



# RLI CODE OF CONDUCT

November, 2020

## **A Message from the Chairman of the Board and Chief Executive Officer**

RLI is a leading specialty insurance company and has upheld a reputation for niche products, superior service, and long-term financial strength.

Not only is our Company subject to legal requirements, we are also subject to the expectations of our customers, business partners, and shareholders. There are times when each of us needs to make important or difficult decisions during the course of our careers. In most instances, there usually are clear right and wrong answers. However, sometimes there are gray areas in which the right course of action to take is unclear. The RLI Code of Conduct (Code) is designed to help guide you through those complex decisions, especially when you are faced with uncertainty.

### **Please make sure to read all the information contained in the Code.**

The Code was designed to provide guidance for you as a representative of RLI. Whether you have been part of the RLI team for one day or 25 years, you have a responsibility to know and follow the Code. No matter how business expectations may change, what the headlines may say, or what new situations you may encounter, our Code provides guidance to help us all make sound, ethical decisions.

If anything about your work or the behavior of others at RLI causes you concern, it is your responsibility to bring it to management's attention. Although RLI practices an open door policy for all employees, if you feel more comfortable reporting concerns anonymously, there are a number of ways in which to do this. However you wish to label it – suggestion, complaint, or grievance – there's a way to have your issue reviewed and resolved.

At RLI, our core values should never be compromised to meet a business plan or to make a profit. We all share the responsibility of making this statement a reality by following the principles in the RLI Code of Conduct to demonstrate our commitment to ethical behavior every day. Thank you for doing your part to make this happen.

Sincerely,

A handwritten signature in blue ink that reads "Jonathan E. Michael". The signature is written in a cursive, flowing style.

Jonathan E. Michael  
Chairman & CEO  
RLI Corp.

# CONTENTS

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<b>OUR VISION, MISSION AND VALUES .....</b>	<b>4</b>
Vision	4
Mission	4
Values	4
<b>USING OUR CODE OF CONDUCT .....</b>	<b>5</b>
Does This Apply To Me?	5
Our Guiding Principles	5
Know And Follow The Code	5
Using The Code When Making Decisions	6
Need Decision-Making Support? Just Ask.	7
See Something? Report It.	7
Report It: Accounting/Auditing Concerns	7
Report It: Legal/Criminal Concerns	7
Report It: Human Resources Concerns	7
Report It: Anonymous/External Reporting	8
<b>INTERACTING WITH OTHERS .....</b>	<b>9</b>
Fair Employment	9
Fair Treatment	9
Health And Safety	10
Tobacco-Free Environment	10
Alcohol And Drug-Free Environment	10
Workplace Violence Prevention	10
Solicitation	11
<b>CONDUCTING COMPANY BUSINESS .....</b>	<b>12</b>
Fair Dealing	12
Conflicts Of Interest	12
Gifts, Favors Or Loans	13
Meals, Travel, Lodging, And Entertainment	14
How To Handle Prohibited Gifts, Favors Or Entertainment	15
Giving Gifts	15
Ownership Or Other Relationships With Other Companies	16
Personal And Family Relationships	16
Related Party Transactions	17
Corporate Opportunities	18
Insider Trading	18
Relationships With Government	19
Political Contributions	19
<b>PROTECTING COMPANY ASSETS AND CONFIDENTIAL INFORMATION .....</b>	<b>20</b>
Protecting Company Assets	20
Protecting Confidential Information	20
Email, Instant Messaging, Social Media, And Other Electronic Communication	21
Computer Security	22
Record Retention	23

## OUR VISION, MISSION AND VALUES

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The vision, mission, and values of RLI and its subsidiaries are the boundaries inside which we conduct business, make decisions, and interact with people. Everything we do should be consistent with this set of values.

### VISION

As a leading provider of specialized insurance and financial services, RLI is focused on building and managing a portfolio of innovative products and solutions that meet and surpass the expectations of shareholders.

### MISSION

- We provide customers with outstanding service through innovative risk management products and solutions.
- We are dedicated to carefully chosen niche markets.
- We attract outstanding talent and continuously develop our expertise.
- We constantly re-evaluate, enhance, and reinvigorate our business model to create new products, services, and delivery systems.
- We create long-term shareholder value by pursuing profitable growth, underwriting for a profit, and earning returns that significantly exceed our cost of capital.

### VALUES

- We are talented.
- We are innovative.
- We are customer focused.
- We are driven.
- We are people of integrity.
- We are respectful.
- We are owners.

# USING OUR CODE OF CONDUCT

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## DOES THIS APPLY TO ME?

The RLI Code of Conduct (Code) applies to:

- Every employee of RLI Corp. and its subsidiaries (collectively referred to as “RLI” or “Company”)
- Members of our Board of Directors

The business partners and vendors with whom we conduct business are subject to the RLI Vendor Code of Conduct which embodies the key principles in this Code.

## OUR GUIDING PRINCIPLES

Over decades of business, RLI has built a reputation of ethical business behavior. Our Code is a resource to help employees make ethical decisions and protect our legacy.

