

# ANTHEM, INC.

## CORPORATE GOVERNANCE GUIDELINES

(As Amended December 2, 2014)

### I. Role of the Board of Directors and Management

The Board of Directors (“Board”) of Anthem, Inc. (the “Company”) is the ultimate decision-making body of the Company except with respect to matters reserved to the shareholders. It oversees and guides the Company’s business through the exercise of its business judgment in what it reasonably believes to be in the best interests of the Company and its shareholders. Within this framework, the Board also considers the interests of other constituents such as members, associates, business partners and the communities in which the Company operates. It selects the Chief Executive Officer (“CEO”) who in turn selects executives (collectively, “Management”) who are charged with the conduct of the Company’s business in a manner that is consistent with the direction provided by the Board and the Standards of Ethical Business Conduct of the Company. The CEO may also serve as a Director. Having selected Management, the Board oversees and monitors their performance. The Board also oversees the Company’s exposure to major risks and, with the assistance of the Audit Committee, oversees the processes by which the Company assesses, monitors and manages its exposure to major risks. In addition, the Board may delegate from time to time to one or more Board committees the responsibility for assisting in the oversight of categories of risk.

### II. Composition, Election and Compensation of the Board

#### A. Size of the Board

The size and composition of the Board should be appropriate for effective deliberation of issues relevant to the Company’s business and related interests and not exceed a number that can function efficiently as a body. Thus, it is the policy of the Company that the size of the Board should be within the range of eight to fourteen members.

#### B. Independent Directors

It is the policy of the Company that the Board consists of a majority of independent Directors. Independence is determined in accordance with the New York Stock Exchange Listing Standards, as amended from time to time (“Listing Standards”). The Board has adopted categorical standards (“Categorical Standards”), which are attached as Appendix A, to assist with the determination of independence of its members as provided in the Listing Standards. Directors have an affirmative obligation to inform the Chair of the Board, the CEO and the Chairperson of the Governance Committee of any changes in their circumstances or relationships that may impact their designation as independent.

#### C. Board Membership Criteria

The Governance Committee is responsible for developing and recommending to the Board the appropriate skills and characteristics required of Directors in the context of the current make-up of the Board. The Governance Committee seeks candidates who possess qualifications that meet the Company’s strategic needs and have diverse experiences in key business, financial, and other challenges that face a publicly held health benefits company. At a minimum, potential Board members should have personal and professional integrity and

accountability, informed judgment, financial literacy, mature confidence and high performance standards. Candidates should be committed to enhancing shareholder value, should have sufficient time and energy to diligently perform their duties, and should be able to provide insight and practical wisdom based on experience to represent the interests of all shareholders. Candidates should also have the manifest ability to work in a collegial and constructive manner with the other members of the Board. In evaluating director candidates, the Governance Committee considers the interplay of the candidate's experience with the experience of other Board members, conformity with any requirements of the Blue Cross and Blue Shield Association, the extent to which the candidate would be a desirable addition to any committees of the Board and the overall diversity of the Board.

D. Election of Directors

The Board is responsible for selecting the Company's Director nominees and recommending them for election by the shareholders. The Governance Committee identifies individuals believed to be qualified to become Directors and recommends to the Board the Company's nominees to stand for election by the shareholders, or in the case of a vacancy, by the Board. In accordance with the Articles of Incorporation, in a non-contested election, Directors are elected pursuant to a majority voting standard, which means that the number of shares voted "for" a Director must exceed the number of shares voted "against" that Director. The By-Laws provide that in a non-contested election any incumbent Director who does not receive a majority of the votes cast in his or her election must immediately tender his or her resignation to the Board of Directors, if not previously tendered in connection with his or her election. The Governance Committee will recommend to the Board whether to accept the resignation or to take other action.

E. Former Chief Executive Officer's Board Membership

It is the policy of the Company that when a CEO who is also a Director terminates his or her employment with the Company, he or she should submit a written resignation from the Board at the same time. Whether the individual continues to serve on the Board is a matter for discussion at that time by the Board. A former CEO serving on the Board will not be considered an independent Director for any "cooling off" period required by the Listing Standards.

