AUDIT COMMITTEE CHARTER
SELECTIVE INSURANCE GROUP, INC.

Approved: January 2013

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1. PURPOSE

The Audit Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Selective Insurance Group, Inc. (the "Company"). The purpose of the Committee is to oversee the accounting and financial reporting processes of the Company, the audits of the financial statements of the Company and the activities of the Internal Audit Department of the Company. In that regard, the Committee assists the Board in monitoring (i) the integrity of the financial statements of the Company; (ii) the compliance by the Company with legal and regulatory requirements; (iii) the independence and qualifications of the Company's independent auditors; and (iv) the performance of the internal auditors and independent auditors.

2. COMPOSITION

The Committee shall consist of three or more directors as determined from time to time by the Board. One of the members of the Committee shall be elected Chairman by the Board. The Chairman shall conduct and preside at each meeting of the Committee. If the Chairman is not present, the members of the Committee may designate a Chair by majority vote of the Committee membership. Each appointed Committee member will be subject to annual reconfirmation and may be removed by the Board at any time, with or without cause. Each Committee member must meet (i) the requirements of The Nasdaq Stock Market, Inc. ("Nasdaq"); and (ii) the independence requirements of Section 10A(m)(3) of the Securities and Exchange Act of 1934 (the "Exchange Act") and Rule 10A-3 promulgated thereunder.

In addition, at least one member of the Committee will be designated by the Board to be the "audit committee financial expert," as defined by the rules and regulations of the SEC pursuant to the Sarbanes-Oxley Act of 2002 (the "Act").

3. DUTIES AND RESPONSIBILITIES

In carrying out its duties and responsibilities, the Committee's policies and procedures should remain flexible, so that it may be in a position to best address, react or respond to changing circumstances or conditions. The following duties and responsibilities are within the authority of the Committee, and the Committee shall perform such duties and responsibilities consistent with and subject to applicable law and rules and regulations promulgated by the SEC, Nasdaq, or any other applicable regulatory authority.

A. <u>Selection, Evaluation and Oversight of Independent Auditors</u>

The independent auditors shall report directly to the Committee. The Committee shall have the following responsibilities and duties with respect to the independent auditors:

(i) The sole authority and responsibility for the appointment, compensation, retention and oversight of the work of the Company's independent auditors;

(ii) Review and, in its sole discretion, approve in advance the Company's independent auditors' annual engagement letter, including the proposed fees contained therein, as well as all audit and, as provided in the Act and the SEC rules and regulations promulgated thereunder, all permitted non-audit engagements and relationships between the Company and such independent auditors;

(iii) Review the performance of the Company's independent auditors, including the lead partner of the independent auditors; and

(iv) Evaluate the independence of the Company's independent auditors by, among other things:

(a) Obtaining and reviewing the written disclosures from the Company's independent auditors required by the applicable requirements of the Public Company Accounting Oversight Board regarding the auditors' independence;

(b) Actively engaging in a dialogue with the Company's independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditors;

(c) Taking, or recommending that the Board take, appropriate action to oversee the independence of the Company's independent auditors;

(d) Monitoring compliance by the Company's independent auditors with the audit partner rotation requirements contained in the Act and the rules and regulations promulgated by the SEC thereunder;

(e) Monitoring compliance by the Company of the employee conflict of interest requirements contained in the Act and the rules and regulations promulgated by the SEC thereunder; and

(f) Engaging in a dialogue with the independent auditors to confirm that audit partner compensation is consistent with applicable SEC rules.

B. <u>Oversight of Annual Audit and Quarterly Reviews</u>

The Committee shall have the following responsibilities and duties with respect to the oversight of the annual audit and quarterly reviews:

(i) Review and discuss with the independent auditors their annual audit plan, including the timing and scope of audit activities, and monitor such plan's progress and results during the year;

(ii) From time to time, as appropriate, obtain and review the reports required to be made by the independent auditor regarding:

(a) Critical accounting policies and practices to be used;

(b) All alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Company's management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors; and

(c) All other material written communications between the independent auditor and the Company's management, such as any management letter and any schedule of unadjusted differences; and

(iii) Resolve all disagreements between the Company's management and independent auditors regarding financial reporting.

