

CENTENE CORP  
Form DEF 14A  
March 09, 2018  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A  
(RULE 14a-101)  
INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant  x

Filed by a Party other than the Registrant  o

Check the appropriate box:

- o Preliminary Proxy Statement
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

CENTENE CORPORATION  
(Name of Registrant as Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - (4) Proposed maximum aggregate value of transaction:
  - (5) Total fee paid:
- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the

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Form or Schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Notice of 2018 Annual  
Meeting of Stockholders  
and Proxy Statement

March 9, 2018

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Centene Corporation  
Centene Plaza  
7700 Forsyth Boulevard  
St. Louis, Missouri 63105

March 9, 2018

Dear Fellow Stockholders:

Our 2018 Annual Meeting of Stockholders will be held at Centene Plaza, 7700 Forsyth Boulevard, St. Louis, Missouri, at 10:00 A.M., central daylight savings time, on Tuesday, April 24, 2018. Annual meetings play an important role in maintaining communications and understanding among our management, Board of Directors and stockholders, and I hope that you will be able to join us.

On or about March 12, 2018, we will begin mailing to our stockholders a proxy notice containing instructions on how to access our Proxy Statement, Annual Review and Annual Report on Form 10-K, and vote online. Information concerning the matters to be considered and voted upon at the Annual Meeting is set forth in the Notice of 2018 Annual Meeting of Stockholders and Proxy Statement. The Proxy Statement contains instructions on how you can receive a paper copy of the Proxy Statement, Annual Review and Annual Report on Form 10-K, if you only received a proxy notice by mail.

If you are a stockholder of record you may vote:

- via internet;
- by telephone;
- by mail; or
- in person at the meeting.

To vote by internet or telephone, please follow the instructions on the proxy notice. To vote by mail, request a set of proxy materials as instructed on the proxy notice. You may attend the meeting and vote in person even if you have previously voted.

If your shares are held in the name of a bank, broker or other holder of record, you will receive instructions from the holder of record that you must follow in order for your shares to be voted.

Sincerely,

Michael F. Neidorff  
Chairman and Chief Executive Officer

THE ABILITY  
TO HAVE  
YOUR VOTE  
COUNTED AT  
THE MEETING  
IS AN

IMPORTANT  
STOCKHOLDER  
RIGHT, AND I  
HOPE YOU  
WILL CAST  
YOUR VOTE IN  
PERSON OR BY  
PROXY  
REGARDLESS  
OF THE  
NUMBER OF  
SHARES YOU  
HOLD.

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CENTENE CORPORATION  
CENTENE PLAZA  
7700 FORSYTH BOULEVARD  
ST. LOUIS, MISSOURI 63105

NOTICE OF 2018 ANNUAL MEETING OF STOCKHOLDERS

Time and Date 10:00 A.M., central daylight savings time, on Tuesday, April 24, 2018

Place Centene Plaza  
7700 Forsyth Boulevard  
St. Louis, Missouri 63105  
Centene Auditorium

Items of Business At the meeting, we will ask you and our other stockholders to consider and act upon the following matters:

- (1) to elect three Class II Directors to three-year terms;
- (2) advisory resolution to approve executive compensation;
- (3) to ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018; and
- (4) to transact any other business properly presented at the meeting.

Record Date You may vote if you were a stockholder of record at the close of business on February 23, 2018.

Proxy Voting It is important that your shares be represented and voted at the meeting. Whether or not you plan to attend the meeting, please vote by internet, telephone or mail. You may revoke your proxy at any time before its exercise at the meeting. Please reference the proxy notice for additional information.

Stockholder List A list of stockholders entitled to vote will be available at the meeting. In addition, you may contact our Secretary, Keith H. Williamson, at our address as set forth above, to make arrangements to review a copy of the stockholder list at our offices located at 7700 Forsyth Boulevard, St. Louis, Missouri, before the meeting, between the hours of 8:00 A.M. and 5:00 P.M., central daylight savings time, on any business day from April 10, 2018, up to one hour prior to the time of the meeting.

Attending the Annual Meeting If you would like to attend the meeting, please bring evidence to the meeting that you own common stock, such as a stock certificate, or, if your shares are held by a broker, bank or other nominee, please bring a recent brokerage statement or a letter from the nominee confirming your beneficial ownership of such shares. You must also bring a form of personal identification.

