
RLI Corp.

Strategy Committee Charter

Revised: February 7, 2019

Strategy Committee Charter

PURPOSE

The Strategy Committee (“*Committee*”) of the Board of Directors (“*Board*”) of RLI Corp. (the “*Company*”) is responsible to the Board for the oversight of the Company’s strategic plan, and other areas as determined by the Board, as set forth in this Charter. The Committee will maintain a cooperative, interactive strategic planning process with management, including the identification and setting of strategic goals and expectations and the review of potential acquisitions, joint ventures, and strategic alliances. References to Company strategy and strategic planning are intended to focus on the Company’s long term initiatives versus day to day operations.

MEMBERSHIP

The Committee shall consist of at least two members who may or may not be Independent Directors (as defined in the RLI Corp. Corporate Governance Guidelines), one or two of whom shall serve as Chair or Co-Chair of the Committee. 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.

COMMITTEE MEETINGS

The Committee shall hold at least three meetings each year, either telephonically or in person, and shall meet at such other times as the Chair shall determine. Minutes of said meetings will be kept and distributed to the entire Board. The Committee may request that members of Board, management, external advisors, and other experts be present at Committee meetings as needed.

PRINCIPAL FUNCTIONS and RESPONSIBILITIES

Strategy. Management shall devise, develop and report to the Committee on the Company’s strategic plan. The Committee will review the strategic plans and make recommendations to management on behalf of the Board. Furthermore, the Committee, where appropriate, will also advise and make recommendations to the Board about the following:

- The development, adoption, and modification of the Company’s strategy.
- The review and assessment of external developments and factors, such as changes in the economy, competition, and technology, on the Company’s strategy and execution.
- Execution of the Company’s strategy through corporate development and growth initiatives including, but not limited to: acquisitions, joint ventures, and strategic alliances.

- Potential candidates for corporate development and growth initiatives, including but not limited to: acquisitions, joint ventures, and strategic alliances.
- The development of plans to implement the Company’s strategy.
- The review of the Company’s progress with respect to implementation of its strategy.

The Committee will regularly review, discuss, and, where appropriate, make recommendations to management on the Company’s vision as well as share with management the Board’s expectations for the strategic planning process. Additionally, the Committee will review the Strategic Plan and provide feedback to management, where appropriate, in advance of the Board’s annual retreat.

Enterprise Risk Management. The Committee shall provide (a) oversight of the Company’s overall enterprise risk management, risk profile and risk assessment, in coordination with other Board committees as appropriate, and (b) oversight of Company enterprise risk management specifically in the areas of underwriting risk, IT risk, growth risk and insurance market risk, in coordination with other Board committees as appropriate. The Committee will review the Company’s risk management programs and make recommendations to management on behalf of the Board.

REPORTING

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

RESOURCES

The Committee may in its sole discretion retain, obtain the advice of and terminate any consultants, independent legal counsel or other advisers (“Advisers”) to assist the Committee in the performance of its duties. 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 Committee shall provide for appropriate funding, as determined by the Committee, and for payment of reasonable compensation to any Adviser retained by the Committee.

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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