

WELLCARE HEALTH PLANS, INC.

Form DEF 14A

April 01, 2015

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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**(Rule 14a-101)**

**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

**WellCare Health Plans, Inc.**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

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 Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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8735 Henderson Road Tampa, Florida 33634 (813) 290-6200 www.wellcare.com

April 1, 2015

Dear Stockholder:

On behalf of the Board of Directors and the management team, it is my pleasure to invite you to attend the 2015 Annual Meeting of Stockholders of WellCare Health Plans, Inc.

As shown in the enclosed Notice of 2015 Annual Meeting of Stockholders, the Annual Meeting will be held at 10:00 a.m., Eastern Time, Monday, May 11, 2015, at the Renaissance Center building at our corporate headquarters, 8745 Henderson Road, Tampa, Florida 33634. At the Annual Meeting, we will be acting on the matters listed in the accompanying Notice. If you require special assistance at the Annual Meeting because of a disability, please contact Blair W. Todt, our Secretary, at (813) 206-1393.

We hope you will be able to attend our Annual Meeting. However, whether or not you are personally present, it is important that your shares be represented at this meeting to assure the presence of a quorum. Whether or not you plan to attend the Annual Meeting, we urge you to sign, date and mail the enclosed proxy card in the envelope provided or to vote on the Internet or by telephone. If you attend the Annual Meeting, you may vote in person, even if you have previously voted. However, if you hold your shares in a brokerage account, or street name, you will need to provide a proxy from the institution that holds your shares reflecting stock ownership as of the record date to be able to vote by ballot at the Annual Meeting.

Thank you for your support.

Sincerely,

Kenneth A. Burdick

*Chief Executive Officer*

**IMPORTANT**

**WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE IN THE ENCLOSED POSTAGE PAID ENVELOPE OR VOTE ON THE INTERNET OR BY TELEPHONE. IF YOU ATTEND THE ANNUAL MEETING AND PROVIDE APPROPRIATE DOCUMENTATION, YOU MAY WITHDRAW YOUR PROXY AND VOTE IN PERSON. THANK YOU FOR VOTING PROMPTLY.**

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**WELLCARE HEALTH PLANS, INC.**

**Notice of 2015 Annual Meeting of Stockholders**

**TIME AND DATE** 10:00 a.m., Eastern Time, May 11, 2015.

**PLACE** 8745 Henderson Road  
Renaissance Center  
Tampa, Florida 33634

**PURPOSE**

1. To elect ten directors to hold office until the 2016 Annual Meeting of Stockholders or until their successors are duly elected and qualified;
2. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015;
3. To cast a non-binding advisory vote on the compensation of the Company's named executive officers contained in the accompanying proxy statement; and
4. To transact such other business as may properly come before the Annual Meeting or at any convening or reconvening of the Annual Meeting following a postponement or adjournment of the Annual Meeting.

The Board recommends that stockholders vote **FOR** all director nominees in Proposal 1 and **FOR** Proposals 2 and 3, as outlined in the accompanying proxy statement.

**RECORD DATE** March 12, 2015.

**PROXY VOTING** It is important that you vote your shares. You can vote your shares by completing and returning the proxy card sent to you or by voting on the Internet or by telephone. Please refer to your proxy card or Notice of Internet Availability of Proxy Materials to determine if there are other voting options available to you. You can revoke a proxy at any time prior to its exercise at the Annual Meeting by following the instructions in the accompanying proxy statement.

**WEBCAST** A live webcast of the 2015 Annual Meeting of Stockholders will be provided through the Company's website at [www.wellcare.com](http://www.wellcare.com). Select Investors, then select the link to the 2015 Annual Meeting and follow the instructions provided. Additionally, the recorded webcast will be available on the Investor Relations website for a period of 30 days following the 2015 Annual Meeting of Stockholders.

On or about April 1, 2015, we mailed to our stockholders either (1) a copy of our proxy statement, a proxy card and an Annual Report or (2) a Notice of Internet Availability of Proxy Materials ( Availability Notice ), which indicates how to access the proxy materials on the Internet. We believe furnishing proxy materials to our stockholders on the Internet

provides our stockholders with the information they need while lowering the costs of delivery and reducing the environmental impact of the distribution process.

BY ORDER OF THE BOARD OF DIRECTORS

Tampa, Florida  
April 1, 2015

Blair W. Todt  
*Senior Vice President, Chief Legal and Administrative Officer and Secretary*

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2015 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 11, 2015:**

**The accompanying proxy statement and the 2014 Annual Report on Form 10-K are available at [www.proxyvote.com](http://www.proxyvote.com).**

**Please have the 12-digit control number on your Availability Notice available to access these documents.**

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**PROXY STATEMENT HIGHLIGHTS**

*This summary is provided for your convenience. Please read our entire proxy statement and 2014 annual report before determining how to vote.*

**HOW TO VOTE IN PERSON AT THE ANNUAL MEETING**

**Beneficial stockholders** - Most stockholders of WellCare Health Plans, Inc. ( WellCare, the Company, we, us or are beneficial owners , also known as street name holders, which means a bank, broker or other institution holds shares on their behalf. If this is how you hold your shares, you will need to get a legal proxy from the institution holding your shares to vote in person at the Annual Meeting. You will also need to provide proper identification at the Annual Meeting.

**Registered stockholders** A few of our stockholders are registered directly with our transfer agent, Computershare, as holders of WellCare stock. As the stockholder of record, a registered stockholder can vote in person at the Annual Meeting without a legal proxy from an institution. You will need to provide proper identification at the Annual Meeting.

You can also vote via the Internet, by phone or by mail. See *How do I cast my vote?* below for additional information on how to vote.

**Record Date & Meeting Date**

The record date for the Annual Meeting is March 12, 2015. Owners of the Company s common stock at the close of business on the record date are entitled to receive notice of the Annual Meeting and to vote at the meeting, which will be held at 10:00 a.m., Eastern Time, May 11, 2015. The meeting will be at our headquarters located at 8745 Henderson Road, Tampa, Florida, 33634.

**Proposals and Vote Recommendations**

At the Annual Meeting stockholders will consider the following proposals:

<b>Proposal</b>	<b>Vote recommendation of the Board</b>	<b>See Page</b>
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Election of 10 directors	<b>FOR</b> all nominees	8
Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the current fiscal year	<b>FOR</b>	16
Advisory vote on the compensation of the Company's named executive officers ( Say-on-Pay vote)	<b>FOR</b>	17

The stockholders will also vote to transact any other business that may properly come before the Annual Meeting.

## Directors

The table below shows summary information regarding WellCare's nominees for director at the Annual Meeting. More information regarding our directors is included under *Proposal 1: Election of Directors* in this proxy statement.

Name	Age	Director Since	Current Committees
<b>Richard C. Breon</b>	64	2013	Health Care Quality and Access
<i>President and Chief Executive Officer, Spectrum Health System</i>			Information Technology Oversight
			Regulatory Compliance

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<b>Name</b>	<b>Age</b>	<b>Director Since</b>	<b>Current Committees</b>
<b>Kenneth A. Burdick</b>	56	2014	None
<i>Chief Executive Officer, WellCare Health Plans, Inc.</i>			
<b>Carol J. Burt</b>	57	2010	Audit and Finance
<i>Principal, Burt Hilliard Investments</i>			
			Compensation (chair)
			Nominating and Corporate Governance
<b>Roel C. Campos</b>	66	2013	Health Care Quality and Access
<i>Partner, Locke Lord LLP</i>			
<b>D. Robert Graham</b>	78	2007	Regulatory Compliance
<i>Health Care Quality and Access</i>			
<i>Chair, Board of Oversight of the Bob Graham Center for Public Service</i>			
<b>Kevin F. Hickey</b>	63	2002	Regulatory Compliance
<i>Principal, HES Advisors</i>			
			Compensation
			Health Care Quality and Access
			Information Technology Oversight (chair)
<b>Christian P. Michalik, Chairman</b>	46	2002	Audit and Finance
<i>Managing Director, Kinderhook Industries</i>			
			Nominating and Corporate Governance (chair)
<b>Glenn D. Steele, Jr., M.D.</b>	70	2009	Compensation
<i>President and Chief Executive Officer, Geisinger Health System</i>			
			Nominating and Corporate Governance
			Health Care Quality and Access (chair)
<b>William L. Trubeck</b>	69	2010	Audit and Finance
<i>Former Executive Vice President and Chief Financial Officer, H&amp;R Block, Inc.</i>			
			Regulatory Compliance (chair)
<b>Paul E. Weaver</b>	68	2010	Audit and Finance (chair)
<i>Former Vice Chairman, PricewaterhouseCoopers, LLP</i>			
			Compensation

**Corporate Governance Highlights**

Nine of our ten director nominees are independent (with the exception being Mr. Burdick, who is our Chief Executive Officer)

Code of Conduct and Business Ethics applicable to directors, executives and other associates

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Directors are elected by majority vote in uncontested elections

Stock ownership guidelines for directors and executives

Annual election of all directors (no staggered board)

Disclosure on our website of political giving policy and amounts given

Independent Chairman of the Board

Simple majority vote to approve a merger

Independent Compensation Committee that engages an independent compensation consultant

No poison pill (stockholders rights plan)

*Leadership Structure.* Our Corporate Governance Guidelines provide that the positions of Chairman and Chief Executive Officer are to be held by different individuals unless the Company's Board of Directors (the Board) affirmatively determines that it is in our best interests for the positions to be held by a single individual.

More detailed information regarding our corporate governance is included under *Corporate Governance* in this proxy statement.

**Table of Contents****Independent Registered Public Accounting Firm**

The Audit and Finance Committee has appointed the firm of Deloitte & Touche LLP ( Deloitte ) as our independent registered public accounting firm for the fiscal year ending December 31, 2015. The Board is seeking stockholder ratification of the appointment.

The fees we paid to Deloitte in 2014 are set forth below:

Audit Fees	\$	3,901,025
All Other Fees	\$	0

All of the 2014 fees described above were pre-approved by the Audit and Finance Committee in accordance with our Audit and Non-Audit Services Pre-Approval Policy.

Please see *Proposal 2: Ratification of the Appointment of Independent Registered Public Accounting Firm* for more information regarding this proposal.

**Executive Compensation**

At our 2014 Annual Meeting of Stockholders, more than 97% of the votes cast in the advisory vote were in favor of our named executive officer compensation as disclosed in our 2014 proxy statement. The Compensation Committee did not make any substantive changes to the design of our executive officer compensation program in 2014.

In 2014, our named executive officers were:

**David J. Gallitano**, Former Chairman of the Board and Former Interim Chief Executive Officer;  
**Andrew L. Asher**, Senior Vice President and Chief Financial Officer;  
**Thomas L. Tran**, Former Senior Vice President and Chief Financial Officer;  
**Kenneth A. Burdick**, President and Chief Operating Officer (*Mr. Burdick was promoted to Chief Executive Officer effective January 2015*);  
**Steven E. Goldberg, M.D.**, Senior Vice President and Chief Medical Officer; and  
**Blair W. Todt**, Senior Vice President, Chief Legal and Administrative Officer and Secretary.

A substantial percentage of the compensation we pay our named executive officers consists of performance-based compensation. Our Compensation Committee grants performance-based incentive awards under a pay-for-performance compensation program with pre-established short-term and long-term incentive goals designed to align individuals' rewards with Company performance, including tangible financial results and the achievement of health care quality goals. The Compensation Committee also uses benchmarking in connection with assessing and reviewing compensation for our executive officers to help ensure the Company remains competitive relative to its peers with respect to attracting and retaining qualified executives.

***2014 Short-Term Incentive Goals***

Ø

Due to our financial performance, the Compensation Committee determined not to make any payments to our executive officers under the short-term incentive program. Our adjusted reported earnings per share (as calculated in accordance with the 2014 short-term incentive program, Adjusted Reported EPS ) was \$2.06 compared to a threshold of \$3.65 required for a minimum payout.

***2012-2014 Long-Term Incentive Goals***

- Ø For the 2012 to 2014 performance period, our return on equity ( ROE ) was approximately 52% below median and our operating margin was approximately 19% below median. We did not have any plans with a Medicare Star Rating of our goal of four stars. We did however exceed our quality targets in most of our largest Medicaid markets.

