

# **CENTENE CORPORATION**

## **Corporate Governance Guidelines**

### **1. Director Qualifications**

The Board of Directors (the “Board”) of Centene Corporation (the “Company”) will have a majority of directors who meet the criteria for independence required by the New York Stock Exchange. The Nominating and Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of new Board members as well as the composition of the Board as a whole. This assessment will include members’ qualification as independent, as well as consideration of diversity, age, freshness of perspective, skills and experience in the context of the needs of the Board.

The Company is committed to a policy of inclusiveness and, accordingly, is committed to actively identifying and recruiting diverse candidates, including women and minority candidates, as part of the process for selecting new Board members. Nominees for directorship will be selected by the Nominating and Governance Committee in accordance with the policies and principles in its charter. The invitation to join the Board should be extended by the Board itself, by the Chairman of the Nominating and Governance Committee, or the Chairman of the Board.

Under the Company’s by-laws, the Board has the authority to fix the number of directors, provided that the Board must have between five and thirteen members. The Board currently believes that a size of seven to eleven is appropriate, but that a slightly larger membership may be desirable in some circumstances to accommodate the availability of an outstanding candidate or candidates.

The Board believes that individual directors whose responsibilities and commitments significantly change after they were elected to the Board should consider carefully whether they will continue to have the time and motivation necessary to perform satisfactorily their duties as directors. If not, barring unusual circumstances, they should volunteer to resign from the Board. It is not the belief of the Board, however, that directors who retire or change from the position they held when they came on the Board should necessarily leave the Board in every instance. Each director should report to the Nominating and Governance Committee any significant change in his or her responsibilities and commitments, and there should be an opportunity for the Board through the Nominating and Governance Committee to review the continued appropriateness of Board membership.

No director may serve on more than three other public company boards. Directors should advise the Chairman of the Board and the Chairman of the Nominating and Governance Committee in advance of accepting an invitation to serve on another public company board.

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 increasing contribution to the Board as a whole. The Board believes that the three-year terms established by the Company’s classified Board procedures will operate as an alternative to term limits, by giving the Nominating and Governance Committee the opportunity to review each director’s continuation on the Board every three years. This procedure also will allow each director an opportunity to conveniently confirm his or her desire to continue as a member of the Board.

## **2. Commitment to Diversity and Inclusion**

For many years, Centene's unwavering purpose has propelled its efforts to transform the health of communities, one person at a time. Consistent with this purpose, diversity and inclusion are among the Company's highest priorities. The Board believes that investing in training, diversity, education, and community-improvement initiatives is important to attracting and retaining a talented workforce. The Company encourages its Board members, senior executives, and rank-and-file employees to become actively involved with organizations making a positive impact on communities. The Company's efforts include the intentional siting of service centers and other facilities in economically challenged locations such as Ferguson, Missouri as well as spending with, and mentorship of, diverse suppliers.

## **3. Director Responsibilities**

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors. The directors shall also be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company's charter, by-laws and any indemnification agreements, and to exculpation as provided by state law and the Company's charter.

Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting.

The Chairman and the Chief Executive Officer (if the Chairman is not also the Chief Executive Officer at such time) will establish the agenda for each Board meeting. At the beginning of the year the Chairman and the Chief Executive Officer will establish a schedule of agenda subjects to be discussed during the year (to the degree this can be foreseen). Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year.

The non-management directors will meet in executive session at least twice each calendar year. The Chairman (or if the Chairman is an officer of the Company, then a director chosen by the non-management directors) will preside at these meetings. The name of the director so presiding will be disclosed in the Company's annual proxy statement.

The Board believes that the management speaks for the Company. It is expected that, absent unusual circumstances or as contemplated by the committee charters, an individual Board member will meet or otherwise communicate with any of the constituencies that are involved with the Company only at the request of management. In the event management requests that an individual Board member communicate with any such constituency, the Company will make available to such member, for consultation, the legal counsel of the Company and such media consultants as are appropriate in the circumstances.

#### **4. Voting for Directors**

The Company's by-laws provide that directors are elected by a majority of votes cast in uncontested elections and upon the vote of a plurality of the votes cast in a contested election. (An uncontested election is one in which the number of nominees does not exceed the number of directors to be elected.) Any nominee for director in an uncontested election who receives a greater number of votes "against" his or her election than votes "for" such election shall, promptly following certification of the stockholder vote, offer his or her resignation to the Board. The resignation offer shall be in writing and shall be an irrevocable resignation offer pending acceptance or rejection as provided herein.