By order of the Board of Directors,  
Keith H. Williamson  
Secretary

St. Louis, Missouri  
March 9, 2018

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ABOUT THE  
MEETING

Information  
About  
the  
Meeting

We have sent you a notice of this proxy statement because our Board of Directors is soliciting your proxy to vote at our 2018 Annual Meeting of Stockholders or any adjournment or postponement of the meeting.

When and where is the annual meeting?

When: Tuesday, April 24, 2018, at 10:00 a.m., central daylight savings time

Where: Centene Plaza, 7700 Forsyth Boulevard, St. Louis, Missouri.

THIS PROXY STATEMENT summarizes information about the proposals to be considered at the meeting and other information you may find useful in determining how to vote.

THE PROXY CARD is the means by which you actually authorize another person to vote your shares in accordance with the instructions.

Our directors, officers and employees may solicit proxies in person or by telephone, mail, electronic mail or facsimile. We will pay the expenses of soliciting proxies, although we will not pay additional compensation to these individuals for soliciting proxies. We will request banks, brokers and other nominees holding shares for a beneficial owner to forward copies of the proxy materials to those beneficial owners and to request instructions for voting those shares. We will reimburse these banks, brokers and other nominees for their related reasonable expenses. The Company has retained Morrow Sodali, LLC and Saratoga Proxy Consulting, LLC to assist in the solicitation of proxies at an estimated cost of \$12,500 each, plus expenses.

We are making this proxy statement, our 2017 Annual Review and our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, available to stockholders for the first time on or about March 12, 2018.

Who is entitled to vote at the meeting?

Holders of record of our common stock at the close of business on February 23, 2018, are entitled to one vote per share on each matter properly brought before the meeting. The proxy notice states the number of shares you are entitled to vote.

You may vote your shares at the meeting in person or by proxy:

TO VOTE IN PERSON, you must attend the meeting, and then complete and submit the ballot provided at the meeting. If your shares are held in the name of a bank, broker or other nominee holder, you will receive instructions from the holder of record explaining how your shares may be voted. Please note that, in such an event, you must

obtain a proxy, executed in your favor, from the holder of record to be able to vote at the meeting.

TO VOTE BY PROXY, you must follow the instructions on the proxy notice and then vote by means of the internet, telephone or, if you received your proxy materials by mail, mailing the proxy card in the enclosed postage-paid envelope. Your proxy will be valid only if you vote before the meeting. By voting, you will direct the designated persons to vote your shares at the meeting in the manner you specify. If, after requesting paper materials, you complete the proxy card with the exception of the voting instructions, then the designated persons will vote your shares in accordance with the instructions contained therein, and if no choice is specified, such proxies will be voted in favor of the matters set forth in the accompanying Notice of 2018 Annual Meeting of Stockholders. If any other business properly comes before the meeting, the designated persons will have the discretion to vote your shares as they deem appropriate.

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MEETING

Even if you vote by means of the internet, telephone, or complete and return a proxy card, you may revoke it at any time before it is exercised by taking one of the following actions:

- send written notice to Keith H. Williamson, our Secretary, at our address as set forth in the accompanying Notice of 2018 Annual Meeting of Stockholders;
- submit a new vote by means of the mail, internet or telephone; or
- attend the meeting, notify our Secretary that you are present, and then vote by ballot.

What do I need to do if I plan to attend the meeting in person?

If you would like to attend the meeting, please bring evidence to the meeting that you own common stock, such as a stock certificate, or, if your shares are held by a broker, bank or other nominee, please bring a recent brokerage statement or a letter from the nominee confirming your beneficial ownership of such shares. You must also bring a form of personal identification.

At the close of business on February 23, 2018, there were 173,554,072 shares of our common stock outstanding, net of treasury shares. Our By-Laws require that a majority of the shares of our common stock issued and outstanding on that date be represented, in person or by proxy, at the meeting in order to constitute the quorum we need to transact business. We will count abstentions and broker non-votes in determining whether a quorum exists. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner.