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- Ø Based on these results, the Compensation Committee attributed slightly above target performance payout for the Medicaid quality goal and no payout related to the other goals, and determined that the achievement of goals for the performance stock unit ( PSU ) awards for the three-year performance period ended December 31, 2014 was 26% of target.

Please see *Executive Compensation* for more complete information regarding our compensation philosophy, our executive compensation program and the amounts paid to our named executive officers.

*Commonly Asked Questions and Answers About the Annual Meeting*

**1. Why am I receiving these materials?**

These materials are being sent to you on behalf of our Board of Directors (the Board of Directors or the Board ). You are receiving these materials because you are a stockholder of WellCare that is entitled to receive notice of the 2015 Annual Meeting of Stockholders ( Annual Meeting ) and to vote on matters that are properly presented at the Annual Meeting.

**2. What is the purpose of the Annual Meeting?**

Our stockholders meet annually to elect directors and to make decisions about other matters that are presented at the Annual Meeting. In addition, management will report on the performance of the Company and respond to questions from stockholders.

**3. What is a proxy?**

If you designate another person to vote your shares, that other person is called a proxy. If you designate someone as your proxy in a written document, that document is also called a proxy or a proxy card. If you complete the enclosed proxy card to give us your proxy, you will have designated Andrew L. Asher, the Company's Chief Financial Officer, and Blair W. Todt, the Company's Secretary, or such other individuals as the Board may later designate, as your proxies to vote your shares as directed.

**4. What is the purpose of this proxy statement?**

This proxy statement provides information regarding matters to be voted on by stockholders at the Annual Meeting and other information regarding the governance of the Company.

**5. Where is the Annual Meeting?**

The Annual Meeting will be held at 10:00 a.m., Eastern Time, May 11, 2015, in the Renaissance Center building at WellCare's corporate headquarters, 8745 Henderson Road, Tampa, Florida 33634. Signs will be posted to direct stockholders to the meeting room in the Renaissance Center, as well as to parking which will be available in front of

the building located at 8735 Henderson Road or in Garage A.

**6. What does it mean if I receive more than one package of proxy materials?**

This means that you have multiple accounts holding WellCare shares. These may include: accounts with our transfer agent, Computershare Trust Company, N.A. ( Computershare ); accounts holding shares that you have acquired under the Company's stock plans; and accounts with a broker, bank or other holder of record. Please vote all proxy cards and voting instruction forms that you receive with each package of proxy materials to ensure that all of your shares are voted.



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### **7. Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of printed proxy materials?**

Under rules adopted by the U.S. Securities and Exchange Commission (the SEC), we provide access to our proxy materials on the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the Availability Notice) to some of our stockholders. If you received an Availability Notice by mail, you will not receive a printed copy of the proxy materials unless you request one. The Availability Notice will tell you how to access and review the proxy materials on the Internet at [www.proxyvote.com](http://www.proxyvote.com). The Availability Notice also tells you how to access your proxy card to vote on the Internet. If you received an Availability Notice by mail and would like to receive a printed copy of our proxy materials, please follow the instructions on the Availability Notice.

### **8. What is the record date and what does it mean?**

The record date for the Annual Meeting is March 12, 2015. Holders of the Company's common stock at the close of business on the record date are entitled to receive notice of the Annual Meeting and to vote at the meeting.

### **9. Is there a minimum number of shares that must be represented in person or by proxy to hold the Annual Meeting?**

Yes. A quorum is the minimum number of shares that must be present to conduct business at the Annual Meeting. The quorum requirement is the number of shares that represent a majority of the outstanding shares of the Company as of the record date. Shares necessary to meet the quorum requirement may be present in person or represented by proxy. There were 44,041,570 shares of our common stock issued and outstanding on the record date. Therefore, at least 22,020,786 shares of our common stock must be present in person or represented by proxy at the Annual Meeting to satisfy the quorum requirement.

Your shares will be counted to determine whether there is a quorum if you submit a valid proxy card or voting instruction form, give proper instructions over the telephone or on the Internet, or attend the Annual Meeting in person. Pursuant to Delaware law, proxies received but marked as abstentions and broker non-votes (which are discussed in Question 16 below) are counted as present for purposes of determining a quorum.

### **10. Who can vote on matters that will be presented at the Annual Meeting?**

You can vote if you were a stockholder of the Company at the close of business on the record date of March 12, 2015.

### **11. What is the difference between a registered stockholder and a beneficial owner?**

Many WellCare stockholders hold their shares through a stockbroker, bank or other nominee rather than directly in their own names. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

**Registered stockholder:** If your shares are registered directly in your name with the Company's transfer agent, Computershare, you are considered, with respect to those shares, the stockholder of record or a

registered stockholder, and these proxy materials are being sent directly to you by the Company. As the stockholder of record, you have the right to grant your voting proxy directly to the Company or to vote in person at the Annual Meeting.

**Beneficial owner:** If your shares are held in a stock brokerage account or by a bank, trustee or other nominee, you are considered the beneficial owner of those shares held in street name, and these proxy materials are being forwarded to you by your broker, bank or other holder of record who is

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considered, with respect to those shares, the stockholder of record. As the beneficial owner you have the right to direct your broker, bank or other holder of record on how to vote your shares and you are invited to attend the Annual Meeting. Your broker, bank, trustee or nominee is obligated to provide you with a voting instruction form for you to use.

### **12. How many votes am I entitled to per share?**

Each share of common stock outstanding on the record date is entitled to one vote on each matter properly presented at the Annual Meeting. Stockholders do not have a right to cumulate their votes for directors.

### **13. Who will count the vote?**

Broadridge Investor Communication Solutions, Inc. ( Broadridge ) was appointed by our Board of Directors to tabulate the vote and act as Inspector of Election. Information about Broadridge is available at [www.broadridge.com](http://www.broadridge.com).

### **14. How do I cast my vote?**

**Registered stockholders:** There are four ways you can cast your vote:

Vote on the Internet at [www.proxyvote.com](http://www.proxyvote.com) using the control number provided to you;

Vote by telephone at 1-800-690-6903 using the control number provided to you;

If you received a proxy card, complete and properly sign, date and return it in the postage paid envelope provided. If voting by mail, please allow sufficient time for the postal service to deliver your proxy card before the Annual Meeting; or

Attend the Annual Meeting and deliver your completed proxy card or complete a ballot in person.

**Beneficial owners:** Your proxy materials should include a voting instruction form from the institution holding your shares. There are up to four ways you can cast your vote:

Vote on the Internet at [www.proxyvote.com](http://www.proxyvote.com) using the control number provided to you by the institution holding your shares;

Vote by telephone using the telephone number and the control number provided to you (note: the availability of telephone voting will depend upon the institution's voting processes);

Complete and properly sign, date and return a voting instruction form from the institution holding your shares; or

*Obtain a legal proxy from the institution holding your shares to vote in person at the Annual Meeting.*

Please contact the institution holding your shares for additional information.

**15. What is the voting requirement to approve each of the proposals? How do abstentions and broker non-votes affect the vote outcome?**

Proposal 1: Each director will be elected by a majority of votes cast, which means a majority of the votes actually cast for or against the particular director, whether in person or by proxy.

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**Proposals 2 and 3:** Proposals 2 and 3 will pass with the votes of a majority of the voting power present or represented by proxy. The voting power present or represented by proxy means the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal.

A broker non-vote (a broker non-vote is explained in the answer to Question 16) on a proposal is considered a share not entitled to vote on that proposal and is not a vote cast. Accordingly, a broker non-vote will have no effect on the vote outcome of any proposal.

Abstentions are considered shares entitled to vote on a proposal but are not considered as having been cast for or against a proposal. Therefore, abstentions will have no effect on Proposal 1; for all other proposals, abstentions have the same effect as an against vote.

Discretionary voting by brokers will be permitted by the New York Stock Exchange ( NYSE ) only in connection with Proposal 2. Discretionary voting is explained in the answer to Question 16.

### **16. What if I return my proxy card or voting instruction form but do not provide voting instructions?**

**Registered stockholders:** If you are a registered stockholder and you return your signed proxy card, your shares will be voted as you designate on the proxy card. If you do not return your voted proxy card, vote by phone or the Internet, or if you submit your proxy card with an unclear voting designation, your shares will not be voted. If you return your signed proxy card and do not provide a voting designation, your shares will be voted **FOR** the election of all director nominees listed in Proposal 1; **FOR** Proposals 2 and 3; and in the discretion of the proxy holders as to any other matters that arise at the Annual Meeting.

**Beneficial owners:** In limited instances, your shares may be voted if they are held in the name of a broker, bank or other intermediary, even if you do not provide the holder with voting instructions. This is called discretionary voting. Brokerage firms and banks generally have the authority, under NYSE rules, to vote shares on certain routine matters for which their customers do not provide voting instructions. Of the three proposals scheduled to be presented at the Annual Meeting, only Proposal 2, Ratification of the Appointment of Independent Registered Public Accounting Firm, is considered a routine matter under the NYSE's rules. Proposals 1 and 3, and any other matter that may be presented at the Annual Meeting, are not considered routine. When a proposal is not a routine matter and the institution holding the shares has not received voting instructions from the beneficial owner of the shares with respect to that proposal, the institution cannot vote the shares on that proposal. This is called a broker non-vote. In tabulating the voting result for any particular proposal, shares represented at the Annual Meeting that constitute broker non-votes will not be included in vote totals. As a result, they will have no effect on the outcome of any vote.

### **17. Can I change my mind after I submit my proxy?**

Yes; if you vote by proxy, you may revoke that proxy at any time before it is voted at the Annual Meeting.

You may do this by:

voting again on the Internet or by telephone prior to the Annual Meeting;

signing another proxy card with a later date and mailing it for receipt prior to the Annual Meeting; or

attending the Annual Meeting in person and delivering your proxy or casting a ballot.

***If you are a beneficial owner of our stock you must obtain a legal proxy from the institution holding your shares to vote in person at the Annual Meeting.***

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**18. Where can I find the voting results of the Annual Meeting?**

We intend to announce preliminary voting results at the Annual Meeting and publish voting results on a Current Report on Form 8-K within four business days after the conclusion of the Annual Meeting. The Form 8-K will be accessible at the SEC's website at [www.sec.gov](http://www.sec.gov) or on our website at [www.wellcare.com](http://www.wellcare.com). In addition, we will also post voting results online at [www.wellcare.com/stockholdermeeting](http://www.wellcare.com/stockholdermeeting).

**19. Who will bear the costs of this proxy solicitation?**

This proxy solicitation is being sent on behalf of our Board of Directors and the Company will bear the cost of this proxy solicitation, including reimbursing banks and brokers for reasonable expenses incurred in sending out proxy materials to beneficial owners.

**20. What if I have additional questions that are not addressed here?**

You may call Investor Relations at (813) 206-6958, e-mail Investor Relations at [investorrelations@wellcare.com](mailto:investorrelations@wellcare.com) or call the Office of the Secretary at (813) 206-1393.

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*Proposals to be Voted on at the Annual Meeting*

**Proposal 1: Election of Directors**

Ten individuals have been nominated for election at the 2015 Annual Meeting of Stockholders, each to hold office until the 2016 Annual Meeting or until a successor has been duly elected and qualified. All of our nominees listed below are currently directors of the Company and all but Kenneth Burdick were elected at the 2014 Annual Meeting of Stockholders. Mr. Burdick was appointed as a director by the Board in December 2014.

Under our certificate of incorporation and our bylaws, our Board of Directors sets the number of directors who may serve on the Board of Directors through resolutions adopted by at least a majority of the directors then in office. The size of our Board of Directors is currently set at 11 directors. David J. Gallitano, a current director and our former Chairman and our former Interim Chief Executive Officer, will not stand for re-election at the 2015 Annual Meeting and his term will end as of the date of the 2015 Annual Meeting. As a result, the Board has determined that the number of directors will be reduced to ten members upon the expiration of Mr. Gallitano's term at the 2015 Annual Meeting. Proxies cannot be voted for a greater number of directors than the ten nominees named in this Proxy Statement.

