



CHARTER OF THE COORDINATING COMMITTEE

Amended and restated February 19, 2009

A. Establishment

The Boards of Directors of Harleysville Mutual Insurance Company (HMIC) and Harleysville Group Inc. (HGI, and collectively with HMIC, the Companies) have established a Coordinating Committee pursuant to Article V. §1 of the By-Laws of each company.

B. Membership

The Coordinating Committee shall consist of the independent directors who are directors of HMIC only and the independent directors who are directors of HGI only plus a non-voting chair who is a director of both Companies. The Secretary of the Companies shall attend Committee meetings and record minutes. The Chief Executive Officer, if he or she is not the non-voting chair of the Committee, and the Chief Financial Officer shall attend Committee meetings as well.

C. Function

The purpose of the Committee is to review material transactions between HGI and its subsidiaries and HMIC and its subsidiaries to assure fairness unless authority for such decision has been expressly retained for review by the full Boards of both Companies. No material transaction between HGI and HMIC may occur until two HGI only directors and two HMIC only directors approve a transaction either at the Committee or Board level. Any such decision is binding on HGI and HMIC.

D. Responsibilities

The Committee reviews material transactions between HMIC and its subsidiaries on the one hand and HGI and its subsidiaries on the other. Under the various Holding Company System Acts, the Committee must insure that, with regard to a transaction:

1. the terms are fair and reasonable for all parties;
2. the charges and/or fees for services performed are reasonable for all parties; and
3. an insurer's policyholder surplus after any material transaction is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs.

In particular, the Coordinating Committee shall review the following material transactions:

- a) changes to the Intercompany Proportional Reinsurance ("Pooling") Agreement;
- b) annual intercompany expense allocations;
- c) changes to the internal aggregate reinsurance agreement to the extent review of the internal aggregate reinsurance agreement has not been retained by the full boards of both Companies;
- d) all loans between the Companies; and
- e) service agreements between the Companies where a fee is paid by one company to another.

E. Authority

1. The Committee may retain independent consultants to assist it in evaluating any proposed transaction; and

2. The Committee shall regularly report on its activities to the Boards of Directors.

F. Compensation

No member of the Coordinating Committee, nor any immediate family member or employer of any Committee member, or an entity as to which a Committee member is an affiliate, may receive compensation from either Company or an affiliate other than fees as a director (which may include Committee fees).