

CENTENE CORP  
Form DEF 14A  
March 08, 2019  
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

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- 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):

- No fee required.
- 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:
- Fee paid previously with preliminary materials.
- 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

Edgar Filing: CENTENE CORP - Form DEF 14A

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:

---

Notice of 2019 Annual  
Meeting of Stockholders  
and Proxy Statement

March 8, 2019

Centene Corporation  
Centene Plaza  
7700 Forsyth Boulevard  
St. Louis, Missouri 63105  
March 8, 2019

Dear Fellow Stockholders:

Our 2019 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 23, 2019. 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 11, 2019, 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 2019 Annual Meeting of Stockholders and Proxy Statement. The notice 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.

---

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

NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS

Time and Date 10:00 A.M., central daylight savings time, on Tuesday, April 23, 2019

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 III 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, 2019;
- (4) to consider the stockholder proposal on political spending disclosures, if properly presented at the meeting; and
- (5) 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 22, 2019.

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 9, 2019, 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 8, 2019

---

## Table of Contents

Information About the Meeting	1
Proposal One: Election of Directors	3
Nominees and Continuing Directors	3
Corporate Governance and Risk Management	7
Corporate Responsibility	8
The Board's Role in Succession Planning	9
Compensation Committee Interlocks and Insider Participation	9
Related Party Transactions	9
Director Independence	10
Board of Directors Committees	10
Director Candidates	14
Proxy Access	15
Director Tenure and Commitment to Refreshment	15
Communicating with Independent Directors	15
Director Compensation	16
Proposal Two: Advisory Resolution to Approve Executive Compensation	18
Proposal Three: Ratification of Appointment of Independent Registered Public Accounting Firm	20
Proposal Four: Stockholder Proposal on Political Spending Disclosures	22
Stockholder Statement Regarding Proposal on Political Spending Disclosures	22
Board of Directors' Statement in Opposition to the Stockholder Proposal on Political Spending Disclosures	23
Audit Committee Report	24
Information About Executive Compensation	26
Compensation Committee Report	26
Compensation Discussion and Analysis	27
Equity Compensation Plan Information	47
Summary Compensation Table	48
Grants of Plan-Based Awards Table	49
Outstanding Equity Awards at Fiscal Year-End Table	50
Option Exercises and Stock Vested Table	51
Nonqualified Deferred Compensation Table	52
Potential Payments Upon Termination or Change in Control	53
CEO to Median Employee Pay Ratio Information	55
Other Matters	56
Information About Stock Ownership	56
Section 16(a) Beneficial Ownership Reporting Compliance	57
Submission of Future Stockholder Proposals	58
Householding	58
Appendix	
Appendix A - Reconciliation of Non-GAAP Measures	A-1



2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
INFORMATION  
ABOUT THE  
MEETING

Information  
About  
the  
Meeting

We have sent you a notice of this proxy statement because our Board of Directors (the Board) is soliciting your proxy to vote at our 2019 Annual Meeting of Stockholders or any adjournment or postponement of the meeting.

When and where is the annual meeting?

When: Tuesday, April 23, 2019, 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 2018 Annual Review and our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, available to stockholders for the first time on or about March 11, 2019.

Who is entitled to vote at the meeting?

Holders of record of our common stock at the close of business on February 22, 2019, 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 voting instructions for any proposal, then the designated persons will vote your shares in accordance the recommendations of the Board of Directors. If any other business properly comes before the meeting, the designated persons will have the discretion to vote your shares as they deem appropriate.

1 Centene Corporation

---

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
INFORMATION  
ABOUT THE  
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 2019 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. 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.

What is the quorum requirement?

At the close of business on February 22, 2019, there were 413,176,198 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.

What vote is required to approve each proposal?

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, 2019, to approve on an advisory non-binding basis, the Company's executive compensation, and to consider the stockholder

proposal on political spending disclosures. 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.

Will other matters be considered at the meeting?

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 procedures set forth in our By-Laws.

Centene Corporation 2

---

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
PROPOSAL  
ONE:  
ELECTION  
OF  
DIRECTORS

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 III Directors for three-year terms beginning at the meeting and ending at our 2022 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 Orlando Ayala, John R. Roberts, and Tommy G. Thompson for re-election to the Board. We expect that Mr. Ayala, Mr. Roberts, and Mr. Thompson 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.

3 Centene Corporation

---

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
PROPOSAL  
ONE:  
ELECTION  
OF  
DIRECTORS

Class III  
Directors  
-  
Standing  
for  
Election  
for a  
Term  
Expiring  
in 2022

Orlando Ayala

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

First Became Director: September 2011

Age: 62

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: 77

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: 77

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 of TherapeuticsMD Inc., Physicians Realty Trust, Tyme Technologies, and United Therapeutics Corp. Mr. Thompson also previously served as a director of C.R. Bard, Inc. 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.

Centene Corporation 4

---

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
PROPOSAL  
ONE:  
ELECTION  
OF  
DIRECTORS

Class I  
Directors  
- Term  
Expiring  
in 2020

Michael F. Neidorff

Principal Occupation: Chairman and Chief Executive Officer (CEO) of Centene Corporation

First Became Director: May 1996

Age: 76

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, organizational development expertise and community involvement.

Robert K. Ditmore

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

First Became Director: 1996

Age: 84

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: 78

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.



5 Centene Corporation

---

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
PROPOSAL  
ONE:  
ELECTION  
OF  
DIRECTORS

Class II  
Directors  
- Term  
Expiring  
in 2021

Jessica L. Blume

Principal Occupation: Retired Vice Chairman of Deloitte LLP

First Became Director: February 2018

Age: 64

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 as a director 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: 60

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 of Stewart Information Services Corporation and QBE Insurance Group Limited.

Qualifications: Mr. Eppinger's range of experience includes, in particular, his experience as a chief executive officer, 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: 67

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 a director of First Banks, Inc., a registered bank holding company, from 2000 to 2013.

Qualifications: Mr. Steward's range of experience includes, in particular, his experience as a chief executive officer, political and regulatory relationships, technology expertise and community involvement.

Centene Corporation 6

---

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
PROPOSAL  
ONE:  
ELECTION  
OF  
DIRECTORS

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 ensure 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 New York Stock Exchange (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 Code of 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. 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 Senior Vice President of Internal Audit, Compliance and Risk Management 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 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 risk, and risk assessment and management policies. The Company's Senior Vice President of Internal Audit, Compliance & Risk Management, who reports to the Audit Committee and CEO, 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 Senior Vice President of Internal Audit, Compliance & 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.

7 Centene Corporation

---

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
PROPOSAL  
ONE:  
ELECTION  
OF  
DIRECTORS

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

Our Government and Regulatory Affairs Committee assists in the oversight of political and regulatory risks.

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

Our Compliance Committee assists in the oversight of overall compliance risks.

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 clarity;

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.

Corporate  
Responsibility

Our corporate purpose is to transform the health of the community, one person at a time. Consistent with this purpose, Centene is committed to helping people live healthier lives by providing high-quality healthcare, innovative programs, and a wide range of health solutions to help families and individuals get well, stay well and be well. Centene actively engages in a wide range of business practices that promote diversity, inclusion, ethical business practices and environmental sustainability.

As Centene's business has expanded, so has its commitment to diversity and inclusion. 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. 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 hiring employees and selecting new Board members. Women constitute over 30 percent of the executive team, and over 50 percent of employees at the director level or above are women. Furthermore, nearly 40 percent of the Company's leadership identify as Asian, African American or Hispanic.

Centene Corporation 8

---

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
PROPOSAL  
ONE:  
ELECTION  
OF  
DIRECTORS

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. 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 the individuals serving in this capacity at the start of 2019, nearly one-third of the directors were women and nearly 40% were African American, Hispanic, or Asian. In addition to seeking diversity in its external directors, Centene has developed new initiatives to foster the inclusion of diverse perspectives within our workforce. Centene currently has five employee inclusion groups, covering veterans, women, LGBTQ+ (lesbian, gay, bisexual, transgender, queer (or questioning), and all other employees within the spectrum of gender and sexuality) individuals, individuals with disabilities, and individuals with diverse multicultural backgrounds. Over 4,000 Centene employees are members of at least one inclusion group.

As a company that believes in transforming the health of communities, Centene's focus on environmental performance and sustainability is a large part of its day-to-day business operations. Our global headquarters is LEED Gold Certified and features vegetated green roof areas which reduce stormwater runoff while decreasing energy consumption and reducing the heat island effect. As Centene expands its geographic footprint across the U.S., the buildings that house our various operations also reflect our commitment to minimizing the impact on the environment. Our secondary data center, located in California, meets the state's Title 24 Building Energy Efficiency Standards and our new Sacramento campus scheduled to open in 2020 is being built to LEED certification standards. Sustainability efforts regarding site construction focus on minimizing environmental damage caused by construction. Centene understands that sound environmental policy and practices have a positive business impact and promote the Company's commitment to helping people live healthier lives.

The  
Board's  
Role in  
Succession  
Planning

As reflected in our Corporate Governance Guidelines, the Board's primary responsibilities include planning for CEO succession and monitoring and advising on succession planning for other executive officers. The Board's goal is to have a long-term and continuous 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, and Richard A. Gephardt were members of the Compensation Committee during 2018. During 2018, none of our executive officers served as a director or member of the Compensation Committee, or 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 2018, no member of the Compensation Committee had a relationship that must be described under SEC rules relating to disclosure of related person transactions. None of the current members of our Compensation Committee have ever been an officer or employee of Centene or any of our subsidiaries.

## Related Party Transactions

Our policy concerning pre-approval of related party transactions is incorporated into the provisions of our Business Ethics and Code of Conduct Policy. Related parties include any of our directors or executive officers, certain of our stockholders, and their immediate family members. Related party transactions include any transaction or arrangement in which the amount involved exceeds \$120,000 where the Company is a participant and a related party has a direct or indirect material interest. The Company compiles and reviews all relationships and transactions in which we and our directors and executive officers or their immediate family members are participants to determine whether such parties have a direct or indirect material interest. As required under SEC rules, we disclose in our Proxy Statement any related party transactions determined to be directly or indirectly material to us or a related party.

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
PROPOSAL  
ONE:  
ELECTION  
OF  
DIRECTORS

Effective February 18, 2019, the Company entered into a consulting agreement with Cynthia J. Brinkley, our former Chief Administrative & Markets Officer. Under the terms of the agreement, Ms. Brinkley will provide strategic advice and counsel of issues and projects for the Company including, but not limited to, integration and human resources matters. In exchange for these services, the Company has agreed to pay Ms. Brinkley \$20,833 per month in cash and grant Ms. Brinkley \$500,000 of restricted stock, vesting annually over two years. The agreement will remain in effect until February 18, 2021.

Director  
Independence

Our Board of Directors has affirmatively determined that all directors except Michael F. Neidorff, our Chairman and CEO, 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.

No director, excluding Michael F. Neidorff, has a 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.

Board of  
Directors  
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, <https://investors.centene.com>. 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
	ü	ü		

Frederick H. Eppinger				
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 2018	8	4	6	1

All of our directors attended 75% or more of the meetings of the Board and any committees thereof on which they served. Our Corporate Governance Guidelines provide that directors are expected to attend the 2019 Annual Meeting of Stockholders. All directors attended the 2018 Annual Meeting of Stockholders.

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.

Centene Corporation 10

---

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
PROPOSAL  
ONE:  
ELECTION  
OF  
DIRECTORS

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;
- periodically reviewing the political activities and expenditures of the Company and its political action committees;
- overseeing the Company's Political Contributions Policy; and
- overseeing the management of risks as they relate to the Company's compliance with regulatory requirements and rapidly changing healthcare, insurance and other legislation.

The Technology Committee's primary responsibility is to assist the Board in reviewing the Company's information technology (IT) programs and strategy. 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 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 Senior Vice President of Internal Audit, Compliance and Risk Management of the Company or the Board of Directors, 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.

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.

11 Centene Corporation

---

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
PROPOSAL  
ONE:  
ELECTION  
OF  
DIRECTORS

The Board currently combines the role of Chairman of the Board with the role of CEO, 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 ensure effective independent oversight, the Board has adopted a number of governance practices, including:

- a strong, independent, clearly-defined Presiding Director role;
- executive sessions of the independent directors in connection with every Board meeting; and
- annual performance evaluations of the Chairman and CEO by the independent directors.

Our Board of Directors has appointed Robert K. Ditmore “Presiding Director” to preside at all executive sessions of “non-management” directors, as defined under the rules of the NYSE. The Presiding Director's role includes leading the Board's processes for selecting and evaluating the CEO and presiding at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors.

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

#### Audit Committee

The Audit Committee's responsibilities include:

- appointing, retaining, evaluating, terminating, approving the compensation of, and assessing the independence of our independent registered public accounting firm;
- overseeing the work of our independent registered public accounting firm, including through the receipt and consideration of certain reports from the independent registered public accounting firm;
- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures;
- monitoring our internal control over financial reporting, disclosure controls and procedures and code of business conduct and ethics;
- overseeing our internal audit function;
- discussing our risk management policies;
- establishing policies regarding hiring employees from our independent registered public accounting firm and procedures for the receipt and retention of accounting-related complaints and concerns;
- meeting independently with our internal audit staff, independent registered public accounting firm and management;
- and

preparing the Audit Committee report required by SEC rules.

The Board has determined that John R. Roberts, Jessica L. Blume and Frederick H. Eppinger are “audit committee financial experts” as defined in Item 407(d)(5) of Regulation S-K and that each member of the Audit Committee is “financially literate” under the applicable NYSE rules.

Centene Corporation 12

---

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
PROPOSAL  
ONE:  
ELECTION  
OF  
DIRECTORS

Compensation  
Committee

The Compensation Committee oversees our activities in the area of compensation and benefits (generally with regard to all employees and specifically with regard to our Named Executive Officers, or NEOs, identified in the Summary Compensation Table, as well as other officers) and reviews and makes recommendations concerning compensation-related matters to be submitted to the Board and/or stockholders for approval. The Board has determined that each of the members of the Compensation Committee is “independent,” as defined under the rules of the NYSE. The Compensation Committee's responsibilities include:

- evaluating compensation policies and practices to determine if they may be influencing employees to take excessive risks;
- annually reviewing and approving corporate goals and objectives relevant to our CEO's compensation;
- reviewing and making recommendations to the Board with respect to our CEO's compensation;
- reviewing and approving, or making recommendations to the Board, with respect to the compensation of our other executive officers;
- overseeing an evaluation of our senior executives;
- overseeing and administering our equity incentive plans; and
- reviewing and making recommendations to the Board with respect to director compensation.

Members of management assist the Compensation Committee in its responsibilities by providing recommendations for the Compensation Committee's approval concerning the design of our compensation program for our executive officers other than our CEO, including our NEOs, as well as recommended award levels. The design of our compensation program for our CEO is recommended by the Compensation Committee and approved by the Board without any approval of the Chairman, who is the Company's CEO.

The Compensation Committee considered information and data regarding executive compensation supplied by management and by Exequity, LLP, compensation consultants that were engaged directly by the Compensation Committee to provide advice with respect to base salaries, bonus targets and long-term incentives. The consultants analyzed the compensation levels of the NEOs of the industry peer group developed by Exequity, LLP for the most recently completed fiscal year. As discussed under the CD&A, the Compensation Committee considered this information, along with a variety of other factors, in reviewing executive compensation in 2018.

The Compensation Committee has reviewed the independence of Exequity, LLP in light of SEC rules and NYSE listing standards, including the following factors: (1) other services provided to us by the consulting firm; (2) fees paid by us as a percentage of consulting firm's total revenue; (3) policies or procedures maintained by the consulting firm that are designed to prevent a conflict of interest; (4) any business or personal relationships between the compensation consultant and a member of the Compensation Committee; (5) any company stock owned by the compensation consultant; and (6) any business or personal relationships between our executive officers and the senior advisor. The Compensation Committee discussed these considerations and concluded that the compensation consultant's work for the committee does not raise any conflict of interest.



