

## **Organization**

The Nominating and Governance Committee (the "Committee"), appointed by the Board of Directors (the "Board") of The Progressive Corporation (the "Company"), shall consist of at least three Directors including the Chairperson. Each member of the Committee shall be independent of the management of the Company (as defined by the listing Standards of the New York Stock Exchange) and free of any relationship that, in the opinion of the Board, would interfere with his or her exercise of independent judgment as a Committee member. Committee members will be appointed annually, and may be removed at any time, by the Board.

## **Statement of Purpose**

The purposes of the Committee are: to act as the executive search component of the Board for identifying, evaluating and recruiting qualified potential new Board members; in conjunction with the Chairman (and the lead independent director (the "Lead Director"), if one has been elected, as provided in the Company's Corporate Governance Guidelines), to lead the Board in its annual review of the Board's performance and to ensure the effective evaluation of existing Board member performance; to oversee the Board's evaluation of the Chief Executive Officer ("CEO") and other executive managers of the Company; to ensure the Board engages in the appropriate level of CEO succession planning; to recommend to the Board for selection the director nominees for the next annual meeting of shareholders; to recommend appropriate committee and chairperson assignments for Directors; to oversee and review strategic priorities for the Company's political activities; and to assess the Company's corporate governance effectiveness and shareholder communication practices, and develop and recommend changes as may be appropriate to the Company's Corporate Governance Guidelines. In furtherance of its purposes, the Committee shall be authorized, as it deems necessary or appropriate, to engage or consult with legal counsel, consultants and other outside advisors, which engagements and consultations shall be paid for by the Company.

## **Responsibilities of the Committee**

The Committee shall:

1. Periodically assess the appropriate size of the Board in view of the Board's then-current needs;
2. Determine the need for new Directors and define relevant qualifications;
3. Lead the search for, interview and screen potential Board candidates and recommend for selection new director candidates to the full Board;
4. Receive nominations for Board membership from shareholders, review and evaluate the qualifications of such nominees and report and make recommendations to the Board with respect to such nominees;

5. Have the sole authority to retain and terminate any search firm to be used to identify director candidates, including the authority to approve the search firm's fees and other retention terms;
6. Recommend director nominees for selection for the next annual meeting of shareholders and committee chairperson assignments annually (and at other times, when necessary) to the Board;
7. Make initial determinations of the independence of individual Directors and Board candidates under applicable legal and exchange listing standards, and make recommendations, based on such determinations, to the Board;
8. In conjunction with the Chairman (and the Lead Director, if one has been elected), lead the Board's self-evaluation process assessing the performance of the Board and its committees, and the performance of each Director on the following criteria:
  - a. participation value, meaning active participation and demonstrated contribution at the Board and committee levels;
  - b. guards shareholder interests;
  - c. preparation level;
  - d. attendance, including punctuality;
  - e. chemistry with management;
  - f. chemistry with other Directors;
  - g. relevant knowledge and experience;
  - h. character and integrity;
  - i. support to the CEO; and
  - j. judgment and effectiveness in decision-making;
9. Ensure that, when the Company has a non-executive Chairman, the full Board evaluates the non-executive Chairman on the following criteria:
  - a. leading the Board in setting expectations and standards for its own performance;

- b. providing direction and leadership for the Board;
  - c. focus on relevant issues;
  - d. meeting efficiency;
  - e. quality and timeliness of agendas and materials to read in advance of the meeting;
  - f. fostering Board member participation, chemistry and performance and creating a participatory atmosphere;
  - g. adequate support to the CEO as a sounding board on operational, strategic and organizational issues; and
  - h. willingness to accept suggestions for improvement;
10. Ensure that, when the Company has a Lead Director, the independent Directors evaluate the Lead Director based on the responsibilities included in the Company's Corporate Governance Guidelines and any other duties that the Lead Director has been requested to perform;
11. Periodically review and assess the adequacy of the Company's Corporate Governance Guidelines and develop and recommend changes to the Board as necessary;
12. Monitor and assess the Company's and the Board's shareholder communication practices and recommend changes when appropriate; review requests from shareholders to meet directly with members of the Board and, if appropriate, authorize specific directors to engage in such meetings;
13. Review and assess annually its own performance and the adequacy of this Charter and recommend any proposed changes to the Board for approval;
14. Oversee the Board's annual evaluation of the CEO and its periodic reviews of the performance of other executive managers of the Company, to ensure that such evaluations and reviews are performed in a timely and thorough manner and in accordance with the Company's Corporate Governance Guidelines;
15. Ensure that the Board discusses CEO succession planning on at least an annual basis;
16. Review with management on an annual basis (a) the Policy Statement on Political Contributions, Trade Groups and Lobbying (the "Policy"), (b) the draft report referred to in the Policy, and (c) compliance with the Policy of political

activities during the preceding fiscal year, including the general business purposes served by, and any results of, those activities. It is not the duty of the Committee to make decisions with respect to any particular political contribution or expense or to ensure that political activities and expenses comply with applicable law or the Policy. These are responsibilities of management;

17. Make regular reports to the Board on the Committee's activities; and
18. Have the authority, in furtherance of the foregoing, to delegate any one or more responsibilities of the Committee to one or more subcommittees.

The following are the Company's definitions of the fundamental criteria for selecting and evaluating Directors:

1. **INTEGRITY** for a Director requires total honesty and total openness at meetings about his or her own viewpoint based on his or her own knowledge and experience (vs. a lawyer's, a board consensus or the easy way), and having no undisclosed self-interested dealings with the Company.
2. **JUDGMENT** Director requires having an open mind, being able to separate personalities from issues, keeping confidential that which should be confidential, supporting premises with actual experiences and doing nothing to harm the Company.
3. **COMMITMENT** for a Director must be financial and emotional. A Director's personal financial investment (excluding unexpired options) in the Company should be a meaningful amount to that Director. Emotional commitment involves managing emotions so as not to disrupt discussions, maintaining a sense of humor, but remaining willing and able to "cross swords" with any other Director to express a strongly held point of view while sustaining the spirit of collegiality.
4. **PREPARATION** for a Director requires reading, questioning and understanding the information provided about the Company and industry, getting to know each other and senior managers and being accessible by email.
5. **PARTICIPATION** for a Director requires active involvement in Board, committee and appropriate other meetings, getting to know key managers personally, being open and candid in both the evaluation process and the annual review of the Company's Vision, Value Statement and Strategies.
6. **CONTRIBUTION** for a Director requires making comments that sharpen issues; being available to, supportive of and responsive to the CEO or other members of senior management when called upon for advice and counsel; taking the initiative to have one-on-one sessions with key managers; and adding insight, ideas and experience in Board and committee deliberations and in interactions with management.



## Nominating and Governance Committee Charter

(Last modified: December 2015)