

# **ERIE INDEMNITY COMPANY**

## **RISK COMMITTEE**

### **CHARTER**

#### **RISK COMMITTEE PURPOSE**

The purpose of the Risk Committee (the “Committee”) of the Board of Directors (the “Board”) of Erie Indemnity Company (the “Company”) shall be to assist the Board in providing oversight of the Company’s overall risk appetite and to advise the Board with respect to the effectiveness of the Company’s enterprise risk management framework, including privacy and cybersecurity risks.

Reference to the Company in this Charter shall include Erie Insurance Exchange (the “Exchange”), for which the Company is the attorney-in-fact, and the Exchange’s wholly-owned subsidiaries (collectively referred to in this Charter as the “Erie Insurance Group”). While this Charter should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company’s Articles of Incorporation and Bylaws, it is not intended to establish by its own force any legally binding obligations.

#### **COMPOSITION AND APPOINTMENT OF THE COMMITTEE**

The Committee shall be comprised of a minimum of three (3) Directors of the Board of the Company. Not less than one-third (1/3) of the members of the Committee shall be persons who are not officers or employees of the Company or of any entity controlling, controlled by, or under common control with the Company, and at least one such person must be included in any quorum for the transaction of business at any meeting 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 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 shall be appointed and qualify.

#### **COMMITTEE STRUCTURE AND MEETINGS**

The Nominating and Governance 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; preparing an agenda for each meeting; and reporting the Committee’s actions and recommendations to the Board. In the absence of the chairperson, a Committee member selected by the chairperson shall serve as chairperson of the Committee meeting. If the chairperson has not designated a Committee member, or is unable to do so, the

most senior Committee member (to be measured by time of service on the Committee) shall serve as chairperson of the meeting.

The Committee shall meet in person, by telephone or by other means of remote communication with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities, but in any case, not less than (4) four times annually at a time and at such a place, or by such means as determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson.

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

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, except that attendance by an *ex officio* member of the Committee shall not count for the purpose of establishing a quorum. After establishment of a quorum, all actions of the Committee shall be taken by a majority vote of the members present at the meeting in person or by telephone or other means of remote communication approved by the Committee chairperson. When necessary or appropriate, the Committee shall meet in executive session without any members of Company management present.

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 is 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. Assist the Company's Board in its general oversight of the risks of the Company and the Exchange, for which the Company acts as attorney-in-fact, and their respective subsidiaries and affiliates. Risks may include but are not limited to the following:
  - a. Risk relating to key assets (e.g., insurance book, investment portfolio, data, distribution channel, service delivery, culture, etc.)
  - b. Operational risk (e.g., cyber threats, privacy, information security, physical security, business continuity, etc.)
  - c. Risk relating to the Company's strategy
  - d. Risk relating to Mergers and Acquisitions

2. Review the Company's comprehensive risk management program; including policies, procedures and systems commensurate with the structure, risk profile, complexity, activities and size of the Company, while ensuring:
  - a. Appropriate processes exist to identify, assess, monitor, respond to, and report on key risk exposures, including emerging risks;
  - b. There is managerial and employee responsibility for risk management; and
  - c. The risk management function is free to provide independent perspectives and opinions.
3. Review and approve the risk appetite statement for the Company and the insurance companies that it manages (as applicable) on an annual basis and approve any material amendments thereto.
4. Approve and submit to the Board the Company's ORSA report, risk factors to be identified in the Company's annual report on Form 10-K, and the Company's Corporate Information Security and Cybersecurity Report, including the annual Certificate of Compliance of the New York Cybersecurity Regulation.
5. Review risk reports and significant findings of various departments of the Company, including but not limited to the Enterprise Risk Management Department, Compliance Department, Privacy Department, Information Security Department and Internal Audit Department.
6. Maintain an understanding of and receive updates from management about the Company's structure, applicable regulations, legal requirements and industry risk management best practices and make recommendations to management and the Board based thereon.
7. Review the appointment, performance and replacement of the Corporate Risk Officer.
8. Ensure that company-wide risk assessments and stress tests are performed periodically and that the Company responds appropriately to the results of the periodic assessments and tests.
9. Report to the Audit Committee any items that may have a material financial statement impact or require financial statement and/or regulatory disclosures.
10. Report to the Audit Committee other significant risks, processes, procedures and controls in place to mitigate material risks and the overall effectiveness of the risk management process, when deemed necessary by the Committee.

11. Periodically communicate with all Board committees as applicable to confirm that such committees are appropriately overseeing and managing the risks related to their substantive areas of responsibility.
12. Conduct and oversee special investigations as needed and receive reports on relevant litigation and fraud.
13. Carry out any other duties and responsibilities consistent with the intent and spirit of this Charter or as delegated to the Committee by the Board.
14. Provide to the Board and the Nominating and Governance Committee a periodic performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this Charter. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The results of the performance evaluation shall include any recommended improvements to this Charter deemed necessary or desirable by the Committee and shall be provided to the chairperson of the Nominating and Governance Committee, who shall, in turn, evaluate them and provide them to the full Board as necessary. The report to the chairperson of the Nominating and Governance 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.

## **RESOURCES AND AUTHORITY OF THE COMMITTEE**

The Committee, in discharging its responsibilities, may conduct, direct, supervise or authorize studies of, or investigations into, any matter that the Committee deems appropriate, with full access to all books, records, facilities and employees of the Company. 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 special counsel or other experts or consultants, as it deems appropriate, provided it obtains prior approval of the Board.

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.

In carrying out its oversight responsibilities, the Committee shall be entitled to rely on the integrity and expertise of those persons providing information to the Committee and on the accuracy and completeness of such information, absent actual knowledge of inaccuracy.

Unless otherwise indicated, any action taken by the Committee shall be deemed to have been taken on behalf of the Company and/or the Exchange, for which the Company acts as attorney-in-fact, and the Company's and the Exchange's respective subsidiaries or affiliated companies, as the case may be.

## **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 20, 2020.