The Compensation Committee delegates to management the authority to grant certain stock options and restricted stock units under the 2012 Stock Incentive Plan. Our CEO is authorized to issue awards (other than to himself) of up to 60,000 shares to any newly hired executive and up to 24,000 shares to any one person during a calendar year, and is required to report any such grants to the Compensation Committee at the following Compensation Committee meeting. The delegation of authority may be terminated by the Compensation Committee at any time and for any reason. All internal promotions and equity grants to any "Executive Officer" (as defined by Rule 3b-7 under the Exchange Act) require Compensation Committee approval.

13 Centene Corporation

---

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
PROPOSAL  
ONE:  
ELECTION  
OF  
DIRECTORS

Nominating  
and  
Governance  
Committee

The Nominating and Governance Committee's responsibilities include:

- identifying individuals qualified to become members of the Board;
- recommending to the Board the persons to be nominated for election as directors and to each of the Board's committees;
- reviewing and making recommendations to the Board with respect to management succession planning;
- reviewing and recommending to the Board corporate governance principles; and
- overseeing an annual evaluation of the Board's performance.

Director  
Candidates

The process followed by the Nominating and Governance Committee to identify and evaluate Director candidates includes requests to Board members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates and interviews of selected candidates by members of the Nominating and Governance Committee and the Board.

In considering whether to recommend any particular candidate for inclusion in the Board's slate of recommended director nominees, the Nominating and Governance Committee will apply the criteria set forth in our Corporate Governance Guidelines. These criteria include the candidate's integrity, business acumen, knowledge of our business and industry, age, experience, diligence, conflicts of interest and the ability to act in the interests of all stockholders. The Nominating and Governance Committee does not assign specific weights to particular criteria and no particular criterion is a prerequisite for each prospective nominee. We believe that the backgrounds and qualifications of our directors, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities.

We believe that it is important that our directors represent and understand the diverse populations that we serve. Indeed, Board membership should reflect diversity in its broadest sense, including persons diverse in background, geography, perspective, gender, and ethnicity. The Board is particularly interested in maintaining a mix that includes the following backgrounds:

- Public company governance
- Healthcare
- Service and insurance industry
- Companies with revenues greater than \$1 billion

Public accounting  
Community involvement  
Investment banking  
International  
Financial services  
Technology  
Organizational development  
Political and regulatory relationships  
Experience as a Chief Executive Officer

Centene Corporation 14

---

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
PROPOSAL  
ONE:  
ELECTION  
OF  
DIRECTORS

Stockholders may recommend individuals to the Nominating and Governance Committee for consideration as potential director candidates by submitting their names, together with appropriate biographical information and background materials to Nominating and Governance Committee, c/o Corporate Secretary, Centene Corporation, 7700 Forsyth Boulevard, St. Louis, Missouri 63105. Assuming that appropriate biographical and background material has been provided on a timely basis in accordance with the procedures set forth in our By-Laws, the Nominating and Governance Committee will evaluate stockholder-recommended candidates by following substantially the same process and applying substantially the same criteria as it follows for candidates submitted by others.

Proxy  
Access

Proxy access allows stockholders who meet minimum stock ownership and holding period requirements and who comply with specified procedural and disclosure requirements the opportunity to include their director nominees in the Company's proxy materials. We believe proxy access gives our long-term stockholders a valuable right and enables them to have an important voice in director elections. The following is a summary outlining key details of requirements related to our proxy access By-Law:

Ownership Threshold	at least 3% of the Company's outstanding common stock
Group Ownership	a group of 20 or less holders
Ownership Period	at least 3½ years of continuous ownership
Number of Nominees	the greater of two individuals or 20% of the Board (not to exceed one-half of the number of directors up for election at the annual meeting)

Director  
Tenure and  
Commitment  
to  
Refreshment

We are proud of our Board of Directors, which for years has maintained excellent chemistry and internal working dynamics while having members with differing political affiliations and diverse backgrounds. We believe that the existing members of our Board continue to provide valuable insights and have contributed significantly to the success of our Company. The Board recognizes, however, the importance of planning for the succession of Board leadership and of bringing on new members.

Communicating  
with  
Independent  
Directors

The Board will give appropriate attention to written communications that are submitted by stockholders and other interested parties and will respond as appropriate. The Chairman of the Nominating and Governance Committee, with the assistance of our CEO, is primarily responsible for monitoring communications from stockholders and other interested parties and for providing copies or summaries to the other directors as he or she considers appropriate. Under procedures approved by a majority of the independent directors, communications are forwarded to all directors if they relate to important substantive matters and include suggestions or comments considered to be important for the directors to know.

Stockholders and interested parties who wish to send communications on any topic to the Board should address such communications to Board of Directors c/o Corporate Secretary, Centene Corporation, 7700 Forsyth Boulevard, St. Louis, Missouri 63105. Any stockholder or interested party who wishes to communicate directly with our Presiding Director, or with our non-employee directors as a group, should also follow the foregoing method.

15 Centene Corporation

---

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
PROPOSAL  
ONE:  
ELECTION  
OF  
DIRECTORS

Director  
Compensation

The following table summarizes the compensation of our non-employee directors for the fiscal year ended December 31, 2018:

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) <sup>1</sup>	Option Awards (\$) <sup>1</sup>	All Other Compensation (\$) <sup>2</sup>	Total (\$)
Orlando Ayala	\$ 119,000	\$212,847	\$ —	-\$ 5,215	\$337,062
Jessica L. Blume	92,476	212,847	362,410	30,215	697,948
Robert K. Ditmore	4,000	382,847	—	15,215	402,062
Frederick H. Eppinger	4,000	337,847	—	17,715	359,562
Richard A. Gephardt	119,000	212,847	—	30,215	362,062
John R. Roberts	34,000	337,847	—	30,215	402,062
David L. Steward	4,000	352,847	—	30,215	387,062
Tommy G. Thompson	4,000	352,847	—	30,215	387,062

The amounts reported as Stock Awards reflect the grant date fair value of grants made during the current year under the 2012 Stock Incentive Plan and Non-Employee Directors Deferred Stock Compensation Plan in accordance with ASC 718. There can be no assurance that the grant date fair value of Stock Awards or Option Awards will ever be realized.

All other compensation includes the Company match to charitable contributions made or pledged during 2018 under the Company's Board of Directors Charitable Matching Gift Program as follows: \$25,000 for Ms. Blume, Mr. Gephardt, Mr. Roberts, Mr. Steward, and Mr. Thompson; \$10,000 for Mr. Ditmore, and \$12,500 for Mr. Eppinger.

All Other Compensation for each director also includes group excess liability insurance policy premiums paid by the Company.

Non-employee directors currently receive a quarterly retainer fee of \$31,250, provided that the director elects to receive 100% of the fee in Company stock and defers settlement of the fee until retirement or termination of the Board under the Company's Non-Employee Directors Deferred Stock Compensation Plan. Directors not making this election receive a quarterly cash retainer fee of \$25,000. In addition, the Chairman of the Audit Committee receives a quarterly fee of \$7,500, the Chairman of the Compensation Committee receives a quarterly fee of \$5,000, and the Chairman of the Nominating and Governance Committee, Government and Regulatory Affairs Committee, and Technology Committee each receives a quarterly fee of \$3,750. The Company also pays a quarterly fee of \$6,250 to the Presiding Director of the Board. All fees are eligible for deferral under the Non-Employee Directors Deferred Stock Compensation Plan. Expense recognized in conjunction with the deferred stock election is included in the "Stock Awards" column in the Director Compensation Table above.

The Board receives additional variable compensation dependent on the number of meetings held annually. Once the number of full Board of Director meetings held exceeds six, non-employee directors receive \$2,000 per meeting, not to exceed \$20,000 annually. The variable compensation is included within Fees Earned or Paid in Cash in the table above.

As part of non-employee director compensation and to recognize each member's stock holding requirement of 40,000 shares, each director receives an annual stock grant valued at \$200,000 based on first quarter average stock price prior to the grant. In April 2018, each member of the Board received a grant of 3,850 restricted shares of our common stock (target value of \$200,000). The restricted shares vest on the April 2019 Annual Meeting of Stockholders, subject to meeting Board of Director meeting attendance conditions. In addition, each new non-employee director is granted an option under our 2012 Stock Incentive Plan to purchase 10,000 shares of our common stock, vesting in three equal annual installments commencing on the first anniversary of the grant date.

Centene Corporation 16

---

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
PROPOSAL  
ONE:  
ELECTION  
OF  
DIRECTORS

The following table shows the number of shares covered by exercisable and unexercisable options and unvested Restricted Stock Units (RSUs) held by our non-employee directors on December 31, 2018. All share, per share and stock price information presented in this proxy statement has been adjusted for the two-for-one stock split distributed on February 6, 2019.

Name	Option Awards	Stock Awards
	Number of Securities Underlying Unexercised Options (Unexercisable) (Exercisable)	Number of Shares or Units of Stock That Have Not Vested
Orlando Ayala	—	3,850
Jessica L. Blume	20,000	3,850
Robert K. Ditmore	—	3,850
Frederick H. Eppinger	—	3,850
Richard A. Gephardt	—	3,850
John R. Roberts	—	3,850
David L. Steward	—	3,850
Tommy G. Thompson	—	3,850

The Board of Directors has approved the Board of Directors Charitable Matching Gift Program. Under the program, the Company will match a Board member's qualifying charitable donations of up to \$25,000 per calendar year. Charitable donations must be made to a qualified tax exempt U.S. organization under the Internal Revenue Code Section 501(c)(3) and within the Company's charitable contribution guidelines. The Company also provides a group excess liability insurance policy at no cost to the directors.

Directors are reimbursed for all reasonable expenses incurred in connection with their service. Directors who are also our employees receive no additional compensation for serving on our Board of Directors.



2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
PROPOSAL TWO:  
ADVISORY  
RESOLUTION TO  
APPROVE  
EXECUTIVE  
COMPENSATION

Proposal Two:  
Advisory  
Resolution to  
Approve  
Executive  
Compensation

At our 2018 Annual Meeting of Stockholders, our stockholders approved the Company's executive compensation. Pursuant to Section 14A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we are again holding an advisory vote on the Company's executive compensation, as described in this Proxy Statement (commonly referred to as "say-on-pay"). In accordance with the results of the vote we conducted at the 2017 Annual Meeting on the frequency of say-on-pay votes, we present a say-on-pay vote every year.

We encourage stockholders to review the Compensation Discussion and Analysis included in this Proxy Statement. Our executive compensation program has been designed to implement the Company's compensation philosophy of paying for performance by making decisions based on promoting the Company's corporate mission statement and creating long-term stockholder value. As discussed in Section 3 of CD&A, the following principles guide the Company's compensation philosophy:

- Pay for Performance;
- Create Long-Term Stockholder Value;
- Foster a Culture of Risk Management and Compliance; and
- Attract and Retain Top Executive Talent.

This philosophy is evidenced by the following:

We provide a significant part of executive compensation in the form of at-risk annual incentive and long-term incentive compensation; for example, we have withheld or reduced payments under our incentive programs when financial, quality or compliance measures have not been fully achieved.

Our annual incentive and long-term incentive opportunities are substantially based on corporate financial measures closely correlated with achieving long-term stockholder value, such as earnings per share, revenue growth targets, pre-tax operating margins and total shareholder return. Annual incentive opportunities are also based on meeting individual goals around compliance, quality and operational excellence.

We provide a mix of short-term, long-term, cash and non-cash compensation that we believe allows us to strike a balance between offering competitive executive compensation packages, motivating our executives without fostering excessive risk-taking and linking Executive Officer compensation with the creation of long-term stockholder value.

The Board of Directors strongly endorses the Company's executive compensation program and recommends that stockholders vote in favor of the following resolution:

RESOLVED, that the stockholders approve the compensation of those NEOs listed in the Summary Compensation Table of this proxy statement, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission (SEC), including the Compensation Discussion and Analysis and the tabular and narrative disclosure included herein under "Information about Executive Compensation."

Centene Corporation 18

---

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
PROPOSAL TWO:  
ADVISORY  
RESOLUTION TO  
APPROVE  
EXECUTIVE  
COMPENSATION

Because the vote is advisory, it will not be binding upon the Board of Directors or the Compensation Committee and neither the Board of Directors nor the Compensation Committee will be required to take any action as a result of the outcome of the vote on this proposal. The Compensation Committee strongly considers the views of the Company's stockholders when making compensation decisions. Additionally, the Compensation Committee monitors the results of the annual advisory "say-on-pay" proposal and incorporates such results as one of many factors considered in connection with the discharge of its responsibilities. Please see the Compensation Discussion and Analysis section of this Proxy Statement for a more detailed discussion of the actions the Committee took during 2018 based on stockholder feedback.

The Board recommends a vote "FOR" the approval of the compensation of the NEOs, as disclosed in this Proxy Statement pursuant to the compensation disclosure rules of the SEC.

19 Centene Corporation

---

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
PROPOSAL  
THREE:  
RATIFICATION  
OF  
APPOINTMENT  
OF  
INDEPENDENT  
REGISTERED  
PUBLIC  
ACCOUNTING  
FIRM

Proposal  
Three:  
Ratification  
of  
Appointment  
of  
Independent  
Registered  
Public  
Accounting  
Firm

KPMG LLP audited our financial statements for the fiscal year ended December 31, 2018. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent external audit firm retained to audit our financial statements. The Audit Committee has appointed KPMG LLP to serve as our independent registered public accounting firm for the current fiscal year, and we are asking stockholders to ratify this appointment. KPMG LLP has been retained as our external auditor continuously since 2005. Stockholder ratification of this selection is not required by our By-Laws or other applicable legal requirements. Our Board of Directors is, however, submitting the selection of KPMG LLP to stockholders for ratification as a matter of good corporate practice. In the event that stockholders fail to ratify the selection, the Audit Committee will consider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee believes that a change would be in the best interests of the Company and our stockholders.

We expect that representatives of KPMG LLP will be present at our Annual Meeting of Stockholders to answer appropriate questions. They will have the opportunity to make a statement if they desire to do so.

The affirmative vote of the holders of a majority of the votes cast at the meeting is being sought to ratify the selection of KPMG LLP as our independent registered public accounting firm for the current fiscal year. The Committee believes the continued retention of KPMG LLP to serve as our independent registered public accounting firm is in the best interests of the Company and our stockholders.

The Board recommends that stockholders vote “FOR” the ratification of the selection of KPMG LLP to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2019.

The following table discloses the aggregate fees for services related to 2018 and 2017 by KPMG LLP, our independent registered public accounting firm (\$ in thousands):

	KPMG	
	2018	2017
Audit Fees	\$11,400	\$9,437
Audit-Related Fees	340	230
Tax Fees	55	50

Audit-related fees in 2018 and 2017 consist primarily of fees for operational control reviews. The Audit Committee is responsible for the audit fee negotiations associated with our retention of KPMG LLP. Tax fees included in the table above relate to tax planning associated with the expansion of our corporate headquarters.

In order to ensure continuing auditor independence, the Audit Committee periodically considers whether there should be a regular rotation of the independent audit firm. The Committee ensures that the mandated rotation of KPMG LLP’s personnel occurs routinely and is directly involved in the selection of KPMG LLP’s lead engagement partner.

The Audit Committee has adopted policies and procedures relating to the approval of all audit, audit-related, tax and other services that are to be performed by our independent registered public accounting firm. This policy generally provides that the Company will not engage its independent registered public accounting firm to render audit, audit-related, tax or other services unless the service is specifically approved in advance by the Audit Committee or the engagement is entered into pursuant to one of the pre-approval procedures described below.

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
PROPOSAL  
THREE:  
RATIFICATION  
OF  
APPOINTMENT  
OF  
INDEPENDENT  
REGISTERED  
PUBLIC  
ACCOUNTING  
FIRM

From time to time, the Audit Committee may pre-approve specified types of services that are expected to be provided to the Company by its independent registered public accounting firm during the next 12 months. Any such pre-approval is detailed as to the particular service or type of services to be provided and is also generally subject to a maximum dollar amount.

