

Harleysville Group Inc.

NOMINATING & CORPORATE GOVERNANCE COMMITTEE
Director Nominating Process

1. As set forth in its charter, one of the Committee's function is to review, evaluate, and recommend to the Board of Directors candidates to serve as directors of the Companies.
2. As part of this process, the Committee will consider candidates suggested by the directors, by management, and by stockholders.
3. The processes for recommending the re-nomination of incumbent directors by the Board and the process for recommending new candidates for election by the Board are necessarily different. The former is described in paragraph 4 while the latter is described in paragraph 5.
4. The re-nominations of incumbent directors by the Board are typically made at the November Board Meeting for re-election at the Annual Meeting the following April. As such, prior to that meeting, the Committee will meet to determine if the incumbent director(s) up for reelection should be recommended for re-nomination and re-election. Prior to that meeting, the Committee shall send out a director re-nomination self-assessment form for completion by said incumbent director(s). Such director(s) shall return that form to the Committee by the date requested by the Committee in order to allow the Committee time to assess the response on the form. The information requested by the form shall be as determined from time to time by the Committee. The Committee shall assess the responses and determine if the incumbent is the best candidate to be recommended for re-nomination. If so, the Committee shall report same to the Board of Directors. If not, the Committee shall determine if it should recommend that the vacancy be filled and, if so, shall follow the procedure set forth in #5 below. The reasons for the decision shall be reported to the Board, which can accept or reject the Committee's recommendations.
5. The specific process for recommending and evaluating new candidates will likely vary based on an assessment of the needs of the Board and the Company at the time of the recommendation. In any event, the following should occur:
 - a. The Committee shall determine the desired profile of a new director. The profile should reflect the competencies desired at that time with a ranking of priority of competencies which will likely include property/casualty insurance operations experience, information technology, human resources, investments, law, finance, actuarial and accounting, governmental affairs, public policy and general business knowledge consistent with the Companies' business strategy, marketing, and merger and acquisition analytical skills. The Committee may consider other characteristics that promote geographic, age (young enough to serve at least seven years), gender and ethnic (all other factors being equal) diversity.
 - b. When a name is submitted by a stockholder, the submission should include the name, address, and phone number of the person (with proof that the sender is indeed a stockholder, if not a record holder), along with (1) a description of the skills, expertise, and experience of such individual and (2) a discussion why such individual would be a good board member for Harleysville Group. The submission should also contain an affirmation that such person, to the writer's knowledge, is willing to serve and capable of serving, and that such individual would qualify as an independent director under NASDAQ rules. Any communication to this end should be addressed to Chairman of the Nominating & Corporate Governance Committee,

Harleysville Insurance, 355 Maple Avenue, Harleysville, PA 19438-2297. The words “Director Nomination” should be placed on the lower left hand corner of the envelope.

- c. Once the Committee establishes a target candidate profile, it shall assess the talent pool for such type of candidate and may retain a search firm, at its discretion, to assist it in locating and evaluating a desirable candidate. The Committee shall also communicate its target profile to all directors who may submit names of candidates.
- d. If stockholders have furnished the Committee names of director candidates for Harleysville Group, the Committee shall consider those candidates in light of the target profile.
- e. The general requirements for a director which a candidate must meet are included in the Corporate Governance Principles that can be found in the Investors Section on the Harleysville Web site (www.harleysvillegroup.com).
- f. Upon receipt of names and information on or from proposed candidates, the Committee shall review the proposed candidates and choose for further review the candidate(s) who best meet the target profile. Such further review may consist of requests for additional information, including references, telephone contact, in person or face-to-face interviews, etc. Any interviews may be conducted by any member of the Committee, the Chairman, the CEO, and any other person or persons requested and authorized by the Committee. Reports on the interviews shall be made available to the other members of the Committee.
- g. Once the Committee is in agreement on a candidate to recommend for nomination, it will notify the remainder of the directors. If requested by the other directors, the directors will be given the opportunity to meet and conduct discussions with the candidate prior to the Board voting on the nomination.