To get started, it’s a good idea to review these guiding principles for your daily decisions and activities for RLI:

- Do what’s right
- Be truthful and straightforward
- Perform work in the best interest of the Company and its stakeholders
- Follow the law and company policies
- Respect others

## KNOW AND FOLLOW THE CODE

Annually you will be asked to read, understand, and agree to comply with the Code; and to confirm that you have complied with the Code during the last year. Nothing – including meeting goals or growing the business – is an excuse for ignoring or compromising the Code.

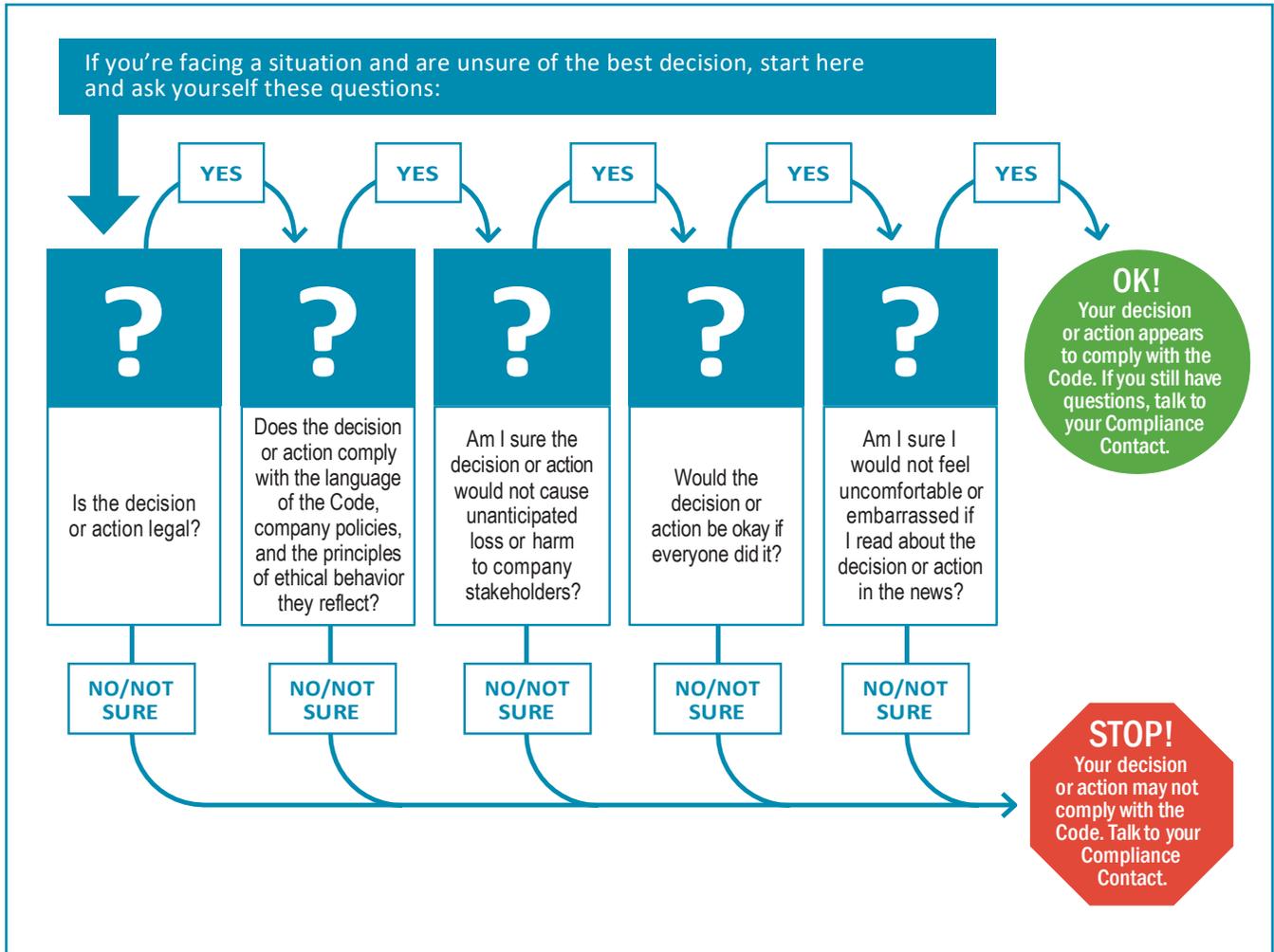
Regardless of your role at the Company, the work you do for RLI makes a difference. At RLI, we subscribe to a different way of doing business. With a driven, talented group of employees who are aligned by our code of values and behaviors, we will continue to succeed together. To expand on our success, we must demonstrate and protect the utmost integrity. Knowing the Code and following it daily helps make that happen.

Because it’s so important, violations to the letter or spirit of the Code will be subject to disciplinary action, based on the situation, up to and including termination of employment.

### A SPECIAL NOTE FOR OUR LEADERS

Leadership bestows a special responsibility upon those in management to always lead by example and to safeguard and promote a culture of integrity, honesty, and ethical behavior. Any waiver of the Code’s requirements for executive officers and members of our Board of Directors may be made only by the Board or a Board committee and such a waiver must be disclosed to shareholders.

