

## **THE TRIZETTO GROUP, INC.**

### Corporate Governance Guidelines

As Adopted by the Board of Directors on October 20, 2005

The Board of Directors (the "Board") of The TriZetto Group, Inc. ("TriZetto" or the "Company") has adopted the following guidelines in an effort to continue to enhance and promote corporate governance. The Board will review and amend these guidelines as it deems necessary and appropriate.

#### **I. BOARD MEMBERSHIP AND QUALIFICATIONS**

a. Selection Process and Qualifications. The Nominating and Corporate Governance Committee (the "Governance Committee") of TriZetto's Board, working in conjunction with TriZetto's Chief Executive Officer ("CEO"), will recommend to the Board:

- (i) the slate of director nominees for Board seats up for election at each annual meeting of stockholders;
- (ii) the individuals to be appointed by the Board to fill vacancies or newly created directorships; and
- (iii) the appointment of Directors to Board committees.

The Governance Committee also will consider nominations by stockholders made in accordance with TriZetto's Bylaws for directorships to be filled at annual meetings. Nominees and Directors are approved and appointed by the Board based upon the recommendations of the Governance Committee and upon the Board's evaluation of certain factors and criteria.

Candidates nominated for election or re-election to, or to be appointed to fill vacancies in, the Board should have:

- High personal and professional ethics, integrity and values;
- Independent, creative and disciplined thought processes;
- Practical wisdom and mature judgment;
- Broad training and experience at the policy-making or strategic level;
- A record of achievement and expertise that is useful to the Company and complementary to the background and experience of other Board members, so that a useful balance of experience and strengths on the Board can be achieved and maintained;
- Willingness to devote the required amount of time to carrying out the duties and responsibilities of Board membership; and
- Commitment to serve on the Board over a period of several years to develop knowledge about the Company.

In addition to specific candidate qualifications, the Board will consider other factors as it deems appropriate, such as the independence of the candidate and diversity.

b. Limits on Number of Board Memberships. TriZetto recognizes that its Board members benefit from service on the boards of other companies, and that experience on other boards is valuable to TriZetto. The Company also recognizes that Directors must have the opportunity to dedicate sufficient time to their service on TriZetto's Board. Therefore, before electing a new director, the Board must review and conclude that the candidate's other time commitments will not interfere with his/her effective service as a director of TriZetto. Also, before accepting a position on another board, a Director should notify the Governance Committee, which will then consider whether the acceptance of that position would compromise the ability of the Director to perform his/her responsibilities as a Director of TriZetto. TriZetto's CEO and other members of senior management must obtain the approval of the Governance Committee, and then the full Board, before accepting outside board memberships.

The Board's view is that the appropriate number of directorships varies depending upon each individual's personal situation, the demands of the various boards on which the Director serves, and other circumstances. Therefore, the Governance Committee will evaluate these matters and recommend that the Board establish limits, if necessary, on a case-by-case basis for each individual Director or candidate.

c. Change in Employment. Directors who retire or change the principal position they held when they initially joined the Board or who have a change of personal circumstances that limits their ability to fulfill their Board responsibilities (other than on a temporary basis) are expected to notify the Chairperson of the Governance Committee. The Board does not believe that a Director in this circumstance should necessarily be required to leave the Board. Rather, the Board believes that the Governance Committee should have the opportunity to assess each situation based on the individual circumstances, determine whether a conflict of interest exists, and make a recommendation to the Board regarding the appropriateness of retaining that individual as a Director in light of the changes in circumstances.

