

Mutual of Omaha Insurance Company Corporate Governance Standards

The Board of Directors (the “Board”) of Mutual of Omaha Insurance Company (the “Corporation”) has adopted these Corporate Governance Standards to further its longstanding objective to provide appropriate governance of the Corporation for the long-term benefit of policyholders. Effective corporate governance requires a proactive, focused state of mind on the part of directors, the Board Chair, the Chief Executive Officer, and senior management, who are committed to the Corporation’s success through maintenance of the highest ethical standards. These Corporate Governance Standards are not intended to be a static set of rules but will be reviewed regularly by the Corporate Governance Committee. All changes to these Corporate Governance Standards shall be approved in accordance with Section 31 of these Corporate Governance Standards.

Section 1 Mission of the Board

The Board oversees the performance of the Corporation in the interest and for the benefit of the policyholders. The Board has delegated to the Chief Executive Officer together with the other officers of the Corporation, the authority and responsibility for managing the business of the Corporation under the direction of the Board.

Section 2 Board Responsibilities

The Board is responsible for providing oversight over the strategy, operations, and management of the Corporation. The Board collectively, and each director individually, is responsible for primarily the following:

- Encouraging a corporate-wide culture of ethical behavior and compliance with laws and regulations.
- Selecting, evaluating and approving the compensation for the Chief Executive Officer and overseeing senior executive succession planning.
- Reviewing, monitoring and, where appropriate, approving fundamental financial and business strategies and major corporate actions.
- Overseeing corporate health, performance, and adherence to corporate policy and procedures.
- Reviewing assessments and the management of the major risks facing the Corporation.
- Approving a written plan regulating the investment of the Corporation’s assets and periodically reviewing investment activities and practices to determine compliance with the written plan.
- Formulating and periodically reviewing the Corporate Governance Standards.

- Reviewing and approving transactions involving \$25 million or more of the Corporation's capital, including those which are subject to the Corporation's Enterprise Contract Management Policy and Standard.
- Periodically assessing the effectiveness of the Board.
- Recommending and nominating candidates to the Board.

In all actions taken by the Board, the directors are expected to exercise their business judgment in what they reasonably believe to be the best interests of the Corporation. In discharging this obligation, each director may rely upon Board Committees of which the director is not a member, the Corporation's officers, outside advisors and independent auditors. Each director of the Corporation is expected to spend the time and effort necessary to properly discharge the director's responsibilities.

Section 3 **Board Size**

The Board shall consist of not less than five and not more than twelve directors. The Board believes that the quality of the individuals serving on the Board and the overall capabilities and talents of the Board is more important than the absolute number of members.

Section 4 **Definition of Independence**

No director qualifies as independent unless the Board affirmatively determines that the director is free of any relationship with the Corporation or its management that may impair the director's ability to make independent judgments.

A director will not be considered to be independent if any of the following specific standards are not satisfied. These standards focus primarily on familial, employment, and business relationships. However, other facts and circumstances may affect a director's independence and will be assessed on a case-by-case basis.

- A director who is an employee, or whose immediate family member is an executive officer, of the Corporation is not independent until three years after the end of such employment relationship.
- A director who receives, or whose immediate family member receives, more than \$120,000 per year in direct compensation from the Corporation, other than director and 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), is not independent until three years after he or she ceases to receive more than \$120,000 per year in such compensation.
- A director who is affiliated with or employed by, or whose immediate family member is affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Corporation, and personally works or has

- worked on the Corporation's audit, is not independent until three years after the end of the affiliation or the employment or auditing relationship.
- A director who is affiliated with or employed by, or whose immediate family member is affiliated with or employed by, the consultant to the Compensation and Evaluation Committee of the Board, is not independent until three years after the end of the affiliation or the employment relationship.
 - A director who is employed, or whose immediate family member is employed, as an executive officer of another company where any of the Corporation's present executives serve on that company's compensation committee is not independent until three years after the end of such service or the employment relationship.
 - A director who is an executive officer or an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, the Corporation for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues, is not independent until three years after falling below such threshold. For purposes of this standard, "property and services" will not include investments made by the Corporation in securities issued by such other company.
 - A member of the Audit Committee may not, other than in his or her capacity as a member of the Audit Committee, the Board, or any other Board Committee, accept any consulting, advisory or other compensatory fee from the Corporation or be an affiliated person of the Corporation or any subsidiary thereof.

