

STATE AUTO FINANCIAL CORPORATION
BOARD OF DIRECTORS
Charter
of the
Nominating and Governance Committee
Amended and Restated as of November 6, 2009

1. Members. The Nominating and Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of State Auto Financial Corporation (the “Company”) shall consist of no less than three directors, each of whom must meet the standards for independence as prescribed by the Marketplace Rules of The NASDAQ Stock Market, Inc. (“NASDAQ”) and Rule 10A-3(b)(1) under the Securities Exchange Act of 1934. (the “34 Act”) .

2. Director Nominee Selection Responsibilities. The responsibilities of the Committee shall be as follows with respect to identifying and recommending persons to be nominated for election or re-election as directors:

a. The Committee will set the minimum qualifications for persons whom it would recommend for nomination for election or re-election (election and re-election are hereafter collectively referred to as “election”) as a director of the Company, which minimum qualifications are described in this Charter. The following matters will be considered in the Committee’s selection of a person to recommend for nomination as a director of the Company: such person’s freedom from relationships or conflicts of interest that could interfere with such person’s duties as a director to the Company and its shareholders; such person’s status as independent (based on the then current NASDAQ rules); business or professional skills and experience; temperament; integrity; educational background; and judgment. The objective of the Committee in this regard is to nominate for election as directors persons who share the values of the Company and possess the following minimum qualifications: high personal and professional integrity; the ability to exercise sound business judgment; an inquiring mind; professional demeanor, and the time available to devote to Board activities and the willingness to do so. The Committee will consider these criteria in the context of an assessment of the perceived needs of the Board as a whole and will seek to achieve diversity of occupational and personal backgrounds. Ultimately, the Committee’s intention is to select nominees for election to the Board whom the Committee believes will be effective, in conjunction with the other members of the Board, in collectively serving the long-term interests of the shareholders. In the context of recommending an incumbent director to be nominated for re-election to the Board, the Committee will focus its assessment on the contributions of such person during his or her Board tenure and such person’s independence at that time.

b. Based on the criteria described in item 2.a. above, the Committee will recommend to the Board nominees for election to the Board at (i) the first regular meeting of the calendar year with respect to elections to occur at each annual shareholders meeting, and

(ii) at any other shareholders and/or Board meetings held for the election of one or more directors.

c. As indicated in the Corporate Governance Guidelines, the Committee will determine the appropriateness of a Director to continue serving, if a significant change in business or professional status occurs.

d. In addition to incumbent directors who will be evaluated for nomination for re-election as described in item 2.a. above, the Committee may maintain a list of other potential candidates whom the Committee may evaluate pursuant to the criteria set forth in item 2.a. above for consideration as Board members. By following the procedures set forth in item 2.f. below, shareholders may recommend potential candidates to be included on this list. As a matter of policy, the Committee will consider and evaluate such candidates recommended by shareholders in the same manner as all other candidates for nomination to the Board who are not incumbent directors.

e. In the absence of extraordinary circumstances, when a director vacancy arises for any reason, the Committee will use the following process to identify the person(s) whom the Committee will recommend to the Board for election as a director to fill such vacancy(ies). The Committee shall first look to the list of names of potential nominees, as described in item 2.d. above and make a preliminary evaluation of such person(s) based on the criteria set out in item 2.a. above. If there are no names on the list described in item 2.d. above or if all of the names on this list are eliminated following such evaluation process, the Committee may solicit other potential nominees' names from other directors of the Company, directors of the Company's parent, the Chairman of the Board of the Company or other persons whom the Committee reasonably believes would have the opportunity to possess first hand knowledge of a suitable candidate based on the criteria described in item 2.a. above. The Committee may also hire a director search firm, as contemplated by item 4.b. below.

Once the Committee has preliminarily concluded that a person(s) may meet the criteria described above in item 2.a., the Committee shall at a minimum obtain from such person(s) a completed Prospective Director Questionnaire which shall solicit information regarding the person's business experience, educational background, personal information, potential conflicts of interest, and information relating to the person's business, personal or family relationships with the Company and other directors, among other matters. Following a review by the Committee, the Chairman and counsel for the Company of such completed Prospective Director Questionnaire, the Committee will conduct at least one interview with a person(s) whose candidacy it desires to pursue. Based on all information secured from the prospective nominee, which shall include a background check and a criminal record check, the Committee will meet and decide whether or not to recommend such person(s) for nomination for election as a director of the Company.

Any decision by the Committee under this item will reflect its considered judgment of the person(s)' being able to fulfill the objectives outlined in item 2.a. above.

f. While the evaluation process described above in item 2.e. will be used regardless of the source of the recommendation of such prospective director, any shareholder that desires to recommend an individual for Board membership is required to provide written notice to the Secretary of the Company at 518 E. Broad Street, Columbus, Ohio 43215. For any such recommendation to be considered, such written notice must, at a minimum, contain the following: the name and address, as they appear on the Company's books, and telephone number of the shareholder making the recommendation, including information on the number of shares owned, and if such person is not a shareholder of record or if such shares are owned by an entity, reasonable evidence of such person's ownership of such shares or such person's authority to act on behalf of such entity; the full legal name, address and telephone number of the individual being recommended, together with a reasonably detailed description of the background, experience and qualifications of that individual; a written acknowledgement by the individual being recommended that he or she has consented to that recommendation and consents to the Company's undertaking of an investigation into that individual's background, experience and qualifications in the event that the Committee desires to do so; the disclosure of any relationship of the individual being recommended with the Company or any of its subsidiaries or affiliates, whether direct or indirect; and, if known to the shareholder, any material interest of such shareholder or individual being recommended in any business or proposals to be presented at the Company's next annual meeting of shareholders (or a statement to the effect that no material interest is known to such shareholders).

