HALLIBURTON CO
Form 11-K
June 23, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 11-K

(X) Annual Report pursuant to Section 15(d) of The Securities Exchange Act of 1934.
For the fiscal year ended December 31, 2007.

or

( ) Transition Report pursuant to Section 15(d) of The Securities Exchange Act of 1934.
For the transition period from _____ to _____.

Commission file number 1-3492

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Halliburton Retirement and Savings Plan
10200 Bellaire Blvd.
Building 91, Room 2NE18B
Houston, Texas 77072

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Halliburton Company
(a Delaware Corporation)
75-2677995
140l McKinney, Suite 2400
Houston, Texas 77010

Telephone Number – (713) 759-2600

Required Information

The following financial statements prepared in accordance with the financial reporting requirements of the Employee Retirement Income Security Act of 1974, signature and exhibit are filed for the Halliburton Retirement and Savings Plan:

Financial Statements and Supplemental Schedule

Report of Independent Registered Public Accounting Firm

Statements of Net Assets Available for Plan Benefits – December 31, 2007 and 2006

Statement of Changes in Net Assets Available for Plan Benefits – Year ended December 31, 2007

Notes to Financial Statements – December 31, 2007 and 2006

Supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) – December 31, 2007

Signature

Exhibit

Consent of Harper & Pearson Company, P.C. (Exhibit 23.1)

HALLIBURTON RETIREMENT AND SAVINGS PLAN

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Schedules not listed above are omitted because of the absence of conditions under which they are required under the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Report of Independent Registered Public Accounting Firm

To the Benefits Committee of
Halliburton Retirement and Savings Plan
Houston, Texas

We have audited the accompanying statements of net assets available for plan benefits of the Halliburton Retirement and Savings Plan (the "Plan") as of December 31, 2007 and 2006, and the related statement of changes in net assets available for plan benefits for the year ended December 31, 2007. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan as of December 31, 2007 and 2006, and the changes in its net assets available for plan benefits for the year ended December 31, 2007 in conformity with generally accepted accounting principles in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Harper & Pearson Company, P.C.

Houston, Texas
June 20, 2008

HALLIBURTON RETIREMENT AND SAVINGS PLAN
Statements of Net Assets Available for Plan Benefits
December 31, 2007 and 2006

	2007	2006
Assets		
Investments		
Cash and cash equivalents	$ 2,077,518	$ 697,315
Plan's interest in Master Trust at fair value	3,754,033,396	3,474,261,911
Participant loans	60,078,056	56,496,059
Total investments	3,816,188,970	3,531,455,285
Receivables		
Company contributions receivable, net of forfeitures	60,296,160	
Participant contributions receivable	92,122	52,423,930 —
Total receivables	60,388,282	52,423,930
Net assets available for plan benefits at fair value	3,876,577,252	3,583,879,215
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(20,742,658)	(11,274,432)
Net assets available for plan benefits	$ 3,855,834,594	$ 3,572,604,783

See accompanying notes to financial statements.

HALLIBURTON RETIREMENT AND SAVINGS PLAN
Statement of Changes in Net Assets Available for Plan Benefits
Year Ended December 31, 2007

Additions	
Investment income, net	
Plan's interest in Master Trust net investment activity	$ 324,747,072
Interest on loans to participants	4,256,110
Total investment income	329,003,182
Contributions	
Company, net of forfeitures	114,339,895
Plan participants	123,814,125
Rollovers	13,232,979
Total contributions	251,386,999
Total additions	580,390,181
Deductions	
Benefits paid to participants	283,565,591
Investment management fees and administrative expenses	13,594,779
Total deductions	297,160,370
Net increase in net assets available for plan benefits	283,229,811
Net assets available for plan benefits	
Beginning of year	3,572,604,783
End of year	$ 3,855,834,594

See accompanying notes to financial statements.

HALLIBURTON RETIREMENT AND SAVINGS PLAN
Notes to Financial Statements
December 31, 2007 and 2006

(1) Description of the Plan

The Halliburton Retirement and Savings Plan (the "Plan") is a defined contribution plan maintained for the benefit of certain qualified employees of Halliburton Company and certain subsidiaries (the "Company"). The Plan was established in accordance with Sections 401(a) and 401(k) of the Internal Revenue Code of 1986, as amended ("IRC") and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The following description of the Plan provides only general information. Participants should refer to the plan document or summary plan description for a more complete description of the Plan's provisions.

(a) Eligibility

All employees of the Company are eligible for immediate participation in the Plan upon their date of hire unless they are among the ineligible populations as defined in the plan document. Generally, employees are ineligible to participate in the Plan if they are: (1) covered by a collective bargaining agreement, unless the Company has specifically extended participation to the employee group; (2) nonresident aliens with no earned income from the Company from sources within the United States of America; (3) covered by any other funded plan of deferred compensation of any foreign subsidiary of the Company with respect to employment in the United States of America; (4) leased employees or independent contractors; or (5) eligible (except for meeting age and service requirements) to participate in any other plan of the Company that is intended to meet the requirements of section 401(a) of the IRC other than the Halliburton Retirement Plan (a defined benefit plan).

(b) Contributions

Employees

Participants may elect to contribute up to 50% of their eligible earnings, not to exceed the Internal Revenue Service ("IRS") compensation limit ($225,000 for 2007), to the tax deferred savings feature of the Plan through periodic payroll deductions. The total amount of participant tax deferred savings contributions was limited to $15,500 for 2007.

The Plan contains an automatic enrollment feature for eligible employees hired on and after January 1, 2006. These employees are automatically enrolled to contribute 4% of their eligible compensation to the Plan on a pre-tax basis unless such employees affirmatively take action to opt-out of the automatic enrollment process. The contributions made under the automatic enrollment process are invested in the Moderate Premixed Portfolio fund unless the participants affirmatively choose another investment fund or any combination of investment funds available under the Plan. The participants have the option to stop or change their contribution and investment fund elections at any time.

Participants who are age 50 or older before the close of the Plan year may elect to make a catch-up contribution, subject to certain limitations under the IRC ($5,000 per participant in 2007).

HALLIBURTON RETIREMENT AND SAVINGS PLAN
Notes to Financial Statements
December 31, 2007 and 2006

Employees are permitted to roll over balances held in other qualified plans or individual retirement accounts ("IRAs") into the Plan, as specified in the plan document.

Employer

Plan participants who make tax deferred contributions will receive Company matching contributions equal to 100% of the first 4% of a participant's eligible compensation during the applicable pay period.

The Company also provides an annual non-elective contribution of 4% of eligible compensation on behalf of each eligible employee, regardless of individual participation in the Plan. Eligible employees are not required to make any contributions to the Plan in order to receive the non-elective contribution. To be eligible to receive an allocation of the non-elective contribution, an employee must be employed by the Company or one of its controlled group members as of December 31 or be on an approved leave of absence as of such date. Eligible employees will also receive an allocation of the non-elective contribution if they terminate their employment with the Company or one of its controlled group members during the plan year due to retirement, death or disability. The non-elective contribution for the 2007 plan year was funded by the Company in March 2008, in the amount of $60,246,829.

(c) Plan Accounts

The Company has entered into a master trust agreement with the Halliburton Company Employee Benefit Master Trust (the "Master Trust"). The Master Trust was established for the collective investment of certain defined contribution and defined benefit plans sponsored by the Company or its affiliates. The Plan maintains a clearing account, which invests in a short term investment fund to facilitate the payment of benefits and receipt of contributions to the Plan.

(d) Investment Elections and Transfers

Contributions and participant account balances may be directed to one of thirteen funds or a combination of funds. The available investment funds are the Aggressive Premixed Portfolio, the Mid Cap Fund, the Conservative Premixed Portfolio, the Balanced Fund, the Large Cap Value Fund, the Bond Index Fund, the S&P 500 Index Fund, the Large Cap Growth Fund, the Non-US Equity Fund, the Moderate Premixed Portfolio, the Small Cap Value Fund, the Stable Value Premixed Portfolio, and the Halliburton Stock Fund. The assets of the funds are held in the Master Trust. The Halliburton Stock Fund ("HSF") was closed to new investments effective January 1, 2007.

The Plan allows participants to make transfers of their account balances among the funds, subject to Plan's investment transfer policy. The amount of the transfer may be all or any portion of the participant's account balance.

HALLIBURTON RETIREMENT AND SAVINGS PLAN
Notes to Financial Statements
December 31, 2007 and 2006

Effective January 1, 2006, the Plan adopted a new investment transfer policy which places waiting periods on transfers and reallocations into and out of all of the investment funds. If a participant makes a transfer or fund reallocation out of a fund other than the Stable Value Premixed Portfolio, the participant cannot transfer money into that same fund for up to twenty calendar days. If funds are transferred or reallocated into the Stable Value Premixed Portfolio, the number of units that the money represents on the day of the transfer or reallocation transaction is locked in and cannot be transferred out of the Stable Value Premixed Portfolio for up to twenty calendar days. Participants are permitted to reallocate or transfer money into the Stable Value Premixed Portfolio at any time.

(e) Administration

The Halliburton Company Benefits Committee (the "Benefits Committee") controls and manages the operation and administration of the Plan. The Halliburton Company Investment Committee (the "Investment Committee") controls and manages the operation and administration of the Master Trust. State Street Bank and Trust Company ("State Street") is the Plan's trustee and Hewitt Associates LLC is the record keeper.

(f) Participant Loans

A participant may borrow from their vested account balance a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance (reduced by the highest outstanding loan balance in all Company sponsored plans in the prior twelve months). A participant may not have more than one loan outstanding at any time. Loans bear interest at the current prime rate plus 1% as published in the Wall Street Journal as of the first day of each month. Loans must be repaid within five years (ten years for primary residence loan) through payroll deductions and are collateralized by the participant's account balance. If a participant fails to comply with the repayment terms of the loan, the Benefits Committee or its designee may deem such defaulted loans as a distribution when the loans are considered uncollectible from the participant.

(g) Vesting

Participants are immediately 100% vested in their tax deferred contributions, Company matching contributions, rollover contributions, and the related earnings. Participants become fully vested in the non-elective contributions upon (1) completion of three years of service, (2) reaching the Normal Retirement Date while employed by the Company, or (3) termination of employment with the Company due to death or disability. Participants who terminate prior to becoming fully vested forfeit their nonvested balances in accordance to the terms of the Plan.

Forfeitures are used to reduce future Company contributions. The forfeiture amounts that were used to reduce Company contributions totaled $5,546,646 for the year ended December 31, 2007. Forfeitures available to reduce future company contributions were $1,469,514 at December 31, 2007 and $140,368 at December 31, 2006.

HALLIBURTON RETIREMENT AND SAVINGS PLAN
Notes to Financial Statements
December 31, 2007 and 2006

(h) Distributions

Each participant or their designated beneficiary may elect to receive a distribution upon retirement, termination, disability, or death. Direct rollovers to an IRA or other eligible retirement plans are permitted. All termination distributions are generally made in lump-sum amounts or pursuant to a commercial annuity contract. Periodic installments, lump-sum distributions and commercial annuity contracts are also available to participants who retire or become disabled, at the participant's election. Distributions upon the death of a participant are generally made in the form of a lump-sum payment or periodic installments, as elected by the designated beneficiary. Certain joint and survivor annuities are available upon election to participants who had a balance under the Plan prior to June 1998, as provided under the terms of the Plan. Distributions from the HSF may be made in the form of shares of stock or cash.

While employed, a participant may make in-service withdrawals from his or her after-tax account or rollover account as defined in the plan document. In-service withdrawals from all accounts under the Plan are also permitted upon attainment of age 59-1/2. Further, in-service withdrawals from a participant's tax-deferred savings account can be made in the event of a proven financial hardship, subject to limitations under the Plan. Certain additional in-service withdrawals are permitted for account balances transferred from acquired company plans, as defined in the plan document.

(i) Investment Earnings

Investment earnings on participants' accounts are allocated proportionately based on their relative account balance in each investment fund.

(j) Halliburton Stock Fund

Effective July 1, 2002, the HSF was converted into an Employee Stock Ownership Plan ("ESOP"). The ESOP is designed to comply with Section 4975(e)(7) of the Internal Revenue Code and Section 407(d)(6) of ERISA.

The ESOP has a dividend pass-through election whereby any cash dividends attributable to Halliburton Company Common Stock held by the ESOP are to be paid by the Company directly to the Trustee. The participants may elect to receive the dividends in cash or reinvest it for more units of the HSF. Any cash dividends received by the Trustee which are attributable to financed stock are to be used by the Trustee to make exempt loan payments until the exempt loan has been repaid in full. During 2007 and 2006, there were no loans related to stock purchases.

Each participant is entitled to exercise voting rights attributable to the Halliburton Company Common Stock allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee is not permitted to vote any allocated shares for which instructions have been given by a participant. The Trustee is required, however, to vote all shares which have not been voted by Plan participants or beneficiaries.

HALLIBURTON RETIREMENT AND SAVINGS PLAN
Notes to Financial Statements
December 31, 2007 and 2006

Effective January 1, 2007, the HSF was closed to new investments. No further contributions or transfers into the HSF will be permitted. Participants will have until December 31, 2009 to transfer all amounts out of the HSF. Any amounts not transferred out of the HSF by the end of this sunset period will be liquidated and invested in an investment fund chosen by the Investment Committee. However, the Benefits Committee reserves the right to implement periodic transfers and/or change or accelerate the sunset period at any time.

(k) Plan Termination

The Board of Directors of the Company may amend, modify, or terminate the Plan at any time. The Chief Executive Officer of the Company may amend the Plan if such amendment does not have a significant cost impact on the Company or if the amendment is required to acquire or maintain the qualified status of the Plan. No Plan termination is contemplated, but if it should occur, the accounts of all participants would immediately become fully vested and be paid in accordance with the terms of the Plan.

(2) Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

As described in Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined Contribution Health and Welfare and Pension Plans (the “FSP”), investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. As required by the FSP, the Statement of Net Assets Available for Plan Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Plan Benefits is prepared on a contract value basis.

(b) New Accounting Standard

In September 2006, the Financial Accounting Standards Board (“FASB”) issued SFAS 157, “Fair Value Measurements” SFAS 157 defines fair value, sets out a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements of assets and liabilities. The Plan adopted SFAS 157 as of January 1, 2008 without material impact on the Statements of Net Assets Available for Plan Benefits or the Statement of Changes in Net Assets Available for Plan Benefits.

HALLIBURTON RETIREMENT AND SAVINGS PLAN
Notes to Financial Statements
December 31, 2007 and 2006

(c) Valuation of Investments

The investments in all funds except the Stable Value Premixed Portfolio are presented at fair value, based on the quoted market prices of the underlying securities within each fund at December 31, 2007 and 2006.

The Plan invests in cash, cash equivalents and participant loans, which are held by the Trustee outside of the Master Trust. Cash and cash equivalents are in a short term investment fund, which is valued at cost, which approximates fair value. Participant loans are valued at cost, which approximates fair value.

The Plan's proportionate interest in the Master Trust net assets is presented at fair value with an adjustment from fair value to contract value for fully benefit-responsive investment contracts.

Cash equivalents, exchange traded derivative financial instruments, stock securities, mutual funds, bonds and notes, and all other debt securities held within the Master Trust are presented at their fair market value. Common/collective trust funds are stated at the fair market value of the underlying securities.

The Stable Value Premixed Portfolio ("SVPP") is reported at fair value and adjusted to contract value. Contract value represents the accumulated contributions plus accrued net earnings, less distributions. Fair value of the investment in the SVPP is estimated using discounted cash flows. The SVPP invests primarily in asset-backed contracts that are fully benefit-responsive. These asset-backed contracts have two components: (1) a portfolio of securities or underlying assets and (2) a wrap contract. These underlying assets, generally fixed income securities, are held by an independent trustee for the sole benefit of the fund and a wrap contract is entered into for a fee with a financial institution to assure contract value liquidity for plan participant directed withdrawals, transfers or loans. The underlying assets are valued as described in the preceding paragraphs of this section. The issuer of the contract (wrap provider) undertakes to repay the principal amount deposited plus accrued interest less expenses to fund participant-directed withdrawals, transfers and loans. The crediting rate of the asset-backed contract is a function of the relationship between the market value, yield and duration of the underlying assets versus the contract value. If the positive adjustment for the portion of net assets attributable to fully benefit-responsive investment contracts from fair value to contract value increases, the crediting rate at the next reset date will be negatively impacted and vice versa. Interest rate change is a key factor that can influence future crediting rates because it impacts the value, yield and duration of the underlying securities. The contract rate is reset periodically by wrap providers and cannot be less than zero.

HALLIBURTON RETIREMENT AND SAVINGS PLAN
Notes to Financial Statements
December 31, 2007 and 2006

The net average yield earned divided by the underlying assets of the wrapped contracts for 2007 was 6.64% and for 2006 was 4.49%. The net actual interest rate credited to participants divided by the underlying assets of the wrapped contracts for 2007 was 5.34% and for 2006 was 5.10%.

All of the asset-backed contracts held by the SVPP are fully participating contracts. In a fully participating contract, the asset and liability risks may be transferred from the wrap provider to the fund in the event of a plan termination or non-participant directed withdrawal, transfer or loan. The risk of this event happening is not probable. The wrap provider may terminate a fully benefit-responsive contract and settle at an amount different from the contract value if the wrap provider of the fund is unable to meet the terms of the contract.

These investment funds are exposed to various risks, such as interest rate, market and credit. Due to these risks, the amounts reported in the Statements of Net Assets Available for Plan Benefits could be materially affected in the near term.

(d) Securities Transactions and Investment Income

The Plan records interest on cash and cash equivalents and participant loans held outside of the Master Trust when earned. Purchases and sales of securities held outside the Master Trust are recorded on the trade-date basis.

Purchases and sales of securities in the Master Trust are also recorded on the trade-date basis. Realized gains (losses) on investments sold and unrealized appreciation (depreciation) for investments of the Master Trust are combined and presented as Plan's interest in Master Trust net investment activity on the Statement of Changes in Net Assets Available for Plan Benefits.

In addition, investment income of the Master Trust includes interest, dividends, and other income. Interest income of the Master Trust investments is recorded when earned. Dividends on the Master Trust investments are recorded on the ex-dividend date.

(e) Administrative Expenses

The Master Trust pays substantially all plan expenses on behalf of the Plan. Generally, trustee fees, recordkeeping fees, audit fees, and investment management fees are paid from Master Trust assets and are charged to the plans participating in the Master Trust. Expenses related to the direct management of the Master Trust are shared on an equitable basis by the participating plans. Expenses specifically related to an individual plan are charged to the assets of the Plan which incurred the charges. These expenses, totaling $13,594,779 for 2007, are shown as a separate component in the Statement of Changes in Net Assets Available for Plan Benefits.

HALLIBURTON RETIREMENT AND SAVINGS PLAN
Notes to Financial Statements
December 31, 2007 and 2006

(f) Payment of Benefits

Benefits are recorded when paid.

(g) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(3) Investment Assets Held in the Master Trust

Certain assets of the Plan are combined with the assets of certain other benefit plans of affiliated companies in the Master Trust. The assets of the Master Trust are segregated into thirteen funds in which the defined contribution plans may participate. The combination of the plans' assets is only for investment purposes and the plans continue to be operated under their current plan documents, as amended.

The Master Trust assets are allocated among participating plans by assigning to each plan those transactions (primarily contributions, benefit payments, and certain administrative expenses) which can be specifically identified and allocated among all plans, in proportion to the fair value of the assets assigned to each plan, the income and expenses resulting from the collective investment of the assets.

In April 2007, Halliburton completed the separation of KBR, Inc. ("KBR") from the Company. In accordance with the Master Trust agreement and the Employee Matters agreement between Halliburton and KBR, the assets related to the Brown & Root, Inc. Employees' Retirement and Savings Plan and Kellogg Brown & Root, Inc. Retirement and Savings Plan, have been split-off from the Master Trust and were transferred to KBR by the trustee during February and March 2007. The amount of assets transferred to KBR totaled $2,060,764,873.

The following is a summary of net assets as of December 31, 2007 and 2006 and total net investment activity for the year ended December 31, 2007 and net appreciation (depreciation) by investment type for the year ended December 31, 2007 of the Master Trust. The Plan's interest in the Master Trust's net assets for the applicable periods are also presented.