Our By-Laws include a majority voting standard for the election of directors in uncontested elections, which are generally defined as elections in which the number of nominees does not exceed the number of directors to be elected at the meeting. Under the majority voting standard, in uncontested elections of directors, such as this election, each director must be elected by the affirmative vote of a majority of the votes cast with respect to such director by the shares represented and entitled to vote therefor at the meeting. A majority of the votes cast means that the number of votes cast "FOR" a director nominee exceeds the number of votes cast "AGAINST" that director nominee. In accordance with our Corporate Governance Guidelines, in this election, any director nominee who receives a greater number of votes "AGAINST" his or her election than "FOR" votes must tender his or her resignation to the Board of Directors promptly following certification of the stockholder vote. The Nominating and Governance Committee is required to make a recommendation to the Board of Directors with respect to any such tendered resignation. The Board of Directors will act on the tendered resignation within 90 days from the certification of the vote and will publicly disclose its decision, including an explanation of its decision. Abstentions and broker non-votes will not count as a vote "FOR" or "AGAINST" a director nominee's election and thus will have no effect in determining whether a director nominee has received a majority of the votes cast.

The affirmative vote of the holders of a majority of the votes cast at the meeting is necessary to ratify the selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018, and to approve on an advisory non-binding basis, the Company's executive compensation. Abstentions and broker non-votes with respect to each of these proposals will not be considered as votes cast with respect to the matter and

thus will have no effect on the vote.

Our Board of Directors is not aware of any matters that are expected to come before the meeting other than those referred to in this proxy statement. If any other matter should properly come before the meeting, the persons appointed as proxies by the Board of Directors intend to vote the proxies in accordance with their best judgment.

The chairperson of the meeting may refuse to allow the transaction of any business not presented beforehand, or to acknowledge the nomination of any person not made, in compliance with the below procedures.

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Proposal  
One:  
Election  
of  
Directors

Nominees  
and  
Continuing  
Directors

Our Certificate of Incorporation provides that the Board is to be divided into three classes serving for staggered three-year terms. Under our By-Laws, our Board of Directors has the authority to fix the number of directors, provided that the Board must have between five and eleven members. The first proposal on the agenda for the meeting is the election of three nominees to serve as Class II Directors for three-year terms beginning at the meeting and ending at our 2021 Annual Meeting of Stockholders.

No director, including any director standing for election, or any associate of a director, is a party adverse to us or any of our subsidiaries in any material proceeding or has any material interest adverse to us or any of our subsidiaries. No director, including any director standing for election, is related by blood, marriage or adoption to any other director or any executive officer.

The Board has nominated Frederick H. Eppinger and David L. Steward for re-election to the Board. The board has also nominated Jessica L. Blume for election to the board as a Class II director. We expect that Ms. Blume, Mr. Eppinger and Mr. Steward will be able to serve if elected. If any of them are not able to serve, proxies may be voted for a substitute nominee or nominees.

The Board believes the election of these three nominees is in our best interests and the best interests of our stockholders and recommends a vote "FOR" the election of the three nominees.

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Class II  
Directors

-  
Standing  
for  
Election  
for a  
Term  
Expiring  
in 2021

Jessica L. Blume

Principal Occupation: Retired Vice Chairman of Deloitte LLP

First Became Director: February 2018

Age: 63

Ms. Blume was Vice Chairman of Deloitte LLP from 2012 until her retirement in 2015. She served in various leadership positions during her 26 years at Deloitte including serving on the Board of Directors, as the Chair of the Executive Compensation and Evaluation Committee, and a member of the Finance, Governance, Strategic Investment and Risk Committees. Ms. Blume currently serves on the Board of Directors of Publix Super Markets, Inc.

Qualifications: Ms. Blume's range of experience includes, in particular, public accounting, technology and organizational development expertise.

Frederick H. Eppinger

Principal Occupation: Retired Director, President and Chief Executive Officer of The Hanover Insurance Group, Inc.

First Became Director: April 2006

Age: 59

Mr. Eppinger is a retired Director, President and Chief Executive Officer of The Hanover Insurance Group, Inc. (insurance and financial services industries). Mr. Eppinger serves as a director for Stewart Information Services Corporation.

Qualifications: Mr. Eppinger's range of experience includes, in particular, Chief Executive Officer roles, as well as organizational development and insurance industry expertise.

David L. Steward

Principal Occupation: Founder and Chairman of World Wide Technology, Inc.