The Audit Committee has also delegated to the Chairman of the Audit Committee the authority to approve audit, audit-related, tax or other services to be provided to the Company by its independent registered public accounting firm. Any approval of services by the Chairman of the Audit Committee pursuant to this delegated authority is reported on at the next meeting of the Audit Committee. All audit, audit-related and tax fees for 2018 and 2017 were pre-approved by the Audit Committee or the Audit Committee Chairman, and no fees were paid under the de minimis exception to the Audit Committee pre-approval requirements.

21 Centene Corporation

---

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
PROPOSAL  
FOUR:  
STOCKHOLDER  
PROPOSAL ON  
POLITICAL  
SPENDING  
DISCLOSURES

Proposal  
Four:  
Stockholder  
Proposal on  
Political  
Spending  
Disclosures

In November 2018, the Company received correspondence from Friends Fiduciary Corporation, beneficial owner of Centene common stock, regarding a proposal on political spending disclosures for consideration at the meeting as described below.

Friends Fiduciary Corporation, 1650 Arch Street, Suite 1904, Philadelphia, PA 19103, beneficial owners of no less than 1,280 shares of Centene common stock as of November 8, 2018, intends to propose the following resolution at the annual meeting.

Stockholder  
Statement  
Regarding  
Proposal on  
Political  
Spending  
Disclosures

Centene Corporation Political Disclosure Shareholder Resolution

Resolved, that the shareholders of Centene Corporation ("Centene" or "Company") hereby request that the Company provide a report, updated semiannually, disclosing the Company's:

1. Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum.
2. Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including:
  - a. The identity of the recipient as well as the amount paid to each; and
  - b. The title(s) of the person(s) in the Company responsible for decision-making.

The report shall be presented to the board of directors or relevant board committee and posted on the Company's website within 12 months from the date of the annual meeting. This proposal does not encompass lobbying spending.

Supporting Statement

As long-term shareholders of Centene, we support transparency and accountability in corporate electoral spending. This includes any activity considered intervention in a political campaign under the Internal Revenue Code, such as direct and indirect contributions to political candidates, parties, or organizations, and independent expenditures or electioneering communications on behalf of federal, state, or local candidates.

Disclosure is in the best interest of the company and its shareholders. The Supreme Court recognized this in its 2010 Citizens United decision, which said "[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages."

Publicly available records show Centene has contributed at least \$12,500,000 in corporate funds since the 2010 election cycle (CQMoneyLine: <http://moneyline.cq.com>; National institute on Money in State Politics: <http://www.followthemoney.org>).

However, relying on publicly available data does not provide a complete picture of the Company's electoral spending. For example, the Company's payments to trade associations that may be used for election-related activities are undisclosed and unknown. This proposal asks the Company to disclose all of its electoral spending, including payments to trade associations and other tax-exempt organizations, which may be used for electoral purposes. This would bring our Company in line with a growing number of leading companies, including Express Scripts Holding Company, UnitedHealth Group Inc., and Humana Inc., which present this information on their websites.

The Company's Board and shareholders need comprehensive disclosure to fully evaluate the use of corporate assets in elections. We urge your support for this critical governance reform.

Centene Corporation 22

---



2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
PROPOSAL  
FOUR:  
STOCKHOLDER  
PROPOSAL ON  
POLITICAL  
SPENDING  
DISCLOSURES

Board of  
Directors'  
Statement in  
Opposition  
to the  
Stockholder  
Proposal on  
Political  
Spending  
Disclosures

The Company believes it is necessary and appropriate to participate in the political process to further the long-term interests of the Company and its stockholders. The Company's operations are comprehensively regulated at local, state, and federal levels. Government regulation of the provision of healthcare products and services is a changing area of law that varies from jurisdiction to jurisdiction and proposed changes to these laws, rules and regulations can have a significant effect on the Company's operating results and stockholder value. Permitted political contributions and memberships in trade associations play an important role in the Company's public policy engagement efforts. The Company believes its current practices, described below, provide ample transparency and accountability with respect to the Company's political spending.

Corporations are prohibited under federal and many state laws from making direct or indirect contributions to candidates or political parties. Where permitted by law, the Company may make contributions with respect to state and local ballot questions and referenda that have a direct impact on the Company's business (such as those dealing with Medicaid expansion). The Company is committed to complying with all applicable federal, state and local laws in connection with the Company's political spending. The Company has a political action committee, the Centene Corporation Political Action Committee (the PAC). All of the contributions made by the PAC are derived from voluntary employee contributions; the Company makes no contributions. The Company does, however, pay the solicitation and administrative expenses of the PAC, which are minimal, as permitted by law. All political contributions made by the Company and/or the PAC must comply with all applicable laws and regulations and adhere to the Company's Political Contributions Policy and the Company's Business Ethics and Code of Conduct, copies of which are available on the Company's website.

The Company's political contributions are governed by extensive federal, state and local laws and regulations, including detailed disclosure requirements, including requirements to file reports with appropriate agencies on lobbying-related activities and expenditures. For example, certain information with respect to contributions made by the PAC is publicly available at the Federal Election Commission's website at <http://fec.gov/>. We do not believe that the additional information requested by the proposal will add significant value for shareholders.

To the extent the proposal would cover payments to tax exempt organizations that in turn may engage in political activity, it should be noted that Centene belongs to many trade associations. While the Company does not always share or agree with all of the views espoused by such organizations, the Company believes they are often helpful for the purpose of building a consensus among organizations with similar interests and advocating in favor of those interests. The Company regularly reviews the costs and benefits of its memberships in trade associations. In addition, trade associations are subject to public disclosure obligations with respect to their lobbying and political contributions and expenditures.

The Company is committed to being upstanding and accountable when participating in the political process. However, given the existing system of reporting and accountability already in place for the Company, the detailed report requested by the proposal would require significant time and expense with no added benefit to stockholders. If adopted, it could also result in a competitive disadvantage for the Company. We believe that any additional political contribution reporting requirements that go beyond those required under existing law should be applicable to all participants engaged in the political process. The Board believes that the time and expense involved in preparing the detailed report requested by the proposal could be better utilized to move the Company's business forward and, consequently, does not support the proposal.

The Board recommends that stockholders vote "AGAINST" the proposal requesting political spending disclosures.

2019 NOTICE OF MEETING  
AND PROXY STATEMENT  
AUDIT COMMITTEE REPORT

Audit  
Committee  
Report

The Audit Committee operates under a written charter adopted by the Company's Board of Directors. The charter outlines the Audit Committee's duties and responsibilities. The Audit Committee reviews the charter annually and works with the Board of Directors to amend the charter, as necessary, based on the Audit Committee's evolving responsibilities. The Audit Committee charter is available on the Company's website at [investors.centene.com/corporate-governance](http://investors.centene.com/corporate-governance).

The Audit Committee of the Company's Board of Directors consists of four non-employee directors who are independent under the rules of the NYSE, the rules of the SEC and the Company's Standards for Director Independence. Three of the Audit Committee members are considered Audit Committee Financial Experts as defined by the SEC and all are financially literate under the applicable NYSE rules. The Audit Committee assists the Board of Directors in its oversight of the accounting and financial reporting process of the Company. Specifically, the Audit Committee has responsibility for providing independent objective oversight of the accounting and financial reporting process of the Company, selecting and evaluating the independent registered public accounting firm, which reports directly to the Audit Committee and oversees the performance of the Company's internal audit function.

Management has the primary responsibility for the preparation of the Company's financial statements and the overall reporting process, for maintaining adequate internal control over financial reporting and, with the assistance of the Company's internal auditors, for assessing the effectiveness of the Company's internal control over financial reporting. The Company's independent registered public accounting firm is responsible for performing an independent audit of the Company's financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States)(the PCAOB), expressing an opinion as to the conformity of the financial statements with generally accepted accounting principles in the United States of America, and auditing management's assessment of the effectiveness of internal control over financial reporting. KPMG LLP has served as the Company's independent registered public accounting firm since 2005.

Management represented to the Audit Committee that the financial statements were prepared in accordance with generally accepted accounting principles and that there were no material weaknesses in its internal control over financial reporting. The Audit Committee met and held discussions with management and KPMG LLP to review and discuss the financial statements and the Company's internal control over financial reporting. The Audit Committee has also discussed with KPMG LLP the firm's judgments as to the quality and the acceptability of the Company's financial reporting and such other matters as are required to be discussed by PCAOB Auditing Standard No. 16, Communication with Audit Committees. KPMG LLP also provided the Audit Committee with the written disclosures and the letter required by applicable requirements of the PCAOB regarding the independent accountant's communications with the Audit Committee concerning independence. The Audit Committee has discussed with KPMG LLP their independence with respect to the Company, including a review of audit and non-audit fees and services and concluded that KPMG LLP is independent.

In fulfilling its oversight responsibilities for reviewing the services performed by KPMG LLP, the Audit Committee has the sole authority to select, evaluate and replace the outside auditors. The Audit Committee discusses the overall scope of the annual audit, the proposed audit fee, and annually evaluates the qualifications, performance and independence of KPMG LLP as independent registered public accountants and the performance of its lead audit partner. The Audit Committee meets regularly with the internal auditors and independent registered public accounting firm, with and without management present, to discuss the results of their respective examinations, the evaluation of the Company's internal control over financial reporting and the overall quality of the Company's accounting.

Centene Corporation 24

---

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
AUDIT  
COMMITTEE  
REPORT

Based upon the review and discussions with the Company's management and KPMG LLP referred to above, and its review of the representations and information provided by management and KPMG LLP, the Audit Committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, for filing with the Securities and Exchange Commission. The Committee also reappointed KPMG LLP to serve as the Company's independent registered public accounting firm for 2019.

AUDIT COMMITTEE

John R. Roberts, Chair  
Jessica L. Blume  
Frederick H. Eppinger  
Tommy G. Thompson

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

Information  
About  
Executive  
Compensation

Compensation  
Committee  
Report

The Compensation Committee has reviewed and discussed the “Compensation Discussion and Analysis” with the Company's management. Based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the “Compensation Discussion and Analysis” be included in this proxy statement and our annual report on Form 10-K.

COMPENSATION COMMITTEE

Robert K. Ditmore, Chair  
Orlando Ayala  
Richard A. Gephardt  
David L. Steward

Centene Corporation 26

---

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

Compensation  
Discussion  
and  
Analysis  
(CD&A)

This CD&A describes the principles, objectives, and compensation policies and arrangements of our executive compensation program which is generally applicable to each of our senior officers. This CD&A focuses primarily on our Chairman & CEO and the other executive officers included in the Summary Compensation Table, whom we collectively refer to in this proxy as our Named Executive Officers (NEOs). For 2018, our NEOs were:

- ♣Michael F. Neidorff, Chairman and Chief Executive Officer
- ♣Jeffrey A. Schwaneke, Executive Vice President, Chief Financial Officer and Treasurer
- ♣Mark J. Brooks, Executive Vice President, Chief Information Officer
- ♣Brandy L. Burkhalter, Executive Vice President, Operations
- ♣Jesse N. Hunter, Executive Vice President and Chief Strategy Officer

The contents of this CD&A are organized as follows:

SECTION 1 - Executive Summary

SECTION 2 - 2018 Compensation  
Decisions

1Alignment of Pay and Performance

1Pay Mix

1Target Pay Review

1Base Salaries

1Annual Cash Incentive Plan

1Annual Cash Incentive Performance

1Long-Term Incentive Awards

12016-2018 Cash Long-Term Incentive Plan Award Results

12016-2018 Performance-Based Restricted Stock Award Results

SECTION 3 - Compensation  
Philosophy

1Results of the April 2018 “Say-on-Pay” Vote

1Overview of the Compensation Program

1Competitive Pay Philosophy

– Healthcare Industry Managed Care Peer Group

– General Industry Group

1Benchmarking Methodology

1Base Salaries

1Annual Cash Incentive

1Long-Term Incentives

1Cash LTIP Award Performance Targets

SECTION 4 - Other Compensation Policies and Information	1Other Benefits
	1Stock Ownership Guidelines
	1Pledging Policy
	1Risk Disclosure
	1Employment Contracts, Termination of Employment Arrangements, Change in Control Arrangements, and Retirement Provisions
	– CEO Employment Agreement
	– Severance and Change in Control Agreements
	– Retirement Provisions
	1Deductibility of Executive Compensation



2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

SECTION

1 -  
Executive  
Summary

We are a diversified, multi-national healthcare enterprise that provides a portfolio of services to government sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. We provide member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions.

In July 2018, we acquired substantially all of the assets of New York State Catholic Health Plan, Inc. d/b/a Fidelis Care New York (Fidelis Care) in a transaction valued at \$3.6 billion. The Fidelis Care acquisition expanded the Company's scale and presence to New York State.

On December 12, 2018, the Board of Directors declared a two-for-one split of Centene's common stock in the form of a 100% stock dividend distributed on February 6, 2019 to stockholders of record as of December 24, 2018. All share, per share and stock price information presented in this proxy statement has been adjusted for the two-for-one stock split.

2018 was another successful year for the Company. Growth was driven by the Fidelis Care and other acquisitions, increased membership in our Health Insurance Marketplace business, as well as geographic and product expansions that led to strong financial results. Our performance is summarized as follows:

• Total revenues of \$60.1 billion, an increase of 24% over 2017.

• Diluted EPS of \$2.26, a decrease of 3% over 2017, which reflects \$0.81 per diluted share of acquisition related expenses incurred in 2018 primarily related to the Fidelis Care acquisition.

• Adjusted Diluted EPS of \$3.54, an increase of 40% over 2017.

• Operating cash flows of \$1.2 billion.

• Return on Equity of 10% in 2018, and a three year average of 12%.

• Return on Assets of 3% in 2018, and a three year average of 4%.

• Return on Invested Capital of 6% in 2018, and a three year average of 7%.

• Stock price return of 14% in 2018.

Overall, our three-year Compound Annual Growth Rates (CAGR) have been:

• Total revenues of 38%;

• Diluted EPS of 16% and Adjusted Diluted EPS of 31%;

• Net earnings attributable to Centene Corporation of 36%;

• Adjusted EBITDA of 37%;

• Cash flow from operations of 23%; and,

• Stock price of 21%.

Refer to Appendix A for reconciliations of non-GAAP measures included throughout this proxy statement.

Centene Corporation 28

---

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

SECTION 2 -  
2018  
Compensation  
Decisions

Alignment  
of  
Pay  
and  
Performance

In 2018, the Company delivered revenue and adjusted EPS growth, which are key to our strategy to promote long-term shareholder value in a competitive business environment. Our revenues increased 24% over 2017, with a 38% three-year compound annual growth rate. The Company also achieved three-year compound annual growth rates of 16% and 31% for Diluted EPS and Adjusted Diluted EPS, respectively. When reviewing the NEOs' compensation, the Compensation Committee considered the value of our senior executives, who are some of the most talented in our industry. While our NEOs' total incentive compensation opportunities may be high, the amounts they ultimately realize are contingent on their ability to achieve our growth and profitability objectives and create sustainable long-term value for our stockholders. When reviewing the NEOs' compensation with our independent executive compensation consultant, the Compensation Committee considered these aspects in conjunction with our executive compensation program of recognizing pay for performance through the following three primary components:

Base Pay + Cash Awards Under Our Annual Incentive Plan +  
Long-Term Incentives  
Performance-Based RSUs  
Time-Based RSUs  
Cash LTIP

The Company's 2018 performance included the well-executed acquisition of Fidelis Care, which was key to our strategic plan for continued high growth and profitability. The Board of Directors acknowledged this success and also the importance of our CEO's leadership, which includes 22 years of tenure in which he has fostered sustainable high growth and strong profitability. The Compensation Committee, together with our independent executive compensation consultant, analyzed our CEO's total historical compensation. Based on their review, they determined that total compensation in 2018 continues to mirror the overall growth in our Total Shareholder Return (TSR), revenue and Adjusted Diluted EPS over the last five years. Our CEO's total compensation alignment with these metrics is illustrated in the following graphs:

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

Centene Corporation 30

---

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

Pay  
Mix

Our pay for performance philosophy can be further depicted by the following graph, which represents our total compensation mix. The graph below illustrates the 2018 values contained in the Summary Compensation Table as percentages of total compensation. The values in the "All Other Compensation" column of the Summary Compensation Table have been excluded from this illustration.