HALLIBURTON RETIREMENT AND SAVINGS PLAN
Notes to Financial Statements
December 31, 2007 and 2006

Net Assets	2007	2006
Assets		
Investments		
Cash and equivalents	$ 145,446,709	$ 193,438,035
Derivatives	3,037,949	2,250,315
Collateral received for securities loaned	487,268,935	638,638,539
U.S. bonds and notes	1,189,680,353	1,798,435,833
Non-U.S. bonds and notes	87,942,866	124,490,738
Halliburton stock	254,648,218	340,448,470
Other U.S. stock	648,856,042	1,157,918,463
Non-U.S. stock	601,523,748	672,023,819
Common/collective trust funds	515,805,239	770,696,209
Mutual funds	155,334,114	262,876,450
Securities loaned		
U.S. bonds and notes	173,033,859	391,476,097
Other U.S. stock	282,154,610	188,830,671
Non-U.S. stock	20,635,133	43,565,784
Total investments	4,565,367,775	6,585,089,423
Receivables		
Receivables for investments sold	216,993,811	383,326,380
Dividends	1,580,433	2,516,104
Interest	13,614,722	22,913,222
Other	378,549	660,036
Total receivables	232,567,515	409,415,742
Total assets	4,797,935,290	6,994,505,165
Liabilities		
Payable for investments purchased	420,765,363	702,465,690
Obligation for collateral received for securities loaned	487,268,935	638,638,539
Other payables	7,769,881	7,209,486
Total liabilities	915,804,179	1,348,313,715
Net Assets at fair value	3,882,131,111	5,646,191,450
Adjustments from fair value to contract value for fully benefit-responsive investment contracts	(20,751,607)	(19,493,698)
Net Assets	$ 3,861,379,504	$ 5,626,697,752
Plan’s interest in Master Trust net assets at fair value	$ 3,754,033,396	$ 3,474,261,911
Adjustments from fair value to contract value for fully benefit-responsive investment contracts	(20,742,658)	(11,274,432)
Plan’s interest in Master Trust net assets	$ 3,733,290,738	$ 3,462,987,479
Plan’s percentage interest in Master Trust net assets	96.68%	61.55%

HALLIBURTON RETIREMENT AND SAVINGS PLAN
Notes to Financial Statements
December 31, 2007 and 2006

Net Investment Activity	Year ended December 31, 2007
Net investment appreciation	$ 263,450,670
Investment income	122,041,656
Expenses	(16,773,532)
Net investment activity	$ 368,718,794

Net Appreciation (Depreciation) by Investment Type

Cash and cash equivalents	$ (2,604)
Derivatives	(1,261,242)
U.S. bonds and notes	930,082
Non-U.S. bonds and notes	(292,475)
Halliburton stock	50,921,791
U.S. stock	65,856,135
Non-U.S. stock	94,419,807
Common/collective trust funds	32,215,987
Mutual funds	2,469,116
Other investments	18,194,073
Net investment appreciation	$ 263,450,670

The Master Trust makes use of several investment strategies involving limited use of derivative investments. The Master Trust's management, as a matter of policy and with risk management as their primary objective, monitors risk indicators such as duration and counter-party credit risk, both for the derivatives themselves and for the investment portfolios holding the derivatives. Investment managers are allowed to use derivatives for such strategies as portfolio structuring, return enhancement, and hedging against deterioration of investment holdings from market and interest rate changes. Derivatives are also used as a hedge against foreign currency fluctuations. The Master Trust's management does not allow investment managers for the Master Trust to use leveraging for any investment purchase. Derivative investments are stated at estimated fair market values as determined by quoted market prices. Gains and losses on such investments are included in the net investment appreciation of the Master Trust.

Certain investment managers of the Master Trust participate in a securities lending program administered by State Street. The transfer of assets under State Street's securities lending program are secured borrowings with pledge of collateral. The fair market value of the securities loaned as of December 31, 2007 and 2006 was $475,823,601 and $623,872,552 respectively. The cash and non-cash collateral received for securities loaned as of December 31, 2007 and 2006 was $487,268,935 and $638,638,539 respectively. As of December 31, 2007 and 2006, none of the collateral received for securities loaned has been sold or repledged.

HALLIBURTON RETIREMENT AND SAVINGS PLAN
Notes to Financial Statements
December 31, 2007 and 2006

(4) Investments

The following table represents the fair value of individual investment funds held under the Master Trust that exceed 5% of the Plan's net assets as of December 31, 2007 and 2006:

	2007	2006
Participation in Master Trust, at fair value:		
Stable Value Premixed Portfolio	$ 1,004,396,569	$ 1,044,544,517
General Investment Fund	865,865,828	798,339,467
Equity Investment Fund	343,219,884	279,584,740
Halliburton Company Stock Fund	255,991,932	272,103,020
Large Cap Value Fund	232,784,027	240,826,596
Non-U.S. Equity Fund	267,280,156	180,262,762
S&P 500 Index Fund	191,944,780	195,113,853

(5) Tax Status

The IRS informed the Company by a letter dated March 4, 2004, that the Plan and related trust were designed in accordance with the applicable provisions of the IRC. The Plan has been amended and restated since receiving the letter; however, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, the plan administrator believes that the Plan is qualified and the related trust is tax-exempt as of December 31, 2007 and 2006.

(6) Related-Party Transactions

The Plan, through its participation in the Master Trust, may invest in investment securities issued and/or managed by the Trustee and asset managers. Additionally, the Master Trust invests in Halliburton Company's common stock through the HSF. These entities are considered parties-in-interest to the Plan. These transactions are covered by an exemption from the prohibited transaction provisions of ERISA and the IRC.

HALLIBURTON RETIREMENT AND SAVINGS PLAN
EIN: 75-2677995
PLAN # 001
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2007

(a)	(b)	(c)	(d)		(e)
	Identity of issue, borrower, lessor or similar party	Description of investments, including maturity date, rate of interest, collateral, par or maturity value	Cost		Current value
*	State Street Bank and Trust Company	SSBTC short term investment fund	**	$	2,077,518
*	Halliburton Company Employee Benefit Master Trust	Investment in net assets of Halliburton Company Employee Benefit Master Trust	**		3,754,033,396
*	Participant Loans	Loans issued at interest rates between 5.0% and 11.5% with various maturities	**		60,078,056
				$	3,816,188,970

*Column (a) indicates each identified person/entity known to be a party-in-interest.

** Cost omitted for participant directed investments.

See accompanying report of independent registered public accounting firm.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Halliburton Company Benefits Committee of the Halliburton Retirement and Savings Plan has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 20, 2008

By: /s/ Gilbert Chavez
Gilbert Chavez, Chairperson of the Halliburton
Company Benefits Committee

:0pt;">

2,000,215

$

0

$

0

$

0

$

4,500

$

2,166,253

President and

Chief Executive Officer

John E. Gallina

2017

$

768,173

$

0

$

2,629,315

$

812,445

$

1,172,232

$

11,190

$

85,628

$

5,478,983

EVP and

2016

$

623,918

$

0

$

1,293,813

$

431,215

$

601,511

$

4,429

$

69,123

$

3,024,009

Chief Financial Officer

Brian T. Griffin

2017

$

768,169

$

0

$

2,629,315

$

812,445

$

1,172,226

$

0

$

30,000

$

5,412,155

EVP and President,

2016

$

740,368

$

0

$

2,250,090

$

749,918

$

803,152

$

0

$

30,000

$

4,573,528

Commercial and

Specialty Division

Peter D. Haytaian

2017

$

768,170

$

0

$

2,629,315

$

812,445

$

1,172,227

$

0

$

40,800

$

5,422,957

EVP and President,

2016

$

740,371

$

0

$

2,250,090

$

749,918

$

803,154

$

0

$

40,600

$

4,584,133

Government Business

2015

$

703,848

$

0

$

2,250,086

$

749,943

$

998,760

$

0

$

40,600

$

4,743,237

Division

Gloria M. McCarthy

2017

$

758,557

$

0

$

2,629,442

$

812,394

$

1,327,476

$

136,880

$

151,937

$

5,816,686

EVP and Chief

2016

$

699,999

$

0

$

1,875,112

$

624,905

$

759,359

$

142,838

$

130,299

$

4,232,512

Administrative and

2015

$

721,154

$

0

$

1,687,638

$

562,365

$

556,226

$

105,931

$

141,985

$

3,775,299

Transformation Officer

Joseph R. Swedish

2017

$

1,540,385

$

0

$

9,606,879

$

2,968,683

$

4,113,597

$

0

$

323,773

$

18,553,317

Executive Chair, Former

2016

$

1,451,923

$

0

$

8,906,253

$

2,968,750

$

2,756,331

$

0

$

372,440

$

16,455,697

President and CEO

2015

$

1,298,077

$

0

$

7,800,073

$

2,599,957

$

1,668,678

$

0

$

237,896

$

13,604,681

(1) See “Executive Officers of the Company” on page 28 for principal position information as of March 2018.

(2) In a typical year, such as 2017 and 2016, Anthem's employees are paid on a bi-weekly 26 pay period schedule. 2015 included an extra pay period, resulting in salaries approximately 3.8 percent higher than in a typical year.

(3)

The amounts in this column reflect the grant date fair value of stock awards issued during the respective fiscal years pursuant to our Incentive Plan (except disregarding the estimated forfeitures related to service-based vesting conditions) in accordance with ASC Topic 718. The grant date fair value of any performance-based awards was computed based on the level of performance that was deemed probable on the grant date. Dividend equivalents on the stock awards are factored into the grant date fair value.

The amounts in the "Stock Awards" column include the grant date fair values for time-based restricted stock units and performance stock units. The grant date fair value for the performance stock units was computed based on the target level of performance being achieved. The table below sets forth the grant date fair value of the restricted stock units granted in 2017 and the performance stock units granted in 2017 at the target level of performance and the maximum level of performance.

	Restricted Stock	Performance Stock Units	
Name	Units Granted	Target	Maximum
Gail K. Boudreaux	$ 0	$ 2,000,215	$ 8,000,860
John E. Gallina	$ 812,643	$ 1,816,672	$ 7,266,690
Brian T. Griffin	$ 812,643	$ 1,816,672	$ 7,266,690
Peter D. Haytaian	$ 812,643	$ 1,816,672	$ 7,266,690
Gloria M. McCarthy	$ 812,770	$ 1,816,672	$ 7,266,690
Joseph R. Swedish	$ 2,968,894	$ 6,637,985	$ 26,551,941

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Executive Compensation (continued)

(4) The amounts in the "Option Awards" column reflect the grant date fair value of stock option awards issued during the respective fiscal years pursuant to our equity incentive plans (except disregarding the estimated forfeitures related to service-based vesting conditions) in accordance with ASC Topic 718.

The assumptions used in the calculation of the grant date fair value of the options were as follows:

	Dividend Yield	Volatility	Expected Life	Risk-Free Interest Rate
2017	1.60 %	32.00 %	4.0 years	2.31 %
2016	2.00 %	32.00 %	4.1 years	1.76 %
2015	1.70 %	31.00 %	3.9 years	1.96 %

(5) The amounts in the "Non-Equity Incentive Plan Compensation" column represent cash AIP awards earned during the reported year, but paid in the following year. Based on Company performance, Committee discretion and individual adjustments, the awards earned as a percentage of their respective target awards for 2017 (and paid in 2018) were 152.6% for each of Messrs. Gallina, Haytaian, Griffin and Swedish and 175.0% for Ms. McCarthy.

(6) The amounts in the "Change in Pension Value and Nonqualified Deferred Compensation Earnings" column reflect the increase in the actuarial present value of the NEO’s benefits under all pension plans established by us between such pension plans’ applicable measurement dates used for financial statement reporting purposes with respect to our audited financial statements. These amounts were determined using discount rate, lump sum interest rate, post-retirement mortality rate and payment distribution assumptions consistent with those used in our financial statements and include amounts which the NEOs may not currently be entitled to receive because such amounts are not vested. We do not provide any above market returns on deferred compensation so no deferred compensation earnings are included.

(7) The amounts in the "All Other Compensation" column for 2017 include:

tax equalization payment of $76,835 for Mr. Swedish, to reimburse him for the additional nonresident state income taxes owed outside his home state for time worked in other states, and to offset the increased tax liability to Mr. Swedish as a result of the state income tax reimbursement;

$1,040 for the cost of an executive physical for Mr. Gallina;

a supplemental pension benefit contribution to the Deferred Compensation Plan for Ms. McCarthy in the amount of $61,420 in addition to the deferred compensation match shown in the table below;

cash as part of the Anthem Directed Executive Compensation Plan (“DEC”), as described under “Compensation Plans — Anthem Directed Executive Compensation Plan,” and matching contributions made by us under the applicable 401(k) Plan and deferred compensation plan in 2017 as follows:

Name	DEC Cash	401 (k) Match	Deferred Comp Match
Gail K. Boudreaux	$ 4,500	$ 0	$ 0
John E. Gallina	$ 30,000	$ 10,800	$ 43,788
Brian T. Griffin	$ 30,000	$ 0	$ 0
Peter D. Haytaian	$ 30,000	$ 10,800	$ 0
Gloria M. McCarthy	$ 30,000	$ 10,800	$ 49,717
Joseph R. Swedish	$ 54,000	$ 10,800	$ 160,869

In addition to the perquisites and benefits described above, the amounts in this column include the following items received by Mr. Swedish in 2017:

- a $10,000 matching charitable contribution made by the Anthem Foundation pursuant to the Directors' Matching Gift Program;
- personal security benefits of $2,776;
- $8,493 for the net aggregate incremental cost to us related to aircraft usage in 2017. The incremental cost for the use of corporate aircraft is calculated based on the variable operating costs, including cost per flight hour, fuel charges, catering and landing fees, and does not include fixed operating costs such as management and lease fees. In each case, the travel undertaken by Mr. Swedish was primarily business related, but originated or terminated at a personal location.

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Executive Compensation (continued)

Grants of Plan Based Awards

Grant Date		Estimated Future Payouts Under Non Equity Incentive Plan Awards ($) (1) Threshold	Target	Maximum	Estimated Future Payouts Under Equity Incentive Plan Awards (#) Threshold	Target	Maximum	All Other Stock Awards: # of Shares of Stock or Units (#)	All Other Option Awards: # of Securities Underlying Options (#)	Exercise Price of Option Awards ($/Share) (2)
		$ 0	$ 0	$ 0						
12/1/2017	(4)				0	8,609	34,436			
		$ 0	$ 768,173	$ 1,536,346						
3/1/2017	(5)							4,867		
3/1/2017	(6)								19,908	$ 166.97
3/1/2017	(4)				0	9,732	38,928			
		$ 0	$ 768,169	$ 1,536,338						
3/1/2017	(5)							4,867		
3/1/2017	(6)								19,908	$ 166.97
3/1/2017	(4)				0	9,732	38,928			
		$ 0	$ 768,170	$ 1,536,339						
3/1/2017	(5)							4,867		
3/1/2017	(6)								19,908	$ 166.97
3/1/2017	(4)				0	9,732	38,928			
		$ 0	$ 758,557	$ 1,517,115						
3/1/2017	(5)							3,744		
3/1/2017	(6)								15,314	$ 166.97
4/3/2017	(5)							1,127		
4/3/2017	(6)								4,606	$ 166.49
3/1/2017	(4)				0	9,732	38,928			
		$ 0	$ 2,695,673	$ 5,391,347						
3/1/2017	(5)				0			17,781		
3/1/2017	(6)								72,744	$ 166.97
3/1/2017	(4)					35,560	142,240			

(1) These columns show the range of payouts targeted for 2017 performance under the AIP. The cash payouts for 2017 performance were made in March 2018 and are shown in the Summary Compensation Table in the column titled "Non-Equity Incentive Plan Compensation." The plan includes various measures of our performance, which each have a different weight and independent threshold, target and maximum performance levels. Adjusted earnings per

share is weighted at 80%, Consumer Centricity is weighted 10% and Provider Collaboration and Quality of Care are weighted 5% each. Each measure has a payout from 0% to 100% for performance between the threshold and target level and up to 200% for maximum performance. Payouts may be adjusted up or down based on individual performance. The maximum total payment is 200% of target.

(2) All options were granted at an exercise price equal to the fair market value based on the closing market value of our common stock on the NYSE on the date of grant.

(3) The grant date fair value of these awards was calculated in accordance with ASC 718. There is no assurance that the value realized by an executive, if any, will be at or near the amounts shown in this column.

(4) Represents the performance stock units granted to each NEO under the Incentive Plan. The final number of shares received depends on our performance versus our 3-year performance goals, as detailed in the CD&A on page 31. The final number of shares received will be from 0% to 75% of target for performance between the threshold and target level (additional stretch performance is required to receive 100% of target as discussed in the CD&A) and up to 400% of target for maximum performance. These shares vest on March 1, 2020, except the performance stock units granted to Ms. Boudreaux will vest on December 1, 2020. The Compensation Committee will determine the payout, based on our performance against the performance goals, after the end of the 2017-2019 performance period.

(5) Represents the number of restricted stock units granted to each NEO on the date shown under the Incentive Plan. The shares will vest in equal installments on the first three anniversaries of the grant date.

(6) Represents the number of stock options granted to each NEO as an annual grant under the Incentive Plan. These shares vest in equal semi-annual installments at the end of each six-month period following the grant date.

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Executive Compensation (continued)

Outstanding Equity Awards at Fiscal Year-End

	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)(1)	Option Exercise Price ($/Share)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(2)	Market Value of Shares or Units of Stock That Have Not Vested (#)(3)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(2)	Equity Incenti Awards Market Value Unearn Shares, Other R That H Vested (#)(3)
aux					0	$ 0	8,609	$ 1,93
					7,483	$ 1,683,750	18,892	$ 4,25
	3,948	0	$ 61.88	3/1/20				
	6,466	0	$ 89.44	3/3/21				
	4,812	963	$ 146.93	3/2/25				
	2,940	2,943	$ 131.80	3/1/26				
	4,036	4,038	$ 132.51	6/1/26				
	3,318	16,590	$ 166.97	3/1/27				
.					9,641	$ 2,169,321	26,987	$ 6,07
	9,756	0	$ 61.88	3/1/20				
	14,830	0	$ 89.44	3/3/21				
	6,240	1,249	$ 146.93	3/2/25				
	3,582	1,792	$ 152.78	8/3/25				
	12,174	12,174	$ 131.80	3/1/26				
	3,318	16,590	$ 166.97	3/1/27				
.								
an					10,363	$ 2,331,779	31,322	$ 7,04
	1,936	0	$ 60.15	9/28/19				
	3,762	0	$ 61.88	3/1/20				
	11,409	0	$ 89.44	3/3/21				
	10,127	0	$ 100.77	5/1/21				
	18,627	3,726	$ 146.93	3/2/25				
	12,174	12,174	$ 131.80	3/1/26				
	3,318	16,590	$ 166.97	3/1/27				
M.								
thy					9,334	$ 2,100,243	26,942	$ 6,06
	13,968	2,794	$ 146.93	3/2/25				

9,129	9,132	$ 131.80	3/1/26				
724	1,451	$ 122.90	10/3/26				
2,552	12,762	$ 166.97	3/1/27				
767	3,839	$ 166.49	4/3/27				
R.							
h				38,697	$ 8,707,212	116,000	$ 26,1
17,803	0	$ 67.44	4/1/20				
114,100	0	$ 89.44	3/3/21				
64,579	12,916	$ 146.93	3/2/25				
48,193	48,195	$ 131.80	3/1/26				
12,124	60,620	$ 166.97	3/1/27				

(1) The vesting schedule is shown below based on the expiration dates of the above grants:

Option Expiration Date	Vesting Schedule
3/2/25	All shares vest on March 2, 2018.
8/3/25	Vest in equal installments on February 3, 2018, and August 3, 2018.
3/1/26	Vest in equal installments on March 1, 2018, September 1, 2018 and March 1, 2019.
6/1/26	Vest in equal installments on June 1, 2018, December 1, 2018 and June 1, 2019.
10/3/26	Vest in equal installments on April 3, 2018, October 3, 2018, April 3, 2019 and October 3, 2019.
3/1/27	Vest in equal installments on March 1, 2018, September 1, 2018, March 1, 2019, September 1, 2019 and March 1, 2020.
4/3/27	Vest in equal installments on April 3, 2018, October 3, 2018, April 3, 2019, October 3, 2019 and April 3, 2020.

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Executive Compensation (continued)

(2) The amounts in the "Number of Shares or Units of Stock That Have Not Vested" column represent the number of shares of common stock underlying unvested restricted stock units granted in 2015, 2016 and 2017.

The amounts in the "Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested" column represent the target number of performance shares granted to our Named Executive Officers in 2015, 2016 and 2017. The final number of shares earned will depend on our performance versus our performance goals over a three year period, as detailed in the CD&A beginning on page 31. The payout of the 2015-2017 PSU Cycle is described on page 43, and resulted in the following PSUs, adjusted for performance, being earned at 159.7% of target: Mr. Gallina – 4,211; Mr. Griffin –9,381; Mr. Haytaian – 16,304; Ms. McCarthy – 12,228; and Mr. Swedish – 56,519.

These unvested stock grants are detailed by vesting date in the table below.

Name	Vesting Date	Restricted Stock Units	Performance Stock Units Granted in 2015	Performance Stock Units Granted in 2016	Performance Stock Units Granted in 2017
Gail K. Boudreaux	12/1/2020		—	—	8,609
John E. Gallina	3/1/2018	2,081	—	—	—
	3/2/2018	440	2,637	—	—
	6/1/2018	629	—	—	—
	3/1/2019	2,081	—	2,750	—
	6/1/2019	629	—	3,773	—
	3/1/2020	1,623	—	—	9,732
Brian T. Griffin	3/1/2018	3,519	—	—	—
	3/2/2018	570	3,420	—	—
	8/3/2018	410	2,454	—	—
	3/1/2019	3,519	—	11,381	—
	3/1/2020	1,623	—	—	9,732
Peter D. Haytaian	3/1/2018	3,519	—	—	—
	3/2/2018	1,702	10,209	—	—
	3/1/2019	3,519	—	11,381	—
	3/1/2020	1,623	—	—	9,732
Gloria M. McCarthy	3/1/2018	2,671	—	—	—
	3/2/2018	1,277	7,657	—	—
	4/3/2018	375	—	—	—
	10/3/2019	170	—	—	—
	3/1/2019	2,671	—	8,536	—
	4/3/2019	376	—	—	—

	10/3/2019	170	—	1,017	—
	3/1/2020	1,248	—	—	9,732
	4/3/2020	376	—	—	—
Joseph R. Swedish	3/1/2018	13,435	—	—	—
	3/2/2018	5,899	35,391	—	—
	3/1/2019	13,436	—	45,049	—
	3/1/2020	5,927	—	—	35,560

(3) These amounts are calculated by multiplying $225.01, the closing price of our common stock on December 29, 2017, by the applicable number of shares.

