

**CHARTER OF CORPORATE STRATEGY COMMITTEE**  
**Adopted May 20, 2003**

**A. Establishment**

The Boards of Directors of Harleysville Mutual Insurance Company and Harleysville Group Inc. have established a Corporate Strategy Committee pursuant to Article V, §1 of the by-laws of each Company.

**B. Membership**

The Corporate Strategy Committee shall consist of the Chief Executive Officer plus two or more directors of Harleysville Mutual or Harleysville Group. Members do not need to be independent directors. The Secretary of the Companies shall attend meetings and record minutes. Other senior officers as designated by the Chief Executive Officer shall attend meetings of the Committee as well.

**C. Function**

The Corporate Strategy Committee shall oversee, on behalf of stockholders and policyholders, subject to review and approval of the Boards, the development and implementation of the Companies' strategic plan.

**D. Responsibilities**

The Committee shall:

1. participate with management to develop or modify the Companies' strategy;
2. recommend to the Boards the adoption or modification of the Companies' strategy;
3. participate with management to develop or modify the Companies' merger and acquisition strategy;
4. participate with management in the review and evaluation of merger and acquisition candidates and opportunities and recommend to the Boards whether a proposed transaction should be pursued;
5. oversee the development of plans to implement the strategy, including the Companies' three year strategic plan and one year operational plan;
6. review progress and implementation of the strategy;
7. monitor execution of the strategy;
8. assess and provide guidance on internal and external trends and developments that impact both the strategy and its execution;
9. provide guidance to management on capital management and financial risk tolerance including advisability of undertaking purchases of Harleysville Group stock;
10. conduct an annual review of the Committee's performance; and
11. regularly report on the Committee's activities to the Boards of Directors.

**E. Authority**

The Committee may at the Companies' expense hire consultants or undertake studies as necessary regarding strategy.