Unless otherwise directed, the holders of proxies intend to vote all proxies **FOR** the election of all the director nominees listed below. If any nominee becomes unavailable for any reason, or if a vacancy should occur before the election, the holders of proxies may vote for the election of such other person as may be recommended by the Board of Directors. In accordance with our bylaws, directors must receive a majority of the votes cast on this proposal to be elected.

*Qualifications*

The Board evaluates each director candidate on his or her individual merits and values many different types of contributions. However, the Board considers the following to be key attributes for Company directors:

Leadership / Executive Experience: The Board believes experience in executive and other leadership roles is valuable to the Company in connection with setting goals and strategy. This type of expertise includes experience with strategic transactions, enterprise risk management, other public companies, restructuring and leadership.



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This expertise is important to help the Company optimize its operations and in connection with the evaluation of potential acquisitions and other strategic transactions. Directors with leadership experience also help us prioritize and anticipate challenges before we encounter them. Directors with this type of experience are particularly valuable as we pursue our strategic priorities of *delivering prudent, profitable growth* and *achieving service excellence*.

**Financial Expertise:** The Board believes financial expertise is vital for the Board to perform its oversight responsibilities. Financial management experience and expertise with accounting and control processes are examples of financial expertise. Directors with financial expertise are able to review the Company's financial statements and business plans critically and can offer valuable guidance in connection with our financing activities. Directors with this type of expertise are particularly valuable as we pursue our strategic priority of *optimizing financial performance*.

**Industry Experience:** Our industry is complex and rapidly evolving. Industry experience includes expertise with health care operations, health care technology, insurance and other experience. Directors with industry experience help the Company to stay abreast with industry best practices and innovations and help us to benchmark our practices against those of our competitors. Directors with this type of experience are particularly valuable as we pursue our strategic priorities of *improving health care quality and access* and *achieving service excellence*.

**Government / Regulatory Expertise:** As a company that specializes in offering health care plans to government programs, we are highly regulated at both the state and the federal levels. Directors with government, compliance and regulatory expertise help us to identify risks and have valuable insight as we evaluate new government programs and the regulatory landscape in which we operate. Directors with this type of experience are particularly valuable as we pursue our strategic priorities of *delivering prudent, profitable growth* and *achieving service excellence*.

*The Board of Directors recommends a vote **FOR** each nominee.*

*Information as of March 20, 2015 related to each of the nominees for director is set forth on the following pages:*

***Richard C. Breon***

**Principal Qualifications:**

*Leadership / Executive Experience &*

*Industry Experience*

President and Chief Executive Officer, Spectrum Health System

Former President and Chief Executive Officer, Mission Health System, Inc.

Former President and Chief Executive Officer, Mercy Hospital

**Tenure:** Mr. Breon has served as a director of WellCare since 2013.

**Age:** 64

**Experience:** Since August 2000, Mr. Breon has been the President and Chief Executive Officer of Spectrum Health System, a non-profit managed care health care organization based in West Michigan. Prior to that, he served as President and Chief Executive Officer of Mission Health System, Inc./St. Mary's Medical Center in Evansville, Indiana, from 1995 to August 2000. Prior to that, Mr. Breon served as President and Chief Executive Officer of Mercy Hospital in Iowa City, Iowa, from 1989 to 1995. Mr. Breon serves on the West Michigan Regional Air Alliance, a non-profit promoting commercial air travel in West Michigan. Mr. Breon also serves as the Vice Chair for The Right Place, Inc., a regional non-profit economic development organization.

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**Education:** Master of Arts in Hospital and Health Administration, the University of Iowa  
Bachelor of Science, Iowa State University

***Kenneth A. Burdick***

**Principal Qualifications:**

*Leadership / Executive Experience &*

*Industry Experience*

Chief Executive Officer, WellCare Health Plans, Inc.

Former President and Chief Executive Officer, Blue Cross and Blue Shield of Minnesota

Former Chief Executive Officer, Medicaid Division and Chief Executive Officer, MHNNet, for Coventry Health Care

Former Chief Executive Officer, UnitedHealthcare Group's Secure Horizons and Commercial Business

**Tenure:** Mr. Burdick has served as a director of WellCare since 2014.

**Age:** 56

**Experience:** Mr. Burdick joined WellCare in January 2014 as president, national health plans, was promoted to president and chief operating officer in June 2014, and named Chief Executive Officer on January 1, 2015. Mr. Burdick previously served as the President and Chief Executive Officer of Blue Cross and Blue Shield of Minnesota, a non-profit health plan, from February 2012 to July 2012. From August 2010 to February 2012, Mr. Burdick served as Chief Executive Officer of the Medicaid and Behavioral Health (MHNNet) businesses of Coventry Health Care, Inc., a health care services company. Prior to that, from October 1995 to May 2009, Mr. Burdick was with UnitedHealth Group, Inc., a diversified health and well-being company, serving in the following positions: from May 2008 to May 2009, he was the Chief Executive Officer of Secure Horizons, a Medicare business; from November 2006 to May 2008, he was the Chief Executive Officer of UnitedHealth's Commercial Business; from April 2004 to November 2006, he was Chief Executive Officer of UnitedHealth's Southwest Region and President of UnitedHealth Public Sector; from January 2000 to April 2004 he was the Chief Executive Officer of UnitedHealthcare of Arizona, Inc. Prior to that, he was the head of the national underwriting organization for all lines

of business and the general manager of the central Texas operation of UnitedHealth Group.

**Education:** Juris Doctorate, University of Connecticut School of Law  
Bachelor of Arts, Amherst College

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***Carol J. Burt***

**Principal Qualifications:**

*Leadership / Executive Experience*

Former Senior Vice President, Corporate Finance and Development, WellPoint, Inc.

*Financial Expertise &*

*Industry Experience*

Former Senior Vice President, Corporate Finance and Development, WellPoint, Inc.

Former Senior Vice President, Finance and Treasury, American Medical Response, Inc.

Former Managing Director and head of the Healthcare Investment Banking Group of Chase Securities (now JP Morgan Chase)

**Tenure:** Ms. Burt has served as a director of WellCare since 2010.

**Age:** 57

**Experience:** Ms. Burt, principal of Burt Hilliard Investments since January 2008, is a private investor with more than 30 years of experience in operations, strategy, corporate finance and investment banking. Ms. Burt has served as an operating partner and a member of the operating council of Consonance Capital Partners, a New York-based private equity firm focused on the health care industry, since January 2013. Ms. Burt was formerly an executive of WellPoint, Inc., where she served from 1997 to 2007, most recently as WellPoint's Senior Vice President, Corporate Finance and Development. In her time at WellPoint, Ms. Burt was responsible for, among other things, corporate strategy, mergers and acquisitions, finance, treasury and real estate management. In addition, WellPoint's financial services and international insurance business units reported to her. Before joining WellPoint, Ms. Burt was Senior Vice President and Treasurer of American Medical Response and spent 16 years with Chase Securities (now JP Morgan) most recently as founder and head of the Health Care Investment Banking Group.

**Education:** Bachelor of Business Administration, the University of Houston

**Other Public Company Boards:** Since 2011, Ms. Burt has served as a director of Envision Healthcare Holdings, Inc., a company focused on outsourced facility-based physician and health care transportation services, where she serves on the audit, finance and nominating and governance committees. Since 2013, she has also served as a director of ResMed Inc., a developer, manufacturer and distributor of medical equipment for treating, diagnosing, and managing sleep-disordered breathing and other respiratory disorders. From 2011 until 2013 she served as a director of Vanguard Health Systems, Inc., an operator of integrated health care delivery networks, where she served on the audit and compliance committee and in 1997 she served on the board of Transitional Hospitals Corporation, an operator of acute care and psychiatric hospitals, where she served on the audit, compensation and government relations committees.

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***Roel C. Campos***

**Principal Qualifications:**

*Government / Regulatory Expertise*

Partner, Locke Lord LLP (practice focuses on securities regulation, corporate governance and securities enforcement)

Former member, Presidential Intelligence Advisory Board

Former Commissioner, U.S. Securities and Exchange Commission ( SEC )

Former federal prosecutor

*Financial Expertise*

Member, Advisory Board for the Public Company Accounting Oversight Board

Has advised accounting clients

As a former SEC Commissioner, has evaluated and judged accounting matters for possible enforcement actions by the SEC

**Tenure:** Mr. Campos has served as a director of WellCare since 2013.

Age: 66

**Experience:** Mr. Campos is a partner with the law firm of Locke Lord LLP, which he joined in April 2011. He practices in the areas of securities regulation, corporate governance and securities enforcement. He had previously been a partner in the law firm of Cooley LLP from September 2007 to April 2011. Prior to that, he received a presidential appointment and served as a Commissioner of the SEC from 2002 to 2007. Prior to serving with the SEC, Mr. Campos was a founding partner of a Houston-based radio broadcaster. Earlier in his career, he practiced corporate law and later served as a federal prosecutor in Los Angeles, California. He is a trustee for the Managed Portfolio

Series, an open-end mutual fund registered with the SEC under the Investment Company Act of 1940. He is also a director of Paulson International Ltd., a privately-held, Cayman-based hedge fund and a director of a private registered broker-dealer, Liquidnet Holdings, Inc. From 2009 to 2013, Mr. Campos served with the former Secretary of Defense, Charles Hagel, and other national intelligence experts on the Presidential Intelligence Advisory Board. Mr. Campos also serves on the Advisory Board for the Public Company Accounting Oversight Board and serves on various non-profit boards.

**Education:** Juris Doctorate, Harvard Law School  
Master of Science in Business Administration, the University of California, Los Angeles

Bachelor of Science, United States Air Force Academy

**Other Public Company Boards:** Mr. Campos has been a director of Regional Management Corp., a NYSE-listed specialty consumer finance company, since March 2012.

### ***D. Robert Graham***

#### **Principal Qualifications:**

##### *Government / Regulatory Expertise*

Former United States Senator

Former Governor, the State of Florida

Former member, Financial Crisis Inquiry Commission

Former member, Central Intelligence Advisory Board

Former Co-Chair, National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling

Former Chairman, Commission on the Prevention of Weapons of Mass Destruction

**Tenure:** Senator Graham has served as a director of WellCare since 2007.

**Age:** 78





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**Experience:** Since his retirement from the United States Senate in 2005, Senator Graham has been Chair of the Board of Oversight of the Bob Graham Center for Public Service, a political and civic leadership center at the University of Florida. Among his other duties, Senator Graham was appointed by the President of the United States to serve as co-chair of the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling from its inception in May 2010 until its report was published in January 2011. He also served on the Financial Crisis Inquiry Commission which concluded its operations in February 2011. Senator Graham also served as the Chairman of the Commission on the Prevention of Weapons of Mass Destruction Proliferation and Terrorism, which published its report in the fall of 2008, and he continues the work of the Commission by serving as co-chairman of the WMD Center, a non-profit research organization. From September 2009 to February 2012, he served as a member of the Central Intelligence Agency External Advisory Board. From September 2005 until June 2006, Senator Graham served a one-year term as a senior Fellow at Harvard University's John F. Kennedy School of Government. From January 1987 to January 2005, he served in the United States Senate. From January 1979 to January 1987, Senator Graham was the Governor of the State of Florida. Senator Graham served as an executive of the Graham Companies prior to his election as Governor of Florida and now is a member of the board of directors. The Graham Companies is a family of corporate entities engages in dairy, beef cattle and pecan production in Florida and Georgia and real estate development and management in Miami Lakes, Florida.

**Education:** Bachelor of Laws, Harvard Law School  
Bachelor of Arts, the University of Florida

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*Kevin F. Hickey*

**Principal Qualifications:**

*Leadership / Executive Experience &*

*Industry Experience*

Former President, D2Hawkeye, Inc.

Founder and former Chairman, IntelliClaim, Inc.

Former Executive Vice President, Operations and Technology, Oxford Health Plans, Inc.

*Other Industry Experience*

Principal, HES Advisors

Founder and former Chairman, IntelliClaim, Inc.

Former director, Healthaxis, Inc.

