

**BLUE CROSS AND BLUE SHIELD OF ARIZONA
NOMINATING AND GOVERNANCE COMMITTEE CHARTER
MAY 2019**

PURPOSE

The Nominating and Governance Committee (Committee) is a committee of the Board of Directors (Board) of Blue Cross and Blue Shield of Arizona, Inc. (Corporation). Its primary purpose is to assist the Board in its oversight of governance matters by: (1) recommending criteria, desired competencies and selection processes for Board and committee membership; (2) recommending individuals to be elected to and removed from the Board of Directors; (3) recommending Directors to serve as Committee members, Committee chairmen and Chairman of the Board; (4) developing and regularly administering an assessment of all Directors, committees and the Board as a whole; (5) reviewing, and recommending action to be taken as the result of, any Director's potential or actual conflict of interest; (6) establishing programs to onboard, educate and develop the members of the Board of Directors; and (7) developing, and periodically reviewing Corporate Governance Guidelines, Bylaws and Board policies and recommending changes to them.

This Charter is not intended to change or augment the obligations of the Corporation, its Directors or management under any laws, or to create new standards for determining whether the Board, Directors or management have fulfilled their duties, including fiduciary duties, under applicable law.

COMMITTEE DUTIES AND RESPONSIBILITIES

The Committee shall:

1. Periodically: (a) develop the criteria, skill sets and selection process required for Board membership and review the Board committee structure and recommend changes to it; (b) establish programs for Board education and development; (c) develop, maintain and review the Corporation's Guidelines and Bylaws and recommend changes to them; (e) develop standards to determine the Independent and Public status of each Director; and (f) establish self-assessment procedures for Directors, committees and the Board to measure the effectiveness of each.
2. As needed: (a) recommend to the Board candidates for election to the Board; (b) establish onboarding programs, including a mentorship program for new Directors; and (c) recommend to the Board action in the event of a Director's actual or potential conflict of interest or failure to perform his/her duties;
3. Annually: (a) administer self-assessments of each Director, committee and the Board to gauge the effectiveness of each and make recommendations to the Board following such assessments including recommendations for reelection of Directors to the Board; (b) identify and nominate individuals to serve as committee members, committee chairmen and Chairman of the Board, ensuring that any member of the Committee who wishes to be nominated as Chairman of the Board resign from the Committee prior to the nomination; (c) recommend to the Board the appropriate status of each Director as Independent/Non-Independent and Public/Non-Public, ensuring that a majority of the Board are both Independent and Public; (d) review each Director's conflict of interest form and contributions made by the Corporation to any charitable organization that employs the Director or the Director's immediate family member to determine whether any actual or potential conflict of interest exists and recommend appropriate action to the Board, including removal from the Board, if appropriate; and

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4. Perform such other duties that may be within the scope of its responsibilities or delegated to the Committee by the Board from time to time.

RISK ASSESSMENT

The Committee periodically shall review and assess risks associated with matters within its scope of responsibilities and duties.

ANNUAL PERFORMANCE EVALUATION AND CHARTER REVIEW

The Committee annually shall produce and provide to the Board a performance evaluation of the Committee including a review of the Committee's compliance with this Charter. In addition, the Committee shall review and reassess, periodically, the adequacy of this Charter and recommend to the Board for its approval any improvements deemed necessary or desirable by the Committee. The Committee shall conduct such evaluations and reviews in such manner as the Committee deems appropriate.

EXTERNAL ADVISORS/CONSULTANTS

The Committee may retain and terminate external advisors/consultants, including but not limited to legal counsel, to assist the Committee in the execution of its responsibilities.