Target  
Pay  
Review

Consistent with our compensation philosophy, the Compensation Committee reviewed the target compensation and respective market data of two groups: general industry (GI) and our healthcare industry peer group (HCI). The review of the data indicated that Mr. Neidorff's total target 2018 compensation was within the 50th percentile and 75th percentile of the GI peer group, with data regressed to \$70 billion in revenue. Our projected total revenues fall within this regression range.

While recognizing that Mr. Neidorff's total target compensation is above the 75th percentile of the HCI peer group, the Compensation Committee determined that his target pay appropriately reflects the need for an experienced, seasoned CEO in a high-growth company. The Compensation Committee also recognized Mr. Neidorff's more than 20 years of experience as a CEO; his ability to grow the revenue of Centene during his tenure from approximately \$300 million in 2001, at the Company's initial public offering, to over \$60 billion in 2018; and his execution of transforming the healthcare landscape in the United States, in determining his compensation amount. The HCI peer group and GI peer group are discussed in further detail under Section 3 of the CD&A under the headings "Healthcare Industry Peer Group" and "General Industry Group," respectively.

A similar analysis of peer data sets is performed of the other NEOs' compensation. The Compensation Committee reviews the performance of each individual and aligns compensation based on these results.

Base  
Salaries

In December 2017, the Compensation Committee evaluated 2018 base salaries and took into account the Company's 2018 estimated revenue of approximately \$60 billion. In 2018, our NEOs' base salaries were compared to market data and, on average, the base salaries for 2018 approximated the 50th percentile of the HCI peer group and the GI peer group. Adjustments to base salaries are determined based on merit and market data.

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

The NEOs were paid competitive base salaries determined by the evaluation of multiple factors: business results for the prior year, individual performance, as well as the market value for each specific job. Since Centene is a pay for performance company, only 6% of the CEO's compensation is comprised of base salary and, on average, only 11% of the other NEOs' compensation is comprised of base salary.

Annual  
Cash  
Incentive  
Plan

The Compensation Committee assigned an annual cash incentive plan target opportunity of 150% of salary for the CEO and 100% of salary for the other NEOs based on a review of industry data, as discussed in Section 3: Compensation Philosophy. The Compensation Committee rewards NEOs with an annual cash incentive bonus if the Company achieves its EPS objective. The Committee assesses how each NEO contributed to achieving this EPS objective and other pre-determined objectives approved by the Compensation Committee earlier in the year. For 2018, the Committee determined that 70% of the incentive target would be aligned with the Adjusted Diluted EPS target, and the remaining 30% would be aligned with individual performance objectives based on the following factors:

- Compliance
- Quality
- People and Talent
- Enterprise Transformation
- Operational Goals

The Compensation Committee follows a two-step process to determine the bonus earned each year:

1. Achievement of EPS Objective. In early 2018, the Compensation Committee determined that if the Company reached its 2018 Adjusted Diluted EPS target of \$3.38, then a bonus would be paid at target based on each NEO's contribution. Since the Company's 2018 Adjusted Diluted EPS was \$3.54, the Compensation Committee interpolated the results and funded the incentive pool for executives at 184% of target.

2. Evaluation of Individual Performance. In addition, based on input from management, the Compensation Committee assessed each NEO's individual performance against pre-determined goals. If the individual performance goals were met, exceeded or not met, then the individual performance component of the annual cash incentive equaled, exceeded or was less than the target. A summary of each NEO's individual performance, along with their total 2018 Annual Cash Incentive follows.

Centene Corporation 32

---

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

Annual  
Cash  
Incentive  
Performance

Name	Individual Performance	2018 Annual Cash Incentive Paid (\$)	% of Target Paid
	<ul style="list-style-type: none"> <li>Drove total revenues up 24% to \$60.1 billion and increased Adjusted Diluted EPS to \$3.54, an increase of 40% over 2017, while achieving a Return on Equity of 10%, Return on Invested Capital of 6% and Return on Assets of 3% for 2018 and an overall three year average of 12%, 7% and 4%, respectively.</li> <li>Awarded CMS' 2019 Health Equity Award for the Company's commitment to providing equal access to quality healthcare and services for people with disabilities.</li> <li>Enhanced quality improvement initiatives company wide resulting in significant improvement in our overall average STAR ratings. Improved COPD/Asthma quality metrics, pharmacy intervention metrics, the integrated quality risk adjustments model and established a new diabetes program for improving HEDIS metrics.</li> <li>Deployed a new leadership model and development program executing enterprise-wide talent review and succession planning.</li> <li>Exceeded consolidated financial performance targets for 2018 including revenue growth, Adjusted Diluted EPS and pre-tax margin.</li> </ul>		
Michael F. Neidorff		\$4,500,000	200%
	<ul style="list-style-type: none"> <li>Marketed and sold \$2.8 billion in stock and \$1.8 billion in bonds for the Fidelis Care acquisition and managed cash flow to reduce the debt to capital ratio by 280 basis points in 2018.</li> <li>In addition to the financing of the Fidelis Care acquisition, financed and integrated several other acquisitions.</li> <li>Managed capital structure to improve debt ratings and received an upgrade from Moody's.</li> </ul>		
Jeffrey A. Schwaneke		\$1,600,000	200%
		\$1,000,000	182%



Edgar Filing: CENTENE CORP - Form DEF 14A

Mark J. Brooks	<p>Implemented digital programs for reducing administrative costs and improving quality, resulting in improvements in the member on-boarding experience and case management automation. These programs were implemented in multiple markets, with full deployment resulting in savings of approximately \$15 million.</p> <ul style="list-style-type: none"> <li>•</li> <li>Initiated next generation programs improving the core platform (benefits, billing, and claims), resulting in lower administrative costs and an enhanced experience for the member.</li> <li>•</li> <li>Enhanced and improved IT control capabilities to improve security and compliance.</li> <li>•</li> <li>Accommodated all growth and integration activities by completing all new market plan implementations and expansions timely and within budget, while improving overall systems availability.</li> <li>•</li> <li>Delivered significant organizational efficiencies in the Specialty Services segment resulting in multi-million dollar savings.</li> <li>•</li> <li>Re-aligned and further enhanced the integration of behavioral health operations into physical health services, as part of an organizational initiative around whole health.</li> </ul>		
Brandy L. Burkhalter	<ul style="list-style-type: none"> <li>•</li> <li>Successfully led our Health Insurance Marketplace business open enrollment efforts, which resulted in growth in 2019 peak membership of approximately 350,000 members over peak membership in 2018.</li> <li>•</li> <li>Conducted a strategic review of key operational processes focusing on streamlining and creating additional quality reviews to drive further operational efficiencies.</li> <li>•</li> <li>In supporting 2018 revenue and margin growth, as well as diversification through new capabilities, worked to execute the following investments and acquisitions: Community Medical Group, Centurion, MHM Services, Interpreta, and RxAdvance.</li> <li>•</li> <li>Developed 2018 strategic initiatives to support the 2020 enterprise strategy to drive key priorities and outcomes that focus on continued revenue diversification, provider integration and an increased enterprise-wide growth pipeline.</li> </ul>	\$1,300,000	193%
Jesse N. Hunter	<ul style="list-style-type: none"> <li>•</li> <li>Developed internal "Strategy Network" to embed strategic thinking across Centene's business units, resulting in a cross-functional network used as a reference point in ensuring economies of scale.</li> <li>•</li> <li>Established Centene as industry leading health policy solutions organization, forming a team of policy experts to support Centene's role as a leader in government provided programs.</li> </ul>	\$1,250,000	172%



2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

Based on the Company meeting its Adjusted Diluted EPS goal, increasing pre-tax income, increasing total revenues to \$60.1 billion, and the closing and integration of the Fidelis Care acquisition, the Compensation Committee reviewed the CEO's performance during 2018 and recommended to the Board of Directors that an annual bonus of \$4.5 million be awarded to Mr. Neidorff. The bonus, which was 200% of his target, is representative of the Company's performance and Mr. Neidorff's personal performance for the year. In addition, other NEOs received an annual bonus ranging from 172% - 200% of target.

Long-Term

Incentive

Awards

The Compensation Committee granted long-term incentives to our NEOs in December 2018 based on a review of industry data, as follows:

Performance-based Restricted Stock Units (PSUs) (60% of equity granted) - The target metrics for the 2019 - 2021 performance period are pre-tax margin (60% weight) and compound annual revenue growth (40% weight). Threshold, target and maximum metric achievement will result in 50%, 100% or 200% attainment of each metric, respectively. If earned, PSUs will vest in February 2022.

Service-based Restricted Stock Units (RSUs) (40% of equity granted) - One-third vest annually based on service to the Company.

Cash Long-term Incentive Plan (Cash LTIP) - The target metrics include the performance criteria above for the three-year performance period (2019 - 2021) as well as a relative Total Shareholder Return objective. Threshold, target and maximum metric achievement will result in 50%, 100% or 200% attainment of each metric, respectively. The Compensation Committee has the discretion to evaluate the metrics on an "as adjusted" basis, and exclude certain one-time acquisition related transaction costs and the impact of the health insurer fee moratorium in evaluating the pre-tax margin metric criteria.

2016-2018

Cash

Long-Term

Incentive

Plan Award

Results

In December 2015, the Compensation Committee established the following metrics, targets and weights for the 2016 - 2018 Cash LTIP. The Company met or exceeded all three targets as shown below, with a total percentage payout of 141.1% of the target:

	Metric Criteria			Weight	2016 - 2018 Actual	Metric Payout of Target	Weighted Payout
	Threshold	Target	Maximum				
Pre-tax Margin (As Adjusted)	2.5%	3.0%	4.0%	37.5%	3.32%	132.0%	49.5%
Compound Annual Revenue Growth Rate	7.5%	9.0%	15.0%	12.5%	15.0%	200.0%	25.0%
HCI Peer Group Relative Total Shareholder Return Percentile Rank	25th	50th	90th	50.0%	67th	133.2%	66.6%
				100%			141.1%

The amounts earned by each NEO are reflected in the table below:

Name	Payout (\$)
Michael F. Neidorff	\$2,539,800
Jeffrey A. Schwaneke	846,600
Mark J. Brooks	317,475
Brandy L. Burkhalter	634,950
Jesse N. Hunter	888,930

Centene Corporation 34

---

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

2016-2018  
Performance-Based  
Restricted Stock  
Award Results

In December 2015, the Compensation Committee established the following metrics, targets and weights for the 2016 - 2018 Performance-Based restricted stock awards. The Company met or exceeded both targets as shown below with a total percentage payout of 149.0% of the target:

	Metric Criteria			Weight	2016 - 2018 Actual	Metric Payout of Target	Weighted Payout
	Threshold	Target	Maximum				
Pre-tax Margin (As Adjusted)	2.5%	3.0%	4.0%	75.0%	3.32%	132.0%	99.0%
Compound Annual Revenue Growth Rate	7.5%	9.0%	15.0%	25.0%	15.0%	200.0%	50.0%
				100%			149.0%

The amounts earned by each NEO are reflected in the table below:

Name	Vested Shares
Michael F. Neidorff	312,900
Jeffrey A. Schwaneke	59,600
Mark J. Brooks <sup>1</sup>	—
Brandy L. Burkhalter	29,800
Jesse N. Hunter	59,600

<sup>1</sup> Mr. Brooks began receiving performance-based stock awards beginning with the 2017-2019 cycle.

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

SECTION 3 -  
Compensation  
Philosophy

The following principles guide the Company's compensation philosophy:

**Pay for Performance** - Our overall compensation philosophy is to pay for performance. Executive compensation is directly linked to performance and the achievement of both Company and individual goals. Superior performance and the achievement of goals results in higher compensation.

**Create Long-Term Stockholder Value** - Both performance-based and service-based stock and cash awards with meaningful retention requirements are used to encourage sustained stockholder value creation.

**Foster a Culture of Risk Management and Compliance** - A portion of NEO compensation is based on meeting individual goals that align with our corporate mission statement and promote a culture of compliance with rules, regulations and the Company's vision and values and rewarding those who mitigate business risks.

**Attract and Retain Top Executive Talent** - We offer competitive pay to attract, motivate and retain industry executives with the skills and experience to drive superior long-term Company performance in a high growth company.

Results of  
the April  
2018

“Say-on-Pay”

Vote

The Compensation Committee monitors the results of the annual advisory “say-on-pay” proposal and considers such results as one of many factors in connection with the discharge of its responsibilities. At our April 2018 Annual Meeting, approximately 88% of our stockholders voted to approve our 2017 executive compensation program.

Stockholders expressed a wide variety of views about executive compensation. We valued the insights we received from our stockholders as we reached out to gain a more thorough understanding of their comments. As a result of feedback from our stockholders in prior years, the Compensation Committee previously made key changes, including:

- Aligned 70% of each NEO's annual incentive award to Adjusted Diluted EPS;
- Changed the performance period applicable to PSUs from one-year to three-years; and
- Changed the mix of PSUs and RSUs for executives from a 50/50% split to a 60/40% split, respectively.

In addition, as a result of feedback received from our stockholders, we have provided enhanced disclosures in our proxy around quality goals and measures and how the NEOs' compensation is aligned with those metrics. We actively seek input from stockholders on compensation and governance matters and are always open to new ideas. We have also received some feedback that our equity grants as a percent of outstanding shares, which has averaged

around 1.0% over the past few years, is higher than some investors prefer. Most recently, our run rate has trended around 0.7%. While we recognize that our historical run rate is higher than some of our competitors, we believe that providing broader ownership participation below senior leaders is important in driving company performance, retaining key talent, and driving shareholder value.

Centene Corporation 36

---

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

Overview of  
the  
Compensation  
Program

The Compensation Committee establishes and administers the executive compensation philosophy and program and assists the Board of Directors in the development and oversight of all aspects of executive compensation. Presented in the table below are highlights of our compensation practices:

What We Do

Pay for Performance A significant portion of our  
ü NEOs' compensation is tied to performance with  
clearly articulated financial and performance goals.

Annual Compensation Risk Assessment We regularly  
ü analyze risks related to our compensation program and we  
conduct broad risk assessments.

Competitive Compensation Each component of the  
ü NEOs' annual total direct compensation is generally  
targeted around the 50th percentile for both the HCI  
peer group and the GI peer group.

Stock Ownership Requirements We maintain rigorous stock  
ü ownership requirements for our directors, executives and  
other members of senior management. Our CEO's  
requirement is 5x annual base pay; other NEOs' requirements  
are 2.5x annual base pay.

Equity Grants Reward Long-Term Future  
ü Performance PSU grants vest at the end of the  
three-year period based on two, three-year  
performance metrics.

Clawbacks We can recover performance-based cash and  
ü equity incentive compensation paid to executives in various  
circumstances.

Formula Based Annual Incentive Plan Awards under  
ü the Annual Cash Incentive plan are formula based.

Independent Compensation Consultant The Compensation  
ü Committee retains an independent compensation consultant  
to advise the committee on executive compensation matters.

Tally Sheets Tally sheets and wealth accumulation  
ü analyses for each NEO are reviewed annually before  
making compensation decisions.

What We Don't Do

Excessive Risk-Taking in Our Compensation  
Programs The long-term incentive plans use multiple  
Xperformance measures, capped payouts and other  
features intended to minimize the incentive to take  
overly risky actions.

No Hedging or Pledging Directors and executives are  
Xprohibited from hedging, pledging or engaging in any  
derivatives trading with respect to Company stock.



No Tax Gross-ups There are no tax “gross-ups” for Xperquisites or excise tax gross-ups in the event of a change of control related termination. X

No Backdating or Repricing of Stock Options Stock options are never backdated or issued with below-market exercise prices. Re-pricing of stock options without stockholder approval is expressly prohibited.

No Single-Trigger Employment Agreements Any X cash payments in executive employment agreements are subject to a "double-trigger" change in control condition.