Each director shall notify the Board Chair and the Corporate Governance Committee as soon as practicable, of any event, situation, or condition that may affect the Board's evaluation of the director's independence.

For purposes of interpreting this governance standard, the commentary interpreting the definition of director independence set forth in Section 303A of the New York Stock Exchange Corporate Governance Rules will be employed.

The Corporate Governance Committee will review annually any changes to Rule 303A of the New York Stock Exchange to determine whether such changes should be reflected in this governance standard.

The Corporate Governance Committee will review annually the Board's compliance with the standards of independence set forth above.

Section 5 **Independence of Directors**

At least two-thirds of the members of the Board and all of the members of the Audit Committee, the Compensation and Evaluation Committee, and the Corporate Governance Committee shall meet the definition of independence set forth above.

Section 6
Board Chair and CEO Positions

The Chief Executive Officer will serve as Board Chair and will preside over all meetings of the Board and Policyholders. In the event of a vacancy in the Chief Executive Officer's position for any reason, the Industry Director shall serve as the Board Chair until a new Chief Executive Officer is in place.

Section 7
Board Chair and Lead Independent Director

In addition to the duties of all Board members as set forth above, the specific responsibilities of the Board Chair are as follows:

- Providing leadership to the Board, convening, and chairing its meetings.
- Coordinating with the Corporate Governance Committee to establish procedures to govern the Board's work.
- Overseeing the Board's discharge of its duties.
- Coordinating the scheduling of meetings of the Board and working with Committee Chairs to coordinate the schedule of meetings for Committees.
- Overseeing the proper flow of information to the Board and reviewing the adequacy and timing of documentary materials in support of management's proposals.
- Coordinating adequate lead time for effective study and discussion of business under consideration.
- Overseeing the preparation and distribution of annual meeting materials to policy holders.
- Assisting the Board in fulfilling the goals it sets by assigning specific tasks to members of the Board.
- Serving as principal liaison between the Board and management.
- Taking primary responsibility for shaping Board agendas in collaboration with senior management; consulting with all directors to ensure that Board agendas and information provide the Board with what is needed to fulfill its primary responsibilities.
- Representing the Corporation with various constituencies at the discretion of the Board.
- Carrying out other duties as requested by the Board, depending on need and circumstance.

Additionally, the specific responsibilities of a non-management Board Chair would include:

- Scheduling and chairing executive sessions of the non-management directors.
- Developing the agenda for non-management director executive sessions based on input from the non-management directors.
- Advising the Chief Executive Officer of the substance of relevant discussions held during executive sessions of the non-management directors.

- Serving as principal liaison between the non-management directors and the Chief Executive Officer.

Additionally, the specific responsibilities of an independent Board Chair would include:

- Scheduling and chairing executive sessions of the independent directors.
- Developing the agenda for independent director executive sessions based on input from the independent directors.
- Leading the independent directors' evaluation of the Chief Executive Officer and communicating the annual performance evaluations and compensation decisions to the Chief Executive Officer.
- Advising the Chief Executive Officer of the substance of relevant discussions held during executive sessions of the independent directors.
- Serving as principal liaison between the independent directors and the Chief Executive Officer.

As the Board Chair is not independent, the independent directors shall elect an independent director to serve as the Lead Independent Director for a term of three years, with an expectation that the Lead Independent Director will serve a maximum limit of two consecutive terms, provided that the Lead Independent Director can serve more than two consecutive terms if the independent directors deem it to be in the best interests of the Corporation. In addition to the responsibilities of all Board members as set forth above, the specific responsibilities of the Lead Independent Director are as follows:

- Advising the Board Chair in the preparation of agendas for the Board meetings.
- Scheduling and chairing executive sessions of the independent directors.
- Developing the agendas for the executive sessions of the independent directors based upon input from directors.
- Carrying out other duties as requested by the Board Chair and the Board as a whole, depending on need and circumstance.
- Leading the independent directors' evaluation of the Chief Executive Officer and communicating the annual performance evaluations and compensation decisions to the Chief Executive Officer.
- Advising the Chief Executive Officer of the substance of relevant discussions held during executive sessions of the independent directors.
- Serving as principal liaison between the independent directors and the Board Chair.
- Establishing ground rules for the conduct of executive sessions of the independent directors, which will be approved by the Board.