## USING THE CODE WHEN MAKING DECISIONS



### WHO IS YOUR COMPLIANCE CONTACT?

Your Compliance Contact can be:

- your manager
- your department or product group leader
- Vice President, Human Resources
- Chief Legal Officer

Although the Compliance Contact should be your first person to discuss a question or concern, under the Code, you may always contact the Chairman & CEO or the President & COO, to ask a question or raise a concern.

### WHAT SHOULD A COMPLIANCE CONTACT DO?

If you are a Compliance Contact and are presented with a question or concern, you should provide guidance if you are confident of the correct response based on your knowledge or experience. If you are not certain of the correct response, the question or concern is unusual or complex, or legal issues are presented, consult with the Chief Legal Officer.

**NEED DECISION-MAKING SUPPORT? JUST ASK.**

It would be impossible for us to cover every possible situation, answer every question, or summarize every law in the Code. Instead, our Code provides a framework and approach to make good decisions.

If you're unsure what to do in a particular situation and the Code doesn't clear things up, talk to a Compliance Contact.

**SEE SOMETHING? REPORT IT.**

Ethics are everyone's responsibility. You should report any suspected or potential noncompliance with the Code or violation of law.

If you observe or suspect noncompliance or illegality, report it. RLI will not retaliate, discharge, demote, suspend, threaten, harass, or in any manner discriminate against any employee in the terms and conditions of employment based upon any lawful actions of such employee taken in connection with good faith reporting of complaints regarding accounting impropriety, legal/criminal concerns, or Code or policy violations.

Speak to your Compliance Contact about any known or suspected violation of the Code. The following sections detail how to report specific concerns.

**REPORT IT: ACCOUNTING/AUDITING CONCERNS**

Concerns related to accounting impropriety, theft, or fraud should be reported immediately to the VP Internal Audit Services and the Chief Legal Officer.

Accounting concerns will be reviewed under the direction of the Audit Committee of the RLI Corp. Board of Directors with oversight by the Chief Legal Officer, Vice President Internal Audit Services, or other people as the Audit Committee determines appropriate.

**REPORT IT: LEGAL/CRIMINAL CONCERNS**

Report illegal activity – it is never OK.

Any known or suspected legal concerns or criminal activities, including improper or illegal activities outside the United States, should be reported immediately to the Chief Legal Officer or Vice President, Internal Audit Services.

**REPORT IT: HUMAN RESOURCES CONCERNS**

Human Resources (HR) and employment concerns, including discrimination, harassment, or employee safety should always be reported.

HR and employment concerns can be raised to your manager, your human resources business partner, the Vice President, Human Resources, or the Chief Legal Officer.

## REPORT IT: ANONYMOUS/EXTERNAL REPORTING

You can feel confident and safe reporting violations or concerns to RLI leaders. However, we understand that some situations may lead you to be more comfortable if your report was completely anonymous. Global Compliance, an independent third party service, provides the ability for anyone to report anything anonymously.

To help people remain anonymous when reporting a concern, RLI has retained Global Compliance, an independent third party service, to enable confidential reporting of accounting, legal, HR, or Code of Conduct concerns.

A report with a summary of a concern raised through this system is provided to the:

- Chief Legal Officer
- Chairperson of the Audit Committee of the RLI Board of Directors
- Vice President, Internal Audit Services

Any report through this third party service will be kept confidential, which means the identity of the person raising a concern will not be disclosed without permission from that person.

### CONTACT RLI'S WHISTLEBLOWER REPORTING SERVICE TO ANONYMOUSLY REPORT A CONCERN

**Phone:** 888-475-8376

**Internet:** <https://www.compliance-helpline.com/welcomeRLI.jsp>.

Reports of accounting, legal, HR, or Code of Conduct concerns can also be e-mailed directly to the Chairperson of RLI's Audit Committee of the Board of Directors:

Mr. Michael E. Angelina  
[michael.angelina@rlicorp.com](mailto:michael.angelina@rlicorp.com)

**Q:** What if my manager tells me to do something that violates the Code or something that may be illegal? I know I should tell someone, but I'm afraid that my manager will make my job difficult for me if I do.

**A:** The best place to raise your concerns would typically be with your manager, but because it is your manager's request that concerns you, your first action should be to contact either the Vice President of Human Resources, any Compliance Contact other than your manager, or the Chief Legal Officer. If you are uncomfortable contacting those listed above, or wish to remain anonymous, you should contact the third party anonymous service by phone (888-475-8376) or via the web (<https://www.compliancehelpline.com/welcomeRLI.jsp>).

## INTERACTING WITH OTHERS

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### FAIR EMPLOYMENT

RLI is an equal employment opportunity employer with respect to all employees and applicants for employment. Discrimination based on any legally-protected basis is not tolerated.

The following characteristics are protected categories under federal law: race, color, sex, sexual orientation, gender identity, gender expression, or transgender or gender transition status, marital status, pregnancy, childbirth or related conditions, age, mental or physical disability, religion, citizenship, national origin, veteran status, and genetic information, characteristics or testing. We prohibit discrimination based upon these categories or any other category protected by federal law, or applicable state or local law in the jurisdiction in which the employee works.

RLI believes in upholding the principal of equal opportunity employment and applying this principal to the practices of recruitment, hiring, and management decisions regarding compensation, benefits, career development, and all other aspects of employment.