F. Directors Who Change Their Present Job Responsibility

It is the policy of the Company that when a Director's principal occupation or business association changes substantially from the position he or she held when originally invited to join the Board, the Director will notify in writing the Chair of the Board, the CEO and the Chairperson of the Governance Committee and will submit a written resignation to the Board at the same time. The Board does not believe that Directors who retire or change from the position they held when they came on the Board should necessarily leave the Board. There should, however, be an opportunity for the Board to review the continued appropriateness of Board membership under these circumstances.

G. Service on Other Boards of Directors

Directors must limit the number of other public company boards on which they serve to three in order to facilitate effective service on the Company's Board, except that the CEO must limit the number of other public company boards on which he or she serves to two boards. Directors should notify in writing the Chair of the Board, the CEO, the Corporate Secretary

and the Chairperson of the Governance Committee in advance of accepting an invitation to serve on the board of another public company, the audit committee of another board or the board of a health care provider.

#### H. Term Limits

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an important contribution to the Board.

#### I. Retirement Age

It is the policy of the Company that a Director may not stand for re-election if he or she has attained the age of 72 prior to the annual meeting of shareholders at which his or her term of office expires. A Director who attains the age of 72 during his or her term may continue as a Director until his or her term ends.

#### J. Extending the Invitation to a Potential Director to Join the Board

The invitation to join the Board should be extended by the Board itself via the Chairperson of the Governance Committee.

#### K. Director Orientation and Continuing Education

The Company has an orientation process for new Directors that includes detailed background material on the Company and meetings with Management. Thereafter, Directors receive materials and briefings on subjects that assist them in discharging their duties and have the opportunity to participate in continuing education programs.

#### L. Non-Employee Director Compensation and Board Stock Ownership Requirements

The Governance Committee annually reviews and recommends to the Board the compensation and reimbursement arrangements for non-employee Directors. Directors who are employees of the Company do not receive any compensation for their service on the Board or any Board committee. To align Directors' interests with the interests of shareholders, the Board believes that a meaningful portion of a non-employee Director's compensation should be provided in common stock. Further, each non-employee Director must own \$500,000 of Company common stock (including deferred shares and phantom stock, but not options) by no later than the fifth anniversary of the date the Director joined the Board.

### **III. Board Leadership**

#### A. Selection of Chair and CEO

The Board believes that it is in the best interests of the Company for the Board periodically to evaluate and make a determination regarding whether or not the roles of Chair of the Board and the CEO shall be filled by the same person or by different persons based upon the circumstances. If the positions of Chair of the Board and the CEO are filled by the same

person or if the Chair of the Board is not an independent Director, the independent Directors will designate a Lead Director.

B. Independent Chair

When the Chair of the Board is an independent Director, the independent Chair has the following duties and responsibilities:

- presides at meetings of the Board (including executive sessions) and shareholders;
- serves as the liaison between the CEO and the independent Directors;
- approves meeting agendas, schedules and materials for the Board;
- has the authority to call meetings of the Board and independent Directors; and
- is available upon request for consultation and direct communication with major shareholders.

C. Lead Director

When there is a Lead Director, the Lead Director shall be an independent Director and shall be elected annually by a vote of the independent Directors.

The Lead Director has the following duties and responsibilities:

- presides at meetings of the Board (including executive sessions) and shareholders in the Chair's absence;
- serves as the liaison between the Chair and the independent Directors;
- approves meeting agendas, schedules and materials for the Board;
- has the authority to call meetings of the Board and independent Directors; and
- is available upon request for consultation and direct communication with major shareholders.

#### **IV. Functions of the Board**

A. Access to Outside Advisors

The Board believes that access to outside advisors plays an important role in the discharge of its duties and responsibilities. As such, each of the Board and its standing committees has the authority to select, retain, terminate, oversee and approve fees for such outside advisors as it deems appropriate in the discharge of its duties and responsibilities.

B. Access to Senior Management

Directors have complete access to Management and are encouraged to visit Company facilities and operations. Furthermore, the Board encourages the CEO, from time to time, to bring associates into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) are associates with future potential that the CEO believes should be given exposure to the Board.

C. Annual Evaluations

The Board annually conducts an evaluation of its performance, which is overseen by the Governance Committee, and oversees the annual evaluation required of the standing committees. In addition, each Director evaluates periodically his or her performance as a

director, and an outside governance expert (or the independent Chair or Lead Director) reviews the director evaluations and discusses with the Board the results of the director evaluations. Also, the Board assesses the contribution of individual Directors in connection with the renomination process.

