
RLI Corp.
Finance and Investment Committee Charter

Revised: May 2, 2013

**THE RLI CORP.
FINANCE AND INVESTMENT COMMITTEE CHARTER**

PURPOSE

The purpose of the Finance and Investment Committee ("*Committee*") of the Board of Directors ("*Board*") of RLI Corp. ("*Company*") is to oversee the Company's investment and corporate finance transactions, management, policies and guidelines which includes reviewing investment performance, reviewing investment risk management exposure, and reviewing the Company's capital structure.

MEMBERSHIP

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

PRINCIPAL FUNCTIONS AND RESPONSIBILITIES

The principal functions and responsibilities of the Committee are to periodically review the following matters and make recommendations to the Board concerning same:

1. The Company's investment policies and guidelines, the Company's implementation of and compliance with those policies and guidelines, and the performance of the Company's investment portfolios and investment managers.
2. Corporate financial policies relating to capital structure, including debt limits, dividend policy, stock splits, and repurchases of stock or other securities.
3. The Company's capital needs and financing arrangements, the Company's ability to access capital markets and management's financing plans.
4. The Company's enterprise risk management in areas including but not limited to investment risk management, capital and financial matters, in coordination with other Board committees as appropriate.

MEETINGS

The Committee shall meet jointly with the Finance & Investment Committee of RLI Insurance Company quarterly and at such other times as determined by the Chair of the Committee. A majority of the members of the Committee shall constitute a quorum for the transaction of business.

COMMITTEE SUPPORT

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

RESOURCES AND AUTHORITY

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.

REPORTING

The Committee will prepare and, through its Chair, submit periodic reports of the Committee’s work and findings to the Board. Said reports 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.

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