## **II. BOARD COMPOSITION AND STRUCTURE**

a. Board Size. The Board should be large enough to maintain appropriate expertise, diversity and independence, but small enough to function efficiently, permit productive discussion, and facilitate the contributions and accountability of individual directors. Currently, TriZetto's Bylaws provide that the authorized number of directors of TriZetto shall be not less than one nor more than nine and that the exact number of directors shall be fixed from time to time by the Board.

b. Director Elections. The Company's position is that a staggered Board contributes to director recruitment and retention and provides continuity that is in the best interests of stockholders. The Board is divided into three classes of Directors, with approximately one third of the Directors assigned to each class. The members of each class are elected for a term of three years. Under the Company's Bylaws, the three classes are to be as nearly equal in size as possible.

c. Composition of Board and Committees/Independence. A majority of the Directors will be independent under relevant Nasdaq standards. The members of all Board committees will satisfy any independence requirements applicable to those committees imposed under the Sarbanes-Oxley Act of 2002, Securities Exchange and Commission ("SEC") rules, Nasdaq listing criteria, and other applicable federal and state laws and regulations.

On a regular basis, the Governance Committee will review each Director's relationship to the Company and determine whether there have been any changes in independence under the Company's definition or under applicable SEC rules, Nasdaq standards or other applicable laws and regulations.

d. Director Compensation. Non-employee Directors will be compensated in the manner that the Board determines from time to time to be appropriate in light of the Company's circumstances to recruit, retain and reward the highly qualified directors that the Company desires. Compensation for non-employee Directors may include cash retainer, meeting fees, stock options, restricted stock, or other forms of compensation selected by the Board from time to time, provided that in order to align the interests of Directors and stockholders, Company equity will constitute a substantial portion of total director compensation. Non-employee Directors will be reimbursed for expenses incurred in Board service. The compensation of any employee Director shall be determined by a majority of independent Directors (as that term is defined by Nasdaq standards) meeting in executive session or a compensation committee comprised solely of independent Directors meeting in executive session.

### III. BOARD OPERATION

a. Chairperson, CEO and Lead Director Positions. The Board will determine in its discretion from time to time whether the roles of Chairperson and CEO should be combined or split. When the Chairperson also serves as the CEO, the Board will designate an independent Director to act as Lead Director. The Lead Director's duties will include:

- Conferring regularly with the CEO;
- Consulting with the CEO regarding Board meeting schedules and agendas;
- Facilitating the flow of information to the Board;
- Chairing the executive sessions of the Board;
- Assuming an ad hoc leadership role (pending formal succession or appointment by the Board of an interim CEO) in the event of the death or incapacity of the CEO or in other situations where it is not possible or appropriate for the CEO to take the lead; and
- Participating in the evaluation of the CEO by the Board and the Compensation Committee of the Board.

b. New Director Orientations. A thorough orientation is important to the ability of a new Director to serve effectively. Accordingly, the Company's management, under the direction of the Governance Committee, will provide each new Director with an orientation that includes the following:

- Discussion with the CEO, Chief Financial Officer and Lead Director, and possibly with other Directors and officers as appropriate. Officer meetings will include briefings on the Company's status, operations, significant financial, accounting and risk management issues, independent registered public accountants, internal audit function, corporate governance, strategy and other important issues;
- Provision of TriZetto's principal public documents for the past two years, including the Form 10-K annual and 10-Q quarterly reports filed with the SEC, annual reports to stockholders, and proxy statements;

- Provision of the current budget, internal financial statements, and other planning and monitoring documents used by management and the Board; and
- Provision of summaries of the Company's directors and officers liability insurance and any material litigation.

c. Meetings. The Board will meet at least four times each year. Board meetings will be scheduled as far in advance as possible. Committee meetings generally occur on the same basic schedule as regular Board meetings. The Chairperson of the Board or the Committee Chairperson may call additional meetings. In general, the Chairperson of each committee will report to the Board on committee matters.

d. Executive Sessions. The Board will meet in executive session without the CEO and other management in connection with each regularly scheduled Board meeting. The Lead Director or another non-employee Director will lead these sessions.

e. Access to Management and Company Advisors. Board members have access to the Company's management and counsel. Board members may access the Company's independent registered public accountants through the Chairperson of the Audit Committee. Board members should advise the Chairperson of the Board of any such contact if and as appropriate. The Board encourages the CEO, from time to time, to bring managers into Board meetings who can provide additional insight into the items being discussed.