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

Competitive  
Pay  
Philosophy

Centene must leverage its compensation and benefit programs to attract the best talent to compete and achieve aggressive operating objectives. Therefore, Centene views both private equity firms and competitors with larger revenue bases as significant competition for talent. Centene also recognizes that our Company is a source for these firms and competitors to recruit talent if the appropriate compensation programs are not in place at Centene.

For the components of target total compensation, the Compensation Committee's competitive objectives are for: base salaries to approximate the 50th percentile of similarly-sized organizations, based on revenues. The 50th percentile will be targeted in most instances; however, up to the 75th percentile or higher may be considered when retaining key employees and recruiting talent from significantly larger companies and private equity firms or when the experience of the executive dictates a higher base salary; annual bonus targets to approximate the 50th percentile of similarly-sized organizations; and long-term incentive targets to approximate the 50th percentile of similarly-sized organizations.

The goal of these objectives is that based on individual performance, actual total compensation will fall at the 50th percentile of total market based compensation for both the HCI peer group and the GI peer group for expected performance and between the 50th and 75th percentile based on extraordinary performance. Exceptions are sometimes made when an individual's experience and impact warrant it, as is the case for our CEO.

In order to achieve these objectives, the Compensation Committee establishes target, market-based total compensation levels (e.g., base salary, annual bonus target and long-term incentives) from market data from two different peer groups.

A.  
Healthcare  
Industry  
Peer Group

Using the Standard and Poor's Global Industry Classification System (GICS) codes and other relevant industry parameters, Exequity, LLP analyzed the managed care industry and determined there are four key segments in the industry:

- Managed Healthcare Companies:
- Healthcare Services;
- Healthcare Distributors; and
- Healthcare Facilities.

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

Based on further review by Exequity, LLP, the following companies were included in the Company's Healthcare Industry Managed Care Peer Group for use in determining compensation for NEOs in 2018:

MANAGED HEALTH CARE	HEALTHCARE SERVICES
Direct Competitors	Express Scripts Holding Company
Aetna, Inc.	Davita Healthcare Partners, Inc.
Anthem, Inc.	
CIGNA Corp.	HEALTHCARE DISTRIBUTORS
Humana, Inc.	AmerisourceBergen Corporation
Molina Healthcare, Inc.	Cardinal Health, Inc.
UnitedHealth Group, Inc.	
WellCare Health Plans, Inc.	HEALTHCARE FACILITIES
	Community Health Systems, Inc.
	HCA Holdings, Inc.
	Tenet Healthcare Corp.

B.  
General  
Industry  
Group

Since there is a market for executive talent both within and outside our industry, we also benchmark against the general industry. Therefore, the market data the Compensation Committee utilizes includes not only the managed healthcare industry peer group of 14 companies, but also a general industry peer group of approximately 400 companies derived from the Willis Towers Watson's Compensation Database (CDB).

Benchmarking  
Methodology

The Compensation Committee engaged Exequity, LLP, to gather, analyze and summarize the market data from the Willis Towers Watson Executive Compensation Database for the CEO and the other four NEOs.

For this analysis, which is utilized in determining December equity grant awards and compensation for the forthcoming year, including base salaries, annual cash incentive targets and cash LTIP targets, we size adjust both the healthcare and general industry peer data to be in line with our forecasted revenues for the upcoming year. The Compensation Committee also reviews data adjusted to reflect the estimated revenues over the next one to three years, based on our growth pattern combined with any proposed acquisitions. This data provides a more representative depiction of the overall competitive market for talent, as evidenced by several of our executives who came from companies outside of our industry.

All elements of compensation are valued and reviewed in evaluating the relative competitiveness of our compensation practices against both market data and the Compensation Committee's competitive objectives. In addition, the Compensation Committee annually reviews a tally sheet for each NEO, which includes the current value of all outstanding equity-based awards, benefits and perquisites. The Compensation Committee uses the tally sheets to analyze each NEO's base salary, annual incentive target and long-term incentive opportunity in relation to the market and each component of compensation as a percentage of total compensation.



2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

Base  
Salaries

While reviewing market data to determine appropriate annual base salaries, the Compensation Committee also considers:

- the CEO's compensation recommendations for all other NEOs;
- the scope of responsibility, experience, time in position and individual performance of each officer, including the CEO;
- each executive's leadership performance and potential to enhance long-term stockholder value; and
- internal equity.

Annual  
Cash  
Incentive

The Compensation Committee rewards NEOs with an annual cash incentive bonus for achieving the Company's EPS objective. Annually, the committee assesses how each NEO contributed to achieving the EPS objective and other pre-determined objectives approved by the Compensation Committee. The Compensation Committee follows a two-step process to determine the amount of bonus earned each year:

The Company must meet a specific EPS objective during the year before any payments may be made. If the

1. Company does not meet its threshold performance, no payments are made. The Company has not reached its threshold EPS objective in certain years past and, accordingly, no annual bonuses were paid.

In addition, each NEOs' individual performance is assessed by management and the Compensation Committee

2. against the pre-determined objectives. If these pre-determined objectives were met, exceeded or not met, then the annual bonus could equal, exceed or be less than target, respectively.

Individual awards under our bonus plan are approved by the Compensation Committee based primarily upon:

- business performance versus our business plan;
- the effectiveness of each executive's leadership performance and potential to enhance long-term stockholder value;
- targeted bonus amounts, which are based upon market data; and
- the recommendation of the Chief Executive Officer (for all NEOs other than the CEO).

Overall, 70% of each award is aligned with the Adjusted Diluted EPS target, and the remaining 30% of each award is aligned with individual performance objectives. However, the Compensation Committee reserves the ability to exceed this amount for exceptional performance at its discretion, not to exceed a maximum award pool of 200% of target.

Target Incentive Opportunity	Performance		Annual Cash Incentive Award
	Adjusted Diluted EPS Performance	Individual Performance Objectives	
Base Salary	x Individual Target Award %	x Pool Range: 0% to 200%	= (Maximum Pool @ 200% of Target)
		+ Pool Range: 0% to 200%	

Multiplied by 70%  
Weight

Multiplied by 30%  
Weight

Centene Corporation 40

---

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

In 2019, we will continue to focus on long-term shareholder value through meeting our financial metrics but will also continue to emphasize the following factors in meeting our goals:

- compliance & quality;
- leadership;
- diversified growth - domestic and international;
- financial discipline with a focus on margin improvement; and,
- operational excellence including successful integrations of acquisitions.

As part of our Quality objectives, we have goals that are tied to key metrics such as:

- Centers for Medicare & Medicaid Services (CMS) Star ratings;
- National Committee for Quality Assurance (NCQA) accreditation;
- Healthcare Effectiveness Data and Information Set (HEDIS) measures; and,
- Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey results.

Long-Term  
Incentives

Our long-term incentive compensation is designed to attract and retain key executives, build an integrated management team, reward for innovation and appropriate risk-taking, balance short-term planning with long-term successes and align executive and stockholder interests. TSR, revenue growth, and pre-tax operating margin targets as well as competitive market practices are all used by the Compensation Committee in determining long-term incentives.

These long-term incentives take the form of the following:

- PSUs that are based on meeting pre-determined performance targets (pre-tax margin and revenue growth), vest at the end of the three-year performance period.
- RSUs that vest over three years.
- Cash LTIP that is based on meeting three-year relative TSR, pre-tax margin and revenue growth metrics.
- Stock Options which are granted on a limited basis and vest over three years.

Long-term incentives are provided both through equity (PSUs at 60% and RSUs at 40%) and cash, while ensuring that the maximum number of shares of common stock granted in any calendar year (excluding shares granted in connection with an acquisition) does not exceed a level associated with competitive practice. Excluding acquisitions, the Company does not annually grant equity compensation exceeding 2% of the outstanding shares of the Company. In recent years, the equity grants have averaged at approximately 1.0% of outstanding shares. Most recently, our run rate has trended around 0.7%. Due to the growth of the Company, the competitive nature of our business and the necessity of retaining key management level employees, equity grants can be awarded to levels below senior executives, including director and manager level employees. PSUs and RSUs are normally granted at the annual December Compensation Committee meeting, but may also be approved at other times for a promotion, extraordinary performance, a newly hired executive or as determined by the Compensation Committee.





2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

Cash LTIP  
Award  
Performance  
Targets

The Compensation Committee utilizes the Cash LTIP, which is a three-year performance program, to complement the stock incentive plan, manage dilution and supplement the number of shares available under the Company's stock incentive plan. Each NEO is awarded a grant at the beginning of the three-year cycle based on the following targets:

Chairman & CEO - 150% of Prior Year's Annual Salary

Other NEOs - 100% of Prior Year's Annual Salary

Cash awards are paid annually, if earned, after completion of each three-year performance cycle, and targets are announced annually prior to the beginning of each three-year year performance cycle.

The Compensation Committee sets performance targets at levels it believes to be rigorous and challenging. The performance criteria may include any of the metrics identified in the plan document. We believe the specific performance metrics related to the Cash LTIP plan and the range of awards related to the achievement of such measures are reflective of our overall business strategy and constitute confidential information. We believe disclosing such information would cause us competitive harm. The Compensation Committee may determine that the performance parameters used to measure the appropriate payout include or exclude items which are deemed extraordinary. These items include, but are not limited to, those stated in the plan document.

In order for a NEO to earn a Cash LTIP payout, at least one of the following metric thresholds must be achieved: pre-tax margin percentage, revenue compound annual growth rate percentage or TSR relative to the HCI peer group. These metrics are applicable for the 2017 - 2019 cycle (awarded in December 2016), the 2018 - 2020 cycle (awarded in December 2017), and the 2019 - 2021 cycle (awarded in December 2018).

Other  
Benefits

We provide our NEOs with a defined contribution 401(k) retirement program, which is the same program that is generally provided to all our employees. We also provide our NEOs with a non-qualified deferred compensation plan to make up for matching contributions that are capped by compensation limits imposed on qualified retirement plans under the Internal Revenue Code. We do not provide our NEOs with a defined benefit retirement program. We also do not provide retiree medical coverage to our NEOs, with the exception of Mr. Neidorff, as specified in his employment agreement.

With respect to most other benefits, the benefits provided to NEOs and other executive officers are comparable to those provided to the majority of salaried and hourly Company employees. We require all NEOs to have their tax returns prepared or reviewed by an independent certified public accounting firm. Due to this requirement, costs related to these services are paid by the Company. In addition, each NEO has the option to use a financial advisor for fees that do not exceed \$15,000 annually, in total, for both tax preparation and financial advisement. These costs are also fully taxable to them and are not grossed up to cover any personal income tax liability.

The Board of Directors believes that additional security is required for the position of Chairman and CEO and other NEOs. Pursuant to a policy implemented by our Board, Mr. Neidorff is required to use Company-provided aircraft for all air travel. We also have an aircraft time sharing agreement with Mr. Neidorff that permits him to reimburse us for incremental costs when he uses the aircraft for personal travel. In addition, we provide home security services to our NEOs. The personal use of Company provided aircraft and home security services are fully taxable to our NEOs and are not grossed up to cover any personal income tax liability.

Centene Corporation 42

---

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

SECTION 4 -  
Other  
Compensation  
Policies and  
Information

Stock  
Ownership  
Guidelines

We utilize stock ownership guidelines for our NEOs, corporate officers and Board. We believe that ownership of our stock helps align the interests of our executives and stockholders, and encourages executives to act in a manner that is expected to increase stockholder value. The stock ownership guidelines for our officers are as follows:

	Minimum Ownership Requirement as a Multiple of Base Salary
Chairman and Chief Executive Officer	5x
Executive Vice Presidents	2.5x
Senior Vice Presidents	2x
Market & Specialty Company Presidents & other Corporate Executives	1x

The Compensation Committee annually reviews the stock ownership levels of the Board and all officers. Future stock awards take into consideration the executive's level of attainment of the suggested stock ownership amount. The Compensation Committee may elect to award the annual incentive to an executive in stock instead of cash if the suggested stock ownership amount is not achieved.

Officers who fail to achieve these ownership levels may not be eligible to receive any stock-based awards until they achieve their required ownership level. Shares owned directly by the officer (including those held as a joint tenant or as tenant in common), unvested RSUs, shares owned in a self-directed IRA, "phantom shares" held in the deferred compensation plan and certain shares owned or held for the benefit of a spouse or minor children are counted toward the guidelines. Options and unearned PSUs are not counted toward the ownership guidelines.

The Board has established a policy requiring executive officers to retain ownership of the shares received from the vesting or payout of any RSU award granted under our stock incentive plan (net of any shares used to satisfy tax obligations) for one year following such vesting or payout. An executive may substitute the tax basis of the shares under restriction for other shares held outright.

As of the close of the last fiscal year and the date of this report, all NEOs subject to the ownership guidelines are in compliance with the guidelines. At \$57.65 per share (the December 31, 2018 closing stock price), our executive officers held Company stock as of a multiple of their 2018 base salaries as follows:

Name

Edgar Filing: CENTENE CORP - Form DEF 14A

	Minimum Ownership Requirement as a Multiple of Base Salary	Ownership as a Multiple of 2018 Base Salary
Michael F. Neidorff	5x	279.4x
Jeffrey A. Schwaneke	2.5x	16.2x
Mark J. Brooks	2.5x	6.0x
Brandy L. Burkhalter	2.5x	14.6x
Jesse N. Hunter	2.5x	31.3x

Our stock ownership guidelines for members of our Board require them to own 40,000 shares of common stock within 5 years of being appointed to the Board. As of December 31, 2018, all directors were in compliance with this requirement.

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

Pledging  
Policy

The Board maintains the Company's insider trading policy, which prohibits pledging of shares by executive officers and members of the Board. As of February 22, 2019, all executive officers and directors were in compliance with this policy.

Risk  
Disclosure

The Compensation Committee is aware of the consequences to companies that have not appropriately balanced risk and rewards in executive compensation. The Compensation Committee believes that the emphasis on long-term performance in the stock incentive plan and the Cash LTIP results in an overall compensation program that does not reward excessive risk-taking for the Company. Risk is further limited by the ownership guidelines mentioned previously and a clawback provision that provides that any cash bonuses that are paid from the annual incentive plan, Cash LTIP or vesting of PSUs that are a result of material financial impropriety (as defined by the Audit Committee of the Board), including but not limited to financial restatements due to these improprieties, may result in any officers becoming obligated to pay back the amount to the Company.

The Company's compensation strategy is intended to mitigate risk by emphasizing long-term compensation and financial performance measures correlated with growing stockholder value rather than rewarding shorter performance and payout periods. A recent review of the Company's compensation programs by Exequity, LLP did not identify any programs that unduly incentivize employees to take any excessive risks.

Employment  
Contracts,  
Termination of  
Employment  
Arrangements,  
Change in  
Control  
Arrangements,  
and Retirement  
Provisions  
CEO  
Employment  
Agreement

Michael F. Neidorff serves as Chairman of our Board and our CEO pursuant to an employment agreement dated November 8, 2004 (as subsequently amended). Under this agreement, we paid Mr. Neidorff a 2018 annual salary of \$1.5 million and will pay Mr. Neidorff a 2019 annual salary of \$1.5 million, which is subject to an annual review by our Board. Mr. Neidorff is eligible for a target annual incentive of 150% of base salary. The agreement also awarded Mr. Neidorff 4,000,000 RSUs as of November 8, 2004. The RSUs and all of the related shares of common stock shall be distributed to Mr. Neidorff on the later of (a) January 15 of the first calendar year following termination of Mr. Neidorff's employment or (b) the date that is six months after Mr. Neidorff's "separation of service" as defined in

the Code. Mr. Neidorff shall continue to vest in all of his outstanding long-term incentive awards while he serves as Chairman of the Board, regardless of whether he is serving as Executive Chairman or Non-Executive Chairman, and shall fully vest in any outstanding long-term incentives (subject to any performance measures to be determined at the end of any applicable performance period) upon his ultimate termination from the Board. Upon a change in control during the term of this agreement, any existing equity awards held by Mr. Neidorff will vest in full.

