



**AUDIT COMMITTEE CHARTER  
SELECTIVE INSURANCE GROUP, INC.**

Effective January 2025

# **SELECTIVE INSURANCE GROUP, INC. AUDIT COMMITTEE CHARTER**

## **1. PURPOSE**

The Board of Directors (the “Board”) of Selective Insurance Group, Inc. (“Parent”) appoints the Audit Committee (the “Committee”), which serves the Parent and each of the Parent’s insurance subsidiaries (together with Parent, individually or collectively as applicable, the “Company”). The Committee’s purpose is to oversee the Company’s accounting and financial reporting processes, including internal controls over financial reporting, the audits of the Company’s financial statements, and the Company’s Internal Audit Department’s activities. The Committee monitors (i) the integrity of the financial statements of the Company; (ii) the compliance by the Company with legal and regulatory requirements and adopted ethical standards; (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 the Board determines from time to time. The Board shall elect one Committee member as the Committee’s Chairperson. The Chairperson shall conduct and preside at each Committee meeting. 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 LLC (“Nasdaq”); (ii) the independence requirements of Section 10A-3 of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”); and (iii) the applicable rules and regulations of the Securities and Exchange Commission (the “SEC”). At least one member of the Committee will be designated by the Board to be the “audit committee financial expert,” as defined by rules of the SEC.

## **3. DUTIES AND RESPONSIBILITIES**

The Committee has the following duties and responsibilities, unless the Board determines otherwise, which it shall perform consistent with and subject to applicable law and rules and regulations promulgated by the SEC, Nasdaq, or any other applicable regulatory authority:

### **A. Selection, Evaluation, and Oversight of Independent Auditors**

The Company’s independent registered public accountants (“Independent Auditors”) shall report directly to the Committee. The Committee shall have the following responsibilities and duties concerning the Independent Auditors:

- (i) The sole authority and responsibility for the appointment, compensation, retention, and oversight of the work of the Independent Auditors;

- (ii) Review and, in its sole discretion, approve in advance the Independent Auditors' annual engagement letter and proposed fees, the audit, and all permitted non-audit engagements and relationships between the Company and the Independent Auditors under the Exchange Act and SEC rules;
- (iii) Review the performance of the Independent Auditors, including their lead engagement partner; and
- (iv) Evaluate the independence of the Independent Auditors by, among other things:
  - (a) Obtaining and reviewing the written disclosures from the Independent Auditors about auditor independence required by the Public Company Accounting Oversight Board;
  - (b) Actively engaging in a dialogue with the Independent Auditors concerning any disclosed relationships or services that may impact the objectivity and independence of the Independent Auditors;
  - (c) Taking, or recommending that the Board take, appropriate action to oversee the independence of the Independent Auditors; and
  - (d) Monitoring the Independent Auditors' compliance with the SEC's audit partner rotation requirements.

**B. Oversight of Annual Audit and Quarterly Reviews**

The Committee shall have the following responsibilities and duties concerning 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, review with the Company's management, Chief Audit Executive, and Independent Auditors:
  - (a) Critical accounting policies and practices to be used;
  - (b) Any critical audit matters arising from the current period audit;
  - (c) All alternative treatments of financial information within applicable generally accepted accounting principles or statutory accounting principles 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
  - (d) All other material written communications between the Independent Auditors and the Company's management, such as any management letter, any schedule of unadjusted differences, and required communications; and

- (iii) Resolve all disagreements between the Company's management and the Independent Auditors regarding financial reporting.

C. Oversight of Financial Reporting Process and Internal Controls

The Committee shall have the following responsibilities and duties concerning 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;
- (ii) Prior to its inclusion in the Company's Annual Report on Form 10-K, review the report prepared by management, 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, to which the Independent Auditors attest;
- (iii) Prior to its inclusion in any Company's audited statutory financial statements, review the report prepared by management, assessing the effectiveness of internal control over financial reporting and stating management's responsibility for establishing and maintaining adequate internal control over financial reporting;
- (iv) Periodically review with the Chief Executive Officer, Chief Financial Officer, and Independent Auditors 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;
- (v) Review and discuss the Company's quarterly financial results with the Company's management and the Independent Auditors before the release of earnings or the filing or distribution of the Company's quarterly financial statements;
- (vi) Review and discuss the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" with management and the Independent Auditors before the Company files its Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K with the SEC;
- (vii) Review and discuss the Company's annual financial results with management and the Independent Auditors, including significant issues about accounting principles, practices, and judgments, before the filing or distribution of the annual audited financial statements;