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Executive Compensation (continued)

Option Exercises and Stock Vested in 2017

	Option Awards		Stock Awards(1)	
Name	Number of Shares Acquired on Exercise (#)	Value Realized Upon Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized On Vesting ($) (2)
Gail K. Boudreaux	0	$ 0	0	$ 0
John E. Gallina	0	$ 0	4,648	$ 812,091
Brian T. Griffin	0	$ 0	12,192	$ 2,113,051
Peter D. Haytaian	0	$ 0	10,529	$ 1,854,397
Gloria M. McCarthy	14,271	$ 1,097,901	11,128	$ 1,920,431
Joseph R. Swedish	84,500	$ 11,811,737	50,118	$ 8,627,770

(1) The table includes the following shares:
Shares that vested pursuant to the 2014 annual grant: Mr. Gallina – 792 restricted stock units and 2,329 performance stock units; Mr. Griffin – 1,212 restricted stock units and 3,562 performance stock units; Mr. Haytaian – 932 restricted stock units and 2,739 performance stock units; Ms. McCarthy – 2,097 restricted stock units and 6,164 performance stock units; Mr. Swedish – 9,318 restricted stock units and 27,393 performance stock units.
Shares that vested pursuant to the 2015 annual grant: Mr. Gallina – 440 restricted stock units; Mr. Griffin – 570 restricted stock units; Mr. Haytaian – 1,702 restricted stock units; Ms. McCarthy – 1,276 restricted stock units; Mr. Swedish – 5,899 restricted stock units.
Shares that vested pursuant to the 2016 annual grant: Mr. Gallina – 458 restricted stock units; Mr. Griffin – 1,897 restricted stock units; Mr. Haytaian – 1,897 restricted stock units; Ms. McCarthy – 1,422 restricted stock units; Mr. Swedish – 7,508 restricted stock units.
Mr. Griffin had 4,542 restricted stock units vested pursuant to a 2014 promotion grant and 409 restricted stock units vested pursuant to a 2015 promotion grant.
Mr. Haytaian had 827 restricted stock units and 2,432 performance stock units vested pursuant to a May 2014 promotion grant.
Ms. McCarthy had 169 restricted stock units vested pursuant to a 2016 promotion grant.
Mr. Gallina had 629 restricted stock units vested pursuant to a 2016 promotion grant.

(2) Amounts are calculated by multiplying the number of shares vesting by the market value of our common stock on the vesting date. The amounts also include dividend equivalents, if any, paid upon vesting.

Pension Benefits

The table below shows the present value of accumulated benefits payable to each of our NEOs, including the number of years of service credited to each such NEO, under each of the specified plans, computed as of December 31, 2017, the same pension plan measurement date used for financial reporting purposes with respect to our 2017 audited financial statements. Information regarding the specified plans can be found under the heading “Compensation Plans” beginning on page 61.

Name	Plan Name	Number of Years of Credited Service (#)	Present Value of Accumulated Benefit ($) (1)	Payments During the Last Fiscal Year ($)
Gloria M. McCarthy	Anthem Cash Balance Plan B	43.58	$ 1,260,151	—
	Empire Blue Cross and Blue Shield Supplemental Cash Balance Pension Plan	43.58	$ 2,124,681	—
	Total		$ 3,384,832	—
John E. Gallina	Anthem Cash Balance Plan A(2)	11.58	$ 188,812	—
	Total		$ 188,812	—

(1) Assumptions used in the calculation of the amounts in this column are included in Note 10 to our audited consolidated financial statements for the year ended December 31, 2017 included in our Annual Report on Form 10-K filed with the SEC on February 21, 2018.

(2) The NEOs years of actual service are greater than the credited service, because the predecessor plans were frozen for certain participants. There is no resulting increase in benefits, because the NEO did not meet the Rule of 65.

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Executive Compensation (continued)

Nonqualified Deferred Compensation

Name	Executive Contributions in Last Fiscal Year (1)	Anthem Contributions in Last Fiscal Year (2)	Aggregated Earnings in Last Fiscal Year	Aggregated Withdrawals/ Distributions	Aggregated Balance at Last Fiscal Year End (3)
Gail K. Boudreaux	—	—	—	—	—
John E. Gallina	$ 161,119	$ 43,788	$ 210,569	—	$ 1,595,264
Brian T. Griffin	—	—	—	—	—
Peter D. Haytaian	—	—	—	—	—
Gloria M. McCarthy	$ 232,476	$ 111,137	$ 790,161	—	$ 6,366,531
Joseph R. Swedish	$ 196,836	$ 160,868	$ 42,848	$ (275,781)	$ 394,702

(1) These amounts are also included in the "Salary" and "Non-Equity Incentive Plan Compensation" columns of the Summary Compensation Table.

(2) These amounts are also included in the "All Other Compensation" column of the Summary Compensation Table.

(3) Amounts in this column reflect all nonqualified deferred compensation for each NEO. Portions of such amounts are included in the "Salary", "Non-Equity Incentive Plan Compensation" and "All Other Compensation" columns of the Summary Compensation Table for all applicable years for each NEO.

Potential Payments Upon Termination or Change in Control

The following table describes the potential additional payments and benefits under our compensation and benefit plans and arrangements to which the NEOs would be entitled upon termination of employment. The NEOs would also be entitled to vested benefits and generally available benefits under our various plans and arrangements, as discussed after the following table. The following includes the various types of circumstances that would trigger payments and benefits under plans, agreements and arrangements currently in effect, but it is always possible that different arrangements could be negotiated in connection with an actual termination of employment or change in control. Further, the amounts shown are estimates and are based on numerous assumptions, including that employment terminated on December 29, 2017 (i.e., the last business day in 2017 on which securities were traded on the NYSE). Therefore, the actual amounts of the payments and benefits that would be received by the NEOs could be more or less than the amounts set forth below, and can only be determined at the time of an actual termination of employment event.

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Executive Compensation (continued)

	Cash Severance	AIP Award for Year of Termination	Acceleration or Continuation of Equity Awards (1)	Continuation of Executive Benefits	Continuation of Health & Life Coverage (2)	Post Termination Benefits (3)	Total Post Termination Payment & Benefit Value
Gail K. Boudreaux							
Company initiated (not for cause) or good reason termination by employee following a change in control(4)	$ 12,012,000	$ 0	$ 1,937,111	$ 162,000	$ 29,576	$ 14,210	$ 14,154,897
Company initiated (not for cause) or good reason termination by employee(5)	$ 7,700,000	$ 0	$ 1,937,111	$ 108,000	$ 19,717	$ 14,210	$ 9,779,038
Retirement(6)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Resignation(7)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Death	$ 0	$ 0	$ 1,937,111	$ 0	$ 0	$ 0	$ 1,937,111
Long Term Disability	$ 0	$ 0	$ 1,937,111	$ 0	$ 0	$ 0	$ 1,937,111
For Cause	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
John E. Gallina							
Company initiated (not for cause) or good reason termination by employee following a change in control(4)	$ 4,820,400	$ 1,172,232	$ 7,620,545	$ 90,000	$ 29,576	$ 14,210	$ 13,746,963
Company initiated (not for cause) or good reason termination by employee(5)	$ 3,090,000	$ 1,172,232	$ 7,620,545	$ 60,000	$ 19,717	$ 14,210	$ 11,976,704

Retirement(6)	$ 0	$ 1,172,232	$ 7,620,545	$ 0	$ 0	$ 0	$ 8,792,777
Resignation(7)	$ 0	$ 1,172,232	$ 7,620,545	$ 0	$ 0	$ 0	$ 8,792,777
Death	$ 0	$ 1,172,232	$ 7,620,545	$ 0	$ 0	$ 0	$ 8,792,777
Long Term Disability	$ 0	$ 1,172,232	$ 7,620,545	$ 0	$ 0	$ 0	$ 8,792,777
For Cause	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Brian T. Griffin							
Company initiated (not for cause) or good reason termination by employee following a change in control(4)	$ 4,820,400	$ 1,172,226	$ 10,566,247	$ 90,000	$ 29,576	$ 14,210	$ 16,692,659
Company initiated (not for cause) or good reason termination by employee(5)	$ 3,090,000	$ 1,172,226	$ 0	$ 60,000	$ 19,717	$ 14,210	$ 4,356,153
Retirement(6)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Resignation(7)	$ 0	$ 1,172,226	$ 0	$ 0	$ 0	$ 0	$ 1,172,226
Death	$ 0	$ 1,172,226	$ 10,566,247	$ 0	$ 0	$ 0	$ 11,738,473
Long Term Disability	$ 0	$ 1,172,226	$ 10,566,247	$ 0	$ 0	$ 0	$ 11,738,473
For Cause	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Peter D. Haytaian							
Company initiated (not for cause) or good reason termination by employee following a change in control(4)	$ 4,820,400	$ 1,172,227	$ 11,768,090	$ 90,000	$ 29,576	$ 14,210	$ 17,894,503
Company initiated (not for cause) or good reason termination by employee(5)	$ 3,090,000	$ 1,172,227	$ 0	$ 60,000	$ 19,717	$ 14,210	$ 4,356,154
Retirement(6)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Resignation(7)	$ 0	$ 1,172,227	$ 0	$ 0	$ 0	$ 0	$ 1,172,227
Death	$ 0	$ 1,172,227	$ 11,768,090	$ 0	$ 0	$ 0	$ 12,940,317
Long Term Disability	$ 0	$ 1,172,227	$ 11,768,090	$ 0	$ 0	$ 0	$ 12,940,317
For Cause	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

Gloria M. McCarthy							
Company initiated (not for cause) or good reason termination by employee following a change in control(4)	$ 5,052,150	$ 1,327,476	$ 10,345,338	$ 90,000	$ 29,576	$ 14,210	$ 16,858,750
Company initiated (not for cause) or good reason termination by employee(5)	$ 3,090,000	$ 1,327,476	$ 10,345,338	$ 60,000	$ 19,717	$ 14,210	$ 14,856,741
Retirement(6)	$ 0	$ 1,327,476	$ 10,345,338	$ 0	$ 0	$ 0	$ 11,672,814
Resignation(7)	$ 0	$ 1,327,476	$ 10,345,338	$ 0	$ 0	$ 0	$ 11,672,814
Death	$ 0	$ 1,327,476	$ 10,345,338	$ 0	$ 0	$ 0	$ 11,672,814
Long Term Disability	$ 0	$ 1,327,476	$ 10,345,338	$ 0	$ 0	$ 0	$ 11,672,814
For Cause	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Joseph R. Swedish							
Company initiated (not for cause) or good reason termination by employee following a change in control(4)	$ 13,299,000	$ 4,113,597	$ 43,827,494	$ 162,000	$ 29,576	$ 14,210	$ 61,445,877
Company initiated (not for cause) or good reason termination by employee(5)	$ 8,525,000	$ 4,113,597	$ 43,827,494	$ 108,000	$ 19,717	$ 14,210	$ 56,608,018
Retirement(6)	$ 0	$ 4,113,597	$ 43,827,494	$ 0	$ 0	$ 0	$ 47,941,091
Resignation(7)	$ 0	$ 4,113,597	$ 43,827,494	$ 0	$ 0	$ 0	$ 47,941,091
Death	$ 0	$ 4,113,597	$ 43,827,494	$ 0	$ 0	$ 0	$ 47,941,091
Long Term Disability	$ 0	$ 4,113,597	$ 43,827,494	$ 0	$ 0	$ 0	$ 47,941,091
For Cause	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

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Executive Compensation (continued)

(1) For all NEOs, all unvested equity awards vest immediately upon termination following a change in control or due to death or long-term disability. Upon an eligible retirement, unvested equity awards generally continue to vest on the existing vesting schedule. Mr. Swedish, Ms. McCarthy, and Mr. Gallina are currently retirement eligible under the Incentive Plan. The amounts in this column represent (1) for stock option awards, the amount that could be realized from the exercise of all unvested stock options held by the NEO that would immediately vest or continue to vest upon the indicated termination, which is calculated by subtracting the exercise price of the option from the market price of a share of our common stock on December 29, 2017, and multiplying the result by the total number of shares that could be acquired on exercise at that exercise price, and (2) for restricted stock units and performance stock units, the value of the unvested restricted stock units held by the NEO that would vest upon the indicated termination, which is calculated by multiplying the number of such units by the market price of a share of our common stock on December 29, 2017.

(2) Estimate based on the average Company cost per employee for these coverages.

(3) Represents outplacement services available under our policy.

(4) These amounts apply to a termination following a change in control that is a Company initiated termination not for cause, or a good reason termination by the employee, as defined in our Executive Agreement Plan. All current NEOs are participants in the Executive Agreement Plan which provides the following benefits for this termination event: (1) a severance benefit of 300% of annual base salary plus target AIP award, (2) a payment equal to 4% of this amount to cover the value of the Company match under the 401(k) Plan and supplemental plan on this payment for all NEOs except Ms. McCarthy, who is eligible for a payment equal to 9% of this amount to cover the value of the Company match under the 401(k) Plan, pension contribution and supplemental plan contributions on this payment, (3) an annual AIP award equal to the greater of the annual target AIP award or AIP award earned under the normal terms of the AIP plan for the year, (4) a payment equal to 300% of the annual value of executive benefits, and (5) a three year continuation of health and life insurance coverage.

(5) Executive is a participant in our Executive Agreement Plan, which provides the following benefits for this termination event: (1) a severance benefit of 200% of annual base salary plus target AIP award, (2) a two year continuation of health and life insurance coverage, and (3) a payment equal to 200% of the annual value of executive benefits. In accordance with Ms. Boudreaux's employment agreement, her sign-on PSU grant shall continue to vest in accordance with the terms of the grant, subject to the achievement of applicable performance vesting conditions, upon the occurrence of this termination event.

(6) Mr. Swedish, Ms. McCarthy, and Mr. Gallina are eligible for retirement treatment under the AIP and Incentive Plan. No other NEOs are currently retirement eligible.

(7) Participants in the AIP plan are eligible for a bonus payment if they work through the end of the plan year, which was December 29 in 2017. Since this table assumes a resignation on December 29, a full AIP payout is earned for all NEOs except Ms. Boudreaux. If the executive had resigned earlier in 2017, he or she would not be eligible for a bonus payment under the AIP.

The NEOs would also be entitled to the vested benefits included in the Outstanding Equity Awards at Fiscal Year-End table, the Nonqualified Deferred Compensation table and the Pension Benefits table. In addition, the amounts shown in the table above do not include payments and benefits to the extent they are provided on a non-discriminatory basis to salaried employees generally upon termination of employment. These include accrued salary and vacation pay, health benefits and distribution of account balances under the 401(k) Plan.

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Executive Compensation (continued)

CEO Pay Ratio

We are providing the following information about the relationship of the annual total compensation of our median employee and the annual total compensation of our Chief Executive Officer (CEO). For purposes of this disclosure and to reflect the CEO transition discussed earlier in the CD&A, we have combined the compensation amounts we paid to each of Mr. Swedish and Ms. Boudreaux for the time he and she respectively served as our CEO during 2017.

For 2017:

- The annual total compensation of the median employee of our Company, as described below, was $70,867.
- The combined annual total compensation of our previous CEO, Mr. Swedish, and our current CEO, Ms. Boudreaux, as reported in the Summary Compensation Table included on page 51 of this proxy statement (and in the case of Mr. Swedish only, pro-rated for the 46 weeks of 2017 that he served as our CEO) was $18,578,802.
- Based on this information for 2017, we reasonably estimate that the ratio of our CEO's annual total compensation to the annual total compensation of our median employee was 262:1. Our pay ratio estimate has been calculated in a manner consistent with Item 402(u) of Regulation S-K.

As of December 31, 2017, our employee population including all full-time, part-time and temporary workers, consisted of approximately 57,404 individuals. We elected to exclude all of our employees in India (2 employees) and Ireland (120 employees) from our determination of the median employee. The median employee was selected from an adjusted employee population of 57,281 employees in the United States (excluding our CEO), who were employed on December 31, 2017.

To identify the median employee, as well as determine the annual total compensation of the median employee, we used the following methodology and consistently applied material assumptions, adjustments and estimates:

- We identified the median compensated employee based on payroll data as of December 31, 2017.
- We compared the payroll data for the 57,281 employees described above using a compensation measure consisting of total base pay related wages paid during 2017. Base pay related wages include the amount of base salary the employee received during the year and all other pay elements related to base pay including, but not limited to holiday pay, paid time off, overtime and shift differentials. We did not include cash bonuses, commissions, equity grants or any adjustment for the value of benefits provided.
- Based on the total base pay related wages of each employee, we identified a cohort of 101 employees, consisting of the median employee and the 50 employees above and the 50 employees below the median base pay value. After evaluating the pay characteristics of each employee in the cohort, we removed employees who appeared to have anomalous pay characteristics (such as a hire date during the year, grandfathered in a pension benefit not offered to new hires, or recipient of a one-time bonus that is not expected in future years) that could significantly distort the pay ratio calculation.

- We then selected the employee with total base pay related wages closest to the median compensated employee who did not have anomalous pay characteristics and calculated that employee's annual total compensation. We determined annual total compensation, including any perquisites and other benefits, in the same manner that we determine the annual total compensation of our named executive officers for purposes of the Summary Compensation Table disclosed above.

The SEC's rules for identifying the median compensated employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their employee populations and compensation practices. As a result, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies have different employee populations and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

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Compensation Plans

Annual Incentive Plan

Under the Annual Incentive Plan (the "AIP"), participants are eligible to receive awards of cash or shares of restricted stock based upon the achievement of performance measures established by the Compensation Committee. Such awards are stated as a percentage of earnings payable to the eligible associates, with a range of targets from 2.5% to 175%. The Compensation Committee retains the discretion to adjust these earned awards to reflect individual performance. The maximum award is 200% of target. In 2017, the amounts earned by our NEOs under the AIP were paid in cash under the Anthem Incentive Compensation Plan (the "Incentive Plan"). Amounts payable under the AIP are paid during the year immediately following the performance year and are payable only upon approval of the Compensation Committee. Participants must have been employed on or before October 1st of the performance year in order to receive a payment under the AIP. Also, participants must have been actively employed by us on the last business day of the plan year to receive an award. In the event a non-executive participant is part of a reduction in force in the fourth quarter of the year or an executive participant is terminated by us, receiving a severance benefit, in the fourth quarter of the year, or in the event of a death, qualified retirement or an approved disability of a participant during a plan year, a prorated amount may be payable.

2017 Anthem Incentive Compensation Plan

In May 2017, our shareholders approved the 2017 Anthem Incentive Compensation Plan (the "2017 Incentive Plan"). The 2017 Incentive Plan gives the authority to the Compensation Committee to make incentive awards consisting of stock options, restricted stock, restricted stock units, cash-based awards, stock appreciation rights, performance shares, performance units and other stock-based awards. The Compensation Committee selects the participants from our non-employee directors, employees and consultants and determines whether to grant incentive awards, the types of incentive awards to grant and any requirements and restrictions relating to incentive awards. The Compensation Committee is also authorized to grant shares of restricted and unrestricted common stock in lieu of obligations to pay cash under other plans and compensatory arrangements, including the AIP.

The 2017 Incentive Plan reserved for issuance for incentive awards to non-employee directors, employees and consultants a maximum of 37,500,000 shares, which represents the sum of 16,000,000 new shares authorized under the 2017 Incentive Plan, plus up to 14,000,000 shares that have previously been approved by our shareholders for issuance under the Anthem Incentive Compensation Plan, which was approved by our shareholders in May 2006, as subsequently amended (the "2006 Stock Plan") but have not been awarded, plus up to 7,500,000 shares which are subject to outstanding awards under the 2006 Stock Plan which may be available for the grant of awards under the 2017 Incentive Plan to the extent the shares underlying such outstanding awards are not issued due to expiration, forfeiture, cancellation, settlement in cash in lieu of shares or otherwise on or after May 18, 2017. From and after May 18, 2017, no further grants or awards were made under the 2006 Stock Plan.

Amerigroup 2009 Equity Incentive Plan

The Amerigroup Corporation 2009 Equity Incentive Plan (the "Amerigroup Plan") was approved by Amerigroup's shareholders in May 2009. Under the Amerigroup Plan, employees of Amerigroup and its subsidiaries received equity-based compensation, including restricted stock and stock options. Pursuant to the merger agreement between Amerigroup and us, all equity awards for Amerigroup common stock outstanding at the close of the merger were converted into equity awards for our common stock and were assumed by us. No new equity awards can be made under the Amerigroup Plan.

Employee Stock Purchase Plan

In May 2009, shareholders approved the amended and restated Employee Stock Purchase Plan (the “Stock Purchase Plan”), which is intended to comply with Section 423 of the Tax Code and to provide a means by which to encourage and assist associates in acquiring a stock ownership interest in us. The Stock Purchase Plan is administered by the Compensation Committee and amended and restated a previously approved employee stock purchase plan. The Compensation Committee has complete discretion to interpret and

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Compensation Plans (continued)

administer the Stock Purchase Plan and the rights granted under it and determines the terms of each offering that permits purchases of our common stock. Any of our associates are eligible to participate, as long as the associate does not own stock totaling 5% or more of our voting power or value. No associate is permitted to purchase more than $25,000 worth of stock in any calendar year, determined in accordance with Section 423 of the Tax Code. Based on the current terms of the Stock Purchase Plan, this value is determined based on the fair market value of the stock on the last trading day of each plan offering period. The Stock Purchase Plan reserved 14,000,000 shares of stock for issuance and purchase by associates.

Associates become participants by electing payroll deductions from 1% to 15% of gross compensation. Payroll deductions are accumulated during each plan offering period and applied toward the purchase of stock on the last trading day of each plan offering period. The purchase price per share will equal 95% (or such higher percentage as may be set by the Compensation Committee) of the fair market value of a share of common stock on the last trading day of the plan offering period. Once purchased, the stock is accumulated in the associate's investment account.