Section 8

Board Membership Criteria/Director Qualification Standards

To be considered for Board membership, individuals should be committed to representing the long-term interests of the policyholders and possess all of the following personal characteristics:

- integrity and accountability
- informed judgment
- business competency
- maturity and self-confidence
- high ethical and performance standards

The Board as a whole should possess all of the following core competencies, with each candidate contributing knowledge, experience, and skills in at least one domain:

- accounting and finance
- business judgment
- management
- crisis response
- industry/government knowledge
- leadership
- strategy development
- technology

The Board will consider the distinctive skills, perspectives, and experiences that candidates diverse in gender, ethnic background, geographic origin, and professional experience can bring to the Board.

At least one member of the Board (aside from the Chief Executive Officer) shall be an individual who has in excess of twenty years of experience as a senior executive for a health and/or life insurance company similar to the Corporation. One such member of the Board shall be designated by the Executive Committee as the “Industry Director.”

Section 9 **Selection and Election of New Directors**

The Corporate Governance Committee is responsible for the identification, evaluation, and recommendation of candidates for initial membership to the Board, other than the Industry Director. In fulfilling this responsibility, the Corporate Governance Committee will observe the following process:

- The Corporate Governance Committee shall periodically assess the skills, background and expertise of existing Board members, anticipate potential director retirement dates, develop specific criteria for director candidates tailored to the Board’s needs, and establish a candidate search and selection process as appropriate to enable the Corporate Governance Committee to recommend and the Board to approve the best qualified candidates for Board membership.
- The Corporate Governance Committee may receive referrals for director candidates from members of the Board or from any other source. These referrals will be considered as a part of the ongoing assessment of the composition of the Board described above.

- The qualifications of director candidates will be evaluated in accordance with the criteria set forth above. In completing this evaluation, the Corporate Governance Committee is empowered to interview the candidate and undertake any investigations that the Committee deems necessary. In addition, the Corporate Secretary will undertake a background investigation, the results of which will be provided to the Corporate Governance Committee.
- If the Corporate Governance Committee determines that a candidate is qualified and the election of the individual as a member of the Board would be in the best interests of the Corporation, a recommendation will be made to the full Board to extend an invitation to the candidate to join the Board. In connection with this recommendation, the Corporate Governance Committee will arrange for the candidate to meet the members of the Board upon request of the Board Chair. If the full Board determines that an invitation should be extended to the candidate, the Board Chair will deliver the invitation.
- If the candidate accepts the invitation, and the vacancy is being filled between Annual Meeting dates, the Board will vote to fill the vacancy. If the candidate is being considered for election at an Annual Meeting, the candidate's name will be included on the slate of director candidates submitted to the Corporate Secretary prior to the Annual Meeting, in that the election must be made by the policyholders. The term of any director elected to fill a vacancy is the period of time until the next Annual Meeting.

The Executive Committee will be responsible for the identification, evaluation and selection of the Industry Director, employing the same process as utilized by the Corporate Governance Committee for all other director candidates.

Section 10

Director Orientation and Continuing Education

The Corporation shall provide a comprehensive director orientation program. This program will enable new directors to become familiar with the Corporation's vision, strategic direction, financial matters, Corporate Governance Standards, Code of Business Conduct and Ethics for Members of the Board (the "Code of Ethics"), and other key policies and practices through a review of background materials and meetings with senior management.

The Corporation also recognizes the importance of continuing education for its directors. Directors shall be provided with continuing education on subjects that would assist them in discharging their duties, including regular programs on financial planning and analysis, compliance and corporate governance developments, business-specific learning opportunities, and briefing sessions on topics that present special risks and opportunities to the Corporation.

Directors are encouraged to participate in continuing education programs, and will provide the Corporate Governance Committee Chair with a list of the programs attended on an annual basis. The Corporate Secretary shall inform the directors about appropriate

educational opportunities on a periodic basis and the Corporate Governance Committee shall oversee and periodically evaluate the director orientation and continuing education programs.