f. Board Advisors. The Board and its committees may retain and have access to outside counsel and other advisors of its choice with respect to any issue relating to their activities, at Company expense.

g. Directors' Dealings with Outsiders. Communications with the public, press, customers, securities analysts, stockholders and other third parties should typically flow through, and be coordinated by, the CEO or other members of management. Individual Board members may, from time to time at the request of management, meet or otherwise communicate with various constituencies that are involved with the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairperson or Lead Director.

h. Charters. Each committee of the Board shall have a charter setting forth the committee's responsibilities and authorities delegated to the committee by the Board. The Board shall review and approve a charter for each committee. On an annual basis, each committee shall review its charter and recommend to the Board any changes it deems necessary or appropriate.

i. Board Performance Reviews. The Board is responsible for its own evaluation. Individual Director evaluations are made informally as part of the process of endorsing Directors for re-election. Individual Directors will be evaluated on the basis of their attendance, preparedness, participation, candor, and overall contribution, as well as other criteria that the Governance Committee deems necessary or appropriate.

On a biennial basis, the Governance Committee shall conduct an evaluation of the effectiveness and accountability of the Board and each of its committees, and will identify opportunities for improving their operations and procedures. Each Director will participate in these evaluations, through discussion or by completing a written evaluation. Areas of review may include board and committee structure (i.e., size, composition and expertise), board meetings (i.e., frequency, duration, adequacy and timeliness of board materials, discussion and presentation quality, and participation), board operation (i.e., involvement in major business

policies and decisions, understanding of the Company's vision, operations and strategic plans, oversight of the Company's annual capital and operating budgets, income statement, balance sheet and cash flow, attention to performance of peer companies, oversight of the performance of the CEO and senior officers, and of executive compensation relative to performance, and oversight of planning for executive succession.)

The Lead Director, the Chairperson of the Governance Committee and the Chairperson of the Board will review a summary of the responses and discuss the results with the Board.

#### **IV. CORPORATE AFFAIRS**

a. Management Succession Planning. The Board will coordinate with the CEO to ensure that an interim CEO is designated to serve on a temporary basis in the event of the CEO's incapacity, and that a formal process governs long-term management development and succession for the CEO and other key management personnel as identified from time to time by the Board. The CEO will report to the Board annually about development of senior management personnel and succession plans, which will be approved by the Board.

b. CEO Performance Reviews. The Compensation Committee is responsible for setting the annual and long-term performance goals for the CEO, evaluating his performance against such goals, and determining his compensation. The Compensation Committee will receive the CEO's recommendations concerning such goals, but discussion and decision-making will take place in executive session. Both objective and subjective criteria will be used, including, but not limited to, (i) TriZetto's financial and operating performance, (ii) accomplishment of the Company's long-term strategic objectives, and (iii) the development of the Company's senior management team.

The Compensation Committee, in conjunction with the CEO, is also responsible for setting annual and long-term performance goals and compensation for other officers selected by the Compensation Committee.

c. Independent Registered Public Accounting Firm and Partner Rotation. TriZetto will require that the relationship and review partners of its independent registered public accountants rotate consistent with applicable legal requirements. In addition, the Audit Committee will review the Company's relationship with its independent registered public accountants each year and consider, among other things, the appropriateness of rotating accountants. The Company will provide stockholders with the opportunity to ratify the Audit Committee's selection of independent registered public accountants in connection with each annual meeting (but this ratification will not affect the authority of the Audit Committee to change the accountants or to comply with legal and regulatory requirements.)

d. Insider Trading Policy. Each member of the Board will comply with the provisions of the Company's Insider Trading Policy.

e. Company Loans. The Company shall not make loans to executive officers or Directors that are prohibited by applicable law.

f. Ethics Reporting. In compliance with applicable legal and regulatory requirements, the Company will maintain mechanisms for the confidential reporting of violations of the Company's policies, ethical standards, or legal or regulatory requirements, including escalation of such matters to the Audit Committee under appropriate circumstances.