Securities Authorized for Issuance under Equity Compensation Plans

Securities authorized for issuance under our equity compensation plans as of December 31, 2017 are as follows:

Plan Category(1)	Number of securities to be issued upon exercise of outstanding options, warrants and rights (2)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (3)
Equity compensation plans approved by security holders as of December 31, 2017	4,284,123	$ 124.58	34,497,560

(1) We have no equity compensation plans pursuant to which awards may be granted in the future that have not been approved by security holders.

(2) Excludes outstanding stock options from options assumed in acquisitions as detailed below. Including all such assumed options and the outstanding options shown in the table, there were a total of 4,299,481 shares to be issued upon the exercise of outstanding stock options as of December 31, 2017. The weighted average exercise price of these options was $124.31. Excludes 15,358 shares to be issued upon the exercise of outstanding stock options under the Amerigroup Plan assumed by us as part of the acquisition of Amerigroup as of December 31, 2017. The weighted average exercise price of these excluded options was $50.63. We also had 2,016,137 unvested shares of restricted stock outstanding as of December 31, 2017.

(3) Excludes securities reflected in the first column, "Number of securities to be issued upon exercise of outstanding options, warrants and rights." Includes 29,313,008 shares at December 31, 2017 available for issuance as stock options, restricted stock awards, performance stock awards, performance unit awards and stock appreciation rights under the 2017 Incentive Plan. Includes 5,184,552 shares of common stock at December 31, 2017 available for issuance under the Stock Purchase Plan.

Anthem Directed Executive Compensation Plan

The Anthem Directed Executive Compensation Plan (the "DEC") is a plan that provides our officers with flexibility to tailor certain personal benefits or perquisites to meet their needs using cash credits. The amount of cash credits the executive receives is based upon his or her position with us, with the Chief Executive Officer receiving $54,000 per year in cash credits, executive vice presidents receiving $30,000 per year in cash credits and senior vice presidents and vice presidents receiving $12,000 per year in cash credits. Cash credits under the DEC are paid to the executive in cash and are in lieu of executive perquisites such as the following: automobile-related benefits, airline clubs, savings or retirement accounts and additional life insurance or long-term disability insurance.

Newly hired or promoted executives will participate in the program at the beginning of the month following their hire date or the effective date of their promotion and receive a prorated amount of credits for the year.

Anthem, Inc. Executive Salary Continuation Plan

We maintain the Anthem, Inc. Executive Salary Continuation Plan for vice presidents, senior vice presidents, and executive vice presidents. Salary continuation is provided at no cost to the executive and pays a benefit equal to 100% of base salary and is payable on the eighth consecutive calendar day of a covered disability, for up to 180 days. Effective January 1, 2018, the benefit will be payable on the first day of a covered disability.

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Compensation Plans (continued)

Anthem 401(k) Plan

We maintain the Anthem 401(k) Plan (the "401(k) Plan"). The 401(k) Plan is sponsored by ATH Holding Company, LLC and is designed to provide all of our associates with a tax-deferred, long-term savings vehicle. During 2017, we made matching contributions in an amount equal to 100% of the first 3% and 50% of the next 2% of an associate's eligible earnings that he or she contributed. Annual earnings for executives are base salary, AIP cash awards and cash bonuses. Our matching contributions begin following one year of service. None of our matching contributions is in the form of our common stock. During 2017, associates could contribute 1% to 60% of his or her base salary and AIP cash award. In addition, participants who are age 50 by the end of a plan year can contribute an additional amount (a "catch-up contribution"), up to the limit described in Section 414(v) of the Tax Code as in effect for the plan year in which the contribution is made. We offered 26 investment funds for participants to invest their contributions. Effective March 1, 2018, a new fund was added resulting in 27 investment funds being offered to participants. Our common stock is an investment option under the 401(k) Plan. Another investment option is the Vanguard Brokerage Option, which offers 401(k) Plan participants the opportunity to invest in over 10,000 mutual funds of their choice. A participant in the 401(k) Plan can change his or her election at any time (24 hours a day, seven days a week). A participant can also change how he or she wants his or her future contributions and earning on those contributions invested in multiples of 1%, and can transfer or reallocate current investments in multiples of 1% or in flat dollar amounts. Associate contributions and our matching contributions vest immediately.

Anthem, Inc. Comprehensive Non-Qualified Deferred Compensation Plan

Eligible participants may begin participation in the Anthem, Inc. Comprehensive Non-Qualified Deferred Compensation Plan (the "Deferred Compensation Plan") once the participant reaches the maximum contribution amount for the 401(k) Plan. An eligible participant may defer a percentage not to exceed 60% of his or her eligible earnings and may defer a percentage of his or her award under the AIP, but only to the extent that his or her aggregate base salary and AIP award deferral does not exceed 80% of his or her compensation, into the Deferred Compensation Plan. Those contributions were matched by us at the same rate as they would have been in the 401(k) Plan. The annual incentive deferral option allows an additional deferral of amounts under the AIP and is matched at the same rate as the rate for the 401(k) Plan.

Investment options for the Deferred Compensation Plan mirror those for the 401(k) Plan other than our common stock and the Vanguard Brokerage Option are not available. The frequency and manner of changing investment options also mirrors the 401(k) Plan.

The Deferred Compensation Plan includes a supplemental pension benefit contribution program which in general credits eligible participants quarterly with a contribution equal to the difference between the amount which was actually credited to his or her account under the Anthem Cash Balance Plan (the "Pension Plan") and the amount which would have been credited to his or her account had the amount not been limited as a result of Section 401(a)(17) or Section 415 of the Tax Code. None of the NEOs received contributions under either the Pension Plan or the supplemental pension provision of the Deferred Compensation Plan except Ms. McCarthy.

Account balances in the Deferred Compensation Plan are payable at the election of the participant in a single lump sum or installments.

Empire Blue Cross and Blue Shield 2005 Executive Savings Plan

The Empire Blue Cross and Blue Shield 2005 Executive Savings Plan (the “2005 Executive Savings Plan”) enabled eligible executives to defer a portion of their base salaries or incentive compensation and to receive the benefit of a matching contribution from us. Effective December 31, 2006, the 2005 Executive Savings Plan was frozen, and no new contributions will be permitted to be made to this plan. Key employees, as defined in the Tax Code, were eligible to participate in this unfunded, non-qualified executive savings plan based upon a qualifying salary range which is adjustable on a yearly basis. In 2006, employees who had an annual base salary of at least $100,000, as of December 1, 2005 (or date of hire if a newly hired employee) or total compensation earned from January 1 through December 1, 2005 of at least $140,000, could participate in the 2005 Executive Savings Plan.

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Compensation Plans (continued)

Participation in the 2005 Executive Savings Plan was voluntary, and participants could make whole-year and make-up elections. A whole-year election was effective for the entire plan year and must have specified a deferral percentage between 5% and 80% of base salary of any incentive award under the annual executive incentive compensation plan, and of other performance-based awards as defined in the 2005 Executive Savings Plan. The maximum deferral percentage was subject to adjustment in our discretion. A make-up election became effective once total compensation for the plan year reached the maximum amount that would be recognized in that plan year under applicable tax laws for purposes of our 401(k) Plan. As of January 1, 2006, the maximum amount was $215,000. A make-up election was for any whole percentage up to 6% of total compensation in excess of $215,000. We credited the employee's account with an employer match up to 50% of the amount of the total compensation deferred pursuant to the make-up election. The vesting period for the employer match was three years of service.

The participant may designate, from among the investment funds available for selection under the 2005 Executive Savings Plan, which are actively managed by an independent investment manager, the fund or funds to be used to attribute hypothetical investment performance to amounts added to his or her account during the plan year. Nothing in the 2005 Executive Savings Plan requires the employer to invest, earmark, or set aside its general assets in any specific manner.

The fund or funds selected are subject to market fluctuations and, as such, there are no above-market or preferential earnings on deferred compensation paid during the fiscal year, but deferred at the election of the executive.

Anthem Cash Balance Plan

We maintain the Pension Plan, which continues to be sponsored by ATH Holding Company, LLC. It is a non-contributory pension plan for certain associates that is qualified under Section 401(a) of the Tax Code and is subject to the Employee Retirement Income Security Act. On January 1, 1997, we converted the Pension Plan from a final average compensation pension plan into a cash balance pension plan. The Pension Plan covered substantially all full-time, part-time and temporary associates, including executive officers, and provides a set benefit at age 65, the normal retirement age under the Pension Plan. Effective January 1, 2006, the Pension Plan was a frozen pension plan that applies only to participants who were active as of that date. Upon the freeze of the Pension Plan, participants who were active Pension Plan participants and accruing a benefit under the Pension Plan formula, and the sum of whose age (in complete years) and years of service as defined by the Pension Plan (in complete years) equaled or exceeded 65 ("Rule of 65 Participants"), including executives, were eligible to continue to accrue benefits under the Pension Plan formula. None of the NEOs is a Rule of 65 Participant, except for Ms. McCarthy. Effective January 1, 2011, the Pension Plan was entirely frozen and we spun out the Rule of 65 Participants into a new plan, the WellPoint Cash Balance Pension Plan B, which has been renamed the Anthem Cash Balance Plan B. Effective January 1, 2012, the Pension Plan was renamed the Anthem Cash Balance Plan A.

Under the Pension Plan, at the end of each calendar quarter, a bookkeeping account for each participant is credited with interest, effective January 1, 2016, based on the average yield for the 10 year U.S. Treasury Constant Maturity Bond for the month of September of the preceding plan year but not lower than 3.85%. Account balances are payable in a single lump sum or an actuarially equivalent annuity commencing on the first of any month following termination of employment.

Empire Blue Cross and Blue Shield Supplemental Cash Balance Pension Plan

WellChoice provided a supplemental cash balance pension plan (the “Empire Supplemental Pension Plan”), which was assumed by us when we acquired WellChoice. Effective December 31, 2006, the Empire Supplemental Pension Plan was frozen. Upon the freeze of the Empire Supplemental Pension Plan, most active participants did not continue to accrue benefits, except for those participants who were active associates on December 31, 2006 and whose age (in complete years) plus years of pension service (in complete years) was greater than or equal to 65. The Empire Supplemental Pension Plan is not tax-qualified. The purpose of this plan was to replace pension benefits which were lost through the Empire Pension Plan because of an executive’s elective deferral of compensation or because of the limitations on benefits or includible compensation imposed for highly compensated employees by the Tax Code. The supplemental retirement

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Compensation Plans (continued)

benefit paid to each participant in the Empire Supplemental Pension Plan was equal to the difference between the participant's benefit under the Empire Pension Plan and what the participant's benefit under that plan would have been if the participant's elective deferrals and the participant's compensation in excess of the Tax Code's limitations were included in the definition of compensation under the Empire Pension Plan. The supplemental retirement benefit is calculated pursuant to the provisions of the Empire Supplemental Pension Plan and paid in a single sum. Also, in the event of the death of a participant prior to the participant's benefit payment date, a single sum, or payments made in installments, in accordance with the participant's election, calculated pursuant to the provisions of the plan, is paid to the participant's beneficiary. Benefits under this plan are paid only to the extent they are vested. A participant with a vested benefit under the Empire Pension Plan is paid the supplemental retirement benefit according to the schedule set forth in the plan or as soon as administratively practicable thereafter.

Executive Severance Arrangements

Anthem, Inc. Executive Agreement Plan

The Anthem, Inc. Executive Agreement Plan (the "Executive Agreement Plan") is intended to protect our key executive employees and key employees of our subsidiaries and affiliates against an involuntary loss of employment (without cause) so as to attract and retain such employees and to motivate them to enhance our value. The Executive Agreement Plan is administered by a committee appointed by our Chief Human Resources Officer.

Our key executive employees and key employees of our subsidiaries and affiliates, including each vice president, senior vice president, executive vice president and any other key executive selected by our Chief Executive Officer, are eligible to participate in the Executive Agreement Plan. An eligible executive will only become a participant in the Executive Agreement Plan upon his or her execution of an employment agreement with us. In general, the terms of the Executive Agreement Plan will replace a participant's pre-existing agreements for employment, severance or change in control benefits, or restrictive covenants.

Severance pay and benefits are triggered under the Executive Agreement Plan upon a termination of a participant's employment by us for any reason other than death, disability (each as defined in the Executive Agreement Plan), "cause" (as defined below) or a "transfer of business" (as defined below). Severance pay and benefits will also be provided under the Executive Agreement Plan (at enhanced levels for each participant who is an executive vice president) upon a termination of a participant's employment (1) by us for any reason other than death, disability, cause, or a transfer of business, during certain periods prior to, or the 36 month period after, a "change in control" (as defined in the Executive Agreement Plan), or (2) by the participant for "good reason" (as defined below), during the 36 month period after a change in control.

Under the Executive Agreement Plan, "cause" means any act or failure to act which constitutes:

(1) fraud, embezzlement, theft or dishonesty against us;
(2) a material violation of law in connection with or in the course of the participant's duties or employment;
(3) commission of any felony or crime involving moral turpitude;
(4) any violation of any of the restrictive covenants contained in the Executive Agreement Plan;
(5) any other material breach of the related employment agreement;
(6) a material breach of any of our written employment policies;
(7) conduct which tends to bring us into substantial public disgrace or disrepute; or

(8) a material violation of our Standards of Ethical Business Conduct,

except that with respect to a termination of employment during the period beginning on the date of the public announcement or the making of a proposal or offer which if consummated would be a change in control, or the approval by our Board or our shareholders of a transaction that upon closing would be a change in control, and ending on the earlier to occur of the termination, abandonment or occurrence of the change in control or the

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Compensation Plans (continued)

first anniversary of the beginning of the period (the "Change in Control Period"), or within the 36 month period after a change in control, clause (6) and (8) will apply only if such material breach or violation is grounds for immediate termination under the terms of such written employment policy or standard of ethical business conduct; and clauses (4), (5), (6), and (7) will apply only if such violation, breach or conduct is willful. In addition, "transfer of business" means a transfer of the participant's position to another entity, as part of either (1) a transfer to such entity as a going concern of all or part of our business function(s) in which the participant was employed, or (2) an outsourcing to another entity of our business function(s) in which the participant was employed.

Any participant who is a vice president, senior vice president or executive vice president may terminate his or her employment for "good reason" under the Executive Agreement Plan upon (a) the occurrence of the events set forth in clauses (2) or (5) below within the 36 month period after a change in control, (b) the occurrence of the events set forth in clauses (1), (3) or (4) below at any time before or after a change in control:

(1) a material reduction during any 24 consecutive month period in the participant's salary, or in the annual total cash compensation (including salary and target bonus), but excluding in either case any reduction both (A) applicable to management employees generally, and (B) not implemented during a Change in Control Period or within the 36 month period after a change in control;
(2) a material adverse change without the participant's prior consent in the participant's position, duties, or responsibilities, except in connection with a transfer of business if the position offered by the transferee is substantially comparable and is not in violation of the participant's rights under the employment agreement;
(3) a material breach of the employment agreement by us;
(4) a change in the participant's principal work location to a location more than 50 miles from the participant's prior work location and from the participant's principal residence; or
(5) the failure of any successor of ours to assume our obligations under the Executive Agreement Plan (including any employment agreements).

If a vice president, senior vice president or executive vice president terminates his or her employment without "good reason," he or she is not entitled to any severance benefits under the Executive Agreement Plan.

In the event that severance pay and benefits are triggered, an eligible vice president, senior vice president or executive vice president will be entitled to receive severance pay in an amount equal to the participant's applicable severance multiplier times the sum of the participant's annual salary and annual target bonus, payable in equal installments over the participant's applicable severance period; continued participation in our health and life insurance benefit plans during the severance period; continuation of certain executive compensation perquisite payments and benefits during the severance period; continued financial planning services, if available to current executives, and outplacement services. For participants who are executive vice presidents, the applicable severance multiplier is two (increased to three when enhanced severance is paid in circumstances relating to a change in control, as described above) and the severance period is two years (increased to three years when such enhanced severance is paid).

Other severance benefits payable to vice presidents, senior vice presidents and executive vice presidents triggered by qualifying terminations of employment after a change in control include a pro-rata bonus for the year of termination; cash payments equivalent to our tax-qualified retirement and supplemental retirement plan contributions for the participant during the severance period; and accelerated vesting of equity grants which were outstanding on both the date of the change in control and the date of termination of employment. The annual bonus of each executive participant for the year of a change in control is guaranteed to be the greater of the participant's target bonus for that year or the amount earned under the bonus plan formulas. The Executive Agreement Plan further provides that, in

the event of certain corporate transactions, if an acquiring company does not assume our equity grants, the grants will vest and become payable upon the corporate transaction. Finally, the Executive Agreement Plan provides that in the event of a change in control, our NEOs are entitled to receive either (i) the full benefits payable in connection with a change in control under the Executive Agreement Plan or (ii) a reduced amount sufficient to avoid the imposition of any excise taxes under

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Compensation Plans (continued)

Section 4999 of the Tax Code or any similar tax payable under any United States federal, state, local or other law, whichever amount provides the greater after-tax value for the executive.

The Executive Agreement Plan payments and benefits of each participant are conditioned upon the participant's compliance with restrictive covenants and execution of a release of claims against us. The Executive Agreement Plan provides that if a participant breaches any restrictive covenant or fails to provide the required cooperation, (1) such participant shall repay to us any severance benefits previously received, as well as an amount equal to the fair market value of restricted stock vested and gain on stock options exercised within the 24 month period prior to such breach, (2) no further severance pay or benefits shall be provided to such participant, and (3) all outstanding unexercised stock options and unvested restricted stock shall be cancelled and forfeited.

Messrs. Swedish, Gallina, Griffin and Haytaian, and Ms. McCarthy participate in the Executive Agreement Plan. Ms. Boudreaux participates in the Executive Agreement Plan on a basis substantially similar to our other senior officers.

Employment Agreement

As set forth above, for an executive officer to become eligible to participate in the Executive Agreement Plan, he or she must enter into an employment agreement with us (the "Plan Employment Agreement"). The Plan Employment Agreement has an initial term of one year, which term is automatically extended until one year after the date on which either we or the executive officer provides notice of non-renewal. The executive officer's employment terminates upon the disability or death of the executive officer, or we may terminate the executive officer with or without Cause (as defined in the Executive Agreement Plan). Upon termination of employment, the executive officer may be entitled to the benefits set forth in the Executive Agreement Plan as set forth above. The Plan Employment Agreement also contains the restrictive covenants set forth in the Executive Agreement Plan. Messrs. Swedish, Gallina, Griffin and Haytaian, and Ms. McCarthy are parties to the Plan Employment Agreement. Ms. Boudreaux is a party to the Plan Employment Agreement on a basis substantially similar to our other senior officers. Mr. Swedish and Ms. Boudreaux are entitled to the same severance benefits under the Executive Agreement Plan as described above for our executive vice presidents.

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Proposal No. 4 — Approval of Proposed Amendments to our Articles of Incorporation To Allow Shareholders Owning 20% or more of our Common Stock to Call Special Meetings of Shareholders

Our Board of Directors has unanimously adopted, and recommends that our shareholders approve, amendments to our Articles of Incorporation ("Articles") to allow one or more shareholders who own at least 20% of our common stock, par value $0.01 per share (the "Common Stock") to require us to call a special meeting of the shareholders (the "Company's Special Meeting Proposal"). Shareholders do not presently have the right to call a special meeting of the shareholders. A form of amended and restated Articles, marked to reflect the changes contemplated by this proposal, is attached as Annex A. This summary of the proposed amendments to the Articles is qualified in its entirety by reference to Annex A.

The Company's Special Meeting Proposal

If the Company's Special Meeting Proposal is approved by shareholders, the Articles will provide that we are required to call a special meeting of the shareholders upon the written request of one or more shareholders who:

· own shares representing 20% or more of the Common Stock; and
· satisfy the procedures for shareholder-requested special meetings set forth in our Bylaws from time to time.

The Board unanimously recommends that you vote "FOR" the Company's Special Meeting Proposal.

Purpose and Effect of the Company's Special Meeting Proposal

The Company's Special Meeting Proposal is a result of the Board's ongoing review of our corporate governance principles and a review of the policies and preferences of certain of our significant shareholders, as well as a review of the shareholder proposal included in Proposal 5 below (the "Shareholder Special Meeting Proposal"). In developing the Company's Special Meeting Proposal, the Board (including all members of the Governance Committee) carefully considered the implications of amending our Articles to grant shareholders the right to require us to call a special meeting.

The Board believes that the Company's Special Meeting Proposal strikes an appropriate balance between enhancing shareholder rights and adequately protecting shareholder interests. The Board recognizes that providing shareholders the ability to call special meetings is viewed by some shareholders as an important corporate governance practice. However, special meetings of the shareholders can be potentially disruptive to business operations and to long-term shareholder interests and can cause us to incur substantial expenses. Accordingly, the Board believes that the proposed 20% threshold for calling special meetings of the shareholders will help ensure that these meetings are extraordinary events. In addition, the Board believes that shareholder called special meetings should not be held in close proximity to an annual meeting or when the matters to be addressed have been recently considered or are planned to be considered at another meeting. The Board would continue to have the ability to call special meetings of the shareholders in other instances when, in the exercise of their fiduciary obligations, they determine it is appropriate.

The Board also determined to include a 20% threshold in the Company's Special Meeting Proposal based on:

· feedback from our outreach to our twenty largest shareholders who own, in aggregate, approximately 50% of our outstanding Common Stock. These shareholders overwhelmingly expressed support for a 20% threshold and opposed a 10% threshold (as provided in the Shareholder Special Meeting Proposal);
· our robust governance practices that promote Board accountability, including a market-standard proxy access right that permits shareholders to include their director nominees in our proxy statement and majority voting in

uncontested director elections, with a resignation policy mandating

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Proposal No. 4 — Approval of Proposed Amendments to our Articles of Incorporation To Allow Shareholders Owning 20% or more of our Common Stock to Call Special Meetings of Shareholders (continued)

that directors who fail to receive the required majority vote tender their resignation for consideration by the Board; and

- benchmarking against other public companies and our direct peers, which indicated that the 20% threshold is lower than the most prevalent special meeting threshold adopted by the companies we surveyed.

