
RLI Corp.
Nominating/Corporate Governance Committee
Charter
Effective: August 29, 2002
Revised: February 5, 2009

Purpose

The Nominating/Corporate Governance Committee (“Committee”) shall provide counsel to the full Board of Directors with respect to:

- (1) Identify qualified individuals for Board consideration to fill vacancies;
- (2) Recommending appropriate Corporate Governance principles for the Board;
- (3) Board organization, membership, compensation and function; and
- (4) Committee structure and membership.

Membership

The Committee shall consist of at least three members, all of whom shall be Independent Directors, as defined in the RLI Corp Governance Policy, one of whom shall serve as Chairman of the Committee. Committee members shall be appointed by the Board and may be removed from the Committee at any time, with or without cause, by the Board.

Principal Functions & Responsibilities

The Committee shall develop principles and procedures for the Board, which will be reevaluated periodically to ensure that the Board is fulfilling its responsibilities in a manner that effectively services the interests of the shareholders of the Company. The Committee shall assist the Board of Directors, particularly with respect to matters relating to governance and succession, as follows:

1. Serve as a forum for ideas and suggestions to improve the quality of stewardship provided by the Board of Directors;
2. Review and recommend to the Board guidelines and procedures to be used in evaluating each Board and Committee member’s performance;
3. Develop and monitor, with Board involvement, an assessment of Board performance on a continuing basis, individually and collectively;
4. Review and make recommendations concerning policies with respect to composition, organization, processes, and practices of the Board, including policies with respect to the size of the Board; the desired qualifications of Directors; the types, functions, size and membership of Board Committees; meetings of the Board (including executive session); and Board retirement and tenure policies;
5. Review Committee Charters to ensure they reflect commitment to effective governance. Annually recommend Committee Charters to the full Board for formal approval;
6. Identify and interview individuals qualified to become board members. Recommend top candidates to the Board to fill a vacancy.;

7. Recommend to the Board of Directors, nominees for appointment to Board committees;
8. Review qualifications of incumbent Directors in determining whether to recommend them for re-election to the Board. This assessment will include issues of skills, judgment, diversity, and age – all in the context of an assessment of the perceived needs of the Board at that point in time;
9. Recommend to the Board removal of a Director where appropriate;
10. Recommend to the Board actions with respect to implementing the resignation, retention, and retirement policies of the Board;
11. Develop a process for new Board member orientation;
12. Recommend to the Board, when appropriate, changes to the Corporate Governance Guidelines and Code of Conduct. Each publication shall be posted on the RLI Web site; and
13. Recommend to the Board, when appropriate, changes to the Articles of Incorporation and By-Laws of RLI Corp.
14. The Committee shall have sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve the search firm's fees and other retention terms.
15. The Committee shall annually review the Board's compensation and after taking into consideration duties and responsibilities, industry norms and other comparative data, and after consultation with the Executive Resources Committee make recommendations to the Board for changes as warranted.

Reporting

The Committee will prepare and, through its Chair, submit periodic reports of the Committee's work and findings to the Board of Directors. Said report will contain recommendations for Board actions when appropriate.

Committee Support

To assist the Committee in fulfilling its duties, management will provide the Committee with information and recommendations as needed and requested.

Annual Performance Review

The Committee shall develop and conduct, at least annually, an assessment of the Committee's performance on a continuing basis, individually and collectively.

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