

ERIE INDEMNITY COMPANY
POLICY WITH RESPECT TO
RELATED PERSON TRANSACTIONS

The Board of Directors of Erie Indemnity Company (the “Company”), acting upon the recommendation of its Nominating and Governance Committee (the “Committee”), has adopted the following policy and procedures with respect to the review and approval of all transactions involving the Company and a Related Person (the “Policy”).

Definitions

A “**Related Person**” means (i) person who is or was (since the beginning of the last fiscal year for which the Company has filed with the Securities and Exchange Commission (the “SEC”) a Form 10-K and a proxy or information statement, even if they do not presently serve in that role) an executive officer, director or nominee for election as a director of the Company; (ii) a greater than 5% beneficial owner of the Company’s Class A common stock or Class B common stock; or (iii) an Immediate Family Member of any person listed above.

An “**Immediate Family Member**” means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of the person and any person, other than a tenant or employee, sharing the same household as that person.

An “**Interested Transaction**” is any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness) in which (i) the aggregate amount involved will or may be expected to exceed \$100,000 in any calendar year, (ii) the Company is a participant, and (iii) any Related Person has or will have a direct or indirect interest (other than solely as a result of being a director or a less than 10% beneficial owner of another entity).

Policy Statement and Procedures

The Committee recognizes that Interested Transactions present a heightened risk of conflicts of interest or create the appearance of conflicts of interest, and therefore has adopted this Policy applicable to all Interested Transactions.

Procedures

The Committee shall review the material facts of all Interested Transactions that require the Committee’s approval and either approve or disapprove of the entry into the Interested Transaction, subject to the exceptions described below. If advance Committee approval of an Interested Transaction is not feasible, then the Interested Transaction shall be considered and, if the Committee determines it to be appropriate, ratified at the Committee’s next regularly scheduled meeting. In determining whether to approve or ratify an Interested Transaction, the Committee shall take into account, among other factors it deems appropriate, whether the Interested Transaction is on terms no less favorable to the Company than terms generally

available to an unaffiliated third-party under the same or similar circumstances and the extent of the Related Person's interest in the transaction.

The Committee has reviewed the Interested Transactions described below under the heading "Standing Pre-Approval for Certain Interested Transactions" and determined that each of the Interested Transactions described therein shall be deemed to be pre-approved or ratified (as applicable) by the Committee under the terms of this Policy. In addition, the Board of Directors has delegated to the Chair of the Committee the authority to pre-approve or ratify (as applicable) any Interested Transaction with a Related Person in which the aggregate amount involved is expected to be less than \$500,000. In connection with each regularly scheduled meeting of the Committee, a summary of each new Interested Transaction deemed pre-approved pursuant to paragraph (3) or (4) under the heading "Standing Pre-Approval for Certain Interested Transactions" below and each new Interested Transaction pre-approved by the Chair in accordance with this paragraph shall be provided to the Committee for its review.

No director shall participate in any discussion or approval of an Interested Transaction for which he or she is a Related Person; provided, however, that such director (i) may be counted in determining the presence of a quorum at a meeting of the Committee at which the Interested Transaction is considered for approval and (ii) shall provide all material information concerning the Interested Transaction to the Committee.

If an Interested Transaction will be ongoing, the Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Person. Thereafter, the Committee, on at least an annual basis, shall review and assess ongoing relationships with the Related Person to ensure that they are in compliance with the Committee's guidelines and that the Interested Transaction remains appropriate.

Standing Pre-Approval for Certain Interested Transactions

The Committee has reviewed the types of Interested Transactions described below and determined that each of the following Interested Transactions shall be deemed to be pre-approved by the Committee, even if the aggregate amount involved will exceed \$100,000.

1. **Employment of executive officers.** Any employment by the Company of an executive officer of the Company if:

(a) the related compensation is required to be reported in the Company's proxy or information statement under Item 402 of the SEC's compensation disclosure requirements (generally applicable to "named executive officers"); or

(b) the executive officer is not an Immediate Family Member of another executive officer or director of the Company, the related compensation would be reported in the Company's proxy or information statement under Item 402 of the SEC's compensation disclosure requirements if the executive officer was a "named executive officer," and the Company's Compensation Committee approved (or recommended that the Board approve) such compensation.

2. **Director compensation.** Any compensation paid to a director if the compensation is required to be reported in the Company's proxy or information statement under Item 402 of the SEC's compensation disclosure requirements.

3. **Certain transactions with other companies.** Any transaction with another company at which a Related Person's only relationship is as an employee (other than an executive officer), director or beneficial owner of less than 10% of the company's shares, if the aggregate amount involved does not exceed the greater of \$250,000 or 2% of that company's total annual revenues.

4. **Certain Company charitable contributions.** Any charitable contribution, grant or endowment by the Company to a charitable organization, foundation or university at which a Related Person's only relationship is as an employee (other than an executive officer) or a director or trustee, if the aggregate amount involved does not exceed the lesser of \$100,000 or 2% of the charitable organization's total annual receipts.

5. **Transactions where all shareholders receive proportional benefits.** Any transaction where the Related Person's interest arises solely from the ownership of the Company's shares and all holders of the Company's shares received the same benefit on a pro rata basis (*e.g.* dividends).

6. **Certain banking-related services.** Any transaction with a Related Person involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

Information To Be Provided Regarding Interested Transactions

Management shall provide to the Committee the following information to the extent known to management regarding an Interested Transaction presented to the Committee for approval or disapproval:

- The Related Person's relationship to the Company or any subsidiary or affiliated entity and the nature of such Related Person's interest in the transaction; and
- The material facts regarding the transaction, including the proposed or actual aggregate value of the transaction and, to the extent known, the amount of such Related Person's interest.

Management shall provide such information to the Committee as soon as practicable after having become aware of the same.

Disclosure of Interested Transactions and This Policy

The Company shall disclose, as required by the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, and related rules and regulations, all Interested Transactions that are required to be disclosed.

The material features of this Policy shall be disclosed in the Company's Form 10-K, Annual Report or in the Company's Proxy or Information Statement for its Annual Meeting of Shareholders, as required by applicable laws, rules and regulations.

This Policy adopted at a meeting of the
Board of Directors of Erie Indemnity Company
held on July 31, 2013.