In light of these considerations, the Board, upon recommendation of the Governance Committee, adopted resolutions amending the Articles in accordance with this proposal and unanimously resolved to submit such amendments to our shareholders for consideration and to recommend that shareholders vote “FOR” the Company’s Special Meeting Proposal.

Overview of Related Changes to the Bylaws

If the Company’s Special Meeting Proposal is approved, the Board expects to amend the Bylaws to specify the procedures for shareholder-requested special meetings. Set forth below is a summary of the amendments the Board expects to adopt (the “Special Meeting Bylaws”).

Information Provisions

The Special Meeting Bylaws would require any shareholder or beneficial owner seeking to call the special meeting or soliciting other shareholders to support calling the special meeting to provide the same information that is required when a shareholder proposes to introduce business or to make director nominations at an annual meeting of shareholders under the advance notice provisions of the Bylaws. Each shareholder supporting the special meeting request would need to provide evidence of their ownership of Common Stock and any additional information reasonably requested by the Company.

Ownership Provisions

The Special Meeting Bylaws would clarify that the 20% ownership threshold is based on a “net long” ownership definition. Under the “net long” definition, a person would be deemed to “own” only those shares of outstanding Common Stock as to which the person possesses both (i) full voting and investment rights pertaining to the shares and (ii) the full economic interest in (including the opportunity for profit and risk of loss on) such shares, which terms may be further defined in the Bylaws from time to time. The Board believes a “net long” definition of ownership is appropriate so that only shareholders with full and continuing economic interest and voting rights in our Common Stock should be entitled to request that we call a special meeting.

Additional Provisions

The Special Meeting Bylaws would set forth certain procedural requirements that the Board believes are appropriate to avoid duplicative or unnecessary special meetings. Under these provisions, a special meeting request would not be valid if it:

- relates to an item of business that is not a matter on which shareholders are authorized to act under, or that involves a violation of, applicable law;
- relates to an item of business that is the same as or substantially similar to any item of business that was voted on at a meeting of shareholders occurring within 90 days preceding the earliest dated shareholder request for a special

meeting (provided that matters relating to the election or removal of directors would not be considered the same as or substantially similar to the election of directors at the immediately preceding annual meeting of shareholders);

- is submitted within the 90 days preceding the anniversary of the prior year's annual meeting; or
- does not comply with the requirements pertaining to special meeting requests set forth in the Bylaws.

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Proposal No. 4 — Approval of Proposed Amendments to our Articles of Incorporation To Allow Shareholders Owning 20% or more of our Common Stock to Call Special Meetings of Shareholders (continued)

The Special Meeting Bylaws would state that, if shareholders who requested a special meeting revoke the request or cease to own 20% of the Common Stock, we would not be required to hold the special meeting of the shareholders.

The Special Meeting Bylaws would specify that the business to be transacted at a shareholder-requested special meeting would be limited to the business stated in the shareholder meeting request received by the Company and any additional business that the Board determines to include in the notice for such special meeting.

The Shareholder Proposal

As described below in Proposal No. 5, we have been notified that a shareholder intends to present a proposal for consideration at the annual meeting (the "Shareholder Special Meeting Proposal") that also addresses shareholders' ability to call special meetings of the shareholders. Although the Company's Special Meeting Proposal and the Shareholder Special Meeting Proposal concern the same subject matter, the terms and effects of each proposal differ. Shareholders may vote on both the Company's Special Meeting Proposal and the Shareholder Special Meeting Proposal, and approval of one proposal is not conditioned on approval or disapproval of the other proposal. Among the differences between the Company's Special Meeting Proposal and the Shareholder Special Meeting Proposal are the following:

- For the reasons discussed above, the Board provided in the Company's Special Meeting Proposal that one or more shareholders who hold in the aggregate at least 20% of our Common Stock can require us to call a special meeting of the shareholders. The Shareholder Special Meeting Proposal requests that holders in the aggregate of 10% of our outstanding Common Stock be given the power to call a special meeting of the shareholders, but does not specifically address why it believes that a 10% threshold is appropriate for the Company.
- The Company's Special Meeting Proposal is binding. If shareholders approve the Company's Special Meeting Proposal, our Articles will be amended, thereby providing shareholders the right to require us to call a special meeting of the shareholders. In contrast, the Shareholder Special Meeting Proposal is not binding; approval of the Shareholder Special Meeting Proposal requests that the Board consider the matter but does not amend either the Articles or the Bylaws.
- If the Company's Special Meeting Proposal is approved, the Board intends to adopt the Special Meeting Bylaws setting forth procedures for shareholders to request a special meeting of the shareholders, which, as explained above, the Board has determined are in the interests of our shareholders.

Neither the Company's Special Meeting Proposal nor the Shareholder Special Meeting Proposal affect the Board's existing authority to call special meetings of shareholders.

You should carefully read the descriptions of each proposal, and the Company's statement in opposition to the Shareholder Special Meeting Proposal, in considering both proposals.

Additional Information

The Company's Special Meeting Proposal is binding. If shareholders approve the Company's Special Meeting Proposal by the requisite vote, we will file amended and restated Articles with the Indiana Secretary of State shortly following the annual meeting to incorporate the approved amendments. The amended and restated Articles will become effective upon acceptance of the filing by the Indiana Secretary of State. Upon the approval of this proposal and the filing of the amended and restated Articles, our Board expects to approve the Special Meeting Bylaws described above.

If shareholders do not approve the Company's Special Meeting Proposal by the requisite vote, then the amended and restated Articles will not be filed with the Indiana Secretary of State, the Special Meeting Bylaws will not be adopted by the Board and our shareholders will not have the ability to require us to call a special

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Proposal No. 4 — Approval of Proposed Amendments to our Articles of Incorporation To Allow Shareholders Owning 20% or more of our Common Stock to Call Special Meetings of Shareholders (continued)

meeting of shareholders. Approval of the Company's Special Meeting Proposal is not conditioned on approval or disapproval of the Shareholder Special Meeting Proposal, which means that the foregoing effects of approval or disapproval of the Company's Special Meeting Proposal are not affected by approval or disapproval of the Shareholder Special Meeting Proposal.

Recommendation

The Board of Directors unanimously recommends that shareholders vote FOR Proposal No. 4, Approval of Proposed Amendments to our Articles of Incorporation to Allow Shareholders Owning 20% or more of our Common Stock to Call Special Meetings of Shareholders.

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Proposal No. 5 — Shareholder Proposal To Allow Shareholders Owning 10% or more of our Common Stock to Call Special Meetings of Shareholders

We have been informed that John Chevedden, 2215 Nelson Avenue, No. 205, Redondo Beach, CA, 90278, the beneficial owner of no fewer than 50 shares of our common stock, intends to introduce the resolution below at the annual meeting. The following shareholder proposal will be voted on at the annual meeting only if properly presented by or on behalf of Mr. Chevedden. In accordance with SEC rules, the proposed shareholder resolution and supporting statement are printed verbatim from his submission.

Enable Shareholders to Call a Special Meeting

Resolved, Shareowners ask our board to take the steps necessary (unilaterally if possible) to amend our bylaws and each appropriate governing document to give holders in the aggregate of 10% of our outstanding common stock the power to call a special shareowner meeting (or the standard closest to 10% permitted by state law). This proposal does not impact our board's current power to call a special meeting.

Scores of Fortune 500 companies allow 10% of shares to call a special meeting. Special meetings allow shareowners to vote on important matters, such as electing new directors that can arise between annual meetings.

This proposal topic won more than 70%-support at Edwards Lifesciences and SunEdison in 2013. Anthem shareholders gave 72%-support to another shareholder proposal at the 2015 Anthem annual meeting – to elect director annually.

Adoption of this proposal can give shareholders greater standing to engage Anthem management in regard to quality of our directors after the 2018 annual meeting. Plus we had no right to vote on each director annually, act by written consent or have a company overseen by an independent board chairman. By contrast more than 100 Fortune 500 companies provide for shareholders to vote on each director annually, call a special meeting and to act by written consent.

With only 8 directors we had 4 directors with shortcomings. Three directors had an independence shortcoming with 14 to 23 years long-tenure:

Julie Hill

George Schaefer

Ramiro Peru

Long-tenure can detract from the independence of a director no matter how well qualified. Plus Mr. Schaefer was our Lead Director – an oversight position which demands greater independence than other directors.

Elizabeth Tallett had a potential distraction shortcoming with work on 5 boards. With 19 Board meetings a year an Anthem director cannot afford to be distracted.

Any claim that a shareholder right to call a special meeting can be costly – may be largely moot. When shareholders have a good reason to call a special meeting – our board should be able to take positive responding action to make a special meeting unnecessary.

Please vote yes:

Enable Shareholders to Call a Special Meeting

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Proposal No. 5 — Shareholder Proposal To Allow Shareholders Owning 10% or more of our Common Stock to Call Special Meetings of Shareholders (continued)

Recommendation

The Board recommends that shareholders vote AGAINST this proposal for the following reasons:

The adoption of this proposal is unnecessary and not in the best interests of the Company or its shareholders in light of the Company's Special Meeting Proposal set forth in Proposal No. 4, which would amend the Articles to allow one or more shareholders owning shares representing at least 20% of the Common Stock to require the Company to call a special meeting of shareholders.

The Board believes that the shareholder proposal does not strike an appropriate balance between enhancing shareholder rights and adequately protecting shareholder interests. The Board recognizes that providing shareholders the ability to request special meetings is viewed by some shareholders as an important corporate governance practice. However, special meetings of the shareholders can be potentially disruptive to business operations and to long-term shareholder interests and can cause the Company to incur substantial expenses. Accordingly, the Board believes that special meetings of the shareholders should be extraordinary events. In addition, the Board believes that a small minority of shareholders should not be entitled to utilize the mechanism of special meetings for their own interests, which may not be shared more broadly by shareholders of the Company. Likewise, the Board believes that shareholders should not be able to call special meetings in close proximity to an annual meeting or when the matters to be addressed have been recently considered or are planned to be considered at another meeting.

The Board also believes that the 20% ownership threshold in the Company's Special Meeting Proposal is more appropriate than the 10% threshold in this shareholder proposal based on feedback from our outreach to our twenty largest shareholders who own, in aggregate, approximately 50% of our outstanding Common Stock. These shareholders overwhelmingly expressed support for a 20% threshold and opposed a 10% threshold. In addition, based on benchmarking against other public companies and our direct peers, the 20% ownership threshold in the Company's Special Meeting Proposal is lower than the most prevalent special meeting threshold adopted by the companies we surveyed.

This shareholder proposal also is unnecessary given our commitment to strong and effective corporate governance principles and high ethical standards. We maintain robust governance practices that promote Board accountability, including:

- A market-standard proxy access right that permits shareholders to include their director nominees in our proxy statement;
- A majority voting standard for the election of directors in uncontested elections, with directors who fail to receive the required majority vote required to tender their resignation for consideration by the Board;
- Several avenues to communicate with the Board and management, including periodic investor days and earnings release conference calls and webcasts, dedicated email addresses for the Board and for Committee Chairs, and specific outreach to shareholders initiated by us or in response to engagement requests;
- An independent Lead Director who is elected annually by the independent directors when the positions of Chair and CEO are filled by the same person or when the Chair is not an independent director; and
- A Governance Committee chaired by and comprised solely of independent directors.

In addition, in 2017, our shareholders approved amendments to our Articles of Incorporation that were recommended by the Board to provide our shareholders with the ability to amend our Bylaws. These practices reflect our Board's

commitment to adopting best corporate governance practices to promote the long-term interests of our shareholders and strengthen Board and management accountability.

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Proposal No. 5 — Shareholder Proposal To Allow Shareholders Owning 10% or more of our Common Stock to Call Special Meetings of Shareholders (continued)

In light of these considerations, our Board believes that the Company's Special Meeting Proposal strikes the appropriate balance between enhancing the rights of shareholders and adequately protecting long-term shareholder interests by providing that shareholders who satisfy the 20% ownership standard and comply with certain additional procedures and limitations have the ability to require the Company to call a special meeting.

Recommendation

For the reasons described above, the Board of Directors unanimously recommends a vote AGAINST this shareholder proposal.

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Voting and Meeting Information

Voting

Whether you hold shares as a shareholder of record or as a beneficial owner, you may vote before the annual meeting by granting a proxy or, for shares held in street name, by submitting voting instructions to your bank, broker or nominee. Most shareholders will have a choice of voting through the Internet or by telephone or, if you received a printed copy of the proxy materials, by completing a proxy card or voting instruction card and returning it in a postage-prepaid envelope. Please refer to the instructions below and in the Notice of Internet Availability of Proxy Materials (the "E-Proxy Notice").

Through the Internet	You may vote through the Internet by going to www.envisionreports.com/antm and following the instructions. You will need to have the E-Proxy Notice, or if you received a printed copy of the proxy materials, your proxy card or voting instruction card, available when voting through the Internet. If you want to vote through the Internet, you must do so before 11:59 p.m., Eastern Daylight Time, on May 15, 2018. If you vote through the Internet, you do not need to return a proxy card.
By Telephone	You may vote by touchtone telephone by calling (800) 652 8683. You will need to have your E-Proxy Notice, or if you received a printed copy of the proxy materials, your proxy card or voting instruction card, available when voting by telephone. If you want to vote by telephone, you must do so before 11:59 p.m., Eastern Daylight Time, on May 15, 2018. If you vote by telephone, you do not need to return a proxy card.
By Mail	If you are a beneficial owner, you may vote by mail by signing and dating your proxy card or voting instruction card provided by your broker, bank or nominee and mailing it in a postage-prepaid envelope. If you are a shareholder of record and you received a printed copy of our proxy materials, you may vote by signing and dating your proxy card or voting instruction card and mailing it in a postage-prepaid envelope. If you are a shareholder of record and received the E-Proxy Notice, in order to obtain a proxy card, please follow the instructions on the E-Proxy Notice.

Changing Your Vote — You may revoke your proxy at any time prior to the annual meeting. If you provide more than one proxy, the proxy having the latest date will revoke any earlier proxy. If you attend the annual meeting and you are a shareholder of record, you will be given the opportunity to revoke your proxy and vote in person. If you are a beneficial owner, you must have a legal proxy from your bank, broker or nominee in order to vote in person.

Internet Availability of Proxy Materials

We are using the "e-proxy" rules adopted by the SEC to furnish proxy materials to shareholders through a "notice only" model using the Internet. This allows us to reduce costs by delivering to shareholders an E-Proxy Notice and providing online access to the documents.

If you received an E-Proxy Notice by mail, you will not receive a printed copy of our proxy materials unless you specifically request one as set forth below. The E-Proxy Notice instructs you on how to access and review the important information contained in the proxy statement and our 2017 Annual Report on Form 10 K, as well as how to submit your proxy through the Internet. On or about April 2, 2018, we mailed the E-Proxy Notice to the majority of our shareholders of record and a printed copy of these proxy materials to our other shareholders who had requested

them.

This proxy statement, the form of proxy and voting instructions are being made available to shareholders on or about April 2, 2018, at www.envisionreports.com/antm. If you received the E-Proxy Notice and would still like to receive a printed copy of the proxy materials, you may request a printed copy of this proxy statement and the form of proxy by any of the following methods: (a) telephone at 1 866 641 4276 in the United States, Canada or Puerto Rico or at 781 575 2300 from outside the United States, Canada or Puerto Rico; (b) Internet at www.envisionreports.com/antm; or (c) e-mail at investorvote@computershare.com.

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Voting and Meeting Information (continued)

Shareholders

Shares of our common stock may be held directly in your own name or may be held beneficially through a broker, bank or other nominee in street name. Summarized below are some distinctions between shares held of record and those owned beneficially.

Shareholder of Record — If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, N.A., you are considered the shareholder of record with respect to those shares and we are providing proxy materials directly to you. As the shareholder of record, you have the right to vote in person at the annual meeting or to grant your voting proxy to the persons designated by us or a person you select.

Beneficial Owner — If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of the shares held in street name, and you have been provided proxy materials from your broker, bank or other nominee who is considered the shareholder of record with respect to the shares. As the beneficial owner, you have the right to direct the broker, bank or nominee on how to vote your shares and are also invited to attend the annual meeting. Your broker, bank or nominee is obligated to provide you with a voting instruction card for you to use. However, since you are not the shareholder of record, you may not vote these shares in person at the annual meeting unless you bring with you to the annual meeting a legal proxy, executed in your favor, from the shareholder of record.

Employee Shareholder — If you participate in the 401(k) Plan and you are invested in our common stock fund in your account, you may give voting instructions to the plan trustee as to the number of shares of common stock equivalent to the interest in our common stock fund credited to your account as of the most recent valuation date coincident with or preceding the record date. The trustee will vote your shares in accordance with your instructions received by May 14, 2018 at 11:59 p.m., Eastern Daylight Time. You may also revoke previously given voting instructions by May 14, 2018 at 11:59 p.m., Eastern Daylight Time, by filing with the trustee either written notice of revocation or a properly completed and signed voting instruction card bearing a later date. Your voting instructions will be kept confidential by the trustee. If you do not send instructions for a proposal, the trustee will vote the number of shares equal to the share equivalents credited to your account in the same proportion that it votes shares for which it did receive timely instructions.

Inspector of Election

Computershare Trust Company, N.A. has been appointed Inspector of Election for the annual meeting. The Inspector of Election will determine the number of shares outstanding, the shares represented at the annual meeting, the existence of a quorum, and the validity of proxies and ballots, and will count all votes and ballots.

Confidentiality of Votes

The vote of each shareholder is held in confidence, except (a) as necessary to meet applicable legal requirements and to assert or defend claims for or against the Company; (b) if there is a contested proxy solicitation; (c) if a shareholder makes a written comment on the proxy card or otherwise communicates his or her vote to management; or (d) as necessary to allow the Inspector of Election to resolve any dispute about the authenticity or accuracy of a proxy card, consent, ballot, authorization or vote and to allow the Inspector of Election to certify the results of the vote.

Householding

Shareholders who share the same last name and address may receive only one copy of the E-Proxy Notice unless we receive contrary instructions from any shareholder at that address. This is referred to as “householding.” If you prefer to receive multiple copies of the E-Proxy Notice at the same address, additional copies will be provided to you promptly upon written or oral request, and if you are receiving multiple copies of the E-Proxy Notice, you may request that you receive only one copy. Please address requests for a copy of the E-Proxy Notice to our Secretary, Anthem, Inc., 120 Monument Circle, Mail No. IN0102 B381, Indianapolis, Indiana 46204 or telephone (800) 985 0999.

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Voting and Meeting Information (continued)

Additional Information

Our Board has not received notice of any, and knows of no, matters other than those described in the attached Notice of Annual Meeting of Shareholders, which are to be brought before the annual meeting. If other matters properly come before the annual meeting, it is the intention of the persons named as proxies to vote such proxy in accordance with their judgment on such matters.

Shareholders may receive, without charge, a copy of our 2017 Annual Report on Form 10 K, including consolidated financial statements, as filed with the SEC (which is our Annual Report to Shareholders). Please address requests for a copy of our 2017 Annual Report on Form 10 K to our Corporate Secretary, Anthem, Inc., 120 Monument Circle, Mail No. IN0102 B381, Indianapolis, Indiana 46204. Our 2017 Annual Report on Form 10 K is also available on our website under “Investors — Financial Information — SEC Filings” at www.antheminc.com.

Annual Meeting Admission

You must have an admission ticket, as well as a form of government-issued photo identification, in order to be admitted to the annual meeting. If you are a shareholder of record and received an E-Proxy Notice, your E-Proxy Notice is your admission ticket. If you are a shareholder of record and received a printed copy of our proxy materials, you must bring the admission ticket portion of your proxy card to be admitted to the annual meeting. If you are a beneficial owner and your shares are held in the name of a broker, bank or other nominee, you must request an admission ticket in advance by mailing a request, along with proof of your ownership of our common stock as of the record date of March 9, 2018, to Anthem Shareholder Services, 120 Monument Circle, Mail No. IN0102 B381, Indianapolis, Indiana 46204. Proof of ownership would be a bank or brokerage account statement in your name showing the number of shares of Anthem stock held by you on the record date or a letter from your broker, bank or other nominee certifying the amount of your beneficial ownership interest as of the record date.

If you wish to appoint a representative to attend the meeting in your place, you must provide to Anthem Shareholder Services, 120 Monument Circle, Mail No. IN0102 B381, Indianapolis, Indiana 46204, the name of your representative, in addition to your E-Proxy Notice or the admission ticket portion of your proxy card if you are a shareholder of record, or your proof of ownership if you are a beneficial owner, and the address where the admission ticket should be sent. A shareholder may only appoint one representative. Requests from shareholders that are legal entities must be signed by an authorized officer or other person legally authorized to act on behalf of the legal entity.

We may not be able to process requests received after May 7, 2018 in time to allow you to receive your admission ticket before the meeting date, so you should mail your request early.

No cameras, recording equipment, electronic devices, large bags, briefcases, signs or packages will be permitted in the annual meeting. Mobile phones will be permitted in the meeting venue but may not be used for any purpose at any time while in the meeting venue. Violation of this rule can result in removal from the meeting venue. Please note that due to security reasons, all bags may be subject to search, and all persons who attend the annual meeting may be required to pass through a metal detector or be subject to a hand wand search. We will be unable to admit anyone who does not comply with these security procedures. No one will be admitted to the meeting once the meeting has commenced.

