

---

**RLI CORP.**  
**Executive Resources Committee Charter**

**Revised: February 8, 2018**

---

## **Purpose**

The Executive Resources Committee (the “*Committee*”) of the Board of Directors (“*Board*”) of RLI Corp. (the “*Company*”) is responsible to the Board for (1) reviewing and providing advice regarding an executive compensation policy and the execution thereof; (2) reviewing and providing advice regarding the Company’s management development and succession planning; (3) monitoring compensation actions by management below the executive level; (4) producing reports and disclosure on executive compensation for inclusion in the Company’s annual proxy statement, in accordance with applicable rules and regulations; and (5) reviewing and providing advice regarding the scope of benefits offered under the Company’s employee benefit plans. The Committee does not set or advise upon compensation of the Board of Directors, which function is in the purview of the Nominating/Corporate Governance Committee. In fulfilling its responsibilities, the Committee has the authority to delegate any or all of its responsibilities to a subcommittee of the Committee.

## **Membership**

The Committee shall consist of at least three members, all of whom shall be Independent Directors (as defined in the RLI Corp. Corporate Governance Guidelines), one of whom shall serve as Chair of the Committee. Committee members must satisfy the independence requirements of the New York Stock Exchange (the “*NYSE*”), except as otherwise permitted by applicable NYSE rules, and meet all other eligibility requirements of applicable laws. Committee members shall be nominated by the Nominating/Corporate Governance Committee, elected by the Board and may be removed from the Committee at any time, with or without cause.

## **Principal Functions & Responsibilities**

Compensation:

1. Review, evaluate and approve, at least annually, the corporate goals and objectives, the performance (in light of the goals and objectives) and the leadership of the Chief Executive Officer; determine and recommend compensation of the Chief Executive Officer to the Independent Directors for approval in light of these goals and objectives; review and recommend compensation of the non-CEO executive officers to the Board of Directors for approval.
2. Review with the Chief Executive Officer his/her evaluation of the performance of the Chief Operating Officer, Chief Financial Officer, and other officers designated by the Committee.
3. Determine and approve annually the Company’s goals for the Market Value Potential Executive Incentive Program.
4. Review and approve (or recommend adoption and/or changes by the Board of Directors, if appropriate) the Company’s long-term incentive programs and plans and equity-based plans.
5. Review annual reports disclosing all direct and indirect compensation paid to key officers.
6. The Committee may, in its sole discretion, retain, obtain the advice of and terminate

any compensation consultant, independent legal counsel or other advisers (“Advisers”) to assist the Committee in the performance of its duties, but only after taking into consideration all factors relevant to the Adviser’s independence from management, including those specified in the NYSE Listed Company Manual. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any such Adviser, and shall have the sole authority to approve any such Adviser’s fees and the other terms of such retention. The Company shall provide for appropriate funding, as determined by the Committee, and for payment of reasonable compensation to any Adviser retained by the Committee. Management also has authority to retain Advisers with respect to the Company’s compensation and benefit programs, but may not retain an Adviser retained by the Committee to assist in the evaluation of Chief Executive Officer or senior executive compensation without approval in advance from the Committee.

7. Review annually management’s summary report on all other officer and key management compensation actions.
8. Provide oversight of the Company’s enterprise risk management in areas including but not limited to executive resources, human resources and compensation, in coordination with other Board committees as appropriate.

Management Development:

1. Review annually the process and results for identifying key executive managers of the Company.
2. Review annually the Company’s key employee management development actions and succession plan.
3. Review annually with the Board the Company’s succession plan, including those plans for emergency succession in cases of the unexpected disability, of the Chief Executive Officer.

**Reporting**

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

**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.

#####