## **V. Board Meetings**

### **A. Meetings**

It is the policy of the Company that all major decisions be considered by the Board as a whole. As a consequence, the Board holds regularly scheduled meetings at least four times a year, plus additional meetings as the need arises.

### **B. Selection of Agenda Items for Board Meetings**

The Chair of the Board and the CEO establish the agenda for each Board meeting, which is approved by the Lead Director (if a Lead Director is designated). Each Director is encouraged to suggest the inclusion of item(s) on the agenda.

### **C. Board Materials Distributed in Advance**

Information and data that is important to the Board's understanding of the matters to be considered at a meeting is distributed in writing by Management before the Board meets. In some cases, due to timing or the sensitive nature of an issue, materials are presented only at the Board meeting.

### **D. Board Presentations**

As a general rule, presentations on specific subjects are sent to the Board in advance so that Board meeting time may be conserved and discussion time focused on the issues arising from the presentations.

### **E. Board Attendance and Participation**

Directors are expected to prepare for, attend, and participate in all Board and applicable committee meetings. Directors are also expected to attend the annual meeting of shareholders.

### **F. Executive Sessions of Non-Management and Independent Directors**

Non-management Directors of the Board meet in Executive Session at least four times each year. Independent Directors of the Board meet in Executive Session at least twice a year. There is an opportunity to meet in Executive Session at each regularly scheduled meeting of the Board or any Board Committee. Any Director may request an Executive Session. If a Lead Director is designated, the Lead Director presides at executive sessions; otherwise, the Chair of the Board presides at executive sessions.

## **VI. Committee Matters**

### **A. Number, Structure and Independence of Committees**

The Board may establish committees to assist it in discharging its responsibilities in accordance with the Company's By-Laws. From time to time, the Board may want to form a new committee or disband a current committee depending upon the circumstances. The current four committees are Audit, Compensation, Executive and Governance. The duties and responsibilities of the committees are set forth in the Company's By-Laws and committee charters. The Audit, Compensation and Governance Committees consist solely of independent Directors as determined by the Board consistent with the Categorical Standards and the Listing Standards. In addition, members of the Audit and Compensation Committees meet the independence standards applicable to audit and compensation committee members, respectively, under the Listing Standards. In addition, members of the Audit Committee are financially literate as defined in the Listing Standards, and at least a majority of the members qualify as an "audit committee financial expert". No member of the Audit Committee may serve on the audit committee of more than two other public companies unless the Board determines that such simultaneous service would not impair his or her ability to effectively serve on the Audit Committee.

### **B. Assignment of Committee Members**

The Board appoints committee members based on the recommendation of the Governance Committee. The Governance Committee annually reviews the committee assignments.

### **C. Frequency and Length of Committee Meetings**

The Chairperson of the committee, in consultation with the members of the committee, determines the frequency and length of the meetings of the committee.

### **D. Committee Agenda**

The Chairperson of the committee, in consultation with the members of the committee and Management, develops the committee's agenda.

## **VII. Leadership Development**

### **A. Formal Evaluation of the CEO**

The Compensation Committee conducts an annual evaluation of the CEO's performance, taking into consideration any input from the Board. The results are communicated to the Board and the CEO by the Chairperson of the Compensation Committee. The evaluation is based on criteria established by the Compensation Committee. The evaluation is used by the Compensation Committee in the course of its deliberations when considering the compensation of the CEO.

### **B. Succession Planning for the CEO**

The Board plans for succession to the position of the CEO, which is overseen by the Executive Committee. To assist the Board, there is available, on a continuing basis, recommendations for an interim successor in the event of the death, disability, or other

emergency or termination of the CEO, as well as a process to determine a successor in the event of the retirement of the CEO.

C. Management Development and Succession Planning

The CEO and the Executive Committee periodically report to the Board on the Company's program for the development and succession planning for Management.

D. Management Stock Ownership and Holding Requirements

To align Management's interests with the interests of shareholders, the Board believes that Management should own a meaningful amount of common stock of the Company. Thus, the Board has adopted Stock Ownership Requirements that require the CEO to own five times his or her base salary by no later than the fifth anniversary of the date he or she became CEO. Other members of Management have a similar requirement that varies from one and one-half to three times the person's base salary depending upon his or her position. In addition, the Board has adopted Stock Holding Requirements that require the CEO and other members of Management to hold 50% of the profit shares acquired from stock option exercises and restricted stock vesting until the Stock Ownership Requirements are met.