**Tenure:** Mr. Hickey has served as a director of WellCare since 2002.

**Age:** 63

**Experience:** Since January 1983, Mr. Hickey has served as Principal of HES Advisors, a strategic advisory firm serving the health care, health care technology and life sciences industries, where he also serves as a director. From January 2006 to December 2007, Mr. Hickey served as President of D2Hawkeye, Inc. (now VeriskHealth). From January 2008 to March 2012, Mr. Hickey served as Senior Advisor to Verisk Analytics, Inc., a company specializing in health care predictive analytics. Mr. Hickey also serves a director for 3WON, Inc., a privately-held credentialing verification organization. Mr. Hickey previously served as a director of DiagnosisOne, a privately-held health care technology company, from 2011 to 2012. He was also Founder and Chairman of IntelliClaim, Inc., a privately-held health care technology company, from 1999 until 2005, when it was acquired by McKesson, Inc. He also serves as a Trustee for Nantucket Cottage Hospital in Nantucket, Massachusetts.

**Education:** Juris Doctorate, Loyola College of Law  
Master of Health Services Administration, the University of Michigan  
  
Bachelor of Arts, Harvard College

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**Other Public Company Boards:** From 2000 until 2007, Mr. Hickey served on the board of directors of Healthaxis Inc., a health care technology company.

***Christian P. Michalik***

**Principal Qualifications:**

*Financial Expertise*

Managing Director, Kinderhook Industries

Served on numerous audit committees of private companies

*Industry Experience*

Managing Director, Kinderhook Industries (numerous health care company investments)

Chairman, Clinical Research Advantage, Inc.

Chairman, E4 Health Care, Inc.

Chairman, Global Health Inc.

**Tenure:** Mr. Michalik has served as a director of WellCare since 2002 and our Chairman since March 2015.

**Age:** 46

**Experience:** Since July 2004, Mr. Michalik has served as Managing Director of Kinderhook Industries, a private equity investment firm. Mr. Michalik has significant investment experience in the health care sector and currently is Chairman of several specialized health care service companies, including Clinical Research Advantage, Inc., E4

Health Care, Inc. and Global Health Inc.

**Education:** Master of Business Administration, Harvard Business School

Bachelor of Arts, Yale College

***Glenn D. Steele, Jr., M.D.***

**Principal Qualifications:**

*Leadership / Executive Experience &*

*Industry Experience*

President and Chief Executive Officer, Geisinger Health System

Former President and Chief Executive Officer, Deaconess Professional Practice Group

Chairman, xG Health Solutions

*Other Industry Experience*

Former practicing surgeon

Former Dean, Pritzker School of Medicine

**Tenure:** Dr. Steele has served as a director of WellCare since 2009.

**Age:** 70

**Experience:** Dr. Steele is the President and Chief Executive Officer of Geisinger Health System, a physician-led health care system serving multiple regions of Pennsylvania, a position he has held since 2001. Since 2014, Dr. Steele has also served as the Chairman of xG Health Solutions, a health care redesign and optimization company affiliated with Geisinger Health System.

**Education:** Docent, Lund University  
Doctor of Medicine, New York University School of Medicine  
Bachelor of Arts, Harvard College

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**Other Public Company Boards:** Dr. Steele serves on the board of directors of Weis Markets, Inc., a supermarket chain, where he currently serves on the audit and compensation committees. He also serves on the board of directors of Cepheid, a molecular diagnostics company that develops, manufactures and markets molecular systems and tests. He also serves as a member of Cepheid's compensation committee.

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***William L. Trubeck***

**Principal Qualifications:**

*Leadership / Executive Experience &*

*Financial Expertise*

Former Executive Vice President and Chief Financial Officer, H&R Block, Inc.

Former Executive Vice President and Chief Financial Officer, Waste Management, Inc.

Former Senior Vice President and Chief Financial Officer, International Multifoods, Inc.

**Tenure:** Mr. Trubeck has served as a director of WellCare since 2010.

**Age:** 68

**Experience:** From March 2011 until July 2011, Mr. Trubeck served as Interim Executive Vice President and Chief Financial Officer of YRC Worldwide, Inc., a freight, shipping and trucking services company. He was formerly Executive Vice President and Chief Financial Officer of H&R Block, Inc., a tax services provider, from 2004 to 2007. Mr. Trubeck has served as a director of Custom Ecology, Inc., a privately-held industrial and hazardous waste transporter company since 2012. Mr. Trubeck served as a director of EQ Holdings, Inc., a privately-held industrial waste management company from 2010 to 2014.

**Education:** Master of Business Administration, University of Connecticut  
Bachelor of Arts, Monmouth College

**Other Public Company Boards:** Mr. Trubeck served as a director of YRC Worldwide, Inc. from 1994 until July 2011 and was chair of the audit/ethics committee. He also previously served as a director of Dynegy, Inc., a wholesale power, capacity and ancillary services company, from April 2003 to June 2011 and also served as a member of the compensation and human resources committee and as chair of the audit and compliance committee. Mr. Trubeck previously served as a director of Ceridian Corp. from 2006 to 2007, where he also served as a member of the audit committee.

***Paul E. Weaver***

**Principal Qualifications:**

*Leadership / Executive Experience &*

*Financial Expertise*

Former Vice Chairman, PricewaterhouseCoopers, LLP

Former Chairman, Global Technology and Infocomm, PricewaterhouseCoopers, LLP

**Tenure:** Mr. Weaver has served as a director of WellCare since 2010.

**Age:** 69

**Experience:** Mr. Weaver is a former executive of PricewaterhouseCoopers, LLP. Mr. Weaver served PricewaterhouseCoopers, LLP from 1972 until 2006, including as its Vice Chairman from 1994 to 1999 and as Chairman of its Global Technology and Infocomm practice from 1999 to 2006.

**Education:** Master of Business Administration, University of Michigan  
Bachelor of Science, Elizabethtown College



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**Other Public Company Boards:** Mr. Weaver has served as a director of AMN Healthcare Services, Inc., a NYSE-listed health care staffing and management services company, since 2006 and currently serves as the chair of AMN's audit committee and as a member of its executive committee. Since 2010, Mr. Weaver has also served as a director of Unisys Corporation, a NYSE-listed information technology company, where he also serves as chairman of the board and chair of the audit committee. Mr. Weaver previously served as a director and member of the audit committee and the corporate governance and nominating committee of Gateway, Inc., a retail computer company, from 2006 until 2007 and as a director of Idearc Media Corp., now known as Dex Media, Inc., a media advisory company, from 2006 until 2010, where he also served as chair of the audit committee and a member of the compensation committee.

**Proposal 2: Ratification of the Appointment of Independent Registered Public Accounting Firm**

The Audit and Finance Committee has appointed Deloitte as our independent registered public accounting firm for the fiscal year ending December 31, 2015. Deloitte has served as the Company's independent registered public accounting firm since prior to its initial public offering in 2004, including for the fiscal year ended December 31, 2014. As a matter of good corporate governance to provide stockholders a venue to express their views on this matter, the Board has decided to seek stockholder ratification of Deloitte's appointment. If the stockholders do not ratify the appointment of Deloitte, the Audit and Finance Committee will reconsider the appointment of the independent registered public accounting firm but may still retain Deloitte. We anticipate that a representative of Deloitte will be present at the Annual Meeting to respond to questions and to make such statements as he or she may desire.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote on this proposal at the Annual Meeting is required to approve this proposal.

*The Board of Directors recommends a vote **FOR** this proposal.*

***Audit, Audit-Related, Tax and Other Fees.*** The following table summarizes professional fees billed by Deloitte for the years ended December 31, 2014 and 2013.

	<b>2014</b>	<b>2013</b>
Audit Fees <sup>(1)</sup>	\$ 3,901,025	\$ 2,842,150
Audit-related Fees		
Tax Fees		
All Other Fees		

(1) The audit services billed by Deloitte in 2014 and 2013 include services rendered for the audits of our annual consolidated financial statements and the effectiveness of internal control over financial reporting and the review of the interim financial statements included in our quarterly reports on Form 10-Q. This amount also includes fees billed for services normally provided by an independent auditor in connection with subsidiary audits, statutory requirements, review of our registration statements on Forms S-8 and S-3, regulatory filings and similar engagements.

***Audit and Non-Audit Services Pre-Approval Policy***

The Audit and Finance Committee has adopted an Audit and Non-Audit Services Pre-Approval Policy that is designed to assure that the services performed for us by our independent registered public accounting firm do not impair its independence from the Company. This policy sets forth guidelines and procedures the Audit and Finance Committee must follow when retaining an independent registered public accounting firm to perform

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audit, audit-related, tax and other services. The policy provides detailed descriptions of the types of services that may be provided under these four categories and also sets forth a list of services that our independent registered public accounting firm may not perform for us.

Prior to engagement, the Audit and Finance Committee pre-approves the services and fees of the independent registered public accounting firm within each of the above categories. During the year, it may become necessary to engage the independent registered public accounting firm for additional services not previously contemplated as part of the engagement. In those instances, the Audit and Non-Audit Services Pre-Approval Policy requires that the Audit and Finance Committee specifically approve the services prior to the independent registered public accounting firm's commencement of those additional services. Under the Audit and Non-Audit Services Pre-Approval Policy, the Audit and Finance Committee has delegated the ability to pre-approve audit and non-audit services to the Audit and Finance Committee chairperson, provided the chairperson reports any pre-approval decision to the Audit and Finance Committee at its next scheduled meeting. The policy does not provide for a *de minimis* exception to the pre-approval requirements. Accordingly, all of the 2014 and 2013 fees described above were pre-approved by the Audit and Finance Committee in accordance with the Audit and Non-Audit Services Pre-Approval Policy.

### **Proposal 3: Advisory Vote on Compensation of the Company's Named Executive Officers**

The stockholders have the opportunity at the Annual Meeting to cast a non-binding advisory vote on the compensation of the Company's named executive officers contained in this proxy statement ( Say-on-Pay vote) through the following resolution:

**RESOLVED**, that the compensation paid to the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion disclosed in the Company's 2015 Proxy Statement, is hereby APPROVED.

While this advisory vote on executive compensation is non-binding, the Board and the Compensation Committee value the opinions that stockholders express in their votes and in any additional dialogue and will take into account the outcome of the vote when considering future executive compensation decisions for named executive officers. Stockholders who want to communicate with our Board should refer to *Communication with Directors* in this proxy statement for additional information.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote on this proposal at the Annual Meeting is required to approve this proposal.

At the 2011 Annual Meeting of Stockholders held on May 25, 2011, stockholders indicated that they prefer an annual Say-on-Pay vote. Therefore, stockholders will next have an opportunity to vote on a Say-on-Pay proposal at the 2016 Annual Meeting of Stockholders.

*The Board of Directors recommends a vote **FOR** this proposal.*

## **Other Matters**

The Board of Directors knows of no other matters that will be presented at the Annual Meeting. However, if any other matters are properly presented at the Annual Meeting or any convening or reconvening of the Annual Meeting upon an adjournment or postponement of the Annual Meeting, it is the intention of the persons named as proxies to vote in accordance with their best judgment.

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*Corporate Governance*

**Corporate Governance Guidelines**

The Board has developed and adopted Corporate Governance Guidelines to promote the functioning of the Board and its committees. Among other things, the Corporate Governance Guidelines set forth criteria regarding Board member selection and qualification, establishment of committees and committee composition, executive sessions, management succession and director compensation. They also set forth certain rights of the Board, such as the power of the Board and each of its committees to engage independent legal, financial and other advisors as they may deem necessary without the approval of any officer of the Company. The guidelines also address the Board's expectations of each director in furtherance of the Board's primary responsibility of overseeing the business and affairs of the Company. In particular, the guidelines address meeting attendance and participation, other directorships and new director orientation. The guidelines also contain the Board's Majority Vote Policy, which requires a director to tender a conditional resignation in the event he or she fails to receive a majority of the votes cast in an uncontested election or a plurality of the votes cast in a contested election. Each of the director nominees has executed a director resignation letter in the form attached to the Corporate Governance Guidelines, which will serve as a tender of resignation if the director fails to receive the required vote in an election, subject to acceptance by our Board. The Corporate Governance Guidelines also require that the Board conduct an annual performance evaluation to determine whether it and its committees are functioning effectively. The Corporate Governance Guidelines are available on our website at [www.wellcare.com](http://www.wellcare.com). Alternatively, any stockholder may request a printed copy of our Corporate Governance Guidelines by contacting us as described in the section entitled *Requests for Additional Information* below.