First Became Director: May 2003

Age: 66

Mr. Steward is the founder of World Wide Technology, Inc. (systems integration industry) and has served as its Chairman since its founding in 1990. In addition, Mr. Steward has served as Chairman of Telcobuy.com (an affiliate

of World Wide Technology, Inc.), since 1997. He also served as director of First Banks, Inc., a registered bank holding company, from 2000 to 2013.

Qualifications: Mr. Steward's range of experience includes, in particular, Chief Executive Officer roles, political and regulatory relationships, as well as technology expertise.

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DIRECTORS

Class III  
Directors  
- Term  
Expiring  
in 2019

Orlando Ayala

Principal Occupation: Retired Chairman and Corporate Vice President of Emerging Businesses for Microsoft Corporation

First Became Director: September 2011

Age: 61

Mr. Ayala served as Chairman and Corporate Vice President of Emerging Businesses for Microsoft Corporation until August of 2016. He joined Microsoft in 1991 as Senior Director of the Latin America region and from 1998 to 2003 was in charge of Global Sales, Marketing and Services as Executive VP. For more than 30 years, Mr. Ayala held increasingly senior leadership roles in the technology sector.

Qualifications: Mr. Ayala's range of experience includes, in particular, technology, organizational development and international expertise.

John R. Roberts

Principal Occupation: Retired Regional Managing Partner, Arthur Andersen LLP

First Became Director: March 2004

Age: 76

Mr. Roberts is a retired Managing Partner, Mid-South Region, of Arthur Andersen LLP. He previously served as Director and Chairman of the Audit Committee of Energizer Holdings, Inc. for 14 years and as Director and Chairman of the Audit Committee for Regions Financial Corporation for 13 years.

Qualifications: Mr. Roberts' range of experience includes, in particular, public accounting expertise as well as experience in financial service industries, public company governance and experience with companies with revenues greater than \$1 billion.

Tommy G. Thompson

Principal Occupation: Chairman and Chief Executive Officer of Thompson Holdings; Retired Partner of Akin Gump Strauss Hauer & Feld LLP; Former Governor of the State of Wisconsin; Former Health and Human Services Secretary

First Became Director: April 2005

Age: 76

Mr. Thompson has served as Chairman and Chief Executive Officer of Thompson Holdings since 2012. Mr.

Thompson served as Partner of Akin Gump Strauss Hauer & Feld LLP (law firm) in Washington, D.C. from 2005 to



2012 and as President of Logistics Health, Inc. from 2005 to 2011. From 2001 to 2005, Mr. Thompson served as Secretary of U.S. Department of Health & Human Services. From 1987 to 2001, Mr. Thompson served as Governor of the State of Wisconsin. He also serves as a director for TherapeuticsMD Inc., Physicians Realty Trust and United Therapeutics Corp. Mr. Thompson also previously served as a director for AGA Medical Corp., Cancer Genetics, CareView Communications, C.R. Bard, Inc., CNS Response, and Cytori Therapeutics, Inc.

Qualifications: Mr. Thompson's range of experience includes, in particular, experience as a Chief Executive Officer, political and regulatory relationships and healthcare expertise.

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ELECTION  
OF  
DIRECTORS

Class I  
Directors  
- Term  
Expiring  
in 2020

Michael F. Neidorff

Principal Occupation: Chairman and Chief Executive Officer of Centene Corporation

First Became Director: May 1996

Age: 75

Mr. Neidorff has served as our Chairman and Chief Executive Officer since November 2017. From May 2004 to November 2017, Mr. Neidorff served as Chairman, President and Chief Executive Officer. From May 1996 to May 2004, Mr. Neidorff served as President, Chief Executive Officer and as a member of our Board of Directors. Mr. Neidorff previously served as a director of Caleres, Inc.

Qualifications: Mr. Neidorff's range of experience includes, in particular, experience as a Chief Executive Officer, as well as healthcare, investment banking and organizational development expertise.

Robert K. Ditmore

Principal Occupation: Retired Director, President and Chief Operating Officer of United Healthcare Corporation

First Became Director: 1996

Age: 83

Mr. Ditmore is a retired Director, President and Chief Operating Officer of United Healthcare Corporation (managed care industry), now known as UnitedHealth Group, Inc.

Qualifications: Mr. Ditmore's range of experience includes, in particular, Chief Executive Officer roles and extensive healthcare and service industry expertise.