The Nominating and Governance Committee shall consider the resignation offer and make a recommendation to the Board. In deciding the action to be taken with respect to any such resignation offer, the Board shall consider what they believe is in the best interests of the Company and its stockholders. In this regard, the Board should consider all factors they deem relevant, including but not limited to: (i) any stated reasons why stockholders voted against such director, (ii) any alternatives for curing the underlying cause of the "against" votes, (iii) the director's tenure, (iv) the director's qualifications, (v) the director's past and expected future contributions to the Company, and (vi) the overall composition of the Board, including whether accepting the resignation offer would cause the Company to be in violation of its constituent documents or fail to meet any applicable regulatory or contractual requirements. The Board's actions with respect to any such resignation offer may include: (i) accepting the resignation offer, (ii) deferring acceptance of the resignation offer until a replacement with the necessary qualifications can be identified and elected to the Board, (iii) maintaining the director but addressing the underlying cause of the "against" votes, (iv) resolving that the director will not be re-nominated for the next election, or (v) rejecting the resignation offer. An accepted resignation offer will become effective immediately upon acceptance or upon such other time as determined by the Board consistent with this policy.

The Board's decision shall be made within 90 days of the certification of election results. The decision, and an explanation of the decision, shall be disclosed as soon as practicable by press release or Form 8-K.

#### **5. Board Committees**

The Board will have at all times an Audit Committee, a Compensation Committee, and a Nominating and Governance Committee. All of members of each of these Committees will be independent directors under the criteria established by the New York Stock Exchange. Committee members will be appointed by the Board upon recommendation of the Nominating and Governance Committee with consideration of the desires of individual directors. It is the belief of the Board that consideration should be given to rotating committee members periodically, but the Board does not feel that rotation should be mandated as a policy.

Each committee will have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each committee will annually evaluate its performance.

The Chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any

requirements set forth in the committee's charter. The Chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. At the beginning of the year each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). The schedule for each committee will be furnished to all directors.

The Board and each committee have the power to hire independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

## **6. Director Access to Officers and Employees**

It is expected that, absent unusual circumstances or as contemplated by the committee charters, any meetings or contacts that a director wishes to initiate will be arranged through the Chief Executive Officer and will otherwise be conducted so as to ensure that any such contact is not disruptive to the business operations of the Company. To the extent not inappropriate, a director will copy the Chief Executive Officer on any written communications between such director and an officer or employee of the Company.

The Board welcomes the attendance of senior officers of the Company at Board meetings, to the extent the Chairman or any other Board members feel such attendance will contribute to the discussion of one or more agenda items. If the Chief Executive Officer wishes to have particular Company personnel attend meetings on a regular basis or from time to time, this suggestion should be brought to the Chairman for approval. The Board also welcomes the attendance of the Company's consultants, independent accountants, legal counsel and other professional service providers at meetings, either on a regular basis or from time to time, to the extent the Chairman or the Chief Executive Officer believes such attendance will contribute to the discussion of one or more agenda items or is otherwise desirable. The Board believes that regular attendance at Board meetings by persons other than Company personnel and professional service providers is inappropriate in light of the nonpublic, sensitive nature of many Board discussions.

## **7. Director Compensation**

The form and amount of director compensation will be addressed by the Compensation Committee in accordance with the policies and principles set forth in its charter, and the Compensation Committee will conduct an annual review of director compensation. The Compensation Committee will consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

## **8. Director Orientation and Education**

Each new director should participate in the Company's Orientation Program, which should be conducted within three months of the director's election. This orientation may include presentations by senior management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance

programs, its Code of Business Conduct and Ethics, its principal officers, and its internal and independent auditors. In addition, the Orientation Program will include a visit to Company headquarters. All other directors are also invited to attend the Orientation Program.

#### **9. Chief Executive Officer Evaluation and Management Succession**

The Compensation Committee will conduct an annual review of the Chief Executive Officer's performance, as set forth in its charter. The Board of Directors will review the Compensation Committee's report in order to ensure that the Chief Executive Officer is providing the best leadership for the Company in the long and short term.

The Nominating and Governance Committee should make an annual report to the Board on succession planning. The entire Board will work with the Nominating and Governance Committee to nominate and evaluate potential successors to the Chief Executive Officer. The Chief Executive Officer should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

#### **10. Annual Performance Evaluation**

The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Governance Committee will receive comments from all directors and report annually to the Board with an assessment of the Board's performance. This will be discussed with the full Board following the end of each fiscal year. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.