
RLI Corp.
Nominating/Corporate Governance Committee Charter

Revised: February 8, 2018

Purpose

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

- (1) Identifying 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. Corporate Governance Guidelines, one of whom shall serve as Chairman of the Committee. Committee members must satisfy the independence requirements of the New York Stock Exchange. 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. In fulfilling its responsibilities, the Committee has the authority to delegate any or all of its responsibilities to a subcommittee of the Committee.¹

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, 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.
2. Review and recommend to the Board guidelines and procedures to be used in evaluating each Board and Committee member’s performance and oversee the annual self-evaluations of the Board.²
3. Develop and monitor, with Board involvement, an assessment of Board performance on a continuing basis, individually and collectively.

¹ Suggested by the commentary to NYSE Rule 303A.04.

² See NYSE Rule 303A.04(b)(i) (although “annual” evaluations are not specifically required). Because “annual” self-evaluations are required to be performed by each of the nominating and corporate governance, compensation and audit committees under NYSE Rules 303A.04(b)(ii), 303A.05(b)(ii) and 303A.07(b)(ii), respectively, and because the evaluation of the full Board is typically performed in conjunction with such annual evaluations, the charter includes an annual requirement for the evaluation of the Board.

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, ensure that the Board has the requisite expertise and its membership consists of persons with sufficiently diverse and independent backgrounds,³ and recommend top candidates to the Board to fill a vacancy.
7. Recommend to the Board, nominees for appointment to Board committees and committee Chairs.
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 and a recommended director education program.
12. Recommend to the Board, when appropriate, changes to the Corporate Governance Guidelines and Code of Conduct. Each publication shall be posted on the Company's Web site as appropriate.
13. Recommend to the Board, when appropriate, changes to the Company's Articles of Incorporation, By-Laws and other governing documents and policies.
14. The Committee may in its sole discretion retain or obtain the advice of and terminate any search firms, consultants, independent legal counsel or other advisers ("*Adviser*") 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.⁴ The Committee shall provide for appropriate funding, as determined by the Committee, and for payment of reasonable compensation to any

³ Suggested by NYSE Rule 303A.04(b)(i).

⁴ Recommended by the commentary to NYSE Rule 303A.04.

Adviser retained by the Committee.

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 make recommendations to the Board for changes as warranted.

16. Provide oversight of Company enterprise risk management in areas including but not limited to corporate governance, regulatory, legislative and related matters, in coordination with other Board committees as appropriate.

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.

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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