Cost of Solicitation

We will bear the cost of the solicitation of proxies and have engaged Alliance Advisors, LLC to assist in the solicitation of proxies. Alliance Advisors, LLC will receive a fee of approximately $10,000 plus reasonable out-of-pocket expenses for this work. We also will reimburse banks, brokers or other custodians, nominees and fiduciaries for their expenses in forwarding the proxy materials to beneficial owners and seeking instruction with respect thereto. In addition, our directors, officers or other associates, without additional compensation, may solicit proxies from shareholders in person, or by telephone, facsimile transmission or other electronic means of communication.

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Voting and Meeting Information (continued)

Shareholder Proposals and Nominations for Next Year's Annual Meeting

Shareholder Proposals and Nominations for Inclusion in Our Proxy Materials — Pursuant to SEC Rule 14a 8, shareholder proposals for inclusion in our proxy materials for the 2019 annual meeting of shareholders must be received by our Secretary at Anthem, Inc., 120 Monument Circle, Mail No. IN0102 B381, Indianapolis, Indiana 46204, no later than December 3, 2018. Such proposals need to comply with SEC regulations regarding the inclusion of shareholder proposals in our sponsored proxy materials.

Our Bylaws provide that a shareholder, or group of up to 20 shareholders, owning continuously for at least three years shares of our common stock representing an aggregate of at least 3% of our outstanding shares, can nominate and include in our proxy materials director nominees constituting up to the greater of 20% of our Board or two (2) individuals, provided that the shareholder(s) and nominee(s) satisfy the requirements in our Bylaws. Any proxy access nominees serving on the Board and who will continue serving on the Board after the applicable annual meeting count towards the maximum number of nominees. To be timely, notice of proxy access director nominees must be delivered by the close of business to our Secretary at Anthem, Inc., 120 Monument Circle, Mail No. IN0102 B381, Indianapolis, Indiana 46204, not less than 90 nor more than 150 days prior to the first anniversary of the date the definitive proxy statement was first sent to shareholders in connection with the preceding year's annual meeting of shareholders. For the 2019 annual meeting of shareholders, notice of proxy access director nominees must be received no earlier than November 2, 2018 and no later than January 2, 2019. In the event the annual meeting is advanced by more than 30 days or delayed by more than 60 days from the anniversary of the previous year's annual meeting of shareholders, or if no annual meeting was held in the preceding year, notice of proxy access director nominees must be delivered no earlier than the close of business on the 150th day prior to such annual meeting and not later than the close of business on the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made.

Other Shareholder Proposals and Nominations — Our Bylaws also establish an advance notice procedure relating to director nominations and shareholder proposals that are not submitted for inclusion in the proxy statement, but that the shareholder instead wishes to present directly at the annual meeting. To be properly brought before the 2019 annual meeting of shareholders, the shareholder must give timely written notice of the nomination or proposal to our Secretary along with the information required by our Bylaws. To be timely, a shareholder's notice must be delivered to our Secretary at the address listed above not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting. For the 2019 annual meeting of shareholders, such notice must be delivered no earlier than January 16, 2019 and no later than February 15, 2019. In the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, notice by the shareholder must be delivered not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. The notice must contain specified information about each nominee or the proposed business and the shareholder making the nomination or proposal.

Copy of Bylaw Provisions — The specific requirements of these advance notice and eligibility provisions are set forth in Sections 1.5, 1.6 and 1.16 of our Bylaws. Our Bylaws are available on our website at www.antheminc.com under "Investors — Corporate Governance — Governance & Corporate Documents."

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Incorporation by Reference

Notwithstanding anything to the contrary set forth in any of our previous filings under the Securities Act of 1933, as amended, or the Exchange Act that may incorporate future filings (including this proxy statement, in whole or in part), the sections of this proxy statement entitled “Audit Committee Report” and “Compensation Committee Report” do not constitute soliciting material and should not be deemed filed with the SEC or incorporated by reference in any such filings.

The information on, or accessible through, our website, www.antheminc.com, is not, and should not be deemed to be, a part of this proxy statement.

By Order of the Board of Directors,

Kathleen S. Kiefer

Corporate Secretary

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Annex A - Proposed Amended and Restated Articles of Incorporation of Anthem, Inc.

AMENDED AND RESTATED

ARTICLES OF INCORPORATION

OF

ANTHEM, INC.

(As Proposed to be Amended Effective May 18, 201716, 2018)

The undersigned incorporator, desiring to form a corporation (hereinafter referred to as the "Corporation"), pursuant to the provisions of the Indiana Business Corporation Law (hereinafter referred to as the "Corporation Law"), executes the following Articles of Incorporation:

ARTICLE I

Name

The name of the Corporation is Anthem, Inc.

ARTICLE II

Purposes and Powers

Section 2.1. Purposes of the Corporation. The purpose for which the Corporation is formed is to engage in the transaction of any or all lawful business for which corporations may now or hereafter be incorporated under the Corporation Law.

Section 2.2. Powers of the Corporation. The Corporation shall have (a) all powers now or hereafter authorized by or vested in corporations pursuant to the provisions of the Corporation Law, (b) all powers now or hereafter vested in corporations by common law or any other statute or act, and (c) all powers authorized by or vested in the Corporation

by the provisions of these Articles of Incorporation or by the provisions of its Bylaws as from time to time in effect.

ARTICLE III

Term of Existence

The period during which the Corporation shall continue is perpetual.

ARTICLE IV

Registered Office and Agent

The street address of the Corporation's registered office at the time of adoption of these Articles of Incorporation is 120 Monument Circle, Indianapolis, Indiana 46204, and the name of its Resident Agent at such office at the time of adoption of these Articles of Incorporation is Kathleen S. Kiefer.

ARTICLE V

Authorized Shares

Section 5.1. Authorized Classes and Number of Shares. The total number of shares which the Corporation has authority to issue shall be one billion (1,000,000,000) shares, consisting of nine hundred million (900,000,000) shares of common stock, $0.01 par value per share (the "Common Stock"), and one hundred million (100,000,000) shares of preferred stock, without par value (the "Preferred Stock").

Section 5.2. General Terms of All Shares. The Corporation shall have the power to acquire (by purchase, redemption, or otherwise), hold, own, pledge, sell, transfer, assign, reissue, cancel, or otherwise dispose of the shares of the Corporation in the manner and to the extent now or hereafter permitted by the laws

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of the State of Indiana (but such power shall not imply an obligation on the part of the owner or holder of any share to sell or otherwise transfer such share to the Corporation), including the power to purchase, redeem, or otherwise acquire the Corporation's own shares, directly or indirectly, and without pro rata treatment of the owners or holders of any class or series of shares, unless, after giving effect thereto, the Corporation would not be able to pay its debts as they become due in the usual course of business or the Corporation's total assets would be less than its total liabilities (calculated without regard to any amounts that would be needed, if the Corporation were to be dissolved at the time of the purchase, redemption, or other acquisition, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those of the holders of the shares of the Corporation being purchased, redeemed, or otherwise acquired, unless otherwise expressly provided with respect to a series of Preferred Stock in the provisions of these Articles of Incorporation adopted by the Board of Directors pursuant to Section 5.5 hereof describing the terms of such series). Shares of the Corporation purchased, redeemed, or otherwise acquired by it shall constitute authorized but unissued shares, unless prior to any such purchase, redemption, or other acquisition, or within thirty (30) days thereafter, the Board of Directors adopts a resolution providing that such shares constitute authorized and issued but not outstanding shares.

The Board of Directors of the Corporation may dispose of, issue, and sell shares in accordance with, and in such amounts as may be permitted by, the laws of the State of Indiana and the provisions of these Articles of Incorporation and for such consideration, at such price or prices, at such time or times and upon such terms and conditions (including the privilege of selectively repurchasing the same) as the Board of Directors of the Corporation shall determine, without the authorization or approval by any shareholders of the Corporation. Shares may be disposed of, issued, and sold to such persons, firms, or corporations as the Board of Directors may determine, without any preemptive right on the part of the owners or holders of other shares of the Corporation of any class or kind to acquire such shares by reason of their ownership of such other shares.

When the Corporation receives the consideration specified in a subscription agreement entered into before incorporation, or for which the Board of Directors authorized the issuance of shares, as the case may be, the shares issued therefor shall be fully paid and nonassessable.

The Corporation shall have the power to declare and pay dividends or other distributions upon the issued and outstanding shares of the Corporation, subject to the limitation that a dividend or other distribution may not be made if, after giving it effect, the Corporation would not be able to pay its debts as they become due in the usual course of business or the Corporation's total assets would be less than its total liabilities (calculated without regard to any amounts that would be needed, if the Corporation were to be dissolved at the time of the dividend or other distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those of the holders of shares receiving the dividend or other distribution, unless otherwise expressly provided with respect to a series of Preferred Stock in the provisions of these Articles of Incorporation adopted by the Board of Directors pursuant to Section 5.5 hereof describing the terms of such series). Except as otherwise provided in Section 5.4, the Corporation shall have the power to issue shares of one class or series as a share dividend or other distribution in respect of that class or series or one or more other classes or series.

Section 5.3. Voting Rights of Shares.

(a) Common Stock. Except as otherwise provided by the Corporation Law and subject to such shareholder disclosure and recognition procedures (which may include voting prohibition sanctions) as the Corporation may by action of its Board of Directors establish, shares of Common Stock have unlimited voting rights. Shares of Common Stock shall, when validly issued by the Corporation, entitle the record holder thereof to one (1) vote per share on all matters submitted to a vote of the shareholders of the Corporation. Shares of Common Stock shall not have cumulative voting rights.

(b) Preferred Stock. Except as required by the Corporation Law or by the provisions of these Articles of Incorporation adopted by the Board of Directors pursuant to Section 5.5 hereof describing the

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terms of the Preferred Stock or a series thereof, the holders of Preferred Stock shall have no voting rights or powers. Shares of Preferred Stock shall, when validly issued by the Corporation, entitle the record holder thereof to vote as and on such matters, but only as and on such matters, as the holders thereof are entitled to vote under the Corporation Law or under the provisions of these Articles of Incorporation adopted by the Board of Directors pursuant to Section 5.5 hereof describing the terms of the Preferred Stock or a series thereof (which provisions may provide for special, conditional, limited, or unlimited voting rights, including multiple or fractional votes per share, or for no right to vote, except to the extent required by the Corporation Law) and subject to such shareholder disclosure and recognition procedures (which may include voting prohibition sanctions) as the Corporation may by action of the Board of Directors establish.

Section 5.4. Other Terms of Common Stock.

(a) Shares of Common Stock shall be equal in every respect insofar as their relationship to the Corporation is concerned, but such equality of rights shall not imply equality of treatment as to redemption or other acquisition of shares by the Corporation.

(b) Subject to the rights of the holders of any outstanding Preferred Stock issued under Section 5.5 hereof, the holders of Common Stock shall be entitled to share ratably in such dividends or other distributions (other than purchases, redemptions, or other acquisitions of shares by the Corporation), if any, as are declared and paid from time to time at the discretion of the Board of Directors.

(c) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after payment shall have been made to the holders of the Preferred Stock of the full amount to which they shall be entitled under this Article V, the holders of Common Stock shall be entitled, to the exclusion of the holders of the Preferred Stock of any and all series, to share, ratably according to the number of shares of Common Stock held by them, in all remaining assets of the Corporation available for distribution to its shareholders.

Section 5.5. Other Terms of Preferred Stock.

(a) Preferred Stock may be issued from time to time in one or more series, each such series to have such distinctive designation and such preferences, limitations, and relative voting and other rights as shall be set forth in these Articles of Incorporation. Subject to the requirements of the Corporation Law and subject to all other provisions of these Articles of Incorporation, the Board of Directors of the Corporation may create one or more series of Preferred Stock and may determine the preferences, limitations, and relative voting and other rights of one or more series of Preferred Stock before the issuance of any shares of that series by the adoption of an amendment to these Articles of Incorporation that specifies the terms of the series of Preferred Stock. All shares of a series of Preferred Stock must have preferences, limitations, and relative voting and other rights identical with those of other shares of the same

series and, if the description of the series set forth in these Articles of Incorporation so provides, no series of Preferred Stock need have preferences, limitations, or relative voting or other rights identical with those of any other series of Preferred Stock.

Before issuing any shares of a series of Preferred Stock, the Board of Directors shall adopt an amendment to these Articles of Incorporation, which shall be effective without any shareholder approval or other action, that sets forth the preferences, limitations, and relative voting and other rights of the series, and authority is hereby expressly vested in the Board of Directors, by such amendment:

(1)To fix the distinctive designation of such series and the number of shares which shall constitute such series, which number may be increased or decreased (but not below the number of shares thereof then outstanding) from time to time by action of the Board of Directors;

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Annex A - Proposed Amended and Restated Articles of Incorporation of Anthem, Inc. (continued)

(2)To fix the voting rights of such series, which may consist of special, conditional, limited, or unlimited voting rights, including multiple or fractional votes per share, or no right to vote (except to the extent required by the Corporation Law);

(3)To fix the dividend or distribution rights of such series and the manner of calculating the amount and time for payment of dividends or distributions, including, but not limited to:

(A)the dividend rate, if any, of such series;

(B)any limitations, restrictions, or conditions on the payment of dividends or other distributions, including whether dividends or other distributions shall be noncumulative or cumulative or partially cumulative and, if so, from which date or dates;

(C)the relative rights of priority, if any, of payment of dividends or other distributions on shares of that series in relation to Common Stock and shares of any other series of Preferred Stock; and

(D)the form of dividends or other distributions, which may be payable at the option of the Corporation, the shareholder, or another person (and in such case to prescribe the terms and conditions of exercising such option), or upon the occurrence of a designated event in cash, indebtedness, stock or other securities or other property, or in any combination thereof,

and to make provisions, in the case of dividends or other distributions payable in stock or other securities, for adjustment of the dividend or distribution rate in such events as the Board of Directors shall determine;

(4)To fix the price or prices at which, and the terms and conditions on which, the shares of such series may be redeemed or converted, which may be

(A)at the option of the Corporation, the shareholder, or another person or upon the occurrence of a designated event;

(B)for cash, indebtedness, securities, or other property or any combination thereof; and

(C)in a designated amount or in an amount determined in accordance with a designated formula or by reference to extrinsic data or events;

(5)To fix the amount or amounts payable upon the shares of such series in the event of any liquidation, dissolution, or winding up of the Corporation and the relative rights of priority, if any, of payment upon shares of such series in relation to Common Stock and shares of any other series of Preferred Stock; and to determine whether or not any such preferential rights upon dissolution need be considered in determining whether or not the Corporation may make dividends, repurchases, or other distributions;

(6)To determine whether or not the shares of such series shall be entitled to the benefit of a sinking fund to be applied to the purchase or redemption of such series and, if so entitled, the amount of such fund and the manner of its application;

(7)To determine whether or not the issue of any additional shares of such series or of any other series in addition to such series shall be subject to restrictions in addition to restrictions, if any, on the issue of additional shares imposed in the provisions of these Articles of Incorporation

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Annex A - Proposed Amended and Restated Articles of Incorporation of Anthem, Inc. (continued)

fixing the terms of any outstanding series of Preferred Stock theretofore issued pursuant to this Section 5.5 and, if subject to additional restrictions, the extent of such additional restrictions; and

(8)Generally to fix the other preferences or rights, and any qualifications, limitations, or restrictions of such preferences or rights, of such series to the full extent permitted by the Corporation Law; provided, however, that no such preferences, rights, qualifications, limitations, or restrictions shall be in conflict with these Articles of Incorporation or any amendment hereof.

(b) Shares of Preferred Stock of any series that have been redeemed (whether through the operation of a sinking fund or otherwise) or purchased by the Corporation, or which, if convertible, have been converted into shares of the Corporation of any other class or series, may be reissued as a part of such series or of any other series of Preferred Stock, subject to such limitations (if any) as may be fixed by the Board of Directors with respect to such series of Preferred Stock in accordance with subsection (a) of this Section 5.5.

ARTICLE VI

Directors

Section 6.1. Number. The number of Directors of the Corporation shall not be less than five (5) nor more than nineteen (19), the exact number to be specified from time to time in the manner set forth in the Bylaws. The Bylaws shall provide for staggering the terms of the members of the Board of Directors by dividing the total number of Directors into three (3) groups (with each group containing one-third (1/3) of the total, as near as may be) whose terms of office expire at different times.

Notwithstanding the first sentence of this Section 6.1, any amendment to the Bylaws (other than an amendment approved by the shareholders) or any resolution of the Board of Directors that would effect:

(a) any increase in the number of Directors over such number as then in effect,

(b) any reduction in the number of Directors below such number as then in effect, or

(c) any elimination or modification of the groups or terms of office of the Directors as the Bylaws then in effect may provide,

shall also be approved by the affirmative vote of a majority of the entire number of Directors of the Corporation who then qualify as Continuing Directors (as such term is defined for purposes of Article VIII hereof).

Section 6.2. Qualifications. Directors need not be shareholders of the Corporation or residents of this or any other state in the United States.

Section 6.3. Vacancies. Vacancies occurring in the Board of Directors shall be filled in the manner provided in the Bylaws or, if the Bylaws do not provide for the filling of vacancies, in the manner provided by the Corporation Law. The Bylaws may also provide that in certain circumstances specified therein, vacancies occurring in the Board of Directors may be filled by vote of the shareholders at a special meeting called for that purpose or at the next annual meeting of shareholders.

Section 6.4. Liability of Directors. A Director's responsibility to the Corporation shall be limited to discharging his or her duties as a Director, including his or her duties as a member of any committee of the Board of Directors upon which he or she may serve, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director reasonably believes to be in the best interests of the Corporation, all based on the facts then known to the Director.

In discharging his or her duties, a Director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

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(a) One (1) or more officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;

(b) Legal counsel, public accountants, or other persons as to matters the Director reasonably believes are within such person's professional or expert competence; or

(c) A committee of the Board of which the Director is not a member if the Director reasonably believes the Committee merits confidence;

but a Director is not acting in good faith if the Director has knowledge concerning the matter in question that makes reliance otherwise permitted by this Section 6.4 unwarranted.

A Director shall not be liable for any action taken as a Director, or any failure to take any action, unless (a) the Director has breached or failed to perform the duties of the Director's office in compliance with this Section 6.4, and (b) the breach or failure to perform constitutes willful misconduct or recklessness.

Section 6.5. Factors to be Considered by Board. In determining whether to take or refrain from taking any action with respect to any matter, including making or declining to make any recommendation to shareholders of the Corporation, the Board of Directors may, in its discretion, consider both the short term and long term best interests of the Corporation (including the possibility that these interests may be best served by the continued independence of the Corporation), taking into account, and weighing as the Directors deem appropriate, the social and economic effects thereof on the Corporation's present and future employees, suppliers and customers of the Corporation and its subsidiaries, the communities in which offices or other facilities of the Corporation are located, and any other factors the Directors consider pertinent.

Section 6.6. Removal of Directors. Any or all of the members of the Board of Directors may be removed only at a meeting of the shareholders or Directors called expressly for that purpose. Removal by the shareholders requires an affirmative vote of a majority of the outstanding shares. Removal by the Board of Directors requires an affirmative vote of both (a) a majority of the entire number of Directors at the time, and (b) a majority of Directors who then qualify as Continuing Directors (as such term is defined for purposes of Article VIII hereof). No Director may be removed except as provided in this Section 6.6.

Section 6.7. Election of Directors by Holders of Preferred Stock. The holders of one (1) or more series of Preferred Stock may be entitled to elect all or a specified number of Directors, but only to the extent and subject to limitations as may be set forth in the provisions of these Articles of Incorporation adopted by the Board of Directors pursuant to Section 5.5 hereof describing the terms of the series of Preferred Stock.

Section 6.8. Standard for Election of Directors by Shareholders. Except as otherwise set forth in this Article VI, each Director shall be elected by a vote of the majority of votes cast with respect to the Director at any shareholders meeting for the election of Directors at which a quorum is present, provided that if as of the record date for such meeting the number of Director nominees to be considered at the meeting exceeds the number of Directors to be elected, each Director shall be elected by a vote of the plurality of the shares represented in person or by proxy and entitled to vote on the election of Directors. For purposes of this Section, a majority of the votes cast means that the number of shares voted “for” a Director must exceed the number of shares voted “against” such Director.

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Annex A - Proposed Amended and Restated Articles of Incorporation of Anthem, Inc. (continued)

ARTICLE VII

Provisions for Regulation of Business

and Conduct of Affairs of Corporation

Section 7.1. Annual Meetings of Shareholders. MeetingsAnnual meetings of the shareholders of the Corporation shall be held at such time and at such place, either within or without the State of Indiana, as may be stated in or fixed in accordance with the Bylaws of the Corporation and specified in the respective notices or waivers of notice of any such meetings.

Section 7.2. Special Meetings of Shareholders. Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by the Corporation Law or otherwise expressly provided with respect to a series of Preferred Stock in the provisions of these Articles of Incorporation adopted by the Board of Directors pursuant to Section 5.5 hereof describing the terms of such series, may be called at any time only by the Board of Directors or the officersany officer or director of the Corporation who is authorized to do so by the Bylaws. Shareholders of the Corporation, and shall not be authorized to call a special meeting of shareholdersbe called by the Chair of the Board or the Secretary of the Corporation upon the written demand or demands of one or more persons that (a) Own (as such term is defined in the Bylaws, as amended from time to time) shares representing at least 20% of the Common Stock of the Corporation that is outstanding as of the record date for determining shareholders entitled to demand a special meeting fixed in accordance with the Bylaws and (b) comply with such procedures for demanding a special meeting of shareholders as may be set forth in the Bylaws and amended from time to time. The foregoing provisions of this Section 7.2 shall be subject to the provisions of the Bylaws (as amended from time to time) that define the ability to demand a special meeting and that specify the circumstances pursuant to which a demand for a special meeting shall be deemed to be revoked.

