

ERIE INDEMNITY COMPANY

AUDIT COMMITTEE

CHARTER

AUDIT COMMITTEE PURPOSE

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Erie Indemnity Company (the “Company”) shall assist the Board in overseeing (1) the integrity of the financial statements of the Company provided to shareholders and others; (2) the compliance by the Company with financial, accounting, legal and regulatory requirements; (3) the independence and performance of the Company’s internal and independent auditors; (4) the effectiveness of the Enterprise Risk Management (“ERM”) function; and (5) the systems of control over financial reporting.

Reference to the Company in this Charter shall include Erie Insurance Exchange (the “Exchange”), for which the Company is the attorney-in-fact, and Erie Insurance Company, Erie Insurance Company of New York, Erie Insurance Property & Casualty Company, Flagship City Insurance Company, Erie Family Life Insurance Company, EI Holding Corp., EI Service Corp. and QRS Realty Corp. (collectively referred to in this Charter as the “Erie Insurance Group”).

The Committee shall function as the Audit Committee of each insurance company within the Erie Insurance Group for purposes of the Pennsylvania and New York Insurance Holding Company Laws.

APPOINTMENT OF THE COMMITTEE

The members of the Committee, and candidates to fill vacancies on the Committee, shall be nominated by the Board’s Nominating and Governance Committee (the “Nominating Committee”) and appointed annually to one-year terms by the Board. Members shall serve at the pleasure of the Board until their resignation, retirement, removal by the Board or until their successors are appointed and qualified.

COMPOSITION AND QUALIFICATIONS

The Committee shall consist of a minimum of three (3) Directors, all of whom shall meet the independence and experience requirements established or required by applicable federal securities laws, Rules of the NASDAQ Stock Market[®] and the Pennsylvania Insurance Holding Company Law. In addition, each member of the Committee shall be free from any relationship that would interfere with the exercise of his or her independent judgment.

All members of the Committee shall be able to read and understand the financial statements, including the Company’s balance sheet, income statements, and cash flow statements, or become able to do so within a reasonable period of time after his or her appointment to the Committee. At least one member of the Committee shall be an audit committee financial expert as defined by the Securities and Exchange Commission (hereafter “SEC”).

Committee members shall not simultaneously serve on the audit committees of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such Director to effectively serve on the Committee, and discloses this determination in the Company's annual information statement.

CHAIRPERSON

The Nominating Committee shall recommend and the Board shall designate one member of the Committee as its chairperson.

The chairperson shall be responsible for: scheduling and conducting meetings; assisting in the preparation of an agenda for each meeting; meeting periodically with the independent auditors, the senior internal audit officer, the chief executive officer, and other members of management selected by the chairperson; and reporting the Committee's actions and recommendations to the Board.

MEETINGS

The Committee shall meet in person or telephonically at least four (4) times annually at a time and place determined by the Committee chairperson, with further meetings to occur when deemed necessary or desirable by the Committee or its chairperson.

An agenda for each meeting shall be prepared, with the assistance of the chairperson, in advance of each meeting and may be developed in consultation with management, other Committee members, and/or the independent auditors.

A quorum of Committee members shall be present at any meeting at which final action or approval is to be taken or made. A majority of the total number of members then currently on the Committee shall constitute a quorum of the Committee for purposes of each meeting. All actions of the Committee shall be taken by a majority vote of the quorum of members present at the meeting in person or by telephone or other means of remote communication approved by the Committee chairperson.

Any action required or permitted to be taken at a meeting of the Committee may be taken without a meeting if, prior or subsequent to the action, a written consent or consents thereto executed by all of the members of the Committee are filed with the Secretary of the Company.

SCOPE OF THE COMMITTEE'S RESPONSIBILITIES

The Committee shall have the following responsibilities, as well as any other responsibilities that may be conferred upon it from time-to-time by the Board:

1. Review the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.
2. Either file and attach the Audit Committee Charter as an appendix to the Company's information statement at least once every three years, or post the Charter to the Company's public website.

3. Provide to the Board and the Nominating Committee an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this Charter. The performance evaluation shall also recommend to the Board and the Nominating Committee any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board and the Nominating Committee may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.
4. Approve and submit to the Board and oversee the administration of the Company's *Code of Ethics for Senior Financial Officers* (the "*Code of Ethics*") and either file the *Code of Ethics* as an exhibit to the Company's annual report on Form 10-K, or post the *Code of Ethics* to the Company's public website.
5. Approve and submit to the Board and oversee the administration of the Company's *Code of Conduct* which shall be applicable to all officers, directors and employees of the Company.
6. Consider the integrity of the Company's financial reporting processes and controls in consultation with management, the independent auditors and the internal auditors. Review significant findings presented by the independent auditors and the internal audit department together with management's responses.
7. Review and discuss any significant changes to the Company's accounting principles and any items required to be communicated by the independent auditors in accordance with the American Institute of Certified Public Accountants Statements of Auditing Standards or other applicable accounting standards.
8. Review and consider the independent auditors' judgment regarding the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
9. Discuss with the independent and internal auditors whether there are any reportable instances of internal control weaknesses.
10. Review management's assertion on its assessment of the effectiveness of internal controls as of the end of the most recent fiscal year and the independent auditors' report on management's assertion.
11. Review the annual audited financial statements prior to filing or distribution. The review should include discussions with management and the independent auditors of any significant issues regarding accounting principles, practices and judgments.
12. Review with management and the independent auditors, the Company's quarterly financial statements, including *Management's Discussion and Analysis of Financial Condition and Results of Operations*, prior to the public release of earnings and the

filing or distribution of the quarterly financial statements. The review shall encompass discussion of any significant issues arising during the independent auditors' limited review procedures.