**Q:** What if I believe that I was passed up for a promotion because of my gender, race, age, or other protected status? What should I do?

**A:** RLI policy and the law require that employment decisions be made without regard to a candidate's status in a protected class. If you feel you were treated unfairly, contact the Vice President of Human Resources, any Compliance Contact, or the Chief Legal Officer. If you feel uncomfortable going through internal channels, you may contact the third party anonymous service by phone (888-475-8376) or via the web (<https://www.compliancehelpline.com/welcomeRLI.jsp>).

### FAIR PAY

We are committed to pay a fair and living wage to all employees.

### TRAINING

We require all employees to undergo annual training on ethical business practices, anti-corruption and the prevention of discrimination in the workplace.

### VENDOR CODE OF CONDUCT

We expect our suppliers, vendors, and partners to share our commitment to fair employment and abide by all applicable federal, state and local laws prohibiting discrimination in the workplace. Our vendor Code of Conduct can be found at:

[https://www.rlicorp.com/sites/default/files/pdf/third\\_party\\_code\\_of\\_conduct.pdf](https://www.rlicorp.com/sites/default/files/pdf/third_party_code_of_conduct.pdf)

### FAIR TREATMENT

We provide a business environment for employees, visitors, business partners, and customers that is free of unlawful harassment and discrimination.

We prohibit unlawful harassment and discrimination based on race, color, gender, pregnancy, childbirth or related conditions, age, mental or physical disability, religion, citizenship, national origin, veteran status, genetic information, characteristics or testing, and upon any other basis protected by federal law, or applicable state or local law.

**Q:** What if the person harassing me is my manager? If I complain, couldn't I lose my job?

**A:** No. You are a valued member of RLI, and you are entitled to work in an environment free from intimidating, hostile, or offensive behavior – from anyone. Contact any Compliance Contact other than your manager for help if this occurs. If you feel uncomfortable going through internal channels, you may contact the third party anonymous service by phone (888-475-8376) or via the web (<https://www.compliancehelpline.com/welcomeRLI.jsp>).

## HEALTH AND SAFETY

**Our employees, visitors, and business partners deserve a safe, secure, and healthy workplace and working environment.**

Our commitment to health and safety are also supported in these company policies:

### *Tobacco-free Environment*

**Smoking or tobacco use is not permitted in our offices or on our property.**

We provide a safe and healthy work environment by prohibiting the use of tobacco throughout the workplace and on RLI property.

### *Alcohol and Drug-free Environment*

**We maintain an alcohol-free and drug-free work environment.**

The use, sale, possession, or being under the influence of illegal drugs, – including marijuana and marijuana-related products even when permitted by state law – or other illegal substances is strictly prohibited while at work, on company property, or while on company business.

As a general rule, you may not consume alcohol while working, including lunches and meal breaks. You should not perform work if safe or effective performance of your duties may be impaired by prescription drugs. Senior management may authorize, in advance, the consumption of alcohol for special occasions, employee events, or business meetings, as long as it is limited in quantity and does not violate any laws. When attending RLI-sponsored, customer, business partner, vendor, or other business-related events or meals where alcohol is available, RLI employees are permitted to consume alcohol if in moderation.

### *Workplace Violence Prevention*

**Violence, threats, harassment, intimidation, bullying, or similar behavior have no place at RLI.**

We do not tolerate violence, threats of violence, harassment, intimidation, bullying, or any other coercive or threatening behavior. Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited in RLI buildings and offices.

## SOLICITATION

### You may not sell or distribute non-RLI, for-profit products or services at RLI.

Limited fundraising for non-profit programs and organizations such as school fundraisers and non-religious charity fundraisers is permitted as long as it's in a discreet and non-intrusive manner that does not distract from any business or job-related activities at work. You should avoid pressuring coworkers to support these activities. RLI retains the right to remove items promoting such activities from the office at its discretion. Charitable and non-profit solicitation should be limited to non-working times and non-working areas

**Q:** What if I sell cosmetic products as a part-time job? Can I set up a display at my desk? If not, can I just leave a catalog on my desk?

**A:** No, you are not allowed to set up a display anywhere in the office or leave a catalog on your desk or anywhere else. This would be considered solicitation on behalf of commercial and/or for-profit entities, which is not permitted in any RLI location at any time. While you are not verbally asking employees to buy products, leaving a catalog on your desk would be nonverbal solicitation on behalf of a commercial and/or for-profit entity.

## CONDUCTING COMPANY BUSINESS

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### FAIR DEALING

Each of us must deal fairly with the Company's customers, suppliers, competitors, officers, and employees.

Fairness requires we interact with our competitors at arm's length. For example, agreements to restrain trade by setting prices with competitors violate antitrust laws designed to encourage competition. Unless you have the prior approval of the Chief Legal Officer, you may not enter into discussions or agreements, oral or written, with competitors about competitive information, practices, or strategy. This includes discussions about pricing, terms or conditions of insurance, or denial or extension of particular policy coverage.

Under no circumstances can you discuss the following topics with a competitor:

- Agreeing on pricing
- Dividing customers
- Instituting territorial restrictions or boycotting
- Injuring or otherwise taking joint action regarding another competitor, supplier, or customer

### CONFLICTS OF INTEREST

Each individual at RLI has a duty of loyalty to the Company and must always act in the Company's best interests when performing work on its behalf. Avoid conflicts of interest and disclose them if and when they arise. Disclosing potential or actual conflicts of interest permit you and the Company to make sure the situation allows you to act in the best interest of the Company.

