

**CHARTER OF THE GOVERNANCE 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 Governance Committee of the Board of Directors of Ohio Casualty Corporation and its Insurance Subsidiaries (the “Companies”).

I. PURPOSE

The purpose of the Governance Committee (the “Committee”) is to:

- A. Maximize the effectiveness of the Board of Directors (the “Board”) through proper composition, development, selection and process efficiency;
- B. Assist the Board in fulfilling its responsibilities to the shareholders by reviewing and developing governance principles and recommending to the Board appropriate changes from time to time; and
- C. Maintain oversight to ensure that adequate structure and accountability is in place in key areas of compliance.

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.

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.

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

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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.

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 are necessary or appropriate in carrying out its duties.

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V. DUTIES AND RESPONSIBILITIES

A. Board Composition

- 1) Evaluate needs and priorities for industry knowledge, disciplines and expertise to be maintained or added to the Board. Set qualifications for candidates accordingly.
- 2) Make recommendations to the Board for setting Board size in accordance with the Companies' Codes of Regulations.
- 3) Organize the search for candidates for membership on the Board. Identify and interview candidates with final recommendation of the finalists presented to the Board for approval. The Committee will also consider the preferences of incumbents to stand for re-nomination.
- 4) Make recommendations to the Board on filling (or not filling) vacancies on the Board.
- 5) Present a recommended slate to the Board for acceptance each February for election at the annual shareholders meeting.

B. Board Committees

- 1) Review annually the committee structure of the Board and the charters of the Board committees to verify that they reflect the responsibilities needed to address key areas of Board governance. Make recommendations to the Board pertaining to the committee structure and charters.
- 2) Annually provide recommendations to the Board for committee appointments of the Board or as needed during the year.

C. Board Operations

- 1) Review practices and processes of the Board, including Corporate Governance Principles, and provide recommendations to the Board for improvement.
- 2) Recommend development and educational programs to maximize the effectiveness and knowledge of the Board members.
- 3) Produce an annual Board of Directors Guide to be used for reference.
- 4) Establish and maintain a director orientation program for both new and continuing directors.

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- 5) Establish and maintain a formal review process for evaluation of the Board and its committees' effectiveness.
- 6) Recommend to the Board changes to the Directors' compensation package, benefit plans and retirement policy.

D. Other Responsibilities

- 1) Review and respond to shareholder proposals submitted for inclusion in the proxy statement.
- 2) Review annually Directors' and Officers' Questionnaires and any other conflict of interest forms for possible conflicts.
- 3) Review annually any shareholders rights plan as may be in effect from time to time.
- 4) Review and approve on an on-going basis all related party transactions. Related party transactions mean any transaction that is required to be reported pursuant to Item 404 of Regulation S-K.
- 5) Review the Company's charitable contributions (made directly or through the Ohio Casualty Foundation) as they may relate to the Directors.
- 6) Receive reports from the Corporate Compliance Committee and assess whether adequate structure and accountability is in place in key areas of compliance.
- 7) 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.
- 8) 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.