

**FINANCE COMMITTEE CHARTER  
SELECTIVE INSURANCE GROUP, INC.**

Approved: January 2014

**SELECTIVE INSURANCE GROUP, INC.  
FINANCE COMMITTEE CHARTER**

**1. PURPOSE**

The purpose of the Finance Committee ("Committee") of the Board of Directors ("Board") of Selective Insurance Group, Inc. ("Company") is to review and make recommendations to the Board with respect to certain financial affairs and policies of the Company, including, but not limited to, investments and investment policies and guidelines, financial planning, capital structure and management, dividend policy and dividends, share repurchases, and strategic plans and transactions. The Finance Committee shall not have oversight responsibility with respect to the Company's financial reporting, which is the responsibility of the Audit Committee of the Board.

**2. COMPOSITION OF THE COMMITTEE**

The Committee shall be comprised of not less than four directors, a majority of whom shall be an "independent director" as defined by the Marketplace Rules of the NASDAQ Stock Market. One member of the Committee shall be elected Chairperson of the Committee by the Board. Each appointed Committee member will be subject to annual reconfirmation and may be removed by the Board, at any time, with or without cause.

**3. DUTIES AND RESPONSIBILITIES**

In carrying out its purpose, the Committee shall have the following duties and responsibilities, unless otherwise determined by the Board:

**A. Investment Policy and Management Investment Committee**

The Committee shall review, and shall have the authority to approve, without further action by the Board, changes, modifications and amendments to the Company's investment policies, strategies and programs. The Committee shall review investment transactions made on behalf of the Company and review the performance of: (i) the investment portfolio of the Company; and (ii) the Company's external investment managers. The Committee shall discuss with Management the Company's major investment risk exposures and steps Management has taken to monitor and manage such exposures.

The Committee shall review all matters relating to the investment portfolio of the benefit plans of the Company and its subsidiaries, including the administration and performance of such portfolio and make recommendations to the Board with respect to such matters.

The Committee shall have authority to appoint, without further action by the Board, members of the Company's Management Investment Committee, which is comprised of senior management and is responsible for the investment of the Company's funds.

B. Capital Structure; Financings and Financial Policies

The Committee shall review the Company's capital structure and review and provide recommendations to the Board regarding the Company's financial policies and matters of corporate finance, including, without limitation, (i) the Company's financial planning, cash flow management, fiscal and treasury policies, and financial risk assessment and management, (ii) the issuance and the retirement or repurchase of debt, equity and other securities and (iii) any other transactions or financial issues that management of the Company desires to have reviewed by the Committee.

C. Dividends

The Committee shall review and make recommendations to the Board regarding payment of annual, quarterly, or extraordinary dividends and the dividend policy of the Company.

D. Strategic Plans and Transactions

At the request of the Board, the Committee shall review and assess proposed strategic plans and business transactions, including, but not limited to, mergers, acquisitions, divestitures, joint ventures, partnerships, loans, and combination of business interests.

E. Reinsurance Program

The Committee shall review the reinsurance program of the Company's insurance subsidiaries, including the structure, pricing, and financial strength of the participating reinsurers of the program.

**4. OTHER POWERS AND RESPONSIBILITIES**

A. Evaluation of the Committee

The Committee shall, on an annual basis, evaluate its performance. 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.

The Committee shall deliver to the Board a report setting forth the results of its evaluation, including any recommended changes to the Company's or the Board's policies or procedures.

B. Review of Charter

The Committee shall review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for its approval.

C. Retention of Professional Advisors

The Committee shall have the authority to retain consultants and other third-party advisors of its selection, as it deems necessary to provide it with advice and counsel. The Company shall provide appropriate funding for the Committee to retain such advisors without requiring the Committee to seek Board approval.

D. Miscellaneous

The Committee shall perform any other activities consistent with each of this Charter, the Company's Restated Certificate of Incorporation, By-Laws, and governing law as the Committee or the Board deems necessary or appropriate.

The Committee shall be given direct and complete access to the Company's Board and management, as is deemed necessary by the Committee, in order to perform its duties under this Charter.

The Company shall provide any and all funding requested by the Committee to enable the Committee to carry out its duties and responsibilities.

**5. MEETINGS AND PROCEDURES**

The Committee shall fix its own rules of procedure, which shall be consistent with the By-Laws of the Company and this Charter. The Committee shall meet at least quarterly and more frequently as is necessary to carry out its responsibilities and act upon matters within the Committee's jurisdiction under this Charter. Meetings of the Committee may be called by the Chairperson of the Committee and/or by the management of the Company.

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.

A majority of the total number of members of the Committee will constitute a quorum at all Committee meetings. Minutes of each meeting of the Committee shall be prepared documenting the activities of the Committee. After review, comment and approval by the Committee members, the minutes of each meeting of the Committee shall be finalized and sent to the Company's Corporate Secretary for permanent filing in the Company's minute book. Reports of meetings of the Committee will be made to the Board at its next regularly scheduled meeting following the Committee meeting accompanied by any recommendations to the Board approved by the Committee.