Section 11 **Ethics and Conflicts of Interest**

All directors must act ethically at all times and must adhere to the Corporation's Code of Ethics and Corporate Governance Standards. A breach of the Corporate Governance Standards shall be deemed a breach of the Code of Ethics. Each director shall read and acknowledge the Code of Ethics upon joining the Board and annually thereafter.

The Corporate Governance Committee will review the Code of Ethics on an annual basis and recommend any changes to the Board for approval.

All directors shall recuse themselves from any discussion or decision affecting their business or personal interests.

If any actual or potential breach of the Code of Ethics, specifically including any conflict of interest described in the Code of Ethics, arises for a director, the director shall promptly report such situation to the Board Chair. The Executive Committee shall appoint a committee composed of disinterested directors to review any significant conflicts of interest or other breaches of the Code of Ethics. If a significant conflict or breach occurs and cannot be resolved, the director shall resign.

Section 12 **Limits on Board Service**

Independent directors shall serve on no more than three boards including the Corporation's Board, and management directors shall serve on no more than two boards including the Corporation's Board (corporate affiliates do not count as separate boards for either independent or management directors), to ensure that each director is able to devote sufficient time to assigned responsibilities. Service on charitable or educational boards does not count towards these limits unless such service constitutes an unreasonable demand on the director's time. Exceptions to these limits shall be approved on a case-by-case basis by the Executive Committee.

Directors shall notify the Executive Committee prior to accepting any additional board positions to ensure the new position and additional responsibilities do not compromise the director's ability to perform present and anticipated Corporation responsibilities. The addition of a board position within the limits of this Section 12 is not be considered a significant change in professional roles and responsibilities as contemplated in Section 14.

Section 13 **Election of Directors**

The Board, acting upon the recommendation of the Executive Committee, will nominate annually the slate of directors recommended by the Executive Committee for continued Board service. The slate shall include the Chief Executive Officer and an Industry Director. The annual slate of directors will be compiled by the Executive Committee and will be considered by a single verbal vote on the entire slate (rather than by written ballot and votes on individual directors). If the slate recommended by the Executive Committee is approved by the Board, the directors on the slate shall stand for election at the Corporation's annual meeting of policyholders. If the Board does not approve the slate recommended by the Executive Committee, the slate will be remanded to the Executive Committee for further review. The Executive Committee may or may not recommend a new slate of directors. All elected directors serve for one year terms ending upon the election of directors at the subsequent annual meeting of policyholders.

Section 14 **Director Term Limits, Resignations, Retirement and Directors Emeriti**

While term limits could help ensure that there are fresh viewpoints available to the Board, such limits could result in the loss of the contributions of directors who have been able to develop sophisticated insight into the operations of the Corporation. As an alternative to term limits, the Executive Committee shall review each director's performance in determining the composition of the annual slate of directors as provided in Section 16.

A director shall submit their resignation from the Board as a matter of course to the Executive Committee upon retirement, a change in employer, or other significant changes in their professional roles and responsibilities. Additionally, the Executive Committee may request a director's letter of resignation if circumstances arise, such as poor health, that limit the director's ability to serve effectively on the Board, or the director's conduct inside or outside the Board room reflects poorly on the Corporation or limits the ability of the Board as a whole to function effectively. The Board, acting upon the recommendation of the Executive Committee, shall then determine whether continued service of that director is in the best interests of the Corporation.

The Corporation has a mandatory director age retirement policy. Directors shall submit their resignation to the Executive Committee to become effective at the first annual meeting after they reach the age of 73.

Any director who is, for any reason, not elected to a new term may be accorded the honorary title of Director Emeritus by the Board at the expiration of his or her term as a director. Directors Emeriti shall serve for one year and shall perform such duties and functions as are assigned to them by the Board or by the Board Chair and shall receive such compensation for their services as the Board may provide.

Section 15
Director Compensation

The Board, upon recommendation of the Compensation and Evaluation Committee, shall determine the form and amount of director compensation. The Compensation and Evaluation Committee shall review at least every two years director compensation in relation to compensation paid to directors of comparable corporations. Director compensation will be publicly disclosed to the extent required by law. Directors who are employees of the Corporation shall not normally be eligible for director compensation.

