

Cross and Blue Shield of Kansas City

Compensation Committee Charter

Amended and Reaffirmed by the Board on April 27, 2016

The purpose of the Compensation Committee is to provide oversight review of compensation and benefits of the directors, management and employees of the corporation. The Committee shall evaluate, recommend or approve, as appropriate, as well as report to the Board of Directors on matters concerning the Company's Performance and Rewards Strategy, including management performance, employee compensation and Compensation policies, programs and plans, in accordance with the Executive Performance and Rewards Decision Accountability Matrix. The following document shall be a permanent attachment to the Compensation Committee Charter:

1. Executive Performance and Rewards Accountability Matrix, amended and restated by the Board April 27, 2016.

AUTHORITY

The Compensation Committee derives its authority from the Bylaws of the Corporation. In discharging its duties, the Compensation Committee shall have sole authority to retain and terminate a compensation consultant to assist in the evaluation of director, CEO or senior executive compensation, or other advisors, as the Committee deems necessary to discharge its duties and responsibilities. The Committee shall have sole authority to approve the consultant's or other advisor's fees and other terms of service.

RESPONSIBILITIES

1. The Committee shall review compensation, including benefits and perquisites, of the Board of Directors and shall make recommendations to the Board of Directors regarding said compensation and benefits.
2. The Committee shall review the compensation, including benefits and perquisites, of the President and Chief Executive Officer and shall make recommendations to the Board of Directors regarding said compensation of the President and Chief Executive Officer.
3. The Committee shall review and approve senior executive officer compensation, including incentive compensation programs and perquisites. The Committee shall review non-senior executive officer compensation, including incentive programs and perquisites. Upon review and/or approval, the Committee will, with the assistance of the BCBSKC Human Resources Department, oversee administration of the Company's incentive compensation programs and perquisites, including the annual incentive compensation program ("MICP"/"EICP"), the Long Term Incentive Program ("LTIP"), and the Supplemental Executive Retirement Program ("SERP"). The Committee shall have authority to approve goal attainment and payment levels under incentive compensation programs.

4. The Committee shall review all proposed officer employment contracts and/or change of control agreements and make recommendations to the Board of Directors on such agreements.
5. The Committee shall review all candidates for Executive Vice President positions and shall make recommendations to the Board of Directors regarding such candidates.
6. Conduct an annual performance evaluation of the Committee (including its effectiveness and compliance with this Charter) and the adequacy of this Charter. Recommend any proposed changes to the Board for approval.

COMPOSITION AND ORGANIZATION

The Compensation Committee shall be composed of a minimum of three (3) non-management members (but no maximum) of the Board of Directors. All members of the Compensation Committee must be Independent, as defined by the Board in the BCBSKC Code of Corporate Governance. Members of the Committee and its Chairman are appointed by the Chairman of the Board with ratification by the Board. The Committee shall be a standing committee and shall make reports and provide recommendations to the Board of Directors regarding matters which have been reviewed and discussed at the Committee level.

MEETINGS

The Committee will meet with the frequency and timing necessary to fulfill its duties as needed throughout the year. All Committee members are expected to attend each meeting, in person. Occasional participation via tele- or video-conference is permitted; however, in person attendance is preferred. Minutes will be prepared for approval.

REPORTING RESPONSIBILITIES

This Committee will regularly report to the Board of Directors about Committee activities, issues, and related recommendations.

Approved by the Board on March 28, 2003
Amended and Reaffirmed by the Board on May 12, 2004
Reaffirmed by the Board on May 18, 2005
Amended and Reaffirmed by the Board on May 17, 2006
Amended and Reaffirmed by the Board on May 16, 2007
Reviewed by the Compensation Committee on April 22, 2008 (no changes recommended)
Reviewed by the Compensation Committee on April 13, 2010 (recommended change to Compensation Committee)
Amended and Reaffirmed by the Board on May 12, 2010
Reviewed and Reaffirmed by the Compensation Committee on March 6, 2012
Reviewed and Reaffirmed by the Compensation Committee on March 7, 2013
Amended and Reaffirmed by the Compensation Committee on March 3, 2014
Amended and Reaffirmed by the Compensation Committee on January 27, 2016

EXECUTIVE PERFORMANCE AND REWARDS DECISION ACCOUNTABILITY MATRIX
Amended and Restated April 27, 2016

			Decision Roles			
Governance Item		Description	Management	Compensation Committee	Corporate Board	Frequency
1.	Performance and Rewards Governance Guidelines	Those principles that determine Board structure and operations relating to Executive Performance and Rewards	Initiate, Develop	Contribute, Review, Recommend	Review, Approve	As Needed (develop guidelines) Annually (review/approve guidelines)
2.	Performance and Rewards Strategy	The guidelines that shape the Company's compensation strategy and approach	Initiate, Develop	Contribute, Approve	Review, Approve	Annually (review) As Needed (approve)
3.	Director Compensation	The compensation, benefits, and perquisites provided to Directors	Initiate, Develop	Review, Recommend	Review, Approve	At least every three years
4.	President and CEO Compensation and Performance Evaluation	The compensation, benefits, perquisites, employment contract and severance agreements provided to the CEO; performance standards and evaluation process	Review	Initiate, Develop, Recommend	Review, Approve	Annually
5.	Officer Compensation	The compensation pools, benefits and perquisites provided to management and senior officers other than the President and CEO	Initiate, Develop	Review, Recommend	Review, Approve	Annually
		Individual base salary decisions	Initiate, Develop, Approve (Non Senior Executive Officers)	Review, Approve (Senior Executive Officers only)	Review	
6.	Officer Employment Agreements (includes Change in Control)	The employment agreements provided to officers	Initiate, Develop	Review, Recommend	Review, Approve	As Needed (approve)

		Decision Roles				
Governance Item		Description	Management	Compensation Committee	Corporate Board	Frequency
7.	Officer Severance Agreements	The severance packages provided to officers.	Initiate, Develop	Review	Report	Annually (review) As Needed (review by Board Chair)
8.	Approval of Executive Incentive Plan Performance Measures and Corporate Goals	The identification of performance measures to be used in executive incentive plans (e.g., EICP and LTIP)	Initiate, Develop	Review, Recommend	Review, Approve	Annually
9.	Approval of Executive Incentive Plan Potential Award Payments	The determination of potential award payments for each level of goal achievement	Initiate, Develop	Review, Recommend	Review, Approve	Annually
10.	Determination of Incentive Plan Achievement and Actual Payments	The determination of the actual level of goal achievement in each executive incentive plan and the corresponding award payments for achievement of those goals	Initiate, Develop	Review, Approve	Report	Annually