Richard A. Gephardt

Principal Occupation: Chief Executive Officer and President of Gephardt Group, LLC; Former Majority Leader of the U.S. House of Representatives

First Became Director: December 2006

Age: 77

Mr. Gephardt has served as Chief Executive Officer and President of Gephardt Group, LLC (consulting business) since 2005. Mr. Gephardt served as a Member of the U.S. House of Representatives from 1977 to 2005; he was House Majority Leader from 1989 to 1995 and Minority Leader from 1995 to 2003. He also serves as a director for Spirit Aerosystems Holdings, Inc. Mr. Gephardt previously served as a director for Ford Motor Company, CenturyLink and US Steel Corporation.

Qualifications: Mr. Gephardt's range of experience includes, in particular, political and regulatory relationships as well as investment banking and healthcare expertise.

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Corporate  
Governance  
and Risk  
Management

We believe that good corporate governance is important to ensure that we are managed for the long-term benefit of our stockholders. We also recognize the connection between good corporate governance and our ability to create and sustain value for our stockholders. Our Ethics and Compliance Program provides methods by which we further enhance operations, safeguard against fraud and abuse and help assure that our values are reflected in everything we do. We have also reviewed and believe we are in compliance with the provisions of the Sarbanes-Oxley Act of 2002, the rules of the SEC, and the listing standards of the NYSE. Our Board of Directors has adopted Corporate Governance Guidelines addressing, among other things, director qualifications and responsibilities, duties of key Board Committees, director compensation and management succession. A current copy of the Corporate Governance Guidelines is posted on our website, [www.centene.com](http://www.centene.com).

Our Board of Directors has adopted a Business Ethics and Conduct Policy (the Policy) which is applicable to all directors, officers and employees of the Company, including the Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer. While no policy can replace the thoughtful behavior of an ethical director, officer or employee, we believe the Policy will, among other things, focus our Board and management on areas of ethical risk, provide guidance for recognizing and responding to ethical issues, provide mechanisms to report unethical conduct and generally help foster a culture of honesty and accountability. Any amendment to, or waiver of, the Policy involving a director or executive officer may only be made by the Board or a committee of the Board. A current copy of the Policy is posted on our website, [www.centene.com](http://www.centene.com). Any future amendments of the Policy will be promptly disclosed on our website.

Our policy concerning pre-approval of related party transactions is incorporated into the provisions of the Policy regarding conflicts of interest. As part of the Policy, our directors, officers and employees are responsible for disclosing any transaction or relationship that reasonably could be expected to give rise to a conflict of interest to the Chief Compliance Officer of the Company or the Board of Directors, in the case of an executive officer or director, who shall be responsible for determining whether such transaction or relationship constitutes a conflict of interest.

The Board of Directors oversees execution of the Company's enterprise risk management (ERM) framework with assistance provided by Board Committees. This oversight is enabled by quarterly risk reporting from executive management. These reports are designed to provide visibility into the identification, assessment, monitoring and management of critical risks, including strategic, operational, financial, compensation, regulatory, compliance, investment, information security and other risks. In addition, the Board and its committees are informed of emerging

risks and opportunities which could impact the Company's risk profile. This information is combined with other data to evaluate the Company's performance in relation to tolerance levels established in Centene's risk appetite framework on a quarterly basis. Management is responsible for executing day-to-day risk activities, and ensuring that ERM is integrated with our strategic decision-making and financial budgeting processes.

As noted above, the Board uses its Committees to assist in its risk oversight function:

Our Audit Committee assists in the oversight of our financial and reporting risks, disclosure risk and procedures, business ethics and conduct risks, investment, and risk assessment and management policies. The Company's Executive Vice President of Internal Audit & Risk Management, who reports to the Audit Committee and Chief Executive Officer, assists the Company in identifying and evaluating risk management controls and methodologies to address risks and provides reports to the Audit Committee quarterly. The Audit Committee meets privately with representatives from the Company's independent registered public accounting firm and the Company's Executive Vice President of Internal Audit & Risk Management.

Our Compensation Committee assists in the oversight of risks associated with our compensation plans and policies. Please see the discussion in the "Compensation Discussion & Analysis," or "CD&A," under the heading "Risk Disclosure" for a discussion of elements intended to mitigate excessive risk taking by our employees.

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• Our Nominating and Governance Committee assists in the oversight of Board processes and corporate governance-related risk.