A conflict of interest or potential conflict of interest occurs when a person's private and personal interests interfere with the interests of the Company. Here are a few examples:

**Gifts and entertainment.** A vendor or business partner of RLI, or one seeking to do business with us, provides you with an expensive gift or travel, creating a sense of obligation for you to do business with that vendor or partner, even though others may provide better service and/or a better price.

**Close personal or intimate relationships.** You are in a close personal or intimate relationship with an employee of a vendor or business partner of the company, or you have a family member work for a vendor or business partner, and you approve or supervise the vendor or partner, or approve their bills.

**Benefiting someone other than the Company.** Any other situation that creates the impression that you may be making decisions or taking actions for your own benefit or the benefit of another person, instead of in the best interest of the Company and its stakeholders.

If you are faced with such a conflict, your first actions should be to

- Avoid the conflict or potential conflict if possible
- Disclose the conflict situation to your manager and the Chief Legal Officer
- Obtain approval for the situation, decision, or action creating the actual or potential conflict, when required

Facing a conflict of interest situation is not necessarily a violation of the Code of Conduct, but not reporting it and not obtaining approval when required, is a violation.

Talk to your Compliance Contact if you are facing an actual or potential conflict of interest. The best way to resolve a conflict is to bring it out in the open by discussing it with a Compliance Contact. By disclosing a conflict of interest, a determination can be made whether or not it will not improperly influence your decisions or actions.

Each year, every employee will be asked to disclose any actual or potential conflicts of interest. If you encounter a conflict during the year, if you face a conflict that is not covered by this policy, or if you are uncertain if a conflict exists, consult with your Compliance Contact.

#### *Gifts, Favors or Loans*

**Gifts or favors from any company or person who conducts business with or seeks to do business with RLI can create a conflict of interest. Some gifts are okay to accept, but you should never ask for gifts from anyone in your official capacity as an RLI employee or representative.**

It is never permissible to accept a gift in cash or cash equivalents (securities, negotiable instruments, or pre-loaded credit/debit cards with no restrictions on use). You should never accept a gift if it creates a sense of obligation to do business with the person, firm, or company providing the gift.

In general, gifts from any company or person who conducts business with or seeks to do business with RLI may be accepted if the value of the gift is \$100 or less and the combined fair market value of gifts from the provider to all Company employees does not exceed \$500 in a given year.

- Disclose in writing to your manager and the Chief Legal Officer all business gifts provided to you with an actual or estimated value over \$100, or gifts in a year to all employees in excess of \$500, as soon as you are made aware of the gifts and prior to accepting or using the gift.
- Disclose to your manager and the Chief Legal Officer if you are unsure of a gift's price or fair market value.

If your manager, department or product leader, or the Chief Legal Officer is of the opinion that the proposed gift creates a sense of obligation to do business with the provider, is excessive in amount, or is otherwise inappropriate upon review of all relevant circumstances, you will not be allowed to accept the gift.

#### **PERSONAL LOANS OR GUARANTEES OF OBLIGATIONS**

No personal loans or guarantees of obligations to an employee or director (other than from banks in the ordinary course of business on terms generally available to third parties) are allowed from outside vendors of RLI.

**Q:** At holiday time, a third party contracted by RLI to provide a service sent me 3 bottles of wine valued at \$60 each, since I supervise their work, to thank RLI for its business. Is it okay for me to accept this gift?

**A:** Because the value is over \$100, you must notify your manager and the Chief Legal Officer in writing to inform them of the gift before accepting it. Also, you should always consider sharing the gift with others in your department or office so that you don't end up personally accepting a gift valued at more than \$100. If this is an ongoing relationship, you may consider thanking the person or company providing the gift and advising them of the RLI gift policy for the future.

#### *Meals, Travel, Lodging, and Entertainment*

You may accept invitations to breakfast, lunch, dinner, or other social and sporting events if the purpose of the event is to foster a better business relationship. However, you may never request meals and entertainment from any company or person who conducts business, competes with, or seeks to do business.

Some examples of acceptable entertainment are sporting events, theater shows, hunting trips, and golf outings.

When possible and acceptable in the business setting, you may offer to share expenses with the provider, provide reimbursement, or pay the expense of the next meal or entertainment with that provider. Meals and entertainment should be of the scale and expense consistent with an employee's role at the Company and such that the person or persons invited do not feel a sense of obligation to do business with the person or company sponsoring the event.

Employees may not accept tickets or invitations for an entertainment function when the prospective host will not be present at the event.

Any travel or lodging paid by a third party that has or is seeking a business relationship with the Company should be disclosed in writing to both the employee's manager and the Chief Legal Officer. If your manager, department or product leader, or the Chief Legal Officer believes that the entertainment creates a sense of obligation to do business with the provider, is excessive in amount, or is otherwise inappropriate upon review of all relevant circumstances, you will not be allowed to accept the invitation to the entertainment.