13. Review and discuss the fourth quarter and year-end earnings and annual audited financial statements, including *Management's Discussion and Analysis of Financial Condition and Results of Operations*, with management and the independent auditors prior to the public release of the year-end results.
14. Select, evaluate, and, if appropriate, replace the independent auditors. The independent auditors are ultimately accountable to the Board and the Committee, as representatives of shareholders.
15. Approve the fees and other significant compensation to be paid to the independent auditors for the purpose of preparing or issuing an audit report or related work. The Company shall provide for appropriate funding, as determined by the Committee, for payment of fees and other significant compensation to the independent auditors.
16. Review and discuss with the independent auditors annually all significant relationships they have with the Company that could impair the auditors' independence.
17. Review the independent auditors' audit plan and engagement letter to determine if it is sufficiently detailed and covers any significant areas of concern the Committee may have. This review should include the scope, staffing, locations, reliance upon management and internal audit and general audit approach.
18. Obtain and review, at least annually, a report by the independent auditors describing: (i) the audit firm's internal quality control procedures; (ii) any material issues raised by the most recent internal quality review, or peer review, of the audit firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, with respect to one or more independent audits carried out by the audit firm, and any steps taken to deal with any such issues; and (iii) all relationships between the independent auditors and the Company (to assess the auditors' independence).
19. Preapprove all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor, subject to the de minimis exceptions for non-audit services described in the Securities Exchange Act of 1934, as amended (hereafter "Exchange Act") and any applicable rules adopted thereunder by the SEC. The Committee may delegate preapproval authority to a member, provided that decisions of such member shall be presented to the full Committee at its next scheduled meeting.
20. Prepare annually a report to shareholders, to be included in the Company's annual information statement, as required by the SEC. The report should include a statement that the Committee has reviewed and discussed the audited financial statements with management; discussed with the independent auditors, the matters required to be discussed by Statements of Auditing Standards; reviewed the written

disclosure from the independent auditors regarding their independence; and recommended to the Board that the audited financial statements be filed with the SEC.

21. Assist the Board in overseeing the Company's ERM process, including a review of the governance of the ERM process. In that role, cooperate with other Board committees in overseeing the identification and monitoring of risks within their scope of responsibilities. Discuss the Company's policies with respect to risk assessment and risk management including the risk of fraud. Also discuss the Company's major financial risk exposures and the steps management has taken to monitor, control and report such exposures and to identify any payments or procedures that may be deemed illegal or improper.
22. Oversee the operations and effectiveness of the Company's compliance program as it relates to compliance with SEC, state insurance regulators and other legal and regulatory requirements. Assist the Board with its oversight of corporate governance and internal controls, and addressing whether the Company's officers and senior management have approved, implemented and continue to maintain and monitor corporate governance and internal control procedures.
23. Obtain from the independent auditor assurance that Section 10A of the Exchange Act (relating to the disclosure of illegal acts), has not been implicated.
24. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, retaliation against whistleblowers as provided for in the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
25. Review with the Company's General Counsel on at least an annual basis any legal matters that could have a significant impact on the Company's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies.
26. Review and approve management's decisions regarding the appointment, replacement, dismissal, compensation and performance of the senior internal audit officer.
27. Approve, on an annual basis, the Charter, budget and resource plans for the Company's Internal Audit Department.
28. Perform such other duties and activities consistent with the intent and spirit of this Charter, the Company's bylaws, and governing law, as the Committee deems necessary or appropriate.

ENTERPRISE RISK MANAGEMENT LIAISON

The Board of Directors shall designate annually one member of the Audit Committee to serve as the ERM Liaison to the other standing committees of the Board. The ERM Liaison will assist the Audit Committee with its review and consideration of ERM issues across all Board committees. The ERM Liaison shall have the following responsibilities:

1. Determine how each of the risks identified by the Company as part of its ERM program align with the various committees of the Board of Directors;
2. Meet with each Board committee or Board committee chair at least once annually to discuss the role of such committee in identifying, assessing and managing those risks for which the committee has primary oversight;
3. Ensure that each Board committee includes ERM on its agenda at least annually for the purpose of determining whether: (i) the major risk factors and key risk indicators are appropriate; and (ii) management's measurement, response and follow-up are adequate; and
4. Compile the ERM feedback from each Board committee or Board committee chair and report such findings to the Audit Committee at its regularly scheduled meetings.

RESOURCES AND AUTHORITY OF THE COMMITTEE

The Committee shall have the resources and authority to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve any necessary and appropriate fees and other retention terms of independent legal counsel, external auditors, actuaries, forensic accountants, and other experts or consultants, as it deems appropriate, without seeking approval of the Board or management. The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. Unless otherwise indicated, any action taken by the Committee shall be deemed to have been taken on behalf of the Company, the Exchange and the other members of the Erie Insurance Group, as appropriate.

SUBCOMMITTEES

The Committee shall have the authority to create a subcommittee or subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; provided, however, that: (i) no subcommittee shall be comprised of non-Committee members or fewer than two members of the Committee; (ii) the authority conferred upon the subcommittee cannot exceed the overall authority of the Committee itself; and (iii) the Committee may not delegate to a subcommittee any power or authority required by the Company's Bylaws or any law, regulation or listing standard to be exercised by the Committee as a whole.

REPORTS

The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Company.

In addition, the Committee shall report to the full Board at least once a year, and more often if so directed by the Board, as to the performance of the Committee's duties hereunder.

AMENDMENT OF CHARTER

This Charter may be amended, supplemented or repealed by the Board at any time.

Approved by the Board of Directors of
Erie Indemnity Company on February 15, 2018.