**Director Independence**

WellCare's Corporate Governance Guidelines provide that at least a majority of the members of our Board must meet the independence criteria contained in the listing standards of the NYSE. In addition, each member of the Board's Audit and Finance Committee, Compensation Committee and Nominating and Corporate Governance Committee (also known as the NCG Committee) must be independent. No director qualifies as independent unless the Board determines that the director has no direct or indirect material relationship with the Company. The Board reviews the independence of its members by requiring that each member complete disclosure and independence questionnaires and by considering all transactions and relationships between each director or any member of his or her immediate family and the Company and its subsidiaries. The purpose of this review is to determine whether any such relationships or transactions are inconsistent with or would preclude a determination that the director is independent. In making independence determinations, the Board applies the standards of the NYSE in addition to any other relevant laws, rules, regulations, facts and circumstances.

Under the standards discussed above, based upon recommendations from the NCG Committee, the Board has determined that, with the exception of Mr. Burdick, our Chief Executive Officer, all of its current members are independent including each of the members of the Audit and Finance Committee, the Compensation Committee and the NCG Committee.

In making these determinations, the Board considered the recommendations of the NCG Committee as well as the following relationships:

Senator Graham and his immediate family members have an ownership interest of approximately 23% in The Graham Companies, the landlord under a lease agreement with one of our subsidiaries with respect to office space in south Florida for which we paid approximately \$158,749 in lease payments during 2014. The Board concluded that this relationship does not impair Senator Graham's independence. In addition, we have had a relationship with The Graham Companies for many years prior to Senator Graham becoming a member of our Board.

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Ms. Burt is currently a director of Envision Healthcare Holdings, Inc. ( Envision ). Envision receives payments from the Company for health care services rendered to members of the Company's plans. The Board has reviewed the relevant facts regarding this relationship, including the routine nature of such payments and the fact that the Company has been paying claims to Envision since before Ms. Burt was a director of WellCare or of Envision. Following this review, our Board concluded that this relationship does not impair Ms. Burt's independence under the standards discussed above.

Mr. Gallitano, a current director, served as our Interim Chief Executive Officer from October 2013 to January 2015, while also serving as Chairman of the Board. Following the termination of his service as Interim Chief Executive Officer in January 2015, the Board affirmatively concluded that Mr. Gallitano was independent. In addition, the Securities Exchange Act of 1934, as amended (the Exchange Act ), and the NYSE rules impose additional independence and qualification standards on the members of our Audit and Finance Committee and our Compensation Committee.

Under the standards applicable to our Audit and Finance Committee, in addition to meeting the definition of independence applicable to all directors, each member of the committee is prohibited from having any direct or indirect financial relationship with the Company, and cannot be an affiliate of the Company or any subsidiary of the Company. The Board has determined that each member of the Audit and Finance Committee satisfies these additional standards.

With respect to our Compensation Committee, NYSE rules provide that before appointing a director to the committee, the Board must determine whether a director has a relationship with us that would be material to his or her ability to be independent from management in connection with the duties of the Compensation Committee. In making this evaluation, the Board must consider all relevant factors, such as the source of the director's compensation and whether he or she is affiliated with us. The Board has determined that each member of the Compensation Committee satisfies these additional standards.

## **Board Committees**

The Board of Directors has established the following standing committees: Audit and Finance Committee, Compensation Committee, NCG Committee, Health Care Quality and Access Committee, Information Technology Oversight Committee and Regulatory Compliance Committee. The functions, responsibilities and members of each of these standing committees are described briefly below. Each of these committees operates pursuant to a charter which is posted on our website at [www.wellcare.com](http://www.wellcare.com).

All members of our committees, including the members of the Audit and Finance Committee, the Compensation Committee and the NCG Committee, are independent directors under the corporate governance rules of the NYSE. In addition, all members of our Audit and Finance Committee are independent directors under the SEC rules for audit committees and are financially literate under the NYSE corporate governance rules. Members of our Compensation Committee meet the additional independence standards for compensation committees under the NYSE corporate governance rules.

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The table below shows membership as of March 20, 2015 in our standing committees and the number of meetings of each committee held in 2014.

	<b>Audit and Finance Committee</b>	<b>Compensation Committee</b>	<b>Nominating and Corporate Governance Committee</b>	<b>Health Care Quality and Access Committee</b>	<b>Information Technology Oversight Committee</b>	<b>Regulatory Compliance Committee</b>
David J. Gallitano					X	
Richard C. Breon				X	X	X
Kenneth A. Burdick						
Carol J. Burt	X	Chair	X			
Roel C. Campos				X		X
D. Robert Graham				X		X
Kevin F. Hickey		X		X	Chair	
Christian P. Michalik, Chairman	X		Chair			
Glenn D. Steele, Jr., M.D.		X	X	Chair		
William L. Trubeck	X					Chair
Paul E. Weaver	Chair	X				
<b># of meetings in 2014</b>	<b>14</b>	<b>8</b>	<b>6</b>	<b>4</b>	<b>0<sup>(1)</sup></b>	<b>7</b>

(1) The Information Technology Oversight Committee was formed in January 2015.

**Standing Committees*****Audit and Finance Committee***

The principal purpose of the Audit and Finance Committee is to assist the Board in the oversight of (i) the integrity of our financial statements, (ii) our compliance with legal and regulatory requirements, (iii) the performance of our internal audit function and (iv) the Company's financial matters. The Audit and Finance Committee also evaluates the qualifications and independence of, and appoints our independent registered public accounting firm. Further, the Audit and Finance Committee approves the compensation of our independent registered public accounting firm and oversees the services provided by it, including by reviewing the plans and results of the audit engagement. All audit,



audit-related, tax and other services provided by our independent registered public accounting firm must be pre-approved by the Audit and Finance Committee before they are performed. In its financial oversight role, the Audit and Finance Committee oversees the Company's investment policies and strategy, any equity transactions the Company may enter, significant capital expenditures and similar matters. The Audit and Finance Committee also coordinates with our Regulatory Compliance

Committee and Health Care Quality and Access Committee regarding regulatory compliance and quality measurement matters that may have an effect on our business, financial statements, compliance policies or internal audit function.

The Board has determined that each of the current members of the Audit and Finance Committee is financially literate as well as an audit committee financial expert as such term is defined under Item 407(d) of SEC Regulation S-K and each has accounting or related financial management expertise. In addition, all members of the Audit and Finance Committee meet the independence requirements prescribed by the NYSE and the audit committee independence requirements prescribed by the SEC. For more information on the financial experience of our audit committee financial experts, please see the summary background information regarding our directors under *Proposal One: Election of Directors* above.

Pursuant to the terms of the Audit and Finance Committee Charter, no member of our Audit and Finance Committee is permitted to serve on the audit committees of more than two other public companies at any one time, unless it is determined, based on the individual facts, that such other service will not interfere with service

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on the Audit and Finance Committee. As no member of the Audit and Finance Committee serves on the audit committees of more than two other public companies, no such determination has had to be made.

### ***Compensation Committee***

The Compensation Committee provides oversight and guidance for compensation and benefit programs for our employees (also called associates), executive officers and the Board of Directors, including reviewing and approving the base salary, incentive awards and other elements of compensation and other significant terms of employment, of our executive officers; and reviewing and making recommendations with respect to incentive compensation plans, equity-based plans and director compensation. The Compensation Committee reviews and discusses the Compensation Discussion and Analysis (CD&A) with management and makes a recommendation to the Board regarding the inclusion of the CD&A in our proxy statement. The Compensation Committee also reviews and approves performance goals and objectives (both at the corporate and individual level) applicable to our executive officers' compensation (including our named executive officers), evaluates the named executive officers' performance in light of those goals and objectives and has sole authority to determine the named executive officers' compensation based on this evaluation.

Under its charter, the Compensation Committee has the authority to obtain advice and assistance from any officer or associate of the Company or from any outside legal expert or other advisor. Pursuant to this authority, the Compensation Committee has engaged a compensation consultant, Cook & Co. For additional information, please see *Compensation Consultant* below. The charter also provides that the Compensation Committee, where legally permissible, may delegate authority to a subcommittee of the Compensation Committee when the Compensation Committee deems it appropriate or desirable to facilitate the operation or administration of our plans or programs. The Compensation Committee may delegate authority to committees consisting of associates when the Committee deems it appropriate or desirable for the efficient administration of employee compensation and benefit plans.

The Compensation Committee generally reviews the compensation being paid to the members of the Board of Directors on not less than an annual basis. The Compensation Committee works closely with its compensation consultant when evaluating Board and committee fees as well as the value of equity awards, if any, to be awarded to our directors.

All members of the Compensation Committee meet the independence requirements prescribed by the NYSE and are non-employee directors as defined in Rule 16b-3 under the Exchange Act.

Additional information on executive compensation programs, including the respective roles of the Compensation Committee, the Chief Executive Officer and the compensation consultant, is provided in the *Compensation Discussion and Analysis* section of this proxy statement.

### ***Nominating and Corporate Governance Committee***

The NCG Committee is responsible for developing our Corporate Governance Guidelines and for recommending those guidelines and any subsequent amendments to the Board for adoption. The NCG Committee is also responsible for periodically reviewing the composition of the full Board to determine whether additional Board members with different qualifications or areas of expertise are needed and making recommendations to the Board regarding the size, composition and functions of the Board and its committees. The NCG Committee identifies and reviews the qualifications of new director nominees consistent with selection criteria established by the Board and recommends the slate of nominees for inclusion in the proxy statement. The NCG Committee believes the current directors represent a balance between technical accounting, operational, industry and regulatory experience and are positioned

to continue the Company's efforts to create an organizational culture that strikes an appropriate balance among the Company's obligations to its stockholders, members and government customers. The NCG's process for selecting nominees to the Board is described in more detail below under *Director*

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*Nomination Process.* The NCG Committee is also responsible for overseeing the periodic evaluation of the performance of the Board and its committees, for considering questions of independence and possible conflicts of interest of members of the Board and executive officers, and for oversight of our efforts to comply with NYSE corporate governance listing requirements.

All members of the NCG Committee meet the independence requirements prescribed by the NYSE.

### ***Health Care Quality and Access Committee***

Health care quality and access is a critical part of the Company's mission to provide quality, cost-effective health care solutions and to enhance the health and quality of life of the members of our health plans. Health care quality, in particular, is becoming increasingly important to the Company in other ways as our government clients are increasingly using measures of quality to assign members to our plans and to determine the premiums payable to us. The principal purpose of the Health Care Quality and Access Committee is to assist the Board by reviewing and providing general oversight of our strategies relating to health care quality and access for our members. The Health Care Quality and Access Committee also works with the Compensation Committee in connection with setting performance measures for our associates to help ensure the appropriate focus on this important element of the services we provide.

### ***Information Technology Oversight Committee***

The Information Technology Oversight Committee was established by the Board in January 2015. Its focus is to oversee our major information technology, act as a sounding board for senior management with respect to our information technology strategy and assist the Audit and Finance Committee in its oversight of our disaster recovery capabilities. Information technology is a key element in our business and the Board believes this committee will help ensure that our information technology strategy and projects are aligned with our broader strategy.

### ***Regulatory Compliance Committee***

WellCare does business in a highly regulated industry and is subject to additional government oversight as a provider of health plans under government-sponsored health programs. The principal purpose of the Regulatory Compliance Committee is to assist the Board in overseeing our regulatory compliance program, including: (i) compliance with federal and state laws, rules and regulations applicable to our business; and (ii) compliance by our associates, officers and directors with our Code of Conduct and Business Ethics and our related corporate ethics and compliance program and policies. Among other things, the Regulatory Compliance Committee's oversight of our compliance program includes overseeing our performance under the Corporate Integrity Agreement between WellCare and the Office of Inspector General of the U.S. Department of Health & Human Services.