**VIII. Standards of Ethical Business Conduct, Reports Concerning Accounting Matters, Communications with the Board and Other Matters**

A. Personal Loans

The Company will not extend credit or arrange for the extension of credit in the form of a personal loan to Directors or Management.

B. Standards of Ethical Business Conduct

The Company has adopted Standards of Ethical Business Conduct (the "Standards") for Directors, Management and other associates of the Company. The purpose of the Standards is to focus on areas of ethical risk, provide guidance in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and integrity. The Standards are posted on the Company's web site.

Everyone is expected to act in accordance with the requirements of the Standards. Waivers of the Standards for any Director, the CEO, the Chief Financial Officer and other Executive Officers may only be made by the Board or by a Board committee composed of independent Directors. Any such waiver will be posted on the Company web site and otherwise disclosed as required by law.

C. Reports Concerning Federal Securities Law Matters

Any reports of concerns regarding the federal securities laws, including accounting, internal auditing controls and auditing matters, or other irregularities or concerns, will be brought to the attention of the Chairperson of the Audit Committee. These reports may be anonymous if made using the Corporate Ethics and Compliance HelpLine (877) 725-2702.

D. Communications with the Board

Individuals may communicate with the Board by submitting an e-mail to the Board at [boardofdirectors@anthem.com](mailto:boardofdirectors@anthem.com). Communications that are intended specifically for non-management directors or any individual director should be sent to the e-mail address above to the attention of the Lead Director if a Lead Director is designated or otherwise to the attention of the Chair of the Board. Individuals may also communicate with the Board by submitting a letter to the Company's Secretary at Anthem, Inc., 120 Monument Circle, Mail No. IN0102-B315, Indianapolis, Indiana 46204.

In addition, individuals may communicate with the Chairperson of the following committees by submitting an e-mail to:

Chairperson of the Audit Committee: [auditchair@anthem.com](mailto:auditchair@anthem.com)

Chairperson of the Compensation Committee: [compensationchair@anthem.com](mailto:compensationchair@anthem.com)

Chairperson of the Governance Committee: [governancechair@anthem.com](mailto:governancechair@anthem.com)

E. Political Strategy, Contributions and Activities

The Board, through the Audit Committee, reviews, at least annually, the Company's political strategy, contributions and activities and oversees compliance with the Company's policies and procedures regarding political contributions and activities.

F. Annual Review of Corporate Governance Guidelines

These Corporate Governance Guidelines are reviewed annually by the Governance Committee. Changes to these guidelines will be approved by the independent Directors, upon the recommendation of the Governance Committee.

## STANDARDS OF INDEPENDENCE

An “independent” director is a director whom the Board of Directors has determined has no material relationship with Anthem, Inc., or any of its consolidated subsidiaries (collectively, the “Company”), either directly, or as a partner, shareholder or officer of an organization that has a relationship with the Company.

A. The following individuals shall not be deemed an “independent” director of the Company:

1. A director who is an employee or whose immediate family member is an executive officer of the Company until three years after the end of such employment relationship;
2. A director who receives or whose immediate family member is an executive officer of the Company and receives more than \$120,000 during any twelve-month period in direct compensation from the Company (other than director or committee fees and pension or other forms of deferred compensation for prior service, provided such compensation is not contingent in any way on continued service) until three years after he or she ceases to receive more than \$120,000 during any twelve-month period in such compensation;
3. (a) A director who is a current partner or employee of a firm that is the Company’s internal or external auditor; (b) a director whose immediate family member is a current partner of such a firm; (c) a director whose immediate family member is a current employee of such a firm and personally works on the Company’s audit; or (d) a director who was, or a director whose immediate family member was, within the last three years a partner or employee of such a firm and personally worked on the Company’s audit within that time;
4. A director who is employed or whose immediate family member is employed as an executive officer of another company where any of the Company’s present executives serve on that company’s compensation committee until three years after the end of such service or employment relationship; or
5. A director who is an executive officer or an employee, or whose immediate family member is an executive officer, of another company that makes payments to or receives payments from the Company for property or services in an amount which in any single fiscal year, exceeds the greater of \$1,000,000 or 2% of such other company’s consolidated gross revenues until three years after falling below such threshold.

An “immediate family member” includes a person’s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who share such person’s home.