• Our Technology Committee assists in the oversight of risks associated with our systems and technology, including risks related to cybersecurity.

Our Board of Directors and its Committees are supported by our Management Oversight Committee, which formally oversees our enterprise and security risk management (ERM and SRM, respectively) functions. The Management Oversight Committee is a cross-functional governance group comprised of certain members of our executive leadership team. The duties of the Management Oversight Committee include:

- Oversight of the process used to identify, assess, respond, and report on risk and compliance issues;
- Determine Centene's risk appetite and risk tolerance levels. All changes are reviewed and approved by the Board;
- Review of performance measures against established risk tolerances and recommend corrective action where appropriate;
- Review of findings from internal audit activities for accuracy and clarify;
- Provide direction for resource allocation to address internal audit findings and/or gaps identified through ERM, SRM, and Corporate Compliance activities; and
- Validate assignment of risk owners associated with identified exposures and monitor plans to address documented findings/gaps.

Continued  
Commitment  
to Diversity  
and Inclusion

Our corporate purpose is to transform the health of our communities, one person at a time. Consistent with this purpose, diversity and inclusion are among our highest priorities. Our Board of Directors believes that supporting an inclusive and respectful work environment through training, education and community engagement activities is important to attract and retain a talented workforce. We encourage our Board members, senior executives, and employees to become actively involved with organizations making a positive impact on communities. Our efforts include the intentional placement of service centers and other facilities in economically disadvantaged locations such as Ferguson, Missouri and Tyler, Texas as well as a commitment to supplier diversity.

Our Corporate Governance Guidelines make clear that we are committed to a policy of inclusiveness which includes actively identifying and recruiting diverse candidates, including women, veterans, people with disabilities, and minorities, as part of the process for selecting new Board members. In February 2018, we added Jessica L. Blume to our Board. Ms. Blume's mix of skills and experience, especially her background in finance and technology, will be both valuable and relevant to our Board.

Consistent with our local approach model, we often recruit individuals from local communities to serve as directors on the governing boards of our regulated health plan subsidiaries. Of 98 individuals serving in this capacity at the start of 2018, roughly one-third of the directors were women and nearly 40% were African American, Hispanic, Asian or Native American.

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The  
Board's  
Role in  
Succession  
Planning

As reflected in our Corporate Governance Guidelines, the Board's primary responsibilities include planning for Chief Executive Officer (CEO) succession and monitoring and advising on succession planning for other executive officers. The Board's goal is to have a long-term and continuing program for effective senior leadership development and succession. The Board also has contingency plans in place for emergencies such as departure, death, or disability of the CEO or other executive officers.

Compensation  
Committee  
Interlocks and  
Insider  
Participation

Robert K. Ditmore (Chair), Orlando Ayala, David L. Steward, Tommy G. Thompson and Richard A. Gephardt were members of the Compensation Committee during 2017. During 2017, none of our executive officers served as a director or member of the Compensation Committee, or other committee serving an equivalent function, of any other entity that has one or more of its executive officers serving as a member of our Board of Directors or Compensation Committee. During 2017, no member of the Compensation Committee had a relationship that must be described under the SEC rules relating to disclosure of related person transactions. None of the current members of our Compensation Committee has ever been an officer or employee of Centene or any of our subsidiaries.

Related Party  
Transactions

None.

Director  
Independence



Our Board of Directors has affirmatively determined that all directors except Michael F. Neidorff, our Chairman and Chief Executive Officer, as well as all of the members of each of the Board's committees, are independent as defined under the rules of the NYSE, including, in the case of all members of the Audit Committee, the independence requirements contemplated by Rule 10A-3 under the Exchange Act and in the case of all members of the Compensation Committee, the enhanced independence requirements under the rules of the NYSE. In the course of the Board's determination regarding the independence of each non-employee director, it considered any transactions, relationships and arrangements as required by the rules of the NYSE. In particular, with respect to each of the most recent three completed fiscal years, the Board evaluated Mr. Roberts' position on the Board of the Missouri History Museum. The Board determined that contributions made by the Company from 2015 - 2017 to the Missouri History Museum are less than 2% of the Museum's consolidated gross revenues during the respective years.