Section 7.3. Quorum. Unless the Indiana Business Corporation Law provides otherwise, at all meetings of shareholders, twenty-five percent (25%) of the votes entitled to be cast on a matter, represented in person or by proxy, constitutes a quorum for action on the matter. Action may be taken at a shareholders' meeting only on matters with respect to which a quorum exists; provided, however, that any meeting of shareholders, including annual and special meetings and any adjournments thereof, may be adjourned to a later date although less than a quorum is present. Once a share is represented for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that adjourned meeting.

Section 7.4. Meetings of Directors. Meetings of the Board of Directors of the Corporation shall be held at such place, either within or without the State of Indiana, as may be authorized by the Bylaws and specified in the respective

notices or waivers of notice of any such meetings or otherwise specified by the Board of Directors. Unless the Bylaws provide otherwise, (a) regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting and (b) the notice for a special meeting need not describe the purpose or purposes of the special meeting.

Section 7.5. Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or shareholders, or of any committee of such Board, may be taken without a meeting, if the action is taken by all members of the Board or all shareholders entitled to vote on the action, or by all members of such committee, as the case may be. The action must be evidenced by one (1) or more written consents, in one or more counterparts, describing the action taken, signed by each Director, or all the shareholders entitled to vote on the action, or by each member of such committee, as the case may be, and, in the case of action by the Board of Directors or a committee thereof, included in the minutes or filed with the corporate records reflecting the action taken or, in the case of action by the shareholders, delivered to the Corporation for inclusion in the minutes or filing with the corporate records. Action taken under this Section 7.5 is effective when the last Director, shareholder, or committee member, as the case may be, signs the consent, unless the consent specifies a different prior or subsequent effective date, in which case the action is effective on or as of the specified date. Executed consents returned to the Corporation by facsimile transmission may

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be relied upon as, and shall have the same effect as, originals of such consents. A consent signed under this Section 7.5 shall have the same effect as a unanimous vote of all members of the Board, or all shareholders, or all members of the committee, as the case may be, and may be described as such in any document.

Section 7.6. Bylaws. All provisions for the regulation of the business and management of the affairs of the Corporation not stated in these Articles of Incorporation shall be stated in the Bylaws.

The Board of Directors may adopt Emergency By-laws of the Corporation and shall have the exclusive power (except as may otherwise be provided therein) to make, alter, amend, or repeal, or to waive provisions of, the Emergency By-laws by the affirmative vote of both (a) a majority of the entire number of Directors at the time and (b) a majority of the entire number of Directors who then qualify as Continuing Directors (as such term is defined for purposes of Article VIII hereof).

Section 7.7. Interest of Directors.

(a) A conflict of interest transaction is a transaction with the Corporation in which a Director of the Corporation has a direct or indirect interest. A conflict of interest transaction is not voidable by the Corporation solely because of the Director's interest in the transaction if any one (1) of the following is true:

(1)The material facts of the transaction and the Director's interest were disclosed or known to the Board of Directors or a committee of the Board of Directors and the Board of Directors or committee authorized, approved, or ratified the transaction.

(2)The material facts of the transaction and the Director's interest were disclosed or known to the shareholders entitled to vote and they authorized, approved, or ratified the transaction.

(3)The transaction was fair to the Corporation.

(b) For purposes of this Section 7.7, a Director of the Corporation has an indirect interest in a transaction if:

(1)Another entity in which the Director has a material financial interest or in which the Director is a general partner is a party to the transaction; or

(2)Another entity of which the Director is a director, officer, or trustee is a party to the transaction and the transaction is, or is required to be, considered by the Board of Directors of the Corporation.

(c) For purposes of Section 7.7(a)(1), a conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the Directors on the Board of Directors (or on the committee) who have no direct or indirect interest in the transaction, but a transaction may not be authorized, approved, or ratified under this section by a single Director. If a majority of the Directors who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum shall be deemed present for the purpose of taking action under this Section 7.7. The presence of, or a vote cast by, a Director with a direct or indirect interest in the transaction does not affect the validity of any action taken under Section 7.7(a)(1), if the transaction is otherwise authorized, approved, or ratified as provided in such subsection.

(d) For purposes of Section 7.7(a)(2), a conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of the holders of shares representing a majority of the votes entitled to be cast. Shares owned by or voted under the control of a Director who has a direct or indirect interest in the transaction, and shares owned by or voted under the control of an entity described in Section 7.7(b), may be counted in such a vote of shareholders.

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Section 7.8. Nonliability of Shareholders. Shareholders of the Corporation are not personally liable for the acts or debts of the Corporation, nor is private property of shareholders subject to the payment of corporate debts.

Section 7.9. Indemnification of Officers, Directors, and Other Eligible Persons.

(a) The Corporation shall indemnify every Eligible Person against all Liability and Expense that may be incurred by him or her in connection with or resulting from any Claim to the fullest extent authorized or permitted by the Corporation Law, as the same exists or may hereafter be amended (but in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), or otherwise consistent with the public policy of the State of Indiana. In furtherance of the foregoing, and not by way of limitation, every Eligible Person shall be indemnified by the Corporation against all Liability and reasonable Expense that may be incurred by him or her in connection with or resulting from any Claim, (1) if such Eligible Person is Wholly Successful with respect to the Claim, or (2) if not Wholly Successful, then if such Eligible Person is determined, as provided in either Section 7.9(g) or 7.9(h), to have acted in good faith, in what he or she reasonably believed to be the best interests of the Corporation or at least not opposed to its best interests and, in addition, with respect to any criminal claim is determined to have had reasonable cause to believe that his or her conduct was lawful or had no reasonable cause to believe that his or her conduct was unlawful. The termination of any Claim, by judgment, order, settlement (whether with or without court approval), or conviction or upon a plea of guilty or of nolo contendere, or its equivalent, shall not create a presumption that an Eligible Person did not meet the standards of conduct set forth in clause (2) of this subsection (a). The actions of an Eligible Person with respect to an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 shall be deemed to have been taken in what the Eligible Person reasonably believed to be the best interests of the Corporation or at least not opposed to its best interests if the Eligible Person reasonably believed he was acting in conformity with the requirements of such Act or he reasonably believed his actions to be in the interests of the participants in or beneficiaries of the plan.

(b) The term "Claim" as used in this Section 7.9 shall include every pending, threatened, or completed claim, action, suit, or proceeding and all appeals thereof (whether brought by or in the right of this Corporation or any other corporation or otherwise), civil, criminal, administrative, or investigative, formal or informal, in which an Eligible Person may become involved, as a party or otherwise:

(1)by reason of his or her being or having been an Eligible Person, or

(2)by reason of any action taken or not taken by him or her in his or her capacity as an Eligible Person, whether or not he or she continued in such capacity at the time such Liability or Expense shall have been incurred.

(c) The term "Eligible Person" as used in this Section 7.9 shall mean every person (and the estate, heirs, and personal representatives of such person) who is or was a Director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as a Director, officer, employee, partner, trustee, member, manager, agent, or fiduciary of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other organization or entity, whether for profit or not. An Eligible Person shall also be considered to have been serving an employee benefit plan at the request of the Corporation if his or her duties to the Corporation also imposed duties on, or otherwise involved services by, him or her to the plan or to participants in or beneficiaries of the plan.

(d) The terms "Liability" and "Expense" as used in this Section 7.9 shall include, but shall not be limited to, counsel fees and disbursements and amounts of judgments, fines, or penalties against (including excise taxes assessed with respect to an employee benefit plan), and amounts paid in settlement by or on behalf of an Eligible Person.

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(e) The term "Wholly Successful" as used in this Section 7.9 shall mean (1) termination of any Claim, whether on the merits or otherwise, against the Eligible Person in question without any finding of liability or guilt against him or her, (2) approval by a court, with knowledge of the indemnity herein provided, of a settlement of any Claim, or (3) the expiration of a reasonable period of time after the making or threatened making of any Claim without the institution of the same, without any payment or promise made to induce a settlement.

(f) As used in this Section 7.9, the term "Corporation" includes all constituent entities in a consolidation or merger and the new or surviving corporation of such consolidation or merger, so that any Eligible Person who is or was a Director, officer, employee or agent of such a constituent entity, or is or was serving at the request of such constituent entity as a Director, officer, employee, partner, trustee, member, manager, agent, or fiduciary of any other corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other organization or entity, whether for profit or not, shall stand in the same position under this Section 7.9 with respect to the new or surviving corporation as he or she would if he or she had served the new or surviving corporation in the same capacity.

(g) Every Eligible Person claiming indemnification hereunder (other than one who has been Wholly Successful with respect to any Claim) shall be entitled to indemnification (1) if special independent legal counsel, which may be regular counsel of the Corporation, or other disinterested person or persons, in either case selected by the Board of Directors, whether or not a disinterested quorum exists (such counsel or person or persons being hereinafter called the "Referee"), shall deliver to the Corporation a written finding that such Eligible Person has met the standards of conduct set forth in Section 7.9(a)(2), and (2) if the Board of Directors, acting upon such written finding, so determines. The Board of Directors shall, if an Eligible Person is found to be entitled to indemnification pursuant to the preceding sentence, also determine the reasonableness of the Eligible Person's Expenses. The Eligible Person claiming indemnification shall, if requested, appear before the Referee, answer questions that the Referee deems relevant and shall be given ample opportunity to present to the Referee evidence upon which the Eligible Person relies for indemnification. The Corporation shall, at the request of the Referee, make available facts, opinions, or other evidence in any way relevant to the Referee's findings that are within the possession or control of the Corporation.

(h) If an Eligible Person claiming indemnification pursuant to Section 7.9(g) is found not to be entitled thereto, or if the Board of Directors fails to select a Referee under Section 7.9(g) within a reasonable amount of time following a written request of an Eligible Person for the selection of a Referee, or if the Referee or the Board of Directors fails to make a determination under Section 7.9(g) within a reasonable amount of time following the selection of a Referee, the Eligible Person may apply for indemnification with respect to a Claim to a court of competent jurisdiction, including a court in which the Claim is pending against the Eligible Person. On receipt of an application, the court, after giving notice to the Corporation and giving the Corporation ample opportunity to present to the court any information or evidence relating to the claim for indemnification that the Corporation deems appropriate, may order indemnification if it determines that the Eligible Person is entitled to indemnification with respect to the Claim because such Eligible Person met the standards of conduct set forth in Section 7.9(a)(2). If the court determines that the Eligible Person is entitled to indemnification, the court shall also determine the reasonableness of the Eligible Person's Expenses.

(i) Expenses incurred by an Eligible Person who is a Director or officer of the Corporation in defending any Claim shall be paid by the Corporation in advance of the final disposition of such Claim promptly as they are incurred upon receipt of an undertaking by or on behalf of such Eligible Person to repay such amount if he or she is determined not to be entitled to indemnification. Expenses incurred by any other Eligible Person with respect to any Claim may be advanced by the Corporation (by action of the Board of Directors, whether or not a disinterested quorum exists) prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the Eligible Person to repay such amount if he or she is determined not to be entitled to indemnification.

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(j) The rights of indemnification and advancement of Expenses provided in this Section 7.9 shall be in addition to any rights to which any Eligible Person may otherwise be entitled. Irrespective of the provisions of this Section 7.9, the Board of Directors may, at any time and from time to time, (1) approve indemnification of any Eligible Person to the full extent permitted by the provisions of applicable law at the time in effect, whether on account of past or future transactions, and (2) authorize the Corporation to purchase and maintain insurance on behalf of any Eligible Person against any Liability or Expense asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such Liability or Expense.

(k) The provisions of this Section 7.9 shall be deemed to be a contract between the Corporation and each Eligible Person, and an Eligible Person's rights hereunder shall not be diminished or otherwise adversely affected by any repeal, amendment, or modification of this Section 7.9 that occurs subsequent to such person becoming an Eligible Person.

(l) The provisions of this Section 7.9 shall be applicable to Claims made or commenced after the adoption hereof, whether arising from acts or omissions to act occurring before or after the adoption hereof.

(m) If this Section 7.9 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each Director or officer and may indemnify each employee or agent of the Corporation as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Corporation, to the fullest extent permitted by any applicable portion of this Section 7.9 that shall not have been invalidated and to the fullest extent permitted by applicable law.

ARTICLE VIII

Restrictions on Ownership and Transfer of Stock

Section 8.1. Limitation on Ownership. Except with the prior approval of a majority of the Continuing Directors (as defined in Section 8.14 below), no Person (as defined in Section 8.14 below) shall Beneficially Own (as defined in Section 8.14 below) shares of Capital Stock (as defined in Section 8.14 below) in excess of the Ownership Limit (as defined in Section 8.14 below). Any Transfer (as defined in Section 8.14 below) that, if effective, would result in any Person Beneficially Owning Capital Stock in excess of the Ownership Limit shall result in such intended transferee acquiring no rights in such shares of Capital Stock (other than those rights expressly granted in this Article VIII) and such number of shares of Capital Stock shall be deemed transferred to the Share Escrow Agent (as defined in Section 8.14 below) as set forth in this Article VIII.

Section 8.2. Excess Shares. If, notwithstanding any other provisions of this Article VIII, there is a purported Transfer or other change in the capital structure of the Corporation such that any Person would Beneficially Own shares of Capital Stock in excess of the Ownership Limit (a "Purported Owner"), then, upon such Transfer or change in capital structure, such shares of Capital Stock in excess of the Ownership Limit shall be Excess Shares for purposes of this Article VIII; provided, however, that in the event that any Person becomes a Purported Owner as a result of Beneficial Ownership of Capital Stock of one Person being aggregated with another Person, then the number of Excess Shares subject to this Article VIII shall be allocated pro rata among each Purported Owner in proportion to each Person's total Beneficial Ownership (without regard to any aggregation with another Person pursuant to Section 8.14(b)(4) or (5). Upon the occurrence of any event that would cause any Person to exceed the Ownership Limit (including without limitation the expiration of a voting trust, without being renewed on substantially similar terms, that entitled such Person to an exemption from the Ownership Limit), all shares of Capital Stock Beneficially Owned by such Person in excess of the Ownership Limit shall also be Excess Shares for purposes of this Article VIII, such Person shall be deemed the Purported Owner of such Excess Shares and such Person's rights in such Excess Shares shall be as prescribed in this Article VIII. Excess Shares shall not constitute a separate class of Capital Stock.

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Section 8.3. Authority of the Corporation. If the Corporation at any time determines that a Transfer has taken place in violation of Section 8.1 or that a Purported Owner intends to acquire or has attempted to acquire Beneficial Ownership of any shares of Capital Stock in violation of Section 8.1, the Corporation shall take such action as it deems advisable to refuse to give effect to or to prevent such Transfer, including, without limitation, refusing to give effect to such Transfer on the books of the Corporation or instituting proceedings to enjoin or rescind such Transfer; provided, however, that any purported Transfers in violation of Section 8.1 shall automatically result in all shares of Capital Stock in excess of the Ownership Limit being deemed Excess Shares. Notwithstanding the foregoing, nothing contained in this Article VIII shall limit the authority of the Corporation to take such other action as it deems necessary or advisable to protect the Corporation and the interests of its stockholders.

Section 8.4. Written Notice Required. Any Purported Owner who acquires or attempts to acquire shares of Capital Stock in violation of Section 8.l, or any Purported Owner who is a transferee such that any shares of Capital Stock are deemed Excess Shares under Section 8.2, shall immediately give written notice to the Corporation of such event and shall provide to the Corporation such other information as the Corporation may request.

Section 8.5. Restrictive Legend. Each certificate for Capital Stock issued by the Corporation shall bear an appropriate legend with regard to the restrictions on ownership and transfer of stock set forth in these Articles of Incorporation.

Section 8.6. Share Escrow Agent. Upon the occurrence of a Transfer or an event that results in Excess Shares pursuant to Section 8.2, such Excess Shares shall automatically be transferred immediately to the Share Escrow Agent, which Excess Shares, subject to the provisions of this Article VIII, shall be held by the Share Escrow Agent until such time as the Excess Shares are transferred to a Person whose acquisition thereof will not violate the Ownership Limit (a "Permitted Transferee") and the Share Escrow Agent shall be authorized to execute any and all documents sufficient to transfer title to any Permitted Transferee, even in the absence of receipt of certificate(s) representing Excess Shares. The Corporation shall take such actions as it deems necessary to give effect to such transfer to the Share Escrow Agent, including by issuing a stop transfer order to the Corporation's transfer agent with respect to any attempted transfer by the Purported Owner or its nominee of any Excess Shares and by giving effect, or by instructing the Corporation's transfer agent to give effect, to such transfer to a Permitted Transferee on the books of the Corporation. Excess Shares so held shall be issued and outstanding shares of Capital Stock. The Purported Owner shall have no rights in such Excess Shares except as provided in Sections 8.7, 8.8, and 8.11 and the administration of the Excess Shares escrow shall be governed by the terms of a Share Escrow Agent Agreement.

Section 8.7. Dividends on Excess Shares. The Share Escrow Agent, as record holder of Excess Shares, shall be entitled to receive all dividends and distributions as may be declared by the Board of Directors with respect to Excess

Shares (the "Excess Share Dividends") and shall hold the Excess Share Dividends until disbursed in accordance with the provisions of Section 8.11 following. The Purported Owner, with respect to Excess Shares purported to be Beneficially Owned by such Purported Owner prior to such time that the Corporation determines that such shares are Excess Shares, shall repay to the Share Escrow Agent the amount of any Excess Share Dividends received by it that (i) are attributable to any Excess Shares and (ii) the record date of which is on or after the date that such shares become Excess Shares. The Corporation shall take all measures that it determines reasonably necessary to recover the amount of any Excess Share Dividends paid to a Purported Owner, including, if necessary, withholding any portion of future dividends or distributions payable on shares of Capital Stock Beneficially Owned by any Purported Owner (including on shares which fall below the Ownership Limit as well as on Excess Shares), and, as soon as practicable following the Corporation's receipt or withholding thereof, shall pay over to the Share Escrow Agent the dividends so received or withheld, as the case may be.

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Section 8.8. Effect of Liquidation etc. on Excess Shares. In the event of any voluntary or involuntary liquidation, dissolution, or winding up of, or any distribution of the assets of, the Corporation, the Share Escrow Agent shall be entitled to receive, ratably with each other holder of Capital Stock of the same class or series, that portion of the assets of the Corporation that is available for distribution to the holders of such class or series of Capital Stock. The Share Escrow Agent shall distribute to the Purported Owner the amounts received upon such liquidations, dissolution or winding up or distribution in accordance with the provisions of Section 8.11.

Section 8.9. Voting of Excess Shares. The Share Escrow Agent shall be entitled to vote all Excess Shares. The Share Escrow Agent shall be instructed by the Corporation to vote, consent or assent the Excess Shares as follows: (i) if the matter concerned is the election of directors, the Share Escrow Agent shall vote, consent or assent the whole number of Excess Shares held by the Share Escrow Agent for each director by multiplying the number of votes held in escrow by a fraction, the numerator of which is the number of Nonaffiliated Votes cast for the director and the denominator of which is the number of Nonaffiliated Votes that could have been cast in the election of the director and are present in person or by proxy at the meeting; (ii) where the matter under the Corporation Law or these Articles of Incorporation or the Bylaws of the Corporation requires at least an absolute majority of all outstanding shares of Common Stock in order to be effected, then the Share Escrow Agent shall vote, assent or consent all of such Excess Shares in favor of or in opposition to such matter as the majority of all Nonaffiliated Votes are cast; and (iii) on all other matters, the Share Escrow Agent shall at all times vote, assent or consent all of such shares in the identical proportion in favor of or in opposition to such matter as Nonaffiliated Votes are cast. If any calculation of votes under the preceding sentence would require a fractional vote, the Share Escrow Agent shall vote the next lower number of whole Excess Shares. The Share Escrow Agent shall use all reasonable commercial efforts to ensure, with respect to Excess Shares, that such Excess Shares are counted as being present for the purposes of any quorum required for stockholder action of the Corporation and to vote as set forth above. For purposes of these Articles of Incorporation, "Nonaffiliated Votes" shall mean the votes cast by stockholders other than any Share Escrow Agent with respect to Excess Shares.

Section 8.10. Sale of Excess Shares.

(a) In an orderly fashion so as not to materially adversely affect the price of Common Stock on the New York Stock Exchange or, if Common Stock is not listed on the New York Stock Exchange, on the exchange or other principal market on which Common Stock is traded, the Share Escrow Agent shall sell or cause the sale of Excess Shares at such time or times as the Share Escrow Agent determines to be appropriate. The Share Escrow Agent shall have the right to take such actions as the Share Escrow Agent deems appropriate to seek to restrict sale of the shares to Permitted Transferees.

(b) The Share Escrow Agent shall have the power to convey to the purchaser of any Excess Shares sold by the Share Escrow Agent ownership of the Excess Shares free of any interest of the Purported Owner of those Excess Shares and free of any other adverse interest arising through the Purported Owner.

(c) Upon acquisition by any Permitted Transferee of any Excess Shares sold by the Share Escrow Agent or the Purported Owner, such shares shall upon such sale cease to be Excess Shares and shall become regular shares of Capital Stock in the class to which the Excess Shares belong, and the purchaser of such shares shall acquire such shares free of any claims of the Share Escrow Agent or the Purported Owner.