C. Oversight of Financial Reporting Process and Internal Controls

The Committee shall have the following responsibilities and duties with respect to the oversight of the financial reporting process and internal controls:

(i) Monitor on a regular basis the adequacy and effectiveness of the Company's financial reporting process and systems of internal controls regarding finance, accounting and legal compliance;

(ii) Review the yearly report prepared by management, and attested to by the Company's independent auditors, 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;

(iii) Review with the Chief Executive Officer, Chief Financial Officer and independent auditors, periodically, the following:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; 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;

(iv) Prior to the release of earnings and prior to filing or distribution of the Company's quarterly financial statements, review and discuss with the Company's management and independent auditors the Company's quarterly financial results;

(v) Prior to the Company's filings with SEC on Forms 10-Q and/or 10-K, review and discuss with the Company's management and independent auditors, the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations";

(vi) Prior to filing or distribution of the Company's annual audited financial statements, review and discuss with the Company's management and independent auditors the Company's annual financial results, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations". The review should include discussion with management and independent auditors of significant issues regarding accounting principles, practices and judgments;

(vii) Based on review and discussions with the Company's management and independent auditors, advise the Board whether it recommends that the audited financial statements be included in the Company's Annual Report on Form 10-K; and

(viii) Discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures.

D. Review of the Internal Audit Department

The Committee shall have the following responsibilities and duties with respect to the internal audit department:

(i) Review the budget, plan, changes in plan, activities, organizational structure and qualifications of the internal audit department, which review shall include a review of all internal audit reports, and management's responses to such reports; and

(ii) The appointment, replacement, reassignment or dismissal of the Chief Audit Executive.

E. Miscellaneous

The Committee shall have the following other responsibilities and duties:

(i) Annually, prepare a report to shareholders as required by the SEC, which report shall be included in the Company's annual proxy statement;

(ii) Monitor compliance with legal and regulatory requirements;

(iii) Establish and maintain an avenue of communication among the Committee, the independent auditors, the Company's management, the internal auditing department and the Board;

(iv) Establish procedures for the (a) receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (b) confidential, anonymous submissions by employees of the Company of concerns regarding questionable accounting or auditing matters; and

(v) Establish and implement policies and procedures for the Committee's review and approval or disapproval of proposed transactions or courses of dealings with respect to which executive officers or directors or members of their immediate families have an interest (including all transactions required to be disclosed by Item 404(a) of Regulation S-K).

4. OTHER POWERS AND RESPONSIBILITIES

A. Authority

In carrying out its duties, the Committee shall have broad latitude to (i) review any aspect of Corporate activity, and (ii) when appropriate, direct any independent investigations or reviews concerning matters relating to the Company's financial statements, internal controls, compliance with the law or business ethics.

B. 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, which may be oral, setting forth the results of its evaluation, including any recommended changes to the Company's or the Board's policies or procedures.

C. Reports

The Committee shall make regular reports to the Board, providing an overview of its activities and summarizing Committee actions. The Committee shall also present resolutions to the Board that the Committee has recommended be adopted by the Board.

D. Retention of Professional Advisors

The Committee is authorized to retain, with or without Board approval, at the expense of the Company, independent legal, accounting, or other consultants or experts it deems necessary in the performance of its duties or to assist it in the conduct of any investigation.

E. 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 approval.

F. Miscellaneous

The Committee shall perform any other activities consistent with 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

A. Meetings

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, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Committee shall hold at least four quarterly meetings each year. The presence of a majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum at all Committee meetings. The Chief Audit Executive shall furnish the Committee with copies of all audit reports and responses issued since the prior meeting. The Chief Audit Executive shall prepare an agenda for each meeting of the Committee. The agenda and all materials to be reviewed at the meetings will be forwarded to the Committee prior to the scheduled meeting date. Any recommended changes to the agenda will be forwarded to the Chief Audit Executive prior to the meeting.

Special meetings of the Committee may be held at any time deemed necessary by the Board, the Committee Chairman or a majority of the Committee members. Management may request the Board or the Committee Chairman to call a special meeting of the Committee. Also, the General Counsel, any member of the internal audit department, and the independent auditors shall have private access to the Committee as desired.

Members of the Committee and the Chief Audit Executive are expected to be present at all meetings. At each regular meeting, time shall be allowed for the Committee to have the following:

(i) A meeting with the Chief Audit Executive;

(ii) A meeting with management representatives;

(iii) A meeting with representatives from the Company's legal department; and

(iv) A meeting with the independent auditors.

B. Subcommittees

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.

C. Minutes

Minutes of each meeting of the Committee shall be prepared documenting the activities of the Committee. After review and comment by 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.

D. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

Management is responsible for the preparation, presentation and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Company. The independent auditors are responsible for auditing the Company's financial statements and for reviewing the Company's unaudited interim financial statements.

In meeting its responsibilities, the Committee is entitled to rely on the information obtained from the Company's Chief Audit Executive, General Counsel, management, and the independent auditors.