## **Board and Committee Meetings and Annual Meeting Attendance**

During 2014, the Board of Directors held a total of 14 meetings. During 2014, all directors attended at least 84% of the aggregate number of meetings of the Board and all committees on which the director served held during the period in which the director served. Average meeting attendance by all current directors serving during 2014 was 95%. As stated in our Corporate Governance Guidelines, we believe it is important for the members of our Board to attend the annual meeting of stockholders. All directors who were members of the Board at the time of our 2014 Annual Meeting of Stockholders attended the 2014 Annual Meeting and we currently expect that most or all of the director

nominees will be in attendance at the 2015 Annual Meeting.

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### **Board Leadership Structure**

The Board has adopted a policy that the positions of Chief Executive Officer and Chairman of the Board shall be held by different individuals. This policy will continue unless the Board affirmatively determines, based on the facts and circumstances and acting in its business judgment, that it is in the best interest of the Company for the positions to be held by a single individual. As stated in the Company's Corporate Governance Guidelines, the Board believes that this matter is part of succession planning and that it is in the best interest of the Company for the Board to evaluate this policy and make a determination when it elects a Chief Executive Officer.

Since March 2015, Christian P. Michalik, has served as our independent, non-executive Chairman. Previously, Mr. Gallitano served as our Chairman while also serving as our interim Chief Executive Officer from October 2013 to January 2015. The Board's decision to appoint one individual to both positions was necessary at the time based on prevailing facts and circumstances and was intended to be temporary while the Board sought to appoint a permanent Chief Executive Officer. During this time, Mr. Michalik served as our independent Lead Director. As Lead Director, Mr. Michalik presided over executive sessions or meetings of the independent directors and acted as a liaison among the independent directors and with management.

The Board of Directors believes that its current policy and practice of having the positions of Chief Executive Officer and Chairman of the Board held by different individuals provides an effective leadership model for the Company at this time and provides the benefit of the distinct abilities and experience of both individuals.

The Board believes that, under its current structure, our independent directors provide effective oversight of management. The independent directors regularly meet in executive sessions and having an independent Chair further strengthens this oversight.

### **Director Nomination Process**

The NCG Committee considers candidates for Board membership who are suggested by its members and other Board members, as well as by management, stockholders and other interested parties. The NCG Committee may also retain a third-party search firm to identify candidates from time to time, especially when the NCG Committee is seeking a candidate with specific skills or qualifications.

Stockholders can recommend a prospective nominee for the Board by writing to our Secretary at our corporate headquarters and providing the information required by our bylaws, along with whatever additional supporting material the stockholder considers appropriate. See *Stockholder Proposals* below for additional information.

The NCG Committee's assessment of a candidate's qualification for Board membership includes, among other things, the following criteria:

The fit of the candidate's skills, experience and background with those of other directors in maintaining an effective, collegial and responsive Board;

Diversity;

The personal qualities and characteristics, accomplishments and reputation in the community of the candidate;

The knowledge and contacts of the candidate in the communities in which we conduct business and in our business industry or other relevant industries;

The ability, working capacity and willingness of the candidate to devote sufficient time to serve on the Board and committees of the Board, particularly in light of a candidate's principal occupation or other outside professional responsibilities; and

The ability and expertise of the candidate in various activities deemed appropriate by the Board.

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In addition, in accordance with the Company's Corporate Governance Guidelines, the Board will nominate for election as director only a candidate who agrees to tender, promptly following the annual meeting at which he or she is elected as director, two resignations. The first resignation would be effective upon the director's failure to receive the required vote at any future meeting at which he or she faces re-election and Board acceptance of such resignation. The second would be effective in the event the director is excluded from participation in federal health care programs, assessed a civil monetary penalty under the Social Security Act and/or found guilty of or pled no contest to a felony, in any such case provided that the Board accepts the resignation.

The NCG Committee and the Board do not have a formal policy addressing the diversity of the Board. As stated in our Corporate Governance Guidelines, the NCG Committee and the Board consider diversity as one of many factors when selecting a new director. The NCG Committee and the Board believe many kinds of diversity are important, including diversity of background, experience, viewpoint, gender, race and national origin. Accordingly, the NCG Committee and the Board seek to identify candidates for director who possess characteristics, skills, expertise, viewpoints and backgrounds that complement the existing Board and contribute to a robust dialogue on the Board.

The initial determination to seek a Board candidate is usually based on the need for additional Board members to fill vacancies or to expand the size of the Board, although the decision can also be based on the need for certain skill sets or qualifications. The NCG Committee's process for evaluating candidates for director is the same no matter who makes the recommendation.

Once the NCG Committee has determined, in consultation with other Board members if appropriate, that additional consideration of a candidate is warranted, the NCG Committee may, or it may request third parties to, gather additional information about the prospective candidate's background, experience and independence. Following review of this information, if the NCG Committee determines it is appropriate to proceed, the NCG Committee or other members of the Board will generally interview the prospective nominee. The NCG Committee then evaluates the prospective nominee against the standards and qualifications set forth above and such other relevant factors that the NCG Committee or the Board deems appropriate.

Following this evaluation, if the NCG Committee believes that the candidate is qualified for nomination, generally the NCG Committee will make a recommendation to the full Board, and the full Board will make the final determination whether the candidate should be appointed, or nominated for election, to the Board. All of our nominees for election or re-election to the Board at the 2015 Annual Meeting were recommended to the Board by the NCG Committee and approved by the Board for nomination.

## **Board Oversight of Risk Management**

The Board is responsible for oversight of enterprise-wide risk management (or ERM). The Board has delegated administrative governance of the ERM process to the Audit and Finance Committee. However, each Board committee oversees risks associated with its respective principal areas of focus and then reports to the Board. These areas of focus include competitive, economic, operational, financial (including accounting, credit, liquidity and tax), legal, regulatory, compliance, political, strategic and reputational risks.

The oversight responsibility of the Board and its committees is assisted by management reporting processes designed to provide visibility to the Board of the identification, assessment, prioritization and management of critical risks and management's risk mitigation strategies. The Company's process for the evaluation of risk is based on the *Committee of Sponsoring Organizations* (COSO) ERM framework. The primary goals of the ERM program are to enhance risk



awareness and dialogue, reduce operational surprises and losses, anticipate and manage cross-company risks and align strategy, risk and related organization activities. The ERM process is facilitated by the Company's Internal Audit department. An ERM Committee, comprised of senior leaders within the Company, meets at least quarterly to identify, review and assess the Company's primary risks, including

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governance, financial, business operations, technology and data, business management and external environment risks. The ERM process is an active process and is continually enhanced and updated.

The Company's Internal Audit department provides a quarterly ERM report to the Audit and Finance Committee; the Audit and Finance Committee then reports to the Board. Each standing Board committee receives a quarterly update regarding the top risks from the Company's ERM process that align with that committee's oversight responsibilities. Each committee reports to the Board any significant issues relating to the relevant risk areas.

The principal areas of focus for ERM of the Board and each of its committees are summarized below. Each committee may meet in executive session with key management personnel and representatives of outside advisors as the committee members may deem appropriate.

<b>Board or Committee</b>	<b>Primary Areas of Risk Oversight</b>
Full Board	Strategic, financial and execution risks and exposures associated with the annual operating plan and long-term strategic plan; major litigation and regulatory exposures and other current matters that may present material risk to the Company's operations, plans, prospects or reputation; and material acquisitions and divestitures.
Audit and Finance Committee	Risks and exposures associated with financial matters, particularly financial reporting, tax, accounting, disclosure and compliance, internal control over financial reporting, financial policies, investment guidelines and credit and liquidity matters. Oversight of operational risk, including information technology risk.
Compensation Committee	Risks and exposures associated with leadership assessment, management succession planning, and executive and non-executive compensation programs and arrangements, including incentive plans.
Nominating and Corporate Governance Committee	Risks and exposures relating to the Company's programs and policies relating to compliance with SEC governance requirements, NYSE listing requirements and similar legal requirements; corporate governance; and director and senior management succession planning.
Health Care Quality and Access Committee	Risks and exposures associated with quality and access issues relating to health care delivery and related activities.
Information Technology Oversight Committee	Risks and exposures associated with the Company's information technology projects and strategy, including disaster recovery.
Regulatory Compliance Committee	Risks and exposures associated with regulatory requirements and the Company's associated regulatory compliance programs.

**Director Compensation****2014 Director Fees**

The Company compensates its non-employee directors pursuant to the Company's Non-Employee Director Compensation Policy (the Director Compensation Policy). Annual retainers are payable in four equal quarterly installments. Each non-employee member of the Board and its committees who serves during any portion of a quarterly period is paid the full quarterly retainer and applicable fees.

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The table below and the following paragraphs summarize the annual cash payment structure for our non-employee directors and committee members during 2014 as well as changes to the structure made during 2014:

	<b>Director Fees</b>	
	<b>As of January 1, 2014</b>	<b>As of December 31, 2014</b>
Board Retainer (Base)	\$ 90,000	\$ 90,000
Audit and Finance Committee Chair Retainer	\$ 35,000	\$ 35,000
Audit and Finance Committee Non-Chair Member Retainer	\$ 20,000	\$ 20,000
Compensation Committee Chair Retainer	\$ 22,000	\$ 22,000
Compensation Committee Non-Chair Member Retainer	\$ 12,000	\$ 12,000
Retainer for Serving as the Chair of Other Committees <sup>(1)</sup>	\$ 18,000	\$ 18,000
Retainer for Serving as a Non-Chair Member of Other Committees <sup>(1)</sup>	\$ 8,000	\$ 8,000
Chair of the Board Retainer <sup>(2)</sup>	\$ 250,000	\$ 150,000 <sup>(3)</sup>
Lead Director Retainer	\$ 20,000	\$ 30,000 <sup>(4)</sup>

- (1) These retainers are for the NCG Committee, the Regulatory Compliance Committee, the Health Care Quality and Access Committee and, since January 2015, the Information Technology Oversight Committee.
- (2) This additional retainer is paid only to a non-executive Chair.
- (3) The additional annual retainer for the non-executive Chair of the Board is \$250,000 for the year of service following the director's assumption of duties as non-executive Chair. After that year, the additional annual retainer decreases to \$150,000. This change was effective December 12, 2014.
- (4) This change was effective April 1, 2014.

Mr. Burdick, our current Chief Executive Officer, does not receive any additional compensation for his Board service. Likewise, Mr. Gallitano did not receive any additional compensation for his Board service while he served as our Interim Chief Executive Officer. Following the termination of his interim service, Mr. Gallitano received compensation for his Board service, including for his former role as Chairman of the Board.

**Other Components of Director Compensation**

In addition to the fees described above, the Director Compensation Policy provides that, unless otherwise determined by the Compensation Committee and subject to the Compensation Committee's approval, each non-employee director, other than a non-employee director joining the Board at the annual stockholders' meeting, receives an annual grant of restricted stock units pursuant to the terms and provisions of a restricted stock unit agreement and the Company's incentive compensation plan. In 2014 the amount of the annual grant was approximately \$150,000 (based on the closing price on the date of grant). Non-employee directors are provided the choice of receiving either restricted stock units or deferred stock units. Unless otherwise determined by the Compensation Committee, all such annual awards are granted on the date of the Company's annual meeting of stockholders and vest in full on the earlier of the first anniversary of the date of grant or the date of the next annual stockholders' meeting.

Unless otherwise determined by the Compensation Committee and subject to the Compensation Committee's approval, newly elected or appointed non-employee members of the Board receive an initial grant of restricted stock units. New non-employee directors joining the Board at a time other than an annual meeting receive an initial award valued at an amount that is approximately \$150,000 pro-rated for the number of days between the appointment or election date of the director and the anticipated date of the next annual meeting of stockholders. For example, had a non-employee director been appointed to the Board on March 1, 2015, the new director would have received an initial award of restricted stock units valued at approximately \$29,178 (\$150,000 pro-

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rated for 71 days, the days between the appointment and May 11, 2015, the expected date of the 2015 annual meeting of stockholders). A non-employee director joining the Board at an annual meeting receives an initial award valued at approximately \$150,000. Initial equity awards to non-employee directors vest in full on the earlier of the first anniversary of the date of grant or the date of the next annual stockholder meeting.