All directors, excluding Michael F. Neidorff, have no direct or indirect material relationship with us except for their role as a director or stockholder. The Board also broadly considers what it deems to be all relevant facts and circumstances in determining the independence of its members.

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Committees

Our Board of Directors has established three primary committees: Audit, Compensation, and Nominating and Governance, each of which operates under a charter that has been approved by our Board. Current copies of each committee's charter are posted on our website, [www.centene.com/investors](http://www.centene.com/investors). The current composition of these committees is provided in the following table.

Board Member	Board of Directors	Audit Committee	Compensation Committee	Nominating and Governance Committee
Michael F. Neidorff	Chairman			
Orlando Ayala	ü		ü	
Jessica L. Blume	ü	ü		
Robert K. Ditmore	Presiding Director		Chairman	ü
Frederick H. Eppinger	ü	ü		
Richard A. Gephardt	ü		ü	
John R. Roberts	ü	Chairman		
David L. Steward	ü		ü	Chairman
Tommy G. Thompson	ü	ü		ü
Meetings held in 2017	13	4	5	1

All of our directors attended 75% or more of the meetings of the Board and of any committees thereof on which they served. Our Corporate Governance Guidelines provide that directors are expected to attend the 2018 Annual Meeting of Stockholders. All directors attended the 2017 Annual Meeting of Stockholders who were members of our Board at the time.

Our Board of Directors has also established a Government and Regulatory Affairs Committee, which is co-chaired by Richard A. Gephardt and Tommy G. Thompson; a Technology Committee chaired by Orlando Ayala; and a Compliance Committee chaired by Michael Neidorff.

The Compliance Committee's primary responsibility is to provide overall compliance oversight of the Company. The Compliance Committee's responsibilities include, among others:

- reviewing the Compliance Program structure;

- remaining informed of Compliance Program outcomes, including audit results and governmental enforcement activities;
- receiving quarterly reports from the Chief Compliance Officer and other members of management in executive session;
- ensuring independent review of any potential issues, and enforcing appropriate corrective actions;
- reviewing the results of performance audits and monitoring of Medicare operations, as well as effectiveness assessments of the Medicare Compliance Program; and
- providing specific guidance and directives to Management for the remediation and implementation of Compliance Program initiatives and updates.

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The Technology Committee's primary responsibility is to assist the Board in reviewing the Company's information technology ("IT") programs, strategy, plans and development. The Technology Committee's responsibilities include, among others:

- reviewing the status of the existing IT programs;
  - reviewing significant technology opportunities and monitoring the progress of special initiatives;
  - making recommendations to the Board with respect to IT related projects and investments that require Board approval; and
  - assisting in the oversight of risks associated with our systems and technology, including risks related to cybersecurity.
- The Government and Regulatory Affairs Committee's primary responsibility is to assist the Board in identifying, evaluating and monitoring legislative, political and regulatory trends and addressing public policy issues and concerns that affect or could affect the Company. The Government and Regulatory Affairs Committee's responsibilities include, among others:

- making recommendations to the Board regarding the amendment and/or adoption of new policies, procedures and/or practices by the Company;
- reviewing and reporting on the Company's position on key public policy issues under consideration in federal and state legislative, regulatory and judicial forums; and
- overseeing the management by the Company of risks as they relate to the Company's compliance with regulatory requirements and rapidly changing healthcare, insurance and other legislation.

Board  
of  
Directors

Our Board of Directors has responsibility for establishing broad corporate policies and reviewing our overall performance rather than day-to-day operations. The Board's primary responsibility is to oversee the management of the Company and, in doing so, serve the best interests of the Company and its stockholders. The Board selects, evaluates and provides for the succession of executive officers and, subject to stockholder election, directors. It reviews and approves corporate objectives and strategies, and evaluates significant policies and proposed major commitments of corporate resources. Management keeps the directors informed of its activities through regular written reports and presentations at Board and committee meetings.

The Board currently combines the role of Chairman of the Board with the role of Chief Executive Officer, coupled with a Presiding Director position to further strengthen the governance structure. The Board believes this provides an efficient and effective leadership model for the Company. Combining the Chairman and CEO roles fosters clear accountability, effective decision-making, and alignment on corporate strategy. The Board periodically reviews its leadership structure. To assure effective independent oversight, the Board has adopted a number of governance

practices, including:

- a strong, independent, clearly-defined Presiding Director role;