Section 16
Board and Director Performance Evaluations

The Board will perform a self-evaluation on an annual basis. The purpose of the self-evaluation is to improve the performance of the Board.

The evaluation process will be administered by the Corporate Governance Committee and will include an overall assessment by each director of the performance of the Board and Board committees on which that director serves, as well as a self-evaluation of that director's performance. No more frequently than once every two years, the Corporate Governance Committee may elect to have the evaluation process facilitated by an outside consulting firm which is experienced in such matters.

The Corporate Governance Committee will compile the results of the evaluation of the Board and each Board Committee, and present the results at the next regularly scheduled Board meeting. The director self-evaluation results will be given to the Executive Committee no later than October 1 of each year in order to facilitate the performance review in determining the annual slate of directors.

The Executive Committee review each director's performance based upon an objective set of criteria for director performance recommended by the Corporate Governance Committee and approved by the Board, as well as a self-evaluation completed by the director. The results of this review will be shared with the director in a meeting with the Executive Committee. Absent cause (which shall include material failure to follow these Corporate Governance Standards or the Code of Ethics), any director deemed to have substandard performance will have a one-year period to address the performance issues identified as substandard as indicated in the director's evaluation. After such one-year period, if the Executive Committee determines that the performance issues have been fully and satisfactorily addressed, the director will be included on the slate of directors recommended by the Executive Committee. The Executive Committee may request a director's letter of resignation or may recommend a director not stand for re-election if the director has not fully and satisfactorily addressed any substandard performance issue, or otherwise fails to meet the criteria for membership outlined in these Corporate Governance Standards or the Code of Ethics.

Section 17

Board Committee Structure

The standing Committees of the Board are the Audit Committee, the Compensation and Evaluation Committee, the Corporate Governance Committee, the Executive Committee, the Investment Committee, and the Risk Committee. All standing Committees shall have a minimum of three members with the exception of the Executive Committee. The Executive Committee shall be composed of the following four members: the Chief Executive Officer, the Lead Independent Director, the most-tenured independent director (among the independent directors not otherwise on the Executive Committee), and the Industry Director. The Board may create additional Committees as they see fit and may designate the duties and power of such Committees as they deem appropriate.

Each Committee shall have its own written charter that addresses the Committee's purpose, authority, and responsibilities. Each Committee will review its charter on an annual basis, and will submit any proposed changes to the Board for approval.

The Executive Committee shall periodically review the structure of the standing Committees and recommend changes to the Board as deemed appropriate and consistent with these Corporate Governance Standards.

Section 18

Assignment and Rotation of Committee Chairs and Members

The Executive Committee shall consult periodically with individual directors on Committee membership and review annually the membership and chairmanship of Committees and recommend changes to the Board as deemed appropriate.

The Board, acting upon the recommendation of the Executive Committee, shall appoint Committee Chairs and members. Consideration shall be given to rotating Committee Chairs and members periodically at approximately five-year intervals, taking into consideration the desires of individual directors, the desirability of periodic rotation of Committee members, and the benefits of continuity and experience in Committee service; however, such a rotation should not be mandated as a policy.

Section 19

Board and Committee Meetings

The Board shall meet periodically, normally on a quarterly basis, with sufficient frequency to enable the Board to discharge its responsibilities. The time and location of the meetings will be determined by the Board Chair. Special meetings of the Board may be held at such time and location as the Board Chair may designate. Upon the written request of a majority of the directors for a special meeting, the Lead Independent Director shall have the right to call for a special meeting of the Board if the Board Chair fails to do so, to determine the agenda of such meeting and to bring all matters on the agenda to a vote. Committee meetings shall normally be scheduled in conjunction with and

immediately prior to the full Board meeting. Additional Committee meetings shall be scheduled as necessary to enable each Committee to appropriately discharge its responsibilities.

The Board Chair, in consultation with the Lead Independent Director, shall develop a proposed agenda for each Board meeting and send a draft of the proposed agenda to the relevant directors. Each director is free to suggest items for inclusion on the agenda or to raise subjects that are not on the agenda for the meeting. The agenda must permit adequate time for discussion between management and the Board.