**Q:** What if I receive a call from a broker who offers me tickets to a Cubs baseball game but he is unable to attend and he can't find anyone else to use them? Can I still accept the tickets when the broker is not present?

**A:** No. No one may accept tickets or invitations to entertainment events when the host is not present.

**Q:** What if a reinsurer invites me to join them for a golf trip in the northeast? The reinsurer is paying for the golf and hotel, but I am responsible for my flight. Is this appropriate?

**A:** You must act in the best interest of the Company at all times and your position cannot be used for personal gain. It is acceptable to attend an event with a business partner as long as it fosters better business relationships. Efforts should be made to share the cost, and this event should be shared and discussed with your manager. You are required to disclose, in writing to your manager and the Chief Legal Officer, any lodging or travel paid by the reinsurer.

#### *How to Handle Prohibited Gifts, Favors or Entertainment*

If accepting a gift or invitation to an entertainment event or favor either obligates the Company to do business with the donor or would cause embarrassment to RLI if publicly disclosed, the gift or entertainment should be rejected or declined. Here is what to do next.

If you receive prohibited items, notify your manager and politely return the item with an explanation of RLI's policy to the provider.

Here are some other things to consider if you receive a prohibited item:

- If it is perishable and impractical to return, it should be reported in writing to your manager and the Chief Legal Officer, shared with the department or donated to a charitable organization, and a letter of explanation should be sent to the party sending the gift
- If declining or offering to pay for the gift would be considered an insult to the giver, the gift must be reported in writing to your manager and the Chief Legal Officer. If feasible, share it with the department or donate it to a charitable organization

#### *Giving Gifts*

You may give gifts, entertainment, or favors to vendors or business partners at the Company's expense as long as they are consistent with accepted business practices, are appropriate in value in context of the nature of the business relationship and position of the employee giving the gift, and given in accordance with ethical standards.

Gifts between employees of the Company may not be paid for by the Company and should be limited in value and not imply an obligation with respect to any aspect of employment.

### *Ownership or Other Relationships with Other Companies*

## Owning or working for other companies may create a conflict with your employment at RLI.

Without prior written approval of the Chief Legal Officer, RLI employees may not:

- Work for or accept compensation from an RLI competitor
- Own more than 5% of an RLI competitor
- Work for or own more than 5% of companies that do business with RLI or those in which RLI has invested

Whether directly or indirectly, employees are not permitted to have any position with or substantial interest in any business or property or engage in any employment or other activity that:

- Interferes with the performance of duties
- Conflicts or competes or might reasonably be supposed to conflict or compete with RLI's interest
- Affects your independent judgment to act in RLI's interests

Financial interests in other businesses which have a business relationship with RLI must be disclosed (i.e. ownership of stock in a company other than ownership of a nominal amount of stock in a publicly owned entity).

### *Personal and Family Relationships*

## Avoid personal and family conflicts of interest at work.

#### **FAMILY MEMBER DEFINED:**

For this section on Personal and Family Relationships and the next sections on Related Party Transactions and Insider Trading, the following definition of "Family Member" applies: a child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, and any other person (other than an employee or tenant) sharing the same household with you.

A conflict may arise when RLI conducts business with an organization that employs, or is at least 5% owned, by your family members. If this happens, disclosure is important and you must get written approval from the Chief Legal Officer before RLI conducts business with your family members or their organizations.

When a person in a management role directly or indirectly supervises a family member or a person with whom the manager is having an intimate relationship, it may be difficult or impossible for the manager to be fair and objective with respect to such persons or others. To avoid potential conflicts of interest or favoritism, a manager may not have an intimate relationship with another employee in the manager's line of reporting authority.

The Company reserves the right to refuse to hire or appoint a person to a role if that person's personal or family relationship to another employee has the potential to create an adverse impact on the Company. An employee must inform a Compliance Contact if the employee is aware that a person with whom the employee is having an intimate relationship, or a person who is a family member of the employee, is applying for employment at the Company.

Finally, if an employee is in any other kind of relationship with another person that would give the appearance of favoritism or a conflict of interest, that employee must inform a Compliance Contact.

**Q:** What if one of my relatives or a close personal friend works for an RLI customer or vendor?

**A:** RLI needs to know so that appropriate action can be taken to prevent potential conflicts from affecting (or appearing to affect) company decisions. For example, if your sister works for a vendor and your manager has just informed you that she wants you to join a proposal team looking at bids from various companies, including the one that employs your sister, you must disclose it to the Chief Legal Officer.

#### *Related Party Transactions*

All Related Party Transactions must be approved and will be disclosed in the Company's applicable securities filings.

A Related Party Transaction is a transaction between the Company and any Related Person (including any transactions requiring disclosure under Item 404 of Regulation S-K under the Securities Exchange Act of 1934), other than:

- Transactions generally available to all employees
- Transactions involving less than \$10,000 when aggregated with all similar transactions

A Related Person includes any of the following:

- A senior officer (which shall include at a minimum each Vice President and Section 16 reporting officer) or member of the Board of Directors of the Company
- A shareholder owning in excess of five percent (5%) of the Company (or its controlled affiliates)
- A person who is a Family Member of a senior officer or director
- An entity owned or controlled by someone listed above, or an entity in which someone listed above has a substantial ownership interest or control of such entity

All Related Party Transactions above \$10,000 must be disclosed to, and approved by, the Nominating/Corporate Governance Committee of the Board of Directors.

