

**Blue Cross and Blue Shield of Kansas City**  
**Governance Committee Charter**  
Amended and Restated July 8, 2013 by Consent Resolution

## **Governance Committee Charter**

### **PURPOSE**

The purpose of the Governance Committee is to assist the Board of Directors (the “Board”) in discharging its duties with respect to Board composition and corporate governance, by:

- 1) Developing the criteria, skill sets, and selection processes required for board membership and officers of the board.
- 2) Recommending membership to the Board, considering the skills and attributes of the candidate, needs of the Board, value of broad diversity and the geographic representation of BCBSKC membership.
- 3) Establishing programs, processes and procedures to develop the Board to carry out their fiduciary responsibilities to the corporation and to BCBSKC members.
- 4) Developing, recommending to the Board and periodically reviewing corporate governance guidelines applicable to BCBSKC.
- 5) Conducting regular evaluation of the Board’s performance.

### **AUTHORITY**

The Governance Committee derives its authority from the Bylaws of the Corporation and the Board of Directors as a whole. In discharging its duties, the Governance Committee shall have sole authority to retain and terminate: (1) Any search firm or consultant engaged to identify Director candidates; or (2) Any other advisors (including legal counsel or accountants) as the Committee deems necessary to discharge its duties and responsibilities. The Committee shall have sole authority to approve related fees and retention terms.

### **COMPOSITION**

The Governance Committee shall be composed of a minimum of three (3) members (but no maximum). All members of the Governance Committee must be independent, as defined by the Board in the BCBSKC Corporate Governance Guidelines. Members of the Governance Committee and its Chairman shall be appointed by the Chairman of the Board with ratification by the Board at the Annual Meeting.

## **MEETINGS**

The Committee will meet with the frequency and timing necessary to fulfill its duties. All Committee members are expected to attend each meeting, in person. Occasional participation via tele- or video-conference is permitted; however, in person attendance is preferred. Minutes will be prepared for approval.

## **RESPONSIBILITIES**

The Governance Committee will carry out the following responsibilities:

1. Development of criteria, skill sets and selection process required for Board membership.
2. Recommend programs for education and development of the board.
3. Recommend candidates for election to the Board of Directors.
4. Consider the renomination of board members with expiring terms for re-election.
5. Recommend candidates for election to fill unexpired terms.
6. Recommend nominees for the slate of board officers.
7. Annual review of board attendance records.
8. Oversight of the annual board assessment process.
9. Develop and maintain the BCBSKC Corporate Governance Guidelines; periodically review and recommend revisions; and, review from time to time “best governance practices” relative to industry standards.
10. Obtain input from management relative to business needs of the corporation.
11. Determine annually, the independence of each Director and confirm that at least a majority of the Board are independent directors as defined in the BCBSKC Code of Corporate Governance.
12. Conduct an annual performance evaluation of the Committee (including its effectiveness and compliance with this charter).
13. Review the Board Committee structure and recommend any proposed changes to the Board for approval.
14. Annually review potential conflicts of interests disclosed by Directors and Management.

15. Verify that all Directors have submitted the Annual Director Biographic Affidavit verifying fitness to serve on the Board of Directors and review any potential issues prior to the Annual Meeting of the Board.

## **REPORTING RESPONSIBILITIES**

This Committee will:

1. Regularly report to the Board of Directors about Committee activities, issues and related recommendations.
2. Provide an open avenue of communication from Committee to Board and Board to management.
3. Review any other reports the Board or the company issues that relate to this Committee's responsibilities.

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Approved by the Board: March 28, 2003

Amended: May 12, 2004

Reaffirmed by the Board: May 18, 2005

Reaffirmed by the Board: May 17, 2006

Amended by the Board: May 16, 2007

Amended by the Board: May 13, 2009

Amended and Restated by the Board: May 25, 2011