Centene Corporation 44

---

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

In February 2019, the Board and Mr. Neidorff agreed to extend his contract beyond the previous termination date to ensure continuity in the business and provide strategic perspective to continue long-term growth and margin improvement that will continue to result in long-term shareholder value. The Board also firmly believes that Mr. Neidorff's superior leadership is required for an additional period of time as Executive Chair in order to guide the Company through a turbulent and unknown regulatory environment, while at the same time, providing for an orderly transition of leadership as he will move from day-to-day activities into a more strategic and governmental affairs role. The amendment provides that Mr. Neidorff will continue to serve as Chairman and CEO until the 2023 Annual Meeting of Stockholders, but continue serving as Executive Chairman until the 2024 Annual Meeting of Stockholders. Effective with the 2024 Annual Meeting of Stockholders, or other mutually agreed to date, Mr. Neidorff will become Non-Executive Chairman of the Board. Mr. Neidorff did not receive any incremental cash or equity-based compensation for extending his contract. However, in connection with his expected continued involvement with strategic initiatives, community relations and government affairs while with the Company as Executive Chairman and for five years thereafter, he will continue to be subject to the Company's security policy requiring him to use Company-provided aircraft for all air travel, as well as the same security measures currently applicable to Mr. Neidorff as CEO. In addition, for the remainder of his life, Mr. Neidorff will continue to have an office at the Company's headquarters and use of one full-time administrative assistant. Mr. Neidorff will also have use of an additional part-time administrative assistant through December 31, 2024.

In addition, Mr. Neidorff has agreed not to compete with us or solicit any of our employees during the term of his employment and for 12 months thereafter. Mr. Neidorff's employment may be terminated by the Company for cause or permanent disability, or by Mr. Neidorff for good reason (as defined in the employment agreement). If Mr. Neidorff is terminated by the Company without cause or if he terminates for good reason prior to December 31, 2019, he is entitled to receive salary continuation equivalent to six months of his salary plus half of his target bonus, lifetime medical insurance for him and his spouse, lifetime life insurance coverage, full acceleration of any unvested stock options or other equity awards held by him, and acceleration of a portion of unvested RSUs awarded pursuant to the agreement based on certain stipulations. The health and welfare benefits that Mr. Neidorff or his spouse would be entitled to, if he is terminated without cause or for good reason, were commitments made in his original employment agreement in 2004.

Severance  
and Change  
in Control  
Agreements

Jeffrey A. Schwaneke, Mark J. Brooks, Brandy L. Burkhalter, and Jesse N. Hunter serve as executive officers pursuant to executive severance and change in control agreements (the agreements, as amended), and their 2019 annual salaries are \$860,000, \$600,000, \$750,000, and \$750,000, respectively.

The agreements generally provide that, if within 24 months following a change in control (as defined in the agreements), the executive's employment is terminated by the Company other than for cause (as defined in the agreements) or by the executive for good reason (as defined in the agreements), the executive will receive a lump sum cash payment equal to the sum of (1) an amount equal to 24 months of salary, (b) the average of the executive's last two annual bonuses multiplied by two, and (c) a prorated annual bonus for the year in which the termination occurs.

The executive will also receive 18 months of medical coverage, and all existing equity awards will vest in full at the time of a change in control.

The agreements also generally provide that, if an executive's employment is terminated by the Company other than for cause, the executive will receive 12 months of salary continuation, a prorated annual bonus for the year in which the termination occurs, 12 months of medical coverage and 12 months of continued vesting of the executive's existing equity awards. The terms of the agreements do not include tax gross-up benefits for excise taxes payable upon a change in control.

Under the terms of any new executive employment agreement, if any parts or amounts payable under the agreement are deemed to be "excess parachute payments" within the meaning of Section 280G of the Code or similar provision, the amount shall be reduced to the extent necessary so that no amounts paid shall be deemed excess parachute payments or, if the net benefit is greater, no reduction will be made, but the executive will be required to pay any additional taxes.



2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

In the agreements, the executives agree to non-competition and non-solicitation provisions that extend through the first anniversary of termination of employment, unless the termination was due to a change in control as defined in the agreement. In 2012, the agreements were amended to eliminate the non-compete and non-solicitation provisions under any change in control.

The Board has determined that it is in the best interests of the Company and our stockholders to ensure that we will have the continued dedication of the executive, notwithstanding the possibility, threat, or occurrence of a change in control. The Board believes it is imperative to diminish the inevitable distraction of the executive by virtue of the personal uncertainties and risks created by a pending or threatened change in control, to encourage the executive's full attention and dedication to the Company, and to provide the executive with compensation and benefits arrangements upon a change in control which (i) will satisfy the executive's compensation and benefits expectations and (ii) are competitive with those of other major corporations.

Retirement  
Provisions

In October of 2016, the Compensation Committee approved a prospective qualified retirement definition for stock awards. Employees who are at least 55 years of age and have 10 years of employment at the time of retirement are eligible for the following:

• A pro-rated number of PSUs vesting at the end of the performance period, based on the amount of time employed during the performance period and actual performance outcomes.

• A one-year acceleration of vesting of RSUs for individuals who are retirement eligible. RSU's for the Company's executive officers are not accelerated, but will have a one-year continuation of vesting upon a qualified retirement.

Deductibility  
of Executive  
Compensation

Section 162(m)(6), which was enacted as part of the Patient Protection and Affordable Care Act, amended the Code to limit the amount that certain healthcare insurers and providers, including the Company, may deduct for compensation to any employee in excess of \$500,000 for a tax year beginning after December 31, 2012. This legislation does not create any exceptions for performance-based compensation and is not otherwise impacted by the adoption of the Tax Cuts and Jobs Act enacted on December 22, 2017. The Compensation Committee reserves the right to use its judgment to authorize compensation payments that may be subject to the limit when the Compensation Committee believes such payments are appropriate and in the best interests of our stockholders, after taking into consideration changing business conditions and the performance of its employees. We were subject to the limitation in 2018.

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

Equity  
Compensation  
Plan  
Information

The following table provides information as of December 31, 2018, about the securities authorized for issuance under our equity compensation plans, consisting of our 2000 Stock Incentive Plan, 2003 Stock Incentive Plan, 2012 Stock Incentive Plan and 2002 Employee Stock Purchase Plan.

Plan Category <sup>1</sup>	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available For Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by stockholders	7,374,053	\$ 21.36	11,730,918
Equity compensation plans not approved by stockholders	—	—	—
Total	7,374,053	\$ 21.36	11,730,918

<sup>1</sup> Does not include 92,508 remaining outstanding restricted stock units and performance share awards granted under the Health Net 2006 Plan which were assumed by the Company in connection with the Health Net acquisition on March 24, 2016.

The number of securities in column (a) includes 101,200 options with a weighted-average remaining life of 4.8 years and 7,272,853 shares of restricted stock and restricted stock units.

The number of securities in column (c) includes 973,100 shares available for future issuance under the 2002 Employee Stock Purchase Plan.

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

Summary  
Compensation  
Table

The following table summarizes the compensation of our NEOs for the fiscal years ended December 31, 2018, 2017 and 2016. Additional descriptions of each component of compensation for our NEOs are included elsewhere in this Proxy Statement under the caption, "Compensation Discussion and Analysis."

Name & Principal Position	Year	Salary (\$)	Performance Based Stock Awards (\$)	Service Based Stock Awards (\$)	Total Stock Awards (\$) <sup>1</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>2</sup>	All Other Compensation (\$)	Total (\$)
Michael F. Neidorff Chairman and Chief Executive Officer	2018	\$1,500,000	\$10,200,784	\$6,800,478	\$17,001,262	\$-7,039,800	\$581,352 <sup>3</sup>	\$26,122,414
	2017	1,500,000	9,682,560	6,455,040	16,137,600	— 7,120,800	501,068	25,259,468
	2016	1,500,000	7,697,700	5,131,800	12,829,500	411,800 2,400	625,283	21,968,983
Jeffrey A. Schwaneke Executive Vice President, Chief Financial Officer and Treasurer	2018	800,000	3,973,800	2,649,200	6,623,000	— 2,446,600	91,354 <sup>4</sup>	9,960,954
	2017	725,000	1,794,600	1,196,400	2,991,000	— 1,755,760	74,802	5,546,562
	2016	632,671	1,350,240	900,160	2,250,400	— 1,404,572	37,386	4,325,029
Mark J. Brooks Executive Vice President, Chief Information Officer	2018	550,000	1,271,616	847,744	2,119,360	— 1,317,475	48,837 <sup>4</sup>	4,035,672
Brandy L. Burkhalter Executive Vice President, Operations	2018	675,000	2,384,280	2,532,720	4,917,000	— 1,934,950	46,288 <sup>4</sup>	7,573,238
Jesse N. Hunter Executive Vice President and Chief Strategy Officer	2018	725,000	1,920,048	1,280,032	3,200,080	— 2,138,930	100,134 <sup>4</sup>	6,164,144
	2017	675,000	1,256,220	837,480	2,093,700	— 2,123,600	70,544	4,962,844
	2016	650,000	1,181,460	787,640	1,969,100	— 1,741,010	82,758	4,442,868

<sup>1</sup> The amounts reported as Stock Awards and Option Awards for Mr. Neidorff, Mr. Schwaneke, Mr. Brooks, Ms. Burkhalter and Mr. Hunter reflect the grant date fair value of grants made during the current year under the 2012 Stock Incentive Plan in accordance with ASC 718.

There can be no assurance that the grant date fair value of stock awards will ever be realized. Stock awards granted in December 2018, 2017, and 2016 to the NEOs consisted of performance-based awards and service-based awards. If the maximum performance metrics are achieved, the grant date fair value of the December 2018 performance awards would be \$20,401,567 for Mr. Neidorff, \$7,947,600 for Mr. Schwaneke, \$2,543,232 for Mr. Brooks, \$4,768,560 for Ms. Burkhalter, and \$3,840,096 for Mr. Hunter. The Summary Compensation Table reflects the probable amount of shares to be earned under the performance condition.

<sup>2</sup> The amounts shown in the Non-Equity Incentive Plan Compensation column include both the annual cash incentive and the Cash LTIP award payouts.

All other compensation for Mr. Neidorff includes \$160,175 of personal use of Company provided aircraft. Pursuant to the policy established by our Board, our Chairman and CEO is required to use Company provided aircraft for all travel, a taxable benefit to Mr. Neidorff pursuant to the applicable Internal Revenue Service regulations. For flights on corporate aircraft, the cost is calculated based on a cost-per-flight-hour charge developed by a nationally recognized and independent service and excludes any timeshare payments by the executive. This charge reflects the <sup>3</sup>operating and periodic maintenance costs of the aircraft, crew travel expenses and other miscellaneous costs. We have an aircraft time sharing agreement with Mr. Neidorff under which he is permitted to reimburse us for the incremental costs of his personal use of corporate aircraft consistent with FAA regulations. The other amounts in other compensation for Mr. Neidorff include \$151,715 in life insurance benefits, \$171,750 in nonqualified deferred compensation match, \$65,383 in security services, as well as, tax preparation and financial advisor fees, Company entertainment event tickets, and 401(k) match.

All other compensation includes 401(k) match, tax preparation and financial advisor fees, security services, and life insurance benefits. All other compensation also includes non-qualified deferred compensation match of \$58,601, \$26,279, and \$50,567 for Mr. Schwaneke, Mr. Brooks and Mr. Hunter, respectively. Ms. Burkhalter and Mr. <sup>4</sup>Hunter's other compensation also includes personal use of Company provided aircraft, valued as described in footnote 3. Mr. Schwaneke and Mr. Hunter's other compensation also includes Company entertainment event tickets.

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

Grants  
of  
Plan-Based  
Awards  
Table

The following table provides information on 2018 grants of performance and service-based restricted stock units under the 2012 Stock Incentive Plan, as well as 2018 cash-based grants under the Cash LTIP and Annual Cash Incentive Plan to each of our NEOs. The grant date fair values of these stock awards are included in the Summary Compensation Table. The vesting provisions of the equity awards are included in the footnotes to the Outstanding Equity Awards at Fiscal Year-End Table.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>1</sup>			Estimated Future Payouts Under Equity Incentive Plan Awards: Number of Shares of Stock or Units (#) <sup>2</sup>			All Other Stock Awards: Number of Shares of Stock or Units (#) <sup>3</sup>	Grant Date Fair Value of Stock Awards (\$) <sup>4</sup>
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold	Target	Maximum		
Michael F. Neidorff	12/12/2018	\$225,000	\$2,250,000	\$4,500,000	—	—	—		\$ —
	12/12/2018	450,000	2,250,000	4,500,000	—	—	—		—
	12/12/2018	—	—	—	30,716	153,580 <sup>5</sup>	307,160	102,386	17,001,262
Jeffrey A. Schwaneke	12/11/2018	80,000	800,000	1,600,000	—	—	—		—
	12/11/2018	172,000	860,000	1,720,000	—	—	—		—
	12/11/2018	—	—	—	12,000	60,000 <sup>5</sup>	120,000	40,000	6,623,000
Mark J. Brooks	12/11/2018	55,000	550,000	1,100,000	—	—	—		—
	12/11/2018	120,000	600,000	1,200,000	—	—	—		—
	12/11/2018	—	—	—	3,840	19,200 <sup>5</sup>	38,400	12,800	2,119,360
Brandy L. Burkhalter	12/11/2018	67,500	675,000	1,350,000	—	—	—		—
	12/11/2018	150,000	750,000	1,500,000	—	—	—		—
	6/21/2018	—	—	—	—	—	—	15,000	943,200
Jesse N. Hunter	12/11/2018	—	—	—	7,200	36,000 <sup>5</sup>	72,000	24,000	3,973,800
	12/11/2018	72,500	725,000	1,450,000	—	—	—		—
	12/11/2018	150,000	750,000	1,500,000	—	—	—		—
Jesse N. Hunter	12/11/2018	—	—	—	3,840	19,200 <sup>5</sup>	38,400	12,800	2,119,360
	12/19/2018	—	—	—	2,160	10,800 <sup>5</sup>	21,600	7,200	1,080,720

The amounts shown in the Estimated Future Payouts Under Non-Equity Incentive Plan Awards columns represent 1 the range of annual and long-term cash incentive awards as described in the sections titled "Annual Cash Incentive" and "Cash LTIP Award Performance Targets" in the Compensation Discussion and Analysis, above.

The amounts shown in the Estimated Future Payouts Under Equity Incentive Plan Awards columns represent the range of shares that may be earned at the end of the performance period applicable to our PSUs assuming achievement of the relevant performance objectives, as described in the section titled "Long-Term Incentives" in the Compensation Discussion and Analysis, above.

The amounts shown in the All Other Stock Awards column represent the RSUs described in the section titled "Long-Term Incentives" in the Compensation Discussion and Analysis, above.

The amounts shown in the Grant Date Fair Value of Stock Awards column represent the grant date fair value, measured in accordance with ASC 718.

Equity incentive grants contain a performance condition based upon our 2019 to 2021 cumulative pre-tax margin and compound revenue growth. For performance between the threshold and the target or the target and the maximum, the number of PSUs earned will be interpolated.