Each Committee Chair, in consultation with the Committee members and senior management, shall determine the frequency and length of the meetings of the Committee as deemed necessary to carry out the responsibilities of the Committee. The Committee Chair shall preside over Committee meetings and have the power to establish rules and procedures for the conduct of Committee meetings.

The Committee Chair, in consultation with the Committee members and senior management, shall develop agendas to ensure that all relevant issues are addressed at the Committee meetings.

The Committee agenda and meeting minutes of each Committee shall be shared with the full Board. Each director may attend any meeting of any Committee with approval of the Committee Chair.

Section 20

Meetings of Independent Directors

The independent directors shall meet as necessary. Normally, an executive session will be held during the scheduled Board meeting each quarter. The conduct of the independent director executive session shall be governed by rules developed by the Lead Independent Director and approved by the Board. The Chief Executive Officer is invited to attend a portion of the executive session.

Section 21

Executive Sessions of Committees

An executive session of any Committee may be held upon the request of the Chair of that Committee or the request of any member. An executive session of a Committee will be presumed to include all members of that Committee, and only such non-members of that Committee who are specifically invited; provided, however, that if a Committee includes non-independent members, any independent director of the Committee can request an executive session of only the independent members of the Committee.

Section 22
Board Information, Materials, and Presentations

Information and data important to the Board's understanding of the business and any agenda items shall be distributed before the Board meetings with sufficient time for directors to review and reflect on key issues and to request supplemental information as necessary. On occasions, information will be discussed and may be distributed at the meeting. Directors shall also have access to Corporation information as they may require. Presentations to the Board shall be scheduled in a manner that will allow for question-and-answer sessions and for open discussion of key policies and practices.

Section 23
Retention of Board Information

It is the policy of the Corporation to manage corporate records in accordance with procedures established by the Corporation's Record Retention Schedule. Board materials are considered records of the Corporation and it is the responsibility of the Corporate Secretary to manage these records on behalf of the Board.

Given the sensitive and confidential nature of Board material, the Corporate Secretary shall retain records relating to Board meetings on the electronic board portal for eighteen (18) months after the date of the related meeting, after which time the records will be removed, subject to exceptions specified by either the Board or Corporate Secretary, and permanent records established according to the Corporation's Record Retention Schedule. The retention period of other board communications is also established at eighteen (18) months after the distribution date of such communication, subject to exceptions specified by either the Board or Corporate Secretary.

Directors that maintain notes or information from Board meetings or other Board communications shall destroy such materials within eighteen (18) months of receipt, subject to exceptions specified by either the Board or Corporate Secretary. Directors that require access to Board materials that are more than eighteen (18) months old should contact the Corporate Secretary for the information.

Section 24
Executive Selection, Career Development and Succession Planning

The Board is responsible for selection of a Chief Executive Officer.

The Chief Executive Officer shall make a report annually to the Board, in executive session, on the Corporation's program for executive career development and succession planning. The Chief Executive Officer shall on a continuing basis make recommendations and evaluation of the Chief Executive Officer's potential successors to the Board in the event of an unexpected disability or incapacity.

The Board shall review the executive succession plans, normally on an annual basis, for contingencies such as the departure, death, or disability of the Chief Executive Officer or other key executives so that, in the event of an untimely vacancy, an emergency succession plan is in place to facilitate the transition to both interim and longer-term leadership.

The Board, following a review by the Compensation and Evaluation Committee, shall routinely monitor and review the career development and progression of senior executives of the Corporation.

Section 25

Executive Evaluation and Compensation

The Compensation and Evaluation Committee shall ensure that executive compensation is aligned with long-term corporate performance and is in the best interests of the Corporation's policyholders. Executive compensation will be publicly disclosed to the extent required by law.

The Compensation and Evaluation Committee shall review and approve the Corporation's goals and objectives relevant to the compensation of the Chief Executive Officer. The Committee, in consultation with all independent directors, shall evaluate the performance of the Chief Executive Officer based upon the established goals and objectives and shall make a compensation recommendation to the Corporation's independent directors based upon the results of the evaluation. The independent directors shall make a final evaluation of the performance of the Chief Executive Officer and a final determination of his or her compensation based upon the recommendations of the Compensation and Evaluation Committee. The Lead Independent Director shall have the right to call for a vote of the Board on the termination of the Chief Executive Officer's employment with the Corporation.