- (viii) Advise the Board whether it recommends that the audited financial statements be included in the Company's Annual Report on Form 10-K based on review and discussions with the Company's management and the Independent Auditors; and
- (ix) Discuss significant financial risk exposures, including the Company's loss and loss adjustment expense reserves, 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 concerning the oversight of the internal audit department:

- (i) Review and approve the internal audit department's budget and resources annually;
- (ii) Review audit plan and any audit plan changes, activities, organizational structure, and qualifications. Such review shall include a review of internal audit reports or report summaries, and management's responses to such reports, and other reviews conducted by the internal audit department, as appropriate;
- (iii) Review and approve the internal audit charter annually;
- (iv) Receive reports from the Chief Audit Executive on the internal audit department's performance related to the audit plan and other matters; and
- (v) Review and concur in the appointment, replacement, reassignment, or dismissal of the Chief Audit Executive and the Chief Audit Executive's performance review and compensation awards.

E. Miscellaneous

The Committee shall have the following other responsibilities and duties:

- (i) Annually prepare a report to shareholders as required by the SEC to be included in the Company's annual proxy statement;
- (ii) Monitor the Company's compliance with legal and regulatory requirements and adopted ethical standards;
- (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) Oversee 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) Oversee the Company's Related Person Transactions Policy and Procedures and review and approve proposed transactions or courses of dealings in 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 evaluate its performance annually. The Committee shall address all matters that it considers relevant to its performance, including the adequacy, appropriateness and quality of the information and recommendations the Committee presents to the Board, how they were discussed or debated, and whether the number and length of Committee meetings were adequate for the Committee to complete its work thoroughly and thoughtfully.

The Committee shall present a written or oral report to the Board with the evaluation results, 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 present recommended resolutions to the Board for adoption, when applicable.

##### **D. Retention of Professional Advisors and Funding**

The Committee has the authority to select and retain 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. The Company shall provide appropriate funding for the Committee to retain such advisors and pay for ordinary administrative expenses necessary or appropriate to carry out its duties without requiring the Committee to seek Board approval.

##### **E. Review of Charter**

The Committee shall review and reassess this Charter's adequacy 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 the Committee deems necessary to perform its duties under this Charter.

**5. MEETINGS AND PROCEDURES**

A. Meetings

The Committee shall fix its rules of procedure, which shall be consistent with the Company's By-Laws 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 meet at least quarterly (and more frequently if necessary) to carry out its responsibilities and act upon matters within the Committee's jurisdiction under this Charter. . Meetings of the Committee may be called by the Chairperson of the Committee and/or by the management of the Company. A majority of the total number of Committee members present in person or by conference call video meeting, in which all participants can hear each other will constitute a quorum at all Committee meetings.

The Chief Audit Executive, or their designee, shall prepare an agenda for each Committee meeting. 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, or their designee, prior to the meeting.

Special meetings of the Committee may be held at any time deemed necessary by the Board, the Committee Chairperson, or a majority of the Committee members. Management may request the Board or the Committee Chairperson to call a special meeting of the Committee. 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, at its discretion, to individually meet with:

- (i) The Independent Auditors;
- (ii) The Chief Audit Executive; and
- (iii) Management representatives, including the General Counsel and Chief Compliance Officer.

B. Subcommittees

The Committee may form subcommittees for any purpose it deems appropriate, delegating to such subcommittees such power and authority as the Committee deems appropriate. No subcommittee shall have fewer than two members; and 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 detailed in this Charter, it is not the Committee's duty to plan or conduct audits or determine that the Company's financial statements and disclosures are complete, accurate, and are in accordance with applicable generally accepted accounting principles or statutory accounting principles and associated rules and regulations. Those are the duties of management and the Independent Auditors.

Management is responsible for the preparation, presentation, and integrity of the Company's financial statements and the appropriateness of the accounting principles and reporting policies the Company uses. The Independent Auditors are responsible for auditing the Company's financial statements and 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 management and the Independent Auditors.