**Q:** What if I am not sure about whether an activity outside of work poses a conflict of interest?

**A:** Unfortunately, it is not possible to list all the circumstances that might signal potential conflicts of interest. One of the best ways to gauge whether the activity creates a conflict of interest is to ask yourself a series of questions: Does the activity interfere (or give the appearance of interfering) with the work I perform or the duties that I owe to RLI? Am I, a member of my family, or a close personal friend receiving personal benefits through the activity because of my position with the Company? Does the activity compete against the interests of RLI? If you answer “yes” to any of these questions, the activity may indeed create a conflict of interest and must be disclosed. If you are not sure, contact a Compliance Contact for guidance.

### *Corporate Opportunities*

Employees are employed by RLI for the benefit of the Company. You have a duty to advance the legitimate and ethical interest of RLI when the opportunity arises in all aspects of your work.

Employees and members of the Board of Directors are not allowed to take advantage of any business opportunity learned about through employment or board service at RLI without first offering the opportunity to RLI in cases where the opportunity is suitable for RLI.

### **INSIDER TRADING**

Insider trading is serious and illegal. It is defined as trading on the stock exchange to your own advantage through having access to confidential information.

RLI is committed to fair and open markets for publicly traded securities. Insider trading, including stock tipping, is a criminal offense. You are required to fully comply with applicable laws as well as avoid even the appearance of impropriety. In addition to possible criminal prosecution and litigation, which could result in imprisonment and damages of sizable amounts, illegal insider trading can result in serious, negative publicity and embarrassment to you and RLI.

In the course of your relationship with RLI, you may obtain or have access to confidential and sensitive information concerning the Company, its customers, vendors, strategic alliance partners, or other companies with which the Company has contractual relationships or may be negotiating transactions. Some of this information has the potential to affect the stock price of RLI and those other companies. Insider trading laws may prohibit you from transactions in the shares of RLI and those companies when you are in possession of certain confidential and non-public information.

You and your Family Members are subject to the Insider Trading Policy (“Policy”). The Policy states that no director, officer, or employee of the Company who has, or has access to, Material Non-Public Information (as defined in the Policy) relating to the Company may enter into a transaction with respect to Company stock, or otherwise take advantage of, or pass on to others, such information. Transactions in Company stock that may seem necessary or justifiable for independent reasons (such as the need to raise money for emergency purposes) are no exception. Merely having, or having access to, Material Non-Public Information at the time of a Transaction in Company stock can result in liability.

Before trading in RLI securities, you must read the Insider Trading Policy and comply with its terms.

**Q:** What if I become aware of RLI's quarterly earnings release results before they have been publicly announced? May I purchase company stock, knowing that information?

**A:** No. This information would be considered material, nonpublic information, and the purchase of RLI stock would be a violation of the RLI Insider Trading Policy and a potential violation of federal securities laws. You may purchase company stock only after such information is made known to the public.

## **RELATIONSHIPS WITH GOVERNMENT**

Compliance with federal and state laws is not just suggested, but required as a representative of RLI. If you have any questions about the intent of the law or whether it's applicable to your particular job, check with the Law Department for guidance.

It would be difficult to list and explain each and every law which applies to RLI. Moreover, laws change and are subject to judicial interpretation. Questions concerning the interpretation or application of legal requirements should be directed to the Law Department.

RLI will submit full, fair, accurate, timely, and understandable disclosure in reports and documents it files with federal, state, and local governments and in other public communications.

## **POLITICAL CONTRIBUTIONS**

Contributions and gifts on behalf of the Company to government personnel or regulators are prohibited.

Prohibited gifts include use of Company aviation services for non-business purposes. All political contributions made on behalf of the Company to lobbyists or political candidates must be made in compliance with all applicable laws and require pre-approval by the Chief Executive Officer and the Chief Legal Officer.

## PROTECTING COMPANY ASSETS AND CONFIDENTIAL INFORMATION

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### PROTECTING COMPANY ASSETS

You are expected to protect the Company's assets and to ensure their proper use.

Theft, carelessness, waste, and improper use of Company assets for personal reasons have direct impacts on our profitability. All Company assets must be used for legitimate business purposes only.

RLI invests in its employees and expends significant resources to make certain employees have the necessary equipment and facilities to perform their jobs. RLI property may not leave the premises without the express consent of an authorized manager or Officer. Any appropriation or damage of such property will be reported to the proper authorities and an investigation could result in criminal prosecution as well as restitution.

Company assets include intangible property such as products, ideas, concepts, customer lists, underwriting guidelines or approaches, and strategies, regardless of whether or not they have been copyrighted or trademarked. Intangible property similarly may not be taken without permission. Any employee creating, developing, or discovering these intangibles, that could or do relate to the business of RLI, does so solely for the benefit of RLI regardless of whether it was done on or off the premises. RLI has the sole right and ownership to these intangibles and is not required to give any payment or compensation to the employee who created, developed, or discovered the intangible property.

**Q:** What if I have this really great presentation that I created? Can I email this to my personal email account, keep this as a sample of my work, and use it at another employer?