3. Governance Responsibilities. The Committee will be responsible for performing the following corporate governance related responsibilities:

a. The Committee will annually, at the first regular meeting of the calendar year, review the Corporate Governance Guidelines and recommend any changes to the Board.

b. The Committee will annually, at the first regular meeting of the calendar year, make a determination of the "independence" of each Director based on the then current "independent director" criteria as set forth by NASDAQ and Rule 10A-3(b)(1) of the 34 Act.

c. The Committee will review annually, at the first regular meeting of the calendar year, the governance sections of the Company's Proxy Statement for the upcoming annual shareholders meeting.

d. The Committee will recommend to the Board membership for the Board committees, the Chairperson of each committee, and the Lead Director at the second regular meeting of the calendar year.

e. The Committee will review annually, at the third regular meeting of the calendar year, the Code of Business Conduct and recommend any changes to the Board.

f. The Committee will (i) review annually, at the third regular meeting of the calendar year, the Nominating and Governance Committee Charter and recommend any changes

to the Board, which shall include, without limitation, a review of the director qualification criteria set forth in item 2.a. and (ii) at that time, recommend to the Board any changes to such criteria.

g. The Committee will conduct a performance evaluation of the Committee, annually, at the third regular meeting of the year.

h. The Committee will review annually, at the fourth regular meeting of the calendar year, after input from all Directors, the operations and effectiveness of the Board of Directors, including, but not limited to, considering the size of the Board, the number of regularly scheduled meetings, and the Board performance. This includes a performance assessment of individual directors.

i. The Committee will review annually, at the fourth regular meeting of the calendar year, the composition of the Board to assure that the appropriate knowledge, skills, experience and diversity are represented.

j. The Committee will review annually, at the fourth regular meeting of the calendar year, the latest ISS Corporate Governance Quotient scoring for the Company.

k. The Committee will review directorships and committee assignments on other public companies held by prospective directors or offered to directors and executive officers of the Company, as required by and in accordance with the Company's Corporate Governance Guidelines.

4. Miscellaneous Duties of the Committee. In addition to the foregoing, the Committee shall have the following duties and authority:

a. The Committee will report to the Board all meetings of the Committee. Since the Company's board meetings are typically held concurrently with the board meetings of the Company's parent, State Auto Mutual, the Committee will determine if any matters it would otherwise report on are not appropriate to be included in the report delivered in the presence of directors of State Auto Mutual.

b. The Committee has the authority to retain and terminate any search firm for the selection of director candidates, and legal, financial or other advisors as the Committee deems necessary. The Committee shall have the authority to direct the Company to pay for services obtained by the Committee.

c. The Committee is responsible for oversight of enterprise risk management ("ERM") for the Company, and will meet regularly with the Company's Director of ERM. The Committee also will communicate with the board and/or its other committees on ERM matters, as necessary and /or appropriate.

d. The Committee shall perform such additional duties within the scope of its primary responsibilities as the Board of Directors may from time to time determine.

e. At each regular meeting of the Committee prior to the upcoming regular concurrent board meetings of the Company and its parent, State Auto Mutual, the Committee will review the proposed agenda for the regular joint board meetings and make a determination as to whether any agenda item(s) could result in the discussion of a subject that presents an actual or potential conflict between the interests of State Auto Mutual and the other STFC shareholders. If such an agenda item is identified, then this agenda item will be removed from the agenda of the joint meeting of Boards and addressed separately by the STFC Board, or delegated to the STFC standing Independent Committee or a Special Independent Committee thereof. The completion of this process will be documented in the Committee's minutes.

f. While each of the foregoing undertakings set forth in items 1-4 are the principal responsibilities of the Nominating and Governance Committee, it is also recognized that the Chairman of the Board shall be afforded the opportunity of consulting or conferring with the Committee in the course of its fulfilling its responsibilities.

5. No Expansion of Legal Obligations. The Nominating and Governance Committee Charter is not intended to change or augment the obligations of the Company or its directors or management under the federal securities laws or to create new standards for determining whether directors or management have fulfilled their duties, including fiduciary duties under applicable state law.

6. Administration. A majority of the voting committee members shall constitute a quorum for the transaction of business. The Committee shall meet upon the call of the Chairperson at such locations as determined by the Chairperson. Meetings may be conducted with the use of telecommunications equipment so long as all persons participating can hear each other. The action of the Committee at a meeting at which a quorum is present shall be the act of the Committee. The Committee may act in writing by the unanimous consent of its members.