Under the provisions of the Director Compensation Policy, in 2014 we awarded approximately \$150,000 of restricted stock units, or 1,967 units, to each of the non-employee directors already serving on the Board on the date of our 2014 Annual Meeting of Stockholders.

All of our directors' unvested restricted stock and/or restricted stock unit awards granted prior to May 22, 2013, were issued under our 2004 Equity Incentive Plan. Those awards granted on and after May 22, 2013, were issued under our successor incentive plan, the 2013 Incentive Compensation Plan. For unvested awards granted under the 2004 Equity Incentive Plan, in the event a director's service terminates following a change in control, any unvested awards will immediately vest upon such termination. For unvested awards under the 2013 Incentive Compensation Plan, any unvested awards will immediately vest upon a change in control.

We pay all reasonable expenses incurred by directors for attending Board and committee meetings, for certain director continuing education programs and related expenses, and we maintain directors' and officers' liability insurance. We do not provide a retirement plan or perquisites for our non-employee directors. We have entered into indemnification agreements with each of our directors in addition to the indemnification that is provided for in our certificate of incorporation. These agreements, among other things, provide for the indemnification of expenses specified in the agreements, including attorneys' fees, judgments, fines and settlement amounts, incurred by the directors in any action or proceeding arising out of their service as directors for us, any of our subsidiaries or any other entity to which the directors provide services at our request.

## **Stock Ownership Guidelines**

Under the Director Compensation Policy, each non-employee director is required to own shares of our common stock (the Ownership Requirement) having a value (as described below) equal to the sum of five times the base annual retainer payable to each non-employee director.

For purposes of determining ownership, the following is included in determining whether a non-employee director has satisfied the Ownership Requirement:

Shares of our common stock owned individually, either directly or indirectly, including vested and unvested restricted stock, restricted stock unit awards, deferred stock unit awards or shares acquired upon exercise of stock options; and

Shares of our common stock owned jointly or separately by a spouse, domestic partner and/or minor children, directly or indirectly.

No other rights to acquire shares of our common stock (including stock options or similar rights) are considered shares of our common stock owned for purposes of meeting the Ownership Requirement under the Director Compensation Policy.

The value of a share of the Company's common stock is calculated as of April 1<sup>st</sup> of each calendar year (a Determination Date) based on the average closing price of our common stock during the most recently completed fiscal quarter at the time of the calculation. Any subsequent change in the value of the shares of our common stock during that year does not affect the amount of stock a non-employee director should hold during that year pursuant to the Ownership Requirement. If the value of the shares of our common stock decreases during a particular year, each non-employee director has until the next Determination Date to acquire any additional shares needed to meet the Ownership Requirement.

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In addition, in the event the annual retainer increases, each non-employee director has five years from the time of the increase to acquire any additional shares needed to satisfy the Ownership Requirement.

A non-employee director has until the first Determination Date following the fifth anniversary of such non-employee director's election or appointment to the Board or upon otherwise becoming a non-employee director of the Board to satisfy the Ownership Requirement.

As of April 1, 2014, the most recent Determination Date under the stock ownership guidelines for non-employee directors, all non-employee directors, other than Mr. Breon and Mr. Campos (both of whom were appointed to the Board in 2013), have satisfied their Ownership Requirement. The next Determination Date will be April 1, 2015.

**Director Compensation Table**

*The following table sets forth the compensation paid to each individual who served as a non-employee member of our Board of Directors in 2014. From October 2013 until January 2015, Mr. Gallitano served as our Interim Chief Executive Officer and did not receive any additional compensation related to his service on the Board of Directors during that time. His compensation is included in the Executive Compensation Table and related tables.*

<b>Name</b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Stock Unit Awards<sup>(1)</sup> (\$)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
Richard C. Breon	106,000	149,964 <sup>(2)</sup>		255,964
Carol J. Burt	140,000	149,964 <sup>(2)</sup>		289,964
Roel C. Campos	106,000	149,964 <sup>(2)</sup>	662 <sup>(3)</sup>	256,626
D. Robert Graham	106,000	149,964 <sup>(2)</sup>		255,964
Kevin F. Hickey	110,000	149,964 <sup>(2)</sup>	866 <sup>(4)</sup>	260,830
Christian P. Michalik	153,000	149,964 <sup>(2)</sup>		302,964
Glenn D. Steele, Jr., M.D.	130,000	149,964 <sup>(2)</sup>		279,964
William L. Trubeck	128,000	149,964 <sup>(2)</sup>		277,964
Paul E. Weaver	137,000	149,964 <sup>(2)</sup>	1,333 <sup>(5)</sup>	288,297

(1) The amounts included in the Stock Unit Awards column represent the full grant date fair value of restricted stock units granted to non-employee directors in 2014 calculated in accordance with FASB ASC Topic 718. These amounts reflect the accounting expense that we will recognize over the vesting term of these awards and do not correspond to the actual value that will be realized by the directors. For a discussion of valuation assumptions and methodologies, see Notes 2 and 15 to our 2014 consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2014.

(2) On the date of the annual meeting of stockholders held on May 28, 2014, each incumbent non-employee director who was re-elected was granted an annual equity award of 1,967 restricted stock units or deferred stock units with a value of approximately \$150,000 based on the closing price on the date of grant. This annual equity award was granted under the 2013 Incentive Compensation Plan and will vest in full on May 11, 2015; provided that any unvested restricted stock units will immediately vest upon a change in control.



- (3) Represents \$446 in spousal travel expenses, and the tax gross-up of that amount of \$216.
- (4) Represents \$583 in spousal travel expenses, and the tax gross-up of that amount of \$283.
- (5) Represents \$898 in spousal travel expenses, and the tax gross-up of that amount of \$435.

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The following table sets forth certain information regarding unvested stock awards for each individual who served as a non-employee member of our Board of Directors in 2014. From October 2013 until January 2015, Mr. Gallitano served as our Interim Chief Executive Officer and did not receive any additional compensation related to his service on the Board of Directors during that time. His compensation is included in the Executive Compensation Table and related tables. The information below is as of December 31, 2014.

Name	Stock Awards	
	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested <sup>(1)</sup> (\$)
Richard C. Breon	1,482 <sup>(2)</sup>	121,613
	1,967 <sup>(3)</sup>	161,412
Carol J. Burt	1,967 <sup>(3)</sup>	161,412
Roel C. Campos	2,154 <sup>(4)</sup>	176,757
	1,967 <sup>(3)</sup>	161,412
D. Robert Graham	1,967 <sup>(3)</sup>	161,412
Kevin F. Hickey	1,967 <sup>(3)</sup>	161,412
Christian P. Michalik	1,967 <sup>(3)</sup>	161,412
Glenn D. Steele, Jr., M.D.	1,967 <sup>(3)</sup>	161,412
William L. Trubeck	1,967 <sup>(3)</sup>	161,412
Paul E. Weaver	1,967 <sup>(3)</sup>	161,412

(1) Value based on \$82.06 per share, which was the closing price of our common stock on the NYSE on December 31, 2014.

(2) Upon his appointment to the Board on September 12, 2013, Mr. Breon was granted an initial award of 2,222 restricted stock units with a value of approximately \$150,000 based on the closing price of our stock on the date of grant. This initial equity award was granted under our 2013 Incentive Compensation Plan and vests in approximately equal installments on each of the first through third anniversaries of the grant date; provided that any unvested restricted shares will immediately vest upon a change in control.

(3) These stock units (either restricted stock units or deferred stock units) vest in full on the earlier of May 28, 2015 or the date of our 2015 Annual Meeting of Stockholders; provided that any unvested restricted stock units will immediately vest upon a change in control.

(4)

Of these shares, 1,077 vested on January 8, 2015. Upon his appointment to the Board on January 8, 2013, Mr. Campos was granted an initial award of 3,231 restricted stock units with a value of approximately \$150,000 based on the closing price of our stock on the date of grant. This initial equity award was granted under our 2004 Equity Incentive Plan and vests in approximately equal installments on each of the first through third anniversaries of the grant date; provided that any unvested restricted shares will immediately vest if the director's service terminates following a change in control.

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The following table sets forth the number of shares of restricted stock and/or restricted stock units that vested and the value realized upon vesting of such shares, or the number of stock options exercised and the value realized upon exercise of the stock options, for each individual who served as a non-employee director in 2014. From October 2013 until January 2015, Mr. Gallitano served as our Interim Chief Executive Officer and did not receive any additional compensation related to his service on the Board of Directors during that time. His compensation is therefore included in the Executive Compensation Table and related tables.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise <sup>(1)</sup> (\$)	Number of Shares Acquired on Vesting <sup>(2)</sup> (#)	Value Realized on Vesting <sup>(3)</sup> (\$)
Richard C. Breon			740	47,612
Carol J. Burt			2,707 <sup>(4)</sup>	198,721 <sup>(4)</sup>
Roel C. Campos			3,784	275,716
D. Robert Graham			2,707	198,721
Kevin F. Hickey	5,000	234,850	2,707 <sup>(4)</sup>	198,721 <sup>(4)</sup>
Christian P. Michalik	5,000	207,050	2,707	198,721
Glenn D. Steele, Jr., M.D.			2,707	198,721
William L. Trubeck			2,707	198,721
Paul E. Weaver			2,707 <sup>(4)</sup>	198,721 <sup>(4)</sup>

(1) Represents the value realized upon the exercise of stock options calculated by multiplying the number of shares purchased upon exercise of the stock option by the difference between the market price of our common stock at the time of exercise and the exercise price of the stock option.

(2) Represents the gross number of shares acquired upon vesting of shares of restricted stock and/or restricted stock units without taking into account any shares that may have been withheld to satisfy applicable tax obligations.

(3) Represents the value of vested shares of restricted stock and/or restricted stock units calculated by multiplying the gross number of vested shares of restricted stock and/or restricted stock units by the closing price of our common stock on the NYSE on the vesting date.

(4) Of this amount, Ms. Burt and Messrs. Hickey and Weaver each elected to defer delivery of 2,707 shares, representing the full amount of the value realized by each on vesting.

**Compensation Committee Interlocks and Insider Participation**

During 2014, Ms. Burt and Messrs. Hickey, Steele and Weaver served as members of the Compensation Committee, with Ms. Burt serving as chairperson. None of these directors served as an officer or employee of the Company or any

of its subsidiaries before or at the time he or she served on the Compensation Committee or had any relationship during 2014 that would require disclosure under Item 404 of SEC Regulation S-K. During 2014, none of our executive officers served on the compensation committee (or its equivalent) or board of directors of another entity, one of whose executive officers served on our Board or Compensation Committee.

### **Communication with Directors**

The Board has adopted procedures relating to communications sent to directors to ensure that such communications are properly managed. Stockholders and other interested parties may contact our Chairman,

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non-management members of our Board as a group, the full Board or any individual member of the Board, by writing to the following address:

[Name of Requested Recipient]

WellCare Health Plans, Inc.

8735 Henderson Road

Tampa, Florida 33634

Attn: Corporate Secretary

The communication should clearly identify the issue being raised, the name of the party initiating the communication and contact information for potential follow-up by the recipient.

In addition, our Board and Audit and Finance Committee have established separate procedures for the receipt, retention and treatment of communications related to accounting, internal accounting controls or auditing matters. Both the Board and the Audit and Finance Committee communication procedures are available on our website at [www.wellcare.com](http://www.wellcare.com). As described in more detail in the procedures as posted on our website, we generally will not forward to the directors certain types of materials, such as communications that are primarily commercial in nature, relate to an improper or irrelevant topic or request general information regarding WellCare.

## **Code of Conduct and Business Ethics**

Our Board has adopted a Code of Conduct and Business Ethics (the Code of Conduct ) designed to support the Company's commitment to the highest standards of business ethics and legal compliance. The Code of Conduct applies to members of our Board, our officers and all of our associates. It addresses matters such as conflicts of interest, compliance with laws and regulations, responding to government audits and investigations, political activities, keeping accurate books and records, company opportunities and safeguarding company assets. It also includes our non-retaliation policy and provides associates with guidance on how to report suspected violations of the law or of the Code of Conduct. Reports may be made anonymously.