2019 NOTICE OF MEETING AND PROXY STATEMENT INFORMATION ABOUT EXECUTIVE COMPENSATION

Outstanding Equity Awards at Fiscal Year-End Table

The following table shows the number of shares covered by exercisable and unexercisable options and unvested RSUs and PSUs held by our NEOs on December 31, 2018:

Name	Option Awards				Stock Awards			Equity Incentive Plan Awards: Unearned Shares, Other Rights That Have Not Vested (#) <sup>2</sup>	Equity Incentive Plan Awards: Market Value of Unearned Shares, Other Rights That Have Not Vested (\$) <sup>3</sup>
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Exercisable Options (#)	Option Exercise Price (\$) <sup>1</sup>	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) <sup>2</sup>	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>3</sup>	Number of Unearned Shares, Other Rights That Have Not Vested (#) <sup>2</sup>	Value of Unearned Shares, Other Rights That Have Not Vested (\$) <sup>3</sup>	
Michael F. Neidorff	6,666	13,334	\$ 28.51	12/14/2026	60,000 <sup>4</sup>	\$ 3,459,000	120,000 <sup>7</sup>	\$ 6,918,000	
	—	—	—	—	85,334 <sup>5</sup>	4,919,505	270,000 <sup>8</sup>	15,565,500	
	—	—	—	—	102,386 <sup>6</sup>	5,902,553	192,000 <sup>9</sup>	11,068,800	
	—	—	—	—	—	—	153,580 <sup>10</sup>	8,853,887	
Jeffrey A. Schwaneke	—	—	—	—	10,668 <sup>12</sup>	615,010	48,000 <sup>8</sup>	2,767,200	
	—	—	—	—	16,000 <sup>13</sup>	922,400	36,000 <sup>9</sup>	2,075,400	
	—	—	—	—	40,000 <sup>14</sup>	2,306,000	60,000 <sup>10</sup>	3,459,000	
	—	—	—	—	—	—	59,600 <sup>11</sup>	3,435,940	
Mark J. Brooks	—	—	—	—	6,668 <sup>15</sup>	384,410	24,000 <sup>8</sup>	1,383,600	
	—	—	—	—	5,334 <sup>12</sup>	307,505	17,760 <sup>9</sup>	1,023,864	
	—	—	—	—	7,894 <sup>13</sup>	455,089	19,200 <sup>10</sup>	1,106,880	
	—	—	—	—	12,800 <sup>14</sup>	737,920	—	—	
Brandy L. Burkhalter	—	—	—	—	5,334 <sup>12</sup>	307,505	24,000 <sup>8</sup>	1,383,600	

Edgar Filing: CENTENE CORP - Form DEF 14A

	—	—	—	—	6,400	<sup>13</sup> 368,960	14,400	<sup>9</sup> 830,160
	—	—	—	—	15,000	<sup>16</sup> 864,750	36,000	<sup>10</sup> 2,075,400
	—	—	—	—	24,000	<sup>14</sup> 1,383,600	29,800	<sup>11</sup> 1,717,970
Jesse N. Hunter	—	—	—	—	9,334	<sup>12</sup> 538,105	42,000	<sup>8</sup> 2,421,300
	—	—	—	—	11,200	<sup>13</sup> 645,680	25,200	<sup>9</sup> 1,452,780
	—	—	—	—	12,800	<sup>14</sup> 737,920	30,000	<sup>10</sup> 1,729,500
	—	—	—	—	7,200	<sup>17</sup> 415,080	59,600	<sup>11</sup> 3,435,940

- <sup>1</sup> The option price for each grant is equal to the previous day's closing market price. The options vest on December 14, 2019.
- <sup>2</sup> Upon the occurrence of a change in control, any unvested RSUs and PSUs will vest at the greater of the actual or target level of performance.
- <sup>3</sup> Determined with reference to \$57.65, the closing stock price of a share of Centene common stock on December 31, 2018.
- <sup>4</sup> The RSUs vest on December 14, 2019.
- <sup>5</sup> The RSUs vest in two equal installments on the anniversary of the grant date beginning on December 13, 2019.
- <sup>6</sup> The RSUs vest in three equal installments on the anniversary of the grant date beginning on December 12, 2019. The RSUs vest and become non-forfeitable on the date that Mr. Neidorff has identified a successor Chief Executive Officer. Vested RSUs shall be converted into shares of Centene common stock and distributed to Mr. Neidorff on
- <sup>7</sup> the later of (i) the January 15 following the year in which Mr. Neidorff's date of termination occurs, or (ii) the date which is six months after Mr. Neidorff's date of termination.
- <sup>8</sup> The PSUs will vest or be forfeited based on the attainment of the applicable performance metric when the Company releases 2019 earnings, in 2020.
- <sup>9</sup> The PSUs will vest or be forfeited based on the attainment of the applicable performance metric when the Company releases 2020 earnings, in 2021.
- <sup>10</sup> The PSUs will vest or be forfeited based on the attainment of the applicable performance metric when the Company releases 2021 earnings, in 2022.
- <sup>11</sup> The PSUs vested upon the Company's release of 2018 earnings in February 2019.
- <sup>12</sup> The RSUs vest on December 13, 2019.
- <sup>13</sup> The RSUs vest in two equal installments on the anniversary of the grant date beginning on December 12, 2019.
- <sup>14</sup> The RSUs vest in three equal installments on the anniversary of the grant date beginning on December 11, 2019.
- <sup>15</sup> The RSUs vest on March 24, 2019.
- <sup>16</sup> The RSUs vest in three equal installments on the anniversary of the grant date beginning on June 21, 2019.
- <sup>17</sup> The RSUs vest in three equal installments on the anniversary of the grant date beginning on December 19, 2019.



2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

Option  
Exercises  
and  
Stock  
Vested  
Table

The following table shows the number of shares of our stock acquired by our NEOs in 2018 upon exercise of options or vesting of RSUs or PSUs:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting	Value Realized on Vesting (\$)
Michael F. Neidorff	20,000	\$ 644,000	172,666	\$ 11,314,459
Jeffrey A. Schwaneke	—	—	32,000	2,097,731
Mark J. Brooks	—	—	22,148	1,340,499
Brandy L. Burkhalter	—	—	18,202	1,195,694
Jesse N. Hunter	16,000	782,320	28,268	1,848,898

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

Nonqualified  
Deferred  
Compensation  
Table

Under the Company's Deferred Compensation Plan, the NEOs may contribute a designated percentage of salary and / or bonus into the plan which serves as an excess savings plan due to tax limitations under our tax qualified 401(k) plan. The following table shows the change in the Nonqualified Deferred Compensation balances for our NEOs, as well as the market value of deferred restricted stock units for Michael Neidorff as discussed in footnote 5, for the fiscal year ended December 31, 2018:

Name	Executive Contributions in Last FY (\$) <sup>1</sup>	Registrant Contributions in Last FY (\$) <sup>2</sup>	Aggregate Earnings (Losses) in Last FY (\$) <sup>3</sup>	Aggregate Withdrawals / Distributions (\$) <sup>4</sup>	Aggregate Balance at Last FYE (\$) <sup>5</sup>
Michael F. Neidorff	\$ 360,000	\$ 171,750	\$ 1,330,269	\$ (532,182 )	\$ 13,212,771 230,600,000
Jeffrey A. Schwaneke	47,913	58,601	(16,327)	)—	344,387
Mark J. Brooks	32,942	26,279	(6,552)	)—	140,958
Brandy L. Burkhalter	—	—	(314)	)—	9,441
Jesse N. Hunter	161,858	50,567	(115,775)	)—	1,551,696

<sup>1</sup> Executive contributions are included in the Salary and/or Non-Equity Incentive Plan Compensation columns in the Summary Compensation Table.

<sup>2</sup> All registrant contributions are included in the All Other Compensation column in the Summary Compensation Table.

<sup>3</sup> The Company does not pay above market interest or preferential dividends on investments in the Deferred Compensation Plan. Investment options in the Deferred Compensation Plan are substantially the same as the 401(k) plan, with the exception of the investment in Centene common stock. The returns on the investments available to employees during 2018 ranged from (17)% to 14%, with a median return of (6)% for the year ended December 31, 2018.

<sup>4</sup> The amounts shown in the Aggregate Balance at Last Fiscal Year-End column include money the Company owes these individuals for salaries and incentive compensation they earned in prior years but did not receive because they elected to defer receipt of it until a later time. For fiscal 2018, the amounts described in Footnote 1 above are included in the Summary Compensation Table as described in footnote 1. For fiscal 2017, the following aggregate amounts of executive contributions were included in the Summary Compensation Table: Mr. Neidorff - \$323,169; Mr. Schwaneke - \$123,878; Mr. Hunter - \$135,632. For fiscal 2016, the following aggregate amounts of executive contributions were included in the Summary Compensation Table: Mr. Neidorff - \$306,000; Mr. Schwaneke - \$37,904; Mr. Hunter - \$95,700. For prior years, all amounts contributed by a NEO in such years have been reported in the Summary Compensation Table in our previously filed proxy statements in the year earned, to the extent the

executive was named in such proxy statements and the amounts were so required to be reported in such tables.

Pursuant to the terms of the grant agreement, the receipt of 4,000,000 RSUs that vested from 2009 through 2014 has been deferred until retirement. The total value of the RSUs is reflected in the aggregate balance based on the December 31, 2018 market value.

Centene Corporation 52

---

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

Potential  
Payments  
Upon  
Termination  
or Change in  
Control

The section below describes the payments that may be made to our NEOs upon termination or a change in control. Generally, pursuant to our executive agreements, a change in control is deemed to occur:

- If any individual, entity or group (other than a group which includes the executive) acquires 40% or more of the voting power of our outstanding securities;
- If a majority of the incumbent Board of Directors are replaced. For these purposes, the incumbent Board of Directors means the directors who were serving as of the effective date of the applicable executive agreement and any individual who becomes a director subsequent to such date whose election or nomination for election was approved by a majority of such directors, other than in connection with a proxy contest; or
- Upon the consummation of a merger or consolidation of the Company with another person, other than a merger or consolidation where the individuals and entities who were beneficial owners, respectively, of our outstanding voting securities immediately prior to such merger or consolidation own 50% or more of the then-outstanding shares of the combined voting power of the then-outstanding voting securities of the corporation resulting from such merger or consolidation.

The amounts presented below assume the termination or change in control occurred as of December 31, 2018. The NEOs would receive other payments and benefits to which they were already entitled or vested on such date, including amounts under the Deferred Compensation Plan under the 'Nonqualified Deferred Compensation Table'. The applicable agreements are discussed in the CD&A under the heading "Employment Contracts, Termination of Employment Arrangements, Change in Control Arrangements, and Retirement Provisions" included in this proxy statement. The change in control cash payments are subject to the conditions of the "double-trigger" criteria in each of the NEO's employment agreements. The equity award acceleration amounts below were calculated using the closing price of our common stock on December 31, 2018 of \$57.65. In the Change in Control column, the Cash LTIP and PSU awards are included at the greater of the target or actual level of performance as of December 31, 2018.

Michael  
F.  
Neidorff

Executive Benefits and Payments Upon Terminations	Voluntary Termination/Retirement	Involuntary Not for Cause or Voluntary with Good	For Cause Termination	Death	Disability	Change in Control
--	-------------------------------------	---	--------------------------	-------	------------	----------------------

		Reason					
		Termination					
Severance	\$	—	\$ 1,875,000	\$	—	\$	—\$1,875,000
Pro rata Bonus Payment	2,250,000		2,250,000	—	2,250,000	2,250,000	2,250,000
Unvested Stock Option Spread	388,553		388,553	—	388,553	388,553	388,553
Unvested RSUs and PSUs	74,725,930		74,725,930	—	74,725,930	74,725,930	79,534,770
Cash LTIP	7,039,800		7,039,800	—	7,039,800	7,039,800	7,895,250
Welfare Benefits Values	2,935,058		2,935,058	—	6,384,153	2,935,058	2,935,058

53 Centene Corporation

---

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

Jeffrey A.  
Schwaneke

Executive Benefits and Payments Upon Terminations	Voluntary Termination	Involuntary Not for Cause Termination	For Cause Termination	Death	Disability	Change in Control
Severance	\$	—\$ 800,000	\$	—\$	—\$	—\$4,150,000
Pro rata Bonus Payment	—	800,000	—	—	—	800,000
Unvested RSUs and PSUs	—	5,280,740	—	6,068,412	6,068,412	16,378,088
Cash LTIP	—	846,600	—	1,538,267	1,538,267	2,483,675
Welfare Benefits Values	—	22,356	—	1,608,000	—	43,265
Outplacement	—	10,000	—	—	—	10,000

Mark J.  
Brooks

Executive Benefits and Payments Upon Terminations	Voluntary Termination	Involuntary Not for Cause Termination	For Cause Termination	Death	Disability	Change in Control
Severance	\$	—\$ 550,000	\$	—\$	—\$	—\$2,250,000
Pro rata Bonus Payment	—	550,000	—	—	—	550,000
Unvested RSUs and PSUs	—	1,165,337	—	1,600,941	1,600,941	6,360,549
Cash LTIP	—	317,475	—	634,142	634,142	1,137,575
Welfare Benefits Values	—	22,356	—	548,000	—	43,265
Outplacement	—	10,000	—	—	—	10,000

Brandy L.  
Burkhalter

Executive Benefits and Payments Upon Terminations	Voluntary Termination	Involuntary Not for Cause Termination	For Cause Termination	Death	Disability	Change in Control
Severance	\$	—\$ 675,000	\$	—\$	—\$	—\$2,900,000
Pro rata Bonus Payment	—	675,000	—	—	—	675,000
Unvested RSUs and PSUs	—	2,959,405	—	3,119,096	3,119,096	9,296,644
Cash LTIP	—	634,950	—	1,093,283	1,093,283	1,696,600
Welfare Benefits Values	—	8,411	—	1,698,000	—	15,101
Outplacement	—	10,000	—	—	—	10,000

Jesse  
N.  
Hunter

Edgar Filing: CENTENE CORP - Form DEF 14A

Executive Benefits and Payments Upon Terminations	Voluntary Termination	Involuntary Not for Cause Termination	For Cause Termination	Death	Disability	Change in Control
Severance	\$	—\$ 725,000	\$	—\$	—\$	—\$3,590,000
Pro rata Bonus Payment	—	725,000	—	—	—	725,000
Unvested RSUs and PSUs	—	4,681,180	—	5,595,336	5,595,336	11,873,285
Cash LTIP	—	888,930	—	1,547,263	1,547,263	2,418,400
Welfare Benefits Values	—	22,356	—	3,450,000	—	314,748
Outplacement	—	10,000	—	—	—	10,000

Centene Corporation 54

---

2019 NOTICE OF  
MEETING AND  
PROXY  
STATEMENT  
INFORMATION  
ABOUT  
EXECUTIVE  
COMPENSATION

CEO to  
Median  
Employee  
Pay Ratio  
Information

Pursuant to Item 402(u) of Regulation S-K, we have included below a disclosure of the ratio of the median employee's annual total compensation to the annual total compensation of our CEO, Mr. Neidorff. Because the applicable SEC rules allow companies to use a variety of methods to determine this ratio, the ratio disclosed by the Company may not be comparable to the ratio disclosed by other companies.

Mr. Neidorff's annual total compensation for the year ended December 31, 2018 was \$26,132,414, which reflects the amount reported in the Summary Compensation Table of this proxy statement plus \$10,000 of the Company-paid portion of Mr. Neidorff's medical plan premiums. Due to multiple acquisitions, the Company recalculated our median employee for 2018. The annual total compensation for the median employee for the year ending December 31, 2018 was \$66,021, inclusive of the Company-paid portion of the employee's medical plan premiums. Mr. Neidorff's annual total compensation was 396 times that of our median employee's pay.

In determining the median employee, we examined total cash compensation (i.e. base wages plus short-term incentive payments) for individuals, excluding our CEO, who were employed by the Company as of December 31, 2018. During this analysis, the compensation for employees hired during the year was annualized. We included all employees, whether employed on a full-time, part-time or temporary basis, except 369 employees in the United Kingdom and 813 employees in Spain, which were excluded under the de minimis exemption. This resulted in 47,444 employees being included in our median employee calculation.

After identifying the median employee, we calculated annual total compensation of the employee using the same methodology used for our NEOs within the Summary Compensation Table of this proxy statement, plus company-paid medical plan premiums capped at \$10,000.