The Compensation and Evaluation Committee shall also approve the compensation of officers who report directly to the Chief Executive Officer ("Executive Management"), provided that, if the Chief Executive Officer appoints an Executive Management officer between regularly scheduled Board meetings, the Chair of the Compensation and Evaluation Committee shall have the authority to approve the compensation of said officer. In addition to reviewing, making recommendations, and setting compensation for Executive Management, the Compensation and Evaluation Committee shall review certain employee benefit and compensation programs to determine that the programs are appropriate.

Section 26

Independent and Internal Auditors

The Board, through the Audit Committee, is responsible for engaging an independent auditor to audit the Corporation's financial statements, to review internal controls over the Corporation's financial reporting, examine the amounts and disclosures in the financial

statements, assess the accounting principles and significant estimates made by the Corporation's management, and evaluate the Corporation's overall financial statement presentation. The Audit Committee shall periodically evaluate the qualifications, performance and independence of the auditor, and the nature and extent of non-audit services provided by the auditor to the Corporation. The Audit Committee shall recommend annually to the Board the appointment of the independent auditor. Upon approval by the Board, the Audit Committee shall appoint the independent auditor.

The Audit Committee shall monitor the performance of the Corporation's Internal Audit Division.

The Audit Committee shall ensure close coordination among the Corporation's management, the Board, the independent auditor, and the Internal Audit Division.

Section 27 **Access to Senior Management and Employees**

The Board should serve as a resource for senior management in matters of planning and policy. Directors shall have full and open access to senior management and other employees of the Corporation. Any meetings or contacts that a director wishes to initiate may be arranged through senior management. Directors will use good judgment to ensure contact is not distracting to the business operations of the Corporation. Generally, the Board Chair and Chief Executive Officer shall be advised of significant business contacts between directors and employees of the Corporation.

The Board encourages senior management to invite into Board and Committee meetings Corporation employees who can provide insight into items being discussed or have potential that senior management believes merits their being given exposure to the directors.

Section 28 **Access to Outside Advisors**

The Board shall have the right to retain outside financial, legal, compensation, or other experts or consultants, for any purpose reasonably related to the duties of the Board. Each Board Committee shall have the right to retain outside experts or consultants for any purpose reasonably related to its duties. Before retaining outside resources, the Board Chair or the Committee Chair as appropriate, shall consider whether resources from inside the Corporation are available and appropriate for that purpose. In making this determination, the Committee Chair shall consult with the Board Chair and Lead Independent Director, or one of them if the other has or may have a conflict or is a subject of the engagement. The engagement of such experts or consultants shall be on terms and subject to guidelines that are substantially similar to those applied to engagements by the Corporation. The guidelines for such engagements shall be developed by the Corporate Governance Committee and approved by the Board. The expenses of such experts or consultants shall be paid by the Corporation.

Section 29
Board Interaction with Third Parties

The Board believes that senior management speaks for the Corporation. Individual directors may, from time to time, at the request of senior management, meet or otherwise communicate with various constituencies (the press or public for example) on matters relating to the Corporation. If comments from the Board are appropriate, they should, in most circumstances, come from the Board Chair and Chief Executive Officer or Lead Independent Director. Generally, the Board Chair and Chief Executive Officer should be advised of significant contacts related to the Corporation between directors and third parties.

Section 30
Disclosure Regarding Corporate Governance

These Corporate Governance Standards will be made readily available to the policyholders of the Corporation and to any interested person upon request.

Section 31
Amendment of Corporate Governance Standards

Amendment of these Corporate Governance Standards will require the approval of a majority of the Board; provided, however, that amendment of Sections 6 (Board Chair and CEO Positions), 8 (Board Membership Criteria/Director Qualification Standards), 9 (Selection and Election of New Directors), 13 (Election of Directors), 14 (Director Term Limits, Resignations, Retirement and Directors Emeriti), 17 (Board Committee Structure), 18 (Assignment and Rotation of Committee Chairs and Members), 19 (Board and Committee Meetings), 25 (Executive Evaluation and Compensation) or this Section 31 (Amendment of Corporate Governance Standards) of the Corporate Governance Standards will require the unanimous consent of the Board.

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These standards were updated August 23, 2019