

# OHIO CASUALTY CORPORATION

## CODE OF BUSINESS CONDUCT AND ETHICS

### INTRODUCTION

This Code of Business Conduct and Ethics applies to all employees (including officers) of Ohio Casualty Corporation and its subsidiaries (the “Company” or “Ohio Casualty”) and covers a wide range of business practices and procedures. In addition, directors of Ohio Casualty, in regard to their Ohio Casualty duties, are responsible for conducting themselves in compliance with applicable provisions of this Code of Business Conduct and Ethics. While it does not cover every issue that may arise, the Code of Business Conduct and Ethics sets out basic principles to guide all employees and directors of Ohio Casualty.

If a law conflicts with a policy in this Code, you must comply with the law. If you have any questions about these conflicts, you should ask your supervisor or the Corporate Legal Department as to how to handle the situation.

Those who violate the standards in this Code will be subject to disciplinary action, up to and including termination of employment. *If you are in a situation which you believe may violate or lead to a violation of this Code, follow the guidelines described in Section 14 of this Code.*

#### **1. Compliance with Laws, Rules and Regulations**

Obeying the law, both in letter and in spirit, is the foundation on which Ohio Casualty’s ethical standards are built. All employees and directors must respect and obey the laws of all the locations in which we operate. Although not all employees and directors are expected to know the details of these laws, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel.

Ohio Casualty conducts information and training sessions to promote compliance with laws, rules and regulations, including insider-trading laws.

#### **2. Conflicts of Interest**

A “conflict of interest” exists when a person’s private interest interferes in any way with the interests of the Company. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when an employee, officer or director, or members of his or her family, receives improper personal benefits as a result of his or her position in the Company.

It is almost always a conflict of interest for a Company employee to work simultaneously for a competitor, customer or supplier. The best policy is to avoid any direct or indirect business connection with our customers, vendors or competitors, except on the Company's behalf. Conflicts of interest are prohibited as a matter of Company policy, except under guidelines approved by the Board of Directors. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with your department head, the Corporate Employee Relations and Employment Department ("CERE") or the Corporate Legal Department. Any employee, officer or director who becomes aware of a conflict or potential conflict should bring it to the attention of the Company's General Counsel.

**3. Insider Trading**

Employees and directors who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. All non-public information about Ohio Casualty should be considered confidential information. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal. The Company has adopted a specific policy in order to assist with compliance with laws against insider trading. This policy has been distributed to all employees and directors. If you have any questions, please consult the Corporate Legal Department.

**4. Improper Personal Gains**

No employee may use corporate property, information, or position for improper personal gain. Employees and directors owe a duty to Ohio Casualty to advance its legitimate interest when the opportunity to do so arises.

**5. Competition and Fair Dealing**

We seek to outperform our competition fairly and honestly. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each employee and director should endeavor to respect the rights and deal fairly with Ohio Casualty's customers, vendors, competitors, employees and directors. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

**6. Business Gifts and Entertainment**

The purpose of business entertainment and gifts in a commercial setting is to create and maintain good will and sound working relationships, not to gain an unfair advantage, unduly influence or create a real or implied obligation among parties. No gift or entertainment should ever be offered, given, provided or accepted by any Ohio Casualty employee, family member of an employee or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations. The Company's Business Gifts and Entertainment Policy provides additional guidance on this matter. Please discuss with CERE any gifts, proposed gifts, or entertainment which you are not certain are appropriate.

**7. Discrimination and Harassment**

Ohio Casualty is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. If you believe that you have been the subject of discrimination or harassment, or observe conduct that you believe is discriminatory or harassing, you must immediately contact CERE.

**8. Health and Safety**

Ohio Casualty is committed to providing each employee with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted. Employees must report to work in a condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs in the workplace will not be tolerated. The Company's safety policy provides additional guidance on this matter.

**9. Record-Keeping**

Ohio Casualty requires honest and accurate recording and reporting of information in order to make responsible business decisions.

Many employees and directors regularly use travel and business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, consult with your manager or department head.

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirements and to the Company's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos, and formal reports. Records should always be retained or destroyed according to Ohio Casualty's record retention policies. In accordance with those policies, in the event of litigation or governmental investigation, please consult the Corporate Legal Department.

#### **10. Confidentiality**

Employees and directors must maintain the confidentiality of information entrusted to them by the Company or its customers, except when disclosure is authorized by the Corporate Legal Department or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors or harmful to the Company or its customers if disclosed. It also includes information that suppliers and customers have entrusted to us. The obligation to preserve confidential information continues even after employment ends.

#### **11. Protection and Proper Use of Company Assets**

All employees and directors should endeavor to protect Ohio Casualty's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. Company equipment should not be used for non-Company business, though incidental personal use may be permitted consistent with Company policy.

The obligation of employees and directors to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data

and reports. Unauthorized use or distribution of this information may result in civil or even criminal penalties.

## **12. Waivers of the Code of Business Conduct and Ethics**

Any waiver of this Code for executive officers or directors must be made only by the Board of Directors in its sole discretion and will be promptly disclosed as required by law or stock market regulation.

## **13. Reporting any Illegal or Unethical Behavior**

Employees must report unethical or illegal behavior/situations to their department heads, supervisors, CERÉ or the General Counsel. Questions concerning policy matters should also be reviewed with such persons.

Such behavior/situations that must be reported include, but are not limited to, embezzlement, theft, fraud, illegal drugs, conflicts of interest, bribes, antitrust violations, safety infractions, discrimination, sexual harassment and/or complaints regarding accounting, internal accounting controls or auditing matters.

Employees who do not feel comfortable addressing such behavior with the above mentioned parties, or if notification to Ohio Casualty management is not a viable option, or if sufficient action by your department head or supervisor has not been taken, you should call the Ohio Casualty Ethics and Compliance hotline at 1-888-270-5939 or use the Website for reporting at [www.tnwinc.com/webreport](http://www.tnwinc.com/webreport). The hotline and Website are administered by a third party to maintain confidentiality and to ensure effective standardized administration. In addition, employees may also report their concerns in writing to the following address: Just Not Right? Report It!, P.O. Box 18698, Fairfield OH 45018-0698. Ohio Casualty will not permit any retaliation against any person who appropriately reports a matter believed, in good faith, to be a violation of the Code.

## **14. Compliance Procedures**

We must all work to ensure prompt and consistent action against violations of the Company Code. However, in some situations it is difficult to know if a violation has occurred. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are some steps to keep in mind:

- Just not right, report it.
- Ask yourself: What specifically am I being asked to do or what has been observed? Does it seem unethical or improper? This will enable you to

focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.

- Discuss the problem with your supervisor. This is basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. If sufficient action is not taken, the matter should be escalated.
- Always ask first, act later. If you are unsure of what to do in any situation, seek guidance before you act.

#### **15. Corporate Compliance Committee**

Ohio Casualty has a Corporate Compliance Committee which is responsible for the oversight of corporate compliance standards and procedures for the Company. The Committee shares responsibility with the members of the Strategy Team for ensuring that an effective compliance program is developed, implemented and maintained. Members of the Committee are appointed by the Strategy Team. The current members of the Committee include the chief legal officer (the Chair of the Committee) and the department heads of operations, finance, human resources, claims, technology and audit.