2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
OTHER  
MATTERS

Other  
Matters

Information  
About  
Stock  
Ownership

The following table sets forth information regarding beneficial ownership of our common stock as of February 22, 2019, for:

- each person, entity or group of affiliated persons;
- entities known by us to beneficially own more than 5% of our outstanding common stock;
- each of our NEOs and directors (three of whom are nominated for re-election or election); and
- all of our executive officers and directors as a group.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership			
	Outstanding Shares	Shares Acquirable Within 60 Days	Total Beneficial Ownership	Percent of Class
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, Pennsylvania 19355	41,548,600	—	41,548,600	10.1
BlackRock, Inc. 55 East 52nd Street New York, New York 10055	36,253,432	—	36,253,432	8.8
T. Rowe Price Associates, Inc. 100 East Pratt Street Baltimore, Maryland 21202	33,378,742	—	33,378,742	8.1
Capital World Investors 333 South Hope Street Los Angeles, CA 90071	24,138,780	—	24,138,780	5.8
Michael F. Neidorff	2,683,080	4,387,720	<sup>1</sup> 7,070,800	1.7
Robert K. Ditmore	975,888	<sup>2</sup> 204,742	1,180,630	<sup>3</sup> *
John R. Roberts	197,230	<sup>4</sup> 189,285	386,515	<sup>3</sup> *
Tommy G. Thompson	189,416	188,047	377,463	<sup>3</sup> *
Jesse N. Hunter	325,906	—	325,906	*
Frederick H. Eppinger	155,092	163,843	318,935	<sup>3</sup> *
David L. Steward	6,000	196,977	202,977	<sup>3</sup> *
Orlando Ayala	180,480	3,850	184,330	*
Jeffrey A. Schwaneke	123,894	—	123,894	*
Brandy L. Burkhalter	106,364	—	106,364	*
Richard A. Gephardt	67,512	12,515	80,027	<sup>3</sup> *

Edgar Filing: CENTENE CORP - Form DEF 14A

Mark J. Brooks	24,080	6,668	30,748	*
Jessica L. Blume	—	10,516	10,516	*
All directors and executive officers as a group (16 persons)	5,223,212	5,368,497	10,591,709	2.5

\*Represents less than 1% of outstanding shares of common stock.

Of shares acquirable within 60 days, 4,000,000 were granted in the form of RSUs, payable in shares of common stock, pursuant to the executive employment agreement with Mr. Neidorff dated November 8, 2004. 2,400,000 of the 1 shares vested in November 2009 and 320,000 of the shares vested in each of November 2010 through 2014 and will be distributed on the later of (a) January 15 of the first calendar year following termination of Mr. Neidorff's employment and (b) the date that is six months after Mr. Neidorff's "separation of service" as defined in the Code.

<sup>2</sup>Mr. Ditmore's outstanding shares include 312,400 shares owned by family members, family partnerships or trusts.

<sup>2</sup>Mr. Ditmore disclaims beneficial ownership except to the extent of his pecuniary interest therein.

Shares beneficially owned by Messrs. Ditmore, Roberts, Thompson, Eppinger, Steward, and Gephardt include 3 200,892, 185,435, 184,197, 159,993, 193,127, and 8,665, respectively, represent RSUs acquired through the Non-Employee Directors Deferred Stock Compensation Plan.

<sup>4</sup>Mr. Roberts' outstanding shares include 172,618 shares owned by trusts and 4,612 shares owned by a charitable fund.

Centene Corporation 56

---

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
OTHER  
MATTERS

As of February 22, 2019, there were 413,176,198 shares of our common stock outstanding, net of treasury shares. Beneficial ownership is determined in accordance with the rules of the SEC. To calculate a stockholder's percentage of beneficial ownership, we include in the numerator and denominator those shares underlying options beneficially owned by that stockholder that are vested or that will vest within 60 days of February 22, 2019. Options held by other stockholders, however, are disregarded in the calculation of beneficial ownership. Therefore, the denominator used in calculating beneficial ownership among our stockholders may differ.

Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, except to the extent authority is shared by spouses under applicable community property laws.

No director, executive officer, affiliate or owner of record, or beneficial owner of more than five percent of any class of our voting securities, or any associate of such individuals or entities, 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.

Information with respect to the outstanding shares beneficially owned by The Vanguard Group, Inc. is based on Schedule 13G/A filed with the SEC on February 11, 2019, by such firm. The Vanguard Group, Inc. beneficially owns 41,548,600 shares. Of the shares The Vanguard Group, Inc. owns, it has sole voting power over 501,540 shares and sole dispositive power over 40,953,096 shares.

Information with respect to the outstanding shares beneficially owned by BlackRock, Inc. is based on Schedule 13G/A filed with the SEC on February 4, 2019, by such firm. BlackRock, Inc. beneficially owns 36,253,432 shares. Of the shares BlackRock, Inc. owns, it has sole voting power over 31,905,674 shares and sole dispositive power over 36,253,432 shares.

Information with respect to the outstanding shares beneficially owned by T. Rowe Price Associates, Inc. is based on Schedule 13G/A filed with the SEC on February 14, 2019, by such firm. T. Rowe Price Associates, Inc. beneficially owns 33,378,742 shares. Of the shares T. Rowe Price Associates, Inc. owns, it has sole voting power over 11,071,528 shares and sole dispositive power over 33,378,742 shares.

Information with respect to the outstanding shares beneficially owned by Capital World Investors is based on Schedule 13G filed with the SEC on February 14, 2019, by such firm. Capital World Investors beneficially owns 24,138,780 shares. Of the shares Capital World Investors owns, it has sole voting and sole dispositive power over 24,138,780 shares.

Section 16(a)  
Beneficial  
Ownership  
Reporting  
Compliance

Directors, executive officers and beneficial owners of more than ten percent of our common stock are required by Section 16(a) of the Exchange Act to file reports with the SEC detailing their beneficial ownership of our common stock and other equity securities and reporting changes in such beneficial ownership. We are required to disclose any late filings of such reports. To our knowledge, based solely on our review of copies of reports furnished to us and written representations by the persons required to file these reports that no reports were required, all Section 16(a) filing requirements during 2018 were complied with on a timely basis.

If an executive officer or member of the Board wants to sell shares of the Company's stock, we require them to sell through a Rule 10b5-1 sales plan in order to afford themselves affirmative defenses, protections and safeguards provided by Rule 10b5-1 promulgated under the Exchange Act.

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
OTHER  
MATTERS

Submission  
of Future  
Stockholder  
Proposals

Under SEC rules, a stockholder who wishes to present a proposal, including nomination of a director, for inclusion in our proxy statement for our 2020 Annual Meeting of Stockholders must submit the proposal in writing to Keith H. Williamson, our Secretary, at 7700 Forsyth Boulevard, St. Louis, Missouri 63105, before November 12, 2019. SEC rules set standards for the types of stockholder proposals and the information that must be provided by the stockholder making the request.

A stockholder may also submit a proposal to be considered at our 2020 Annual Meeting of Stockholders pursuant to our By-Laws (and not under SEC rules). In that case, the proposal would not be required to be included in our proxy statement for our 2020 Annual Meeting of Stockholders and the proposal must be received by our Secretary not less than 120 days nor more than 150 days before the first anniversary of the 2019 Annual Meeting. This notice must include the information required by the provisions of our By-Laws, a copy of which may be obtained by writing to our Secretary at the address specified above. The deadline for delivery of a stockholder proposal pursuant to our By-Laws would be between November 25, 2019 and December 25, 2019.

In February 2018, we adopted an amendment to the Company's By-Laws to implement proxy access. Under the amended By-Laws, a holder, or a group of 20 or less individuals, of at least 3% of our outstanding stock continuously for at least three and a half years to nominate and included in our proxy materials director nominees constituting the greater of two individuals or 20% of the Board. Notice of director nominees submitted under Proxy Access will be received under the same conditions and deadlines as stockholder proposals pursuant to our By-Laws, as outlined above.

We have not set a date for our 2020 Annual Meeting of Stockholders. If the date of our 2020 Annual Meeting of Stockholders is advanced or delayed by more than 30 days from April 23, 2020, we shall inform our stockholders, in our earliest possible quarterly report on Form 10-Q, of such change and the new dates for submitting stockholder proposals.

Householding

Some banks, brokers and other nominee record holders may be participating in the practice of "householding." This means that only one copy of either the proxy notice or this proxy statement, our 2018 Annual Review and Annual Report on Form 10-K may have been sent to multiple stockholders sharing an address unless the stockholders provide contrary instructions. We will promptly deliver a separate copy of these documents to you if you call, write or e-mail us at:

Centene Corporation  
7700 Forsyth Boulevard  
St. Louis, Missouri 63105  
Attn: Keith H. Williamson, Secretary  
(314) 725-4477  
kwilliamson@centene.com

If you want to receive separate copies of our proxy statements and annual reports to stockholders in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker or other nominee record holder, or you may contact us at the above address, phone number or e-mail address.

Centene Corporation 58

---

2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
APPENDIX A

Appendix A

RECONCILIATION  
OF NON-GAAP  
MEASURES

This proxy statement includes certain non-GAAP financial measures as the Company believes that these figures are helpful in allowing investors to more accurately assess the ongoing nature of the Company's operations and measure the Company's performance more consistently across periods. The Company uses the presented non-GAAP financial measures internally to allow management to focus on period-to-period changes in the Company's core business operations. Therefore, the Company believes that this information is meaningful in addition to the presented GAAP financial information. The presentation of this additional non-GAAP financial information is not intended to be considered in isolation or as a substitute for related GAAP financial information.

Specifically, the Company believes the presentation of non-GAAP financial information that excludes amortization of acquired intangible assets, acquisition related expenses, as well as other items, allows investors to develop a more meaningful understanding of the Company's performance over time. The tables below provide reconciliations of non-GAAP items.

Reconciliation of GAAP Diluted EPS to Adjusted Diluted EPS:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
GAAP Diluted EPS attributable to Centene	\$2.26	\$2.34	\$1.71	\$1.44	\$1.12
Amortization of acquired intangible assets <sup>(1)</sup>	0.41	0.28	0.29	0.06	0.05
Acquisition related expenses <sup>(2)</sup>	0.81	0.04	0.49	0.07	—
Other adjustments <sup>(3)</sup>	0.06	(0.14)	(0.27)	—	—
Adjusted Diluted EPS	\$3.54	\$2.52	\$2.22	\$1.57	\$1.17

<sup>(1)</sup> Amortization of acquired intangible assets per diluted share are net of the income tax benefit of \$0.12, \$0.16, \$0.16, \$0.04, and \$0.02 for the years ended December 31, 2018, 2017, 2016, 2015, and 2014, respectively.

<sup>(2)</sup> Acquisition related expenses per diluted share are net of the income tax benefit of \$0.25, \$0.02, \$0.22 and \$0.04 for the years ended December 31, 2018, 2017, 2016 and 2015, respectively.

<sup>(3)</sup> 2018 - the impact of retroactive changes to the California minimum medical loss ratio (MLR) of \$30 million of expense or \$0.06 per diluted share, net of an income tax benefit of \$0.02;

2017 - (a) the Penn Treaty assessment expense of \$56 million or \$0.10 per diluted share, net of an income tax benefit of \$0.06; (b) the cost sharing reduction (CSR) expense of \$22 million or \$0.04 per diluted share, net of an income tax benefit of \$0.02; (c) the charitable contribution commitment of \$40 million or \$0.07 per diluted share, net of an income tax benefit of \$0.05; and (d) the benefit associated with income tax reform of \$125 million or \$0.35 per diluted share; and

2016 - (a) the impact of retroactive changes to the California minimum medical loss ratio (MLR) of a \$195 million benefit or \$0.38 per diluted share, net of an income tax expense of \$0.21; (b) the charitable contribution commitment of \$50 million or \$0.09 per diluted share, net of an income tax benefit of \$0.06; and (c) the debt extinguishment cost of \$11 million or \$0.02 per diluted share, net of the income tax benefit of \$0.01.

A-1 Centene Corporation

---



2019 NOTICE  
OF MEETING  
AND PROXY  
STATEMENT  
APPENDIX A

Reconciliation of GAAP Earnings to Adjusted EBITDA (\$ in millions):

	Year Ended	
	December	
	31,	
	2018	2015
Net earnings attributable to Centene Corporation	\$900	\$355
Income tax expense	474	339
Interest expense	343	43
Depreciation and amortization	497	112
Non-cash stock compensation expense	145	71
Adjusted EBITDA	\$2,359	\$920

Centene Corporation A-2

---

CENTENE CORPORATION  
C/O BROADRIDGE  
PO BOX 1342  
BRENTWOOD, NY 11717

VOTE BY  
INTERNET -

[www.proxyvote.com](http://www.proxyvote.com)

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC  
DELIVERY OF  
FUTURE PROXY  
MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when

prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE -  
1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO  
VOTE,  
MARK  
BLOCKS  
BELOW  
~~KEEP THIS~~  
~~SECTION~~  
~~FOR YOUR~~  
~~RECORDS~~  
INK  
AS  
FOLLOWS:  
DETACH  
AND  
RETURN  
THIS

PORTION  
ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

The Board of Directors recommends you vote FOR the following:

- | 1. ELECTION OF DIRECTORS | For Against Abstain   |                       |                       |
|--------------------------|-----------------------|-----------------------|-----------------------|
| Nominees                 |                       |                       |                       |
| 1A Orlando Ayala         | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1B John R. Roberts       | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 1C Tommy G. Thompson     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

The Board of Directors recommends you vote FOR proposals 2 and 3.

- |   | For Against Abstain   |                       |                       |
|---|-----------------------|-----------------------|-----------------------|
| 2. ADVISORY RESOLUTION TO APPROVE EXECUTIVE COMPENSATION.   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 3. RATIFICATION OF APPOINTMENT OF KPMG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

The Board of Directors recommends you vote AGAINST the following:

- |  | For Against Abstain   |                       |                       |
|--|-----------------------|-----------------------|-----------------------|
| 4. THE STOCKHOLDER PROPOSAL REQUESTING POLITICAL SPENDING DISCLOSURES AS DESCRIBED IN THE PROXY STATEMENT. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Note: Such other business as may properly come before the meeting or any adjournment thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Date

Date

Signature [PLEASE SIGN  
WITHIN BOX]

Signature  
(Joint  
Owners)

---

Important Notice  
Regarding the  
Availability of Proxy  
Materials for the  
Annual Meeting: The  
Notice & Proxy  
Statement, Form  
10-K, Annual Review  
is/are available at  
[www.proxyvote.com](http://www.proxyvote.com)

CENTENE  
CORPORATION  
ANNUAL MEETING  
OF  
STOCKHOLDERS,  
APRIL 23, 2019  
THIS PROXY IS  
SOLICITED ON  
BEHALF OF THE  
BOARD OF  
DIRECTORS

The undersigned  
hereby appoints  
Michael F.  
Neidorff and  
Keith H.  
Williamson and  
each of them, with  
full power of  
substitution,  
Proxies of the  
undersigned to  
vote all shares of  
Common Stock of  
Centene  
Corporation,  
standing in the  
name of the  
undersigned or  
with respect to  
which the  
undersigned is  
entitled to vote, at  
the Annual  
Meeting of

Stockholders of  
Centene  
Corporation, to be  
held at Centene  
Plaza, 7700  
Forsyth Blvd., St.  
Louis, Missouri  
63105, on  
Tuesday, April 23,  
2019, at 10:00  
a.m. central  
daylight time, and  
at any  
adjournments  
thereof. If more  
than one of the  
above named  
Proxies shall be  
present in person  
or by substitution  
at such meeting or  
at any  
adjournment  
thereof, then both  
of said proxies  
shall exercise all  
of the powers  
hereby given. The  
undersigned  
hereby revokes  
any proxy  
heretofore given  
to vote at such  
meeting.

This proxy when  
properly executed  
will be voted in  
the manner  
directed herein by  
the undersigned.  
If no direction is  
made, this proxy  
will be voted  
"FOR" all the  
named nominees  
for director and  
"FOR" Proposals  
2 and 3, and  
"AGAINST"  
Proposal 4, and in

the discretion of  
the named Proxies  
upon such other  
business as may  
properly come  
before the meeting  
and any  
adjournment  
thereof.

PLEASE MARK,  
SIGN, DATE  
AND RETURN  
THE PROXY  
CARD  
PROMPTLY  
USING THE  
ENCLOSED  
POSTAGE-PAID  
ENVELOPE.

Continued and to be  
signed on reverse  
side