Annually provide a report in the proxy statement of Ohio Casualty Corporation in accordance with applicable SEC regulations.

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- B. Annually review and report to the Board succession plans for the Chief Executive Officer. Determine that a satisfactory system is in effect for the orderly succession of the executive officers.
- C. Approve changes in the Benefit Committee Charter and membership.
- D. 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.
- E. 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.