**A:** No, absolutely not. All work product created for RLI is RLI's exclusive property and you have no ownership or other rights to it. In addition, RLI has an Information Protection Policy that prevents employees from taking RLI proprietary material when they leave RLI. All presentations and work products you create during the course of your employment are RLI proprietary material owned by RLI.

### PROTECTING CONFIDENTIAL INFORMATION

RLI employees are required to protect the privacy and confidentiality of every customer's and employee's personal information such as social security number, medical records, financial and claims records, driver's license number, credit card or bank account number, and other personally identifiable information.

Confidential nonpublic information of the Company must also be protected - defined as information, or a compilation of information, in any form (on paper, in an electronic file, or otherwise), related to the Company's business that the Company has not made public or authorized to be made public, and that is not generally known to the public through proper means.

By way of example, confidential information of the Company includes nonpublic information regarding the Company's business methods and plans, databases, systems, technology, intellectual property, know-how, strategic plans, business development plans, products, services, research, financial statements, financial projections, financing methods, system designs, customer lists, policy forms, underwriting guidelines and approaches, and methods of competing. This is not a complete list and you should always assume nonpublic information about the Company is confidential.

Never disclose confidential information of a customer, employee, or the Company to anyone, internally or externally, unless you have permission to do so, the disclosure is in compliance with all legal requirements, and the disclosure is only to those with a legitimate business need for the information.

Confidential information does not include information lawfully acquired by non-management employees about wages, hours, or other terms and conditions of employment, if used by them for purposes protected by §7 of the National Labor Relations Act such as joining or forming a union, engaging in collective bargaining, or engaging in other concerted activity for their mutual aid or protection.

Nothing in this Code of Conduct prohibits an employee from communicating with any governmental authority or making a report in good faith and with a reasonable belief of any violations of law or regulation to a governmental authority, or disclosing confidential information which the employee acquired through lawful means in the course of his or her employment to a governmental authority in connection with any communication or report, or from filing, testifying, or participating in a legal proceeding relating to any violations, including making other disclosures protected or required by any whistleblower law or regulation to a government authority. To the extent an employee discloses any confidential information in connection with communicating with a governmental authority, the employee will honor the other confidentiality obligations in this Code of Conduct and will only share such confidential information with his or her attorney, or with the government agency or entity.

For further information on the protection of confidential information, and the importance of data privacy and security, please refer to the [RLI Information Protection Policy](#).

#### **EMAIL, INSTANT MESSAGING, SOCIAL MEDIA, AND OTHER ELECTRONIC COMMUNICATION**

Be professional, conscientious, and responsible when communicating with others for Company purposes. Remember, Company email, instant messaging, and internet access is provided as a means to communicate for work-related purposes and there is no guarantee of privacy with such activity through the Company's network.

Email, instant messaging, and other means of electronic communication are important ways to communicate with other employees and those outside the Company for business purposes. Limited use of Company email or instant messaging for personal reasons is permitted as long as it does not negatively affect your ability to perform your job responsibilities.

Use of email, instant messaging, social media, and other electronic communication for Company business is subject to Company policy at all times. Keep the following guidelines in mind:

- Do not access, distribute, print, forward, or download material that is prohibited by law or that contains sexual content, violence, vulgar or off-color content, or similarly offensive content
- Treat others with respect in your email communications
- Protect confidential customer, employee, and company information at all times
- Do not forward Company emails or confidential documents to your personal email address or use your personal email to conduct Company business
- Use good judgment, remember that your email and internet activity is always visible to the Company

**Q:** What if I received an email and it included offensive jokes? Is that harassment?

**A:** Offensive jokes sent through Company email, regardless of their intended recipient, have no place in a workplace that values dignity and respect for every employee. You may respond directly to the coworker, notifying him or her that you found the email offensive. Ask the individual to refrain from sending such emails in the future, and say that you will escalate the matter if it continues. If you are not comfortable responding to the coworker, you can contact any Compliance Contact. If you feel uncomfortable going through internal channels, you may contact the third party anonymous service by phone (888-475-8376) or via the web (<https://www.compliancehelpline.com/welcomeRLI.jsp>).

For further information on email, instant messaging, social media, and other electronic communication, please refer to the [RLI Communications Policy](#).

## COMPUTER SECURITY

Our reliance on and proper use of computer technology at RLI continually grows. Protecting computer security and using computers properly is every employee's responsibility.

Information systems and the hardware, software, and data processed and stored by computers are critical to the management, marketing, and operations of the Company. Both the systems and the data they process must be carefully safeguarded and protected against damage, theft, fraudulent manipulation, and unauthorized access to, and disclosure of, confidential information.

Employees are the first line of defense against hackers. Creating robust passwords is critical to prevent others from gaining unauthorized access to your computer and Company networks. Never give your password to another employee or any other person. Employees are required to be vigilant and cautious to protect against phishing, hacking, and other attempts to gain unauthorized access to Company computer networks. Regular training is provided to all employees to make sure we all do our part to ensure strong computer security.

Employees must immediately report to a Compliance Contact any suspected or actual compromise, breach, or inappropriate access of the Company's information systems.

#### **RECORD RETENTION**

RLI documents, including electronic data, should be retained and destroyed in accordance with RLI's Record Retention Policy.