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(d) To the extent permitted by law, none of the Corporation, the Share Escrow Agent or anyone else shall have any liability to the Purported Owner or anyone else by reason of any action or inaction the Corporation or the Share Escrow Agent shall take which either shall in good faith believe to be within the scope of its authority under this Article VIII or by reason of any decision as to when or how to sell any Excess Shares or by reason of any other action or inaction in connection with activities under this Article VIII which does not constitute gross negligence or willful misconduct. Without limiting by implication the scope of the preceding sentence, to the extent permitted by law, (a) neither the Share Escrow Agent nor the Corporation shall have any liability on grounds that either failed to take actions which would have produced higher proceeds for any of the Excess Shares or by reason of the manner or timing for any disposition of any Excess Shares and (b) the Share Escrow Agent shall not be deemed to be a fiduciary or Agent of any Purported Owner.

Section 8.11. Application of the Proceeds from the Sale of Excess Shares. The proceeds from the sale of the Excess Shares to a Permitted Transferee and any Excess Share Dividends shall be distributed as follows: (i) first, to the Share Escrow Agent for any costs and expenses incurred in respect of its administration of the Excess Shares that have not theretofore been reimbursed by the Corporation; (ii) second, to the Corporation for all costs and expenses incurred by the Corporation in connection with the appointment of the Share Escrow Agent, the payment of fees to the Share Escrow Agent with respect to the services provided by the Share Escrow Agent in respect of the escrow and all funds expended by the Corporation to reimburse the Share Escrow Agent for costs and expenses incurred by the Share Escrow Agent in respect of its administration of the Excess Shares and for all fees, disbursements and expenses incurred by the Share Escrow Agent in connection with the sale of the Excess Shares; and (iii) third, the remainder thereof (as the case may be) to the Purported Owner or the Person who was the holder of record before the shares were transferred to the Share Escrow Agent (depending on who shall at such time be entitled to any economic interest in the Excess Shares); provided, however, if the Share Escrow Agent shall have any questions as to whether any security interest or other interest adverse to the Purported Owner shall have existed with respect to any Excess Shares, the Share Escrow Agent shall not be obligated to disburse proceeds for those shares until the Share Escrow Agent is provided with such evidence as the Share Escrow Agent shall deem necessary to determine the parties who shall be entitled such proceeds.

Section 8.12. No Limit on the Authority of the Corporation. Subject to Section 8.13, nothing contained in this Article VIII or in any other provision of these Articles of Incorporation shall limit the authority of the Corporation to take such other action as it deems necessary or advisable to protect the Corporation and the interests of its stockholders.

Section 8.13. Settlement of Transactions. Nothing in these Articles of Incorporation shall preclude the settlement of any transactions entered into through the facilities of the New York Stock Exchange or any other exchange or through the means of any automated quotation system now or hereafter in effect.

Section 8.14. Definitions. The following definitions shall apply with respect to this Article VIII:

(a) "Affiliate" and "associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended or supplemented (the "Exchange Act") at the time as of which the term shall be applied.

(b) Except as is provided in (c) of this Section 8.14, a Person shall be deemed to "Beneficially Own," be the "Beneficial Owner" of or have "Beneficial Ownership" of any Capital Stock:

(1)in which such Person shall then have a direct or indirect beneficial ownership interest;

(2)in which such Person shall have the right to acquire any direct or indirect beneficial ownership interest pursuant to any option or other agreement (either immediately or after the passage of time or the occurrence of any contingency);

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(3)which such Person shall have the right to vote;

(4)in which such Person shall hold any other interest which would count in determining whether such Person would be required to file a Schedule 13D; or

(5)which shall be Beneficially Owned (under the concepts provided in the preceding clauses) by any affiliate or associate of the particular Person or by any other Person with whom the particular Person or any such affiliate or associate has any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities).

(c) The following provisions are included to clarify (b) above:

(1) A Person shall not be deemed to Beneficially Own, be the Beneficial Owner of, or have Beneficial Ownership of Capital Stock by reason of possessing the right to vote if (i) such right arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations promulgated under the Exchange Act, and (ii) such Person is not the Purported Owner of any Excess Shares, is not named as holding a beneficial ownership interest in any Capital Stock in any filing on Schedule 13D and is not an affiliate or associate of any such Purported Owner or named Person.

(2) A member of a national securities exchange or a registered depositary shall not be deemed to Beneficially Own, be the Beneficial Owner of or have Beneficial Ownership of Capital Stock held directly or indirectly by it on behalf of another Person (and not for its own account) solely because such member or depositary is the record holder of such Capital Stock, and (in the case of such member), pursuant to the rules of such exchange, such member may direct the vote of such Capital Stock without instruction on matters which are uncontested and do not affect substantially the rights or privileges of the holders of the Capital Stock to be voted but is otherwise precluded by the rules of such exchange from voting such Capital Stock without instruction on either contested matters or matters that may affect substantially the rights or the privileges of the holders of such Capital Stock to be voted.

(3) A Person who in the ordinary course of business is a pledgee of Capital Stock under a written pledge agreement shall not be deemed to Beneficially Own, be the Beneficial Owner of or have Beneficial Ownership of such pledged Capital Stock solely by reason of such pledge until the pledgee has taken all formal steps which are necessary to declare a default or has otherwise acquired the power to vote or to direct to vote such pledged Capital Stock, provided that;

(A) the pledge agreement is bona fide and was not entered into with the purpose nor with the effect of changing or influencing the control of the Corporation, nor in connection with any transaction having such purpose or effect, including any transaction subject to Rule 13d-3(b) promulgated under the Exchange Act; and

(B) the pledge agreement does not grant to the pledgee the right to vote or to direct the vote of the pledged securities prior to the time the pledgee has taken all formal steps which are necessary to declare a default.

(4) A Person engaged in business as an underwriter or a placement agent for securities who enters into an agreement to acquire or acquires Capital Stock solely by reason of its participation in good faith and in the ordinary course of its business in the capacity of underwriter or placement agent in any underwriting or agent representation registered under the Securities Act of 1933, as amended and in effect on the date these Articles of Incorporation were filed with the office of

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the Indiana Secretary of State (the "Securities Act"), a bona fide private placement, a resale under Rule 144A promulgated under the Securities Act or in any foreign or other offering exempt from the registration requirements under the Securities Act shall not be deemed to Beneficially Own, be the Beneficial Owner of or have Beneficial Ownership of such securities until the expiration of forty (40) days after the date of such acquisition so long as (i) such Person does not vote such Capital Stock during such period and (ii) such participation is not with the purpose or with the effect of changing or influencing control of the Corporation, nor in connection with or facilitating any transaction having such purpose or effect, including any transaction subject to Rule 13d-3(b) promulgated under the Exchange Act.

(5) If the Corporation shall sell shares in a transaction not involving any public offering, then each purchaser in such offering shall be deemed to obtain Beneficial Ownership in such offering of the shares purchased by such purchaser, but no particular purchaser shall be deemed to Beneficially Own or have acquired Beneficial Ownership or be the Beneficial Owner in such offering of shares purchased by any other purchaser solely by reason of the fact that all such purchasers are parties to customary agreements relating to the purchase of equity securities directly from the Corporation in a transaction not involving a public offering, provided that:

(A) all the purchasers are persons specified in Rule 13d-1(b)(1)(ii) promulgated under the Exchange Act;

(B) the purchase is in the ordinary course of each purchaser's business and not with the purpose nor with the effect of changing or influencing control of the Corporation, nor in connection with or as a participant in any transaction having such purpose or effect, including any transaction subject to Rule 13d-3(b) promulgated under the Exchange Act;

(C) there is no agreement among or between any purchasers to act together with respect to the Corporation or its securities except for the purpose of facilitating the specific purchase involved; and

(D) the only actions among or between any purchasers with respect to the Corporation or its securities subsequent to the closing date of the nonpublic offering are those which are necessary to conclude ministerial matters directly related to the completion of the offer or sale of the securities sold in such offering.

(6) The Share Escrow Agent shall not be deemed to be the Beneficial Owner of any Excess Shares held by such Share Escrow Agent pursuant to a Share Escrow Agent Agreement, nor shall any such Excess Shares be aggregated with any other share of Capital Stock held by affiliates or associates of such Share Escrow Agent.

(d) "Capital Stock" shall mean shares (or any other basic unit) of any class or series of any voting security which the Corporation may at any time issue or be authorized to issue, that entitles the holder thereof to vote on any election, but not necessarily all elections, of directors. To the extent that classes or series of Capital Stock vote together in the election of directors with equal votes per share, they shall be treated as a single class of Capital Stock for the purpose of computing the relevant Ownership Limit or the right to amend these Articles of Incorporation.

(e) "Continuing Director" shall mean each member of the initial Board of Directors of the Corporation and any new member of the Board of Directors whose nomination for election to the board was approved by a vote of two-thirds of the directors still in office who were initial directors named in these Articles of Incorporation or whose nomination was approved by such directors.

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Annex A - Proposed Amended and Restated Articles of Incorporation of Anthem, Inc. (continued)

(f) "Institutional Investor" means any Person if (but only if) such Person is:

(1) a broker or dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended;

(2) a bank as defined in Section 3(a)(6) of the Exchange Act;

(3) an insurance company as defined in Section 3(a)(19) of the Exchange Act;

(4) an investment company registered under Section 8 of the Investment Company Act of 1940;

(5) an investment adviser registered under Section 203 of the Investment Advisers Act of 1940;

(6) an employee benefit plan, or pension fund which is subject to the provisions of the Employee Retirement Income Security Act of 1974 or an endowment fund;

(7) a parent holding company, provided the aggregate amount held directly by the parent, and directly and indirectly by its subsidiaries which are not persons specified in subsections (1) through (6) above, does not exceed one percent of the securities of the subject class such as common stock; or

(8) a group, provided that all the members are Persons specified in the subsections (1) through (7) above.

(g) "License Agreement" shall mean the license agreement between the Corporation and the Blue Cross and Blue Shield Association, including any and all addenda thereto, now in effect and, as it may be amended, modified, superseded and/or replaced from time to time, with respect to, among other things, the "Blue Cross" and "Blue Shield" name and mark.

(h) "Noninstitutional Investor" means any Person that is not an Institutional Investor.:

(i) "Ownership Limit" shall mean the following:

(1) Except as otherwise expressly provided in this Subsection (i), the Ownership Limit for any Noninstitutional Investor shall be that number of shares of Capital Stock one share lower than the number of shares of Capital Stock which would represent 5% of the Voting Power.

(2) Except as otherwise expressly provided in this Subsection (i), the Ownership Limit for any Institutional Investor shall be that number of shares of Capital Stock one share lower than the number of shares of Capital Stock which would represent 10% of the Voting Power.

(3) Except as otherwise expressly provided in this Subsection (i), the Ownership Limit for any Person shall be one share lower than that number of shares of Common Stock or other equity securities (or a combination thereof) which would represent 20% of the ownership interest in the Corporation.

(4) In the event the Corporation and Blue Cross and Blue Shield Association shall agree in writing, through an amendment of the License Agreement or otherwise, that an Ownership Limit of a higher percentage than that prescribed in clause (1), (2) or (3) shall apply, then the Ownership Limit shall be as specified in such written agreement.

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(5) In the event any particular Person shall Beneficially Own shares of Capital Stock in excess of the Ownership Limit which would apply were it not for this clause (5) (the "Regular Limit"), such ownership shall not be deemed to exceed the Ownership Limit provided that (i) such Person shall not at any time Beneficially Own shares of Capital Stock in excess of the Regular Limit plus 1% and (ii) within thirty (30) days of the time when the particular Person becomes aware of the fact that the regular Limit has been exceeded, the particular Person reduces such Person's Beneficial Ownership below the Regular Limit.

(j) "Person" shall mean any individual, firm, partnership, corporation, trust, association, joint venture or other entity, and shall include any successor (by merger or otherwise) of any such entity.

(k) "Schedule 13D" means a report on Schedule 13D under Regulation 13D of the Exchange Act as in effect on the date these Articles of Incorporation were filed with the office of the Indiana Secretary of State and any report which may be required in the future under any requirements which Blue Cross and Blue Shield Association shall reasonably judge to have any of the purposes served by Schedule 13D as in effect on the date these Articles of Incorporation were filed with the office of the Indiana Secretary of State.

(l) "Share Escrow Agent" shall mean the Person appointed by the Corporation to act as escrow agent with respect to some or all of the Excess Shares.

(m) "Transfer" shall mean any sale, transfer, gift, hypothecation, pledge, assignment, devise or other disposition of Capital Stock (including (i) the granting of any option or entering into any agreement for the sale, transfer or other disposition of Capital Stock or (ii) the sale, transfer, assignment or other disposition of any securities or rights convertible into or exchangeable for Capital Stock), whether voluntary or involuntary, whether of record, constructively or beneficially and whether by operation of law or otherwise.

(n) "Voting Power." The percentage of the voting power attributable to the shares of Capital Stock Beneficially Owned by any particular Person shall be equal to the percentage of all votes which could be cast in any election of any director which could be accounted for by the shares of Capital Stock Beneficially Owned by that particular Person. If in connection with an election for any particular position on the Board, shares in different classes or series are entitled to be voted together for purposes of such election, then in determining the number of "all votes which could be cast" in the election for that particular position for purposes of the preceding sentence, the number shall be equal to the number of votes which could be cast in the election for that particular position if all shares entitled to be voted in such election (regardless of series or class) were in fact voted in such election. If the Corporation shall issue any series or class of shares for which positions on the Board are reserved or shall otherwise issue shares which have voting rights which can arise or vary based upon terms governing that class or series, then the percentage of the voting power represented by the shares of Capital Stock Beneficially Owned by any particular Person shall be the highest percentage of the total votes which could be accounted for by those shares in any election of any director.

ARTICLE IX

Incorporator

The name and post office address of the incorporator of the Corporation are as follows:

Name	Number and Street or Building	City, State Zip Code
Anthem Insurance Companies, Inc.	120 Monument Circle	Indianapolis, Indiana 46204

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Annex A - Proposed Amended and Restated Articles of Incorporation of Anthem, Inc. (continued)

ARTICLE X

Miscellaneous Provisions

Section 10.1. Amendment or Repeal.

(a) Articles of Incorporation. Except as otherwise expressly provided for in these Articles of Incorporation, the Corporation shall be deemed, for all purposes, to have reserved the right to amend, alter, change, or repeal any provision contained in these Articles of Incorporation to the extent and in the manner now or hereafter permitted or prescribed by statute, and all rights herein conferred upon shareholders are granted subject to such reservation.

(b) Bylaws. Except as otherwise expressly provided in these Articles of Incorporation or by the Corporation Law, the Bylaws of the Corporation may be made, altered, amended or repealed by either (1) the Board of Directors by the affirmative vote of a majority of the entire number of Directors at the time, or (2) the affirmative vote, at a meeting of the shareholders of the Corporation, of at least a majority of the votes entitled to be cast by the holders of the outstanding shares of all classes of stock of the Corporation entitled to vote generally in the election of directors, considered for purposes of this Section 10.1 as a single voting group, in the case of all provisions of the Bylaws, except Sections 1.7, 2.1 (the second sentence of the first paragraph only), 7.2, 7.7 and 9.5 of the Bylaws, which cannot be amended by the shareholders of the Corporation.

Section 10.2. Voting as a Shareholder. The Chair of the Board, the Chief Executive Officer, the President, any Vice President, the Secretary, the Treasurer or any other officers designated by the Board of Directors shall have full power and authority on behalf of the Corporation to attend any meeting of shareholders of any corporation in which the Corporation may hold stock, and to act, vote (or execute proxies to vote) and exercise in person or by proxy all other rights, powers and privileges incident to the ownership of such stock. Such officers acting on behalf of the Corporation shall have full power and authority to execute any instrument expressing consent to or dissent from any action of any such corporation without a meeting.

Section 10.3. Captions. The captions of the Articles and Sections of these Articles of Incorporation have been inserted for convenience of reference only and do not in any way define, limit, construe, or describe the scope or intent of any Article or Section hereof.

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Anthem, Inc. 2018 Proxy Statement A-19

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Annex B – GAAP Reconciliation

Anthem, Inc.

GAAP Reconciliation

(Unaudited)

Anthem, Inc. (“Anthem,” “we,” “us,” or “our) has referenced “Adjusted Net Income” and “Adjusted Net Income Per Diluted Share” or “Adjusted EPS,” which are non-GAAP measures, in this document. These non-GAAP measures are not intended to be alternatives to any measure calculated in accordance with GAAP. Rather, these non-GAAP measures are intended to aid investors in understanding and analyzing our core operating results and comparing our financial results. A reconciliation of these measures to the most directly comparable measure calculated in accordance with GAAP is presented below.

(In millions, except per share data)	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
Net income	$ 3,842.8	$ 2,469.8	$ 2,560.0
Add / (Subtract):			
Net realized (gains) on financial instruments	(144.8)	(4.9)	(157.5)
Other-than-temporary impairment losses recognized in income	33.1	115.4	83.4
Amortization of other intangible assets	168.4	192.3	230.1
Cigna transaction costs	165.9	321.1	103.0
Loss/(gain) on extinguishment of debt	282.4	—	(9.3)
Deferred tax benefit from Tax Reform	(1,108.3)	—	—
Penn Treaty assessment costs	253.8	—	—
2015 cyber attack litigation settlement	115.0	—	—
Income tax true-up of prior transaction costs	(69.3)	—	—
Tricare bid conclusion costs	—	37.4	—
Deferred tax asset write-off from California tax legislation	—	20.7	—
California adverse franchise tax ruling	—	—	42.3
Tax impact of non-GAAP adjustments	(314.8)	(203.3)	(80.3)
Net adjustment items	(618.6)	478.7	211.7
Adjusted net income	$ 3,224.2	$ 2,948.5	$ 2,771.7
Net income per diluted share	$ 14.35	$ 9.21	$ 9.38
Add / (Subtract):			
Net realized (gains) on financial instruments	(0.54)	(0.02)	(0.58)
Other-than-temporary impairment losses recognized in income	0.12	0.43	0.31
Amortization of other intangible assets	0.63	0.72	0.84
Cigna transaction costs	0.62	1.20	0.38
Loss (gain) on extinguishment of debt	1.05	—	(0.03)
Deferred tax benefit from Tax Reform	(4.14)	—	—

Penn Treaty assessment costs	0.95	—	—
2015 cyber attack litigation settlement	0.43	—	—
Income tax true-up of prior transaction costs	(0.26)	—	—
Tricare bid conclusion costs	—	0.14	—
Deferred tax asset write-off from California tax legislation	—	0.08	—
California adverse franchise tax ruling	—	—	0.16
Tax impact of non-GAAP adjustments	(1.18)	(0.76)	(0.29)
Rounding impact	0.01	—	(0.01)
Net adjustment items	(2.31)	1.79	0.78
Adjusted net income per diluted share or Adjusted EPS	$ 12.04	$ 11.00	$ 10.16

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. Annual Meeting of Shareholders Anthem, Inc., 120 Monument Circle, Indianapolis, Indiana 46204 Wednesday, May 16, 2018 Registration and Seating Available at 7:30 a.m. Eastern Daylight Time Meeting Begins Promptly at 8:00 a.m. Eastern Daylight Time Please plan to arrive early as there will be no admission after the meeting begins. To attend the annual meeting, please present this admission ticket and photo identification at the registration desk upon arrival. q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q PROXY VOTING INSTRUCTIONS FOR ANNUAL MEETING OF SHAREHOLDERS + Wednesday, May 16, 2018 Record Date: March 9, 2018 This PROXY is solicited by the Board of Directors for use at the Annual Meeting of Shareholders on May 16, 2018. Your shares of stock will be voted as you specify. If you sign and date your proxy card, but do not provide instructions, your shares of stock will be voted FOR Proposals 1, 2, 3 and 4 and AGAINST Proposal 5. By signing this PROXY, you revoke all prior proxies and appoint Thomas C. Zielinski, John E. Gallina and Kathleen S. Kiefer or any of them, as proxies, with the power to appoint substitutes, to vote your shares of stock of Anthem, Inc. that you would be entitled to cast if personally present at the Annual Meeting of Shareholders, and all adjournments or postponements of the meeting. If you participate in the Anthem 401(k) Plan and you are invested in the Anthem Stock Fund in your plan account, you may give voting instructions to Vanguard Fiduciary Trust Company, the plan Trustee. The number of shares of Anthem, Inc. common stock you may vote is based on the underlying shares credited to your Anthem Stock Fund account as of the most recent valuation date coincident with or preceding the record date. The Trustee will vote your shares in accordance with your instructions received by 11:59 p.m., Eastern Daylight Time, May 14, 2018. You may also revoke previously given voting instructions by 11:59 p.m., Eastern Daylight Time, May 14, 2018, by filing with the Trustee either written notice of revocation or a properly completed and signed proxy card bearing a later date. Your voting instructions will be kept confidential by the Trustee. If you do not send voting instructions, the Trustee will vote the number of shares equal to the underlying shares credited to your account in the same proportion that it votes shares for which it did receive timely instructions. Your voice is important. You are strongly encouraged to vote your proxy through the Internet or by telephone in accordance with the instructions on the reverse side. However, if you wish to vote by mail, just complete the reverse side of this card, sign, and date below and return in the enclosed envelope. If you wish to vote in accordance with the Board of Directors' recommendations, you need not mark the voting boxes, only return a signed card. If you do not sign and return a proxy, submit a proxy by telephone or through the Internet, or attend the meeting and vote by ballot, shares that you own directly cannot be voted. Electronic distribution of proxy materials saves time, postage and printing costs, and is environmentally friendly. For electronic distribution of proxy materials in the future, log on to www.envisionreports.com/ANTM. Please mark your vote on the reverse side and date and sign below. Non-Voting Items Change of Address — Please print new address below. Meeting Attendance Mark box to the right if you plan to attend the Annual Meeting. Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title. Date (mm/dd/yyyy) — Please print date below. Signature 1 — Please keep signature within the box. Signature 2 — Please keep signature within the box. + E Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below D