In support of the principles contained in our Code of Conduct and to further reinforce a culture of compliance, the Company maintains an associate training program to educate associates about the Code of Conduct, our policies and procedures, our non-retaliation policy and similar issues related to compliance.

Our Code of Conduct is available on our website at [www.wellcare.com](http://www.wellcare.com). We intend to disclose future amendments to, or waivers from, the provisions of the Code of Conduct, if any, made with respect to any of our directors and executive officers on our website.

## **Audit and Finance Committee Report**

The role of the Audit and Finance Committee is to assist the Board of Directors in the oversight of (i) the integrity of our financial statements; (ii) our compliance with legal, financial and regulatory requirements; (iii) the qualification and independence of our independent registered public accounting firm; (iv) the performance of our internal audit function and independent registered public accounting firm; and (v) our financial matters. The Audit and Finance Committee operates pursuant to a charter that is available on our website at [www.wellcare.com](http://www.wellcare.com) and which sets forth the specific duties and responsibilities of the Audit and Finance Committee. As set forth in the charter, the planning and conducting of the audit is the responsibility of the independent registered public accounting firm and the financial statements are the responsibility of our management. The Audit and Finance Committee has the authority and responsibility for the retention and termination of our independent registered public accounting firm.

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In performance of its oversight function, the Audit and Finance Committee has reviewed and discussed the audited financial statements included in our annual report on Form 10-K for the year ended December 31, 2014 with management and Deloitte & Touche LLP, our independent registered public accounting firm. The Audit and Finance Committee has discussed with Deloitte & Touche LLP the matters required to be discussed by Statement on Auditing Standards No. 61, as amended and replaced by Statement on Auditing Standards No. 114 (AICPA, *Professional Standards*, Vol 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Audit and Finance Committee has also received the written disclosures and the letter from Deloitte & Touche LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit and Finance Committee concerning independence, and has discussed with Deloitte & Touche LLP their independence.

The members of the Audit and Finance Committee are advised by the independent registered public accounting firm, an expert in the fields of accounting and auditing, including in respect of auditor independence. Members of the Audit and Finance Committee rely without independent verification on the information provided to them and on the representations made by management and the independent registered public accounting firm. Accordingly, management is solely responsible for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations.

Based upon the review and discussions described in this report, the Audit and Finance Committee recommended to the Board that the audited financial statements be included in our annual report on Form 10-K for the year ended December 31, 2014, as filed with the SEC. In addition, the Audit and Finance Committee has appointed Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015.

### **The Audit and Finance Committee**

Paul E. Weaver, Chairperson

Carol J. Burt

Christian P. Michalik

William L. Trubeck

### **Related Person Transactions**

We have a written policy for reviewing transactions between us and our executive officers, directors and certain of their immediate family members and other related persons, including those required to be reported under Item 404 of Regulation S-K. Under this policy, the NCG Committee must approve any transaction in which we participate that involves more than \$120,000 and in which a related person has a direct or indirect interest. However, related person transactions that involve executive compensation or compensation for the members of our Board must be approved by the Compensation Committee. Pursuant to our policy, we enter into a transaction with such related persons only if the transaction is on terms deemed comparable to those that could be obtained in arm's length dealings with an unrelated third party and is otherwise fair to us.





**Table of Contents****Executive Officers**

*The names and ages of the Company's executive officers, and their positions, terms of office and business experience are listed below. All information is as of March 20, 2015. Officers serve at the discretion of the Board of Directors.*

<b>Name</b>	<b>Age</b>	<b>Title</b>	<b>Employed Since</b>
Kenneth A. Burdick	56	Chief Executive Officer	2014
Andrew L. Asher	46	Senior Vice President and Chief Financial Officer	2014
Lawrence D. Anderson	54	Senior Vice President and Chief Human Resources Officer	2010
Steven E. Goldberg, M.D.	53	Senior Vice President and Chief Medical Officer	2013
Michael R. Polen	35	Senior Vice President, Operations	2005
Blair W. Todt	47	Senior Vice President, Chief Legal and Administrative Officer and Secretary	2010
Michael C. Yount	39	Senior Vice President and Chief Compliance Officer	2011

**Kenneth A. Burdick** has served as our Chief Executive Officer since January 2015. Prior to that, since June 2014, Mr. Burdick served as our President and Chief Operating Officer. From January 2014 to June 2014, he served as our President, National Health Plans. Mr. Burdick previously served as the President and Chief Executive Officer of Blue Cross and Blue Shield of Minnesota, a non-profit health plan, from February 2012 to July 2012. From August 2010 to February 2012, Mr. Burdick served as Chief Executive Officer of the Medicaid and Behavioral Health (MHNet) businesses of Coventry Health Care, Inc., a health care services company. Prior to that, from October 1995 to May 2009, Mr. Burdick was with UnitedHealth Group, Inc., a diversified health and well-being company, serving in the following positions: from May 2008 to May 2009, he was the Chief Executive Officer of Secure Horizons, a Medicare business; from November 2006 to May 2008, he was the Chief Executive Officer of UnitedHealth's Commercial Business; from April 2004 to November 2006, he was Chief Executive Officer of UnitedHealth's Southwest Region and President of UnitedHealth Public Sector; from January 2000 to April 2004 he was the Chief Executive Officer of UnitedHealthcare of Arizona, Inc. Prior to that, he was the head of the national underwriting organization for all lines of business and the general manager of the central Texas operation. He received his Bachelor's Degree from Amherst College and his J.D. from University of Connecticut School of Law.

**Andrew L. Asher** has served as Senior Vice President and Chief Financial Officer since November 2014. He joined WellCare in August 2014 as Senior Vice President. He leads the Company's financial activities, including financial and performance management, capital strategy and planning, accounting, actuarial, medical economics, investment management, corporate development and investor relations. Prior to joining WellCare, Mr. Asher was the Chief Financial Officer of Aetna's Local and Regional Businesses, a position he held since May 2013 when his former employer, Coventry Health Care, was acquired by Aetna. Mr. Asher was with Coventry for 15 years, most recently as Senior Vice President, Corporate Finance. During his tenure with Coventry, he had responsibility for financial planning and analysis, investor relations, mergers and

acquisitions, capital markets,

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treasury, real estate and procurement. He started his career with Deloitte & Touche LLP where he spent five years as an auditor and accountant serving clients including managed care. Mr. Asher holds a Bachelor's Degree in accounting from the University of Florida and a Master of Science in Taxation Degree from the University of Central Florida.

**Lawrence D. Anderson** joined us in October 2010 and serves as our Senior Vice President and Chief Human Resources Officer. Before joining WellCare, Mr. Anderson was the Senior Vice President of Human Resources for ValueOptions, a managed care company that specializes in management of behavioral health services, from October 2006 to October 2010. Prior to this, he served as Vice President of Human Resources at WellPoint, Inc. from November 1997 to May 2006. Mr. Anderson earned his Bachelor of Business Administration and Master of Industrial Relations Degrees from the University of Minnesota.

**Steven E. Goldberg, M.D.**, has served as Senior Vice President and Chief Medical Officer since July 2013. He is responsible for coordinating WellCare's clinical functions, driving enterprise-wide quality and accreditation results, and enhancing the company's cultural competency initiatives. In addition, he represents WellCare's public position on health care and medical issues with regulators, government customers, providers and trade groups. Prior to joining WellCare, Dr. Goldberg served as Senior Medical Director for Coventry Healthcare of Kentucky from May 2012 to June 2013. Prior to that he was Vice President and Chief of Medical Affairs for Express Scripts, Inc., from July 2010 to May 2012 and Corporate Medical Director, Clinical Policy & Quality for Humana, Inc., from October 2005 to July 2010. Additionally, he has held clinical leadership roles with Excellus Blue Cross Blue Shield, Aetna, Inc. and Kaiser Permanente. Dr. Goldberg earned a Bachelor's Degree from Georgetown University, a Doctor of Medicine Degree from Jefferson Medical College and a Master of Business Administration from Binghamton University. He completed his residency in family practice at Wilson Regional Medical Center in Johnson City, New York. He is a diplomate of the American Academy of Family Physicians and a diplomate of the American Board of Family Medicine. He has active medical licenses in Indiana, Kentucky and Missouri.

**Michael R. Polen** has served as Senior Vice President, Operations, since September 2013. He is responsible for member and provider operations, customer service, acquisition integration, information technology and related activities. Mr. Polen joined WellCare in May 2005. Before assuming his current position, he served as Vice President of Corporate Initiatives and Strategy. He also held positions as Senior Director of Health Plan Finance, Director of Health Plan Operations and Director of Health Business Planning and Analytics. Prior to joining WellCare, Mr. Polen held roles with JP Morgan Chase as Assistant Vice President of Treasury and Security Services and as Assistant Treasurer of Balance and Liquidity Management. Mr. Polen earned a Bachelor's Degree in Decision and Information Science from the University of Florida and a Master of Business Administration from the University of South Florida.

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**Blair W. Todt** has served as our Senior Vice President, Chief Legal and Administrative Officer and Secretary since December 2014. From November 2013 until December 2014, he served as our Senior Vice President, Chief Strategy and Development Officer. From April 2010 until November 2013, he served as our Senior Vice President and Chief Compliance Officer. Prior to joining WellCare, Mr. Todt was Senior Vice President, General Counsel and Secretary for health care provider MedCath Corporation from February 2007 to March 2010. From May 2005 to February 2007, Mr. Todt served as Deputy General Counsel, Compliance and Litigation at BearingPoint, Inc. (formerly KPMG Consulting Inc.). Mr. Todt received his Bachelor's Degree from The George Washington University and his Juris Doctorate from Brooklyn Law School.

**Michael C. Yount** has served as Senior Vice President and Chief Compliance Officer since April 2014. From April 2011 until April 2014, he served as our Vice President, Regulatory Compliance Counsel and Chief Privacy Officer. Prior to joining WellCare, he spent nine years with Rite Aid Corporation, first as Government Affairs Attorney from June 2002 to May 2006, then as Director, Government Affairs from May 2006 to December 2006, and ultimately as Vice President, Regulatory Law & Compliance Monitoring and Privacy Officer from January 2007 to May 2011. Prior to joining Rite Aid, he was an attorney with the Illinois Department of Professional Regulation. Mr. Yount holds a Bachelor's Degree in pharmacy and a J.D., both from Ohio Northern University. He is admitted to the bars in Illinois and New Jersey and is a registered pharmacist in Illinois, Ohio and Pennsylvania.

*Executive Compensation*

**Compensation Discussion and Analysis**

**Overview**

We are a leading managed care company for government-sponsored health care coverage with a focus on Medicaid and Medicare programs. Under the leadership of our new management team, we are creating a culture of accountability with a focus on disciplined execution.

This section of the proxy statement explains our executive compensation program as it relates to the following named executive officers whose compensation information is presented in the tables following this discussion:

**David J. Gallitano**, Former Chairman of the Board and Former Interim Chief Executive Officer;  
**Andrew L. Asher**, Senior Vice President and Chief Financial Officer;  
**Thomas L. Tran**, Former Senior Vice President and Chief Financial Officer;  
**Kenneth A. Burdick**, President and Chief Operating Officer (*Mr. Burdick was promoted to Chief Executive Officer effective January 2015*);  
**Steven E. Goldberg, M.D.**, Senior Vice President and Chief Medical Officer; and

**Blair W. Todt**, Senior Vice President, Chief Legal and Administrative Officer and Secretary.

A substantial percentage of the compensation we pay our named executive officers consists of performance-based compensation. Our Compensation Committee grants performance-based incentive awards under a pay-for-performance compensation program with pre-established short-term and long-term incentive goals designed to align individuals' rewards with Company performance, including tangible financial results and the achievement of health care quality goals. The Compensation Committee also uses benchmarking in connection with assessing and reviewing compensation for our executive officers to help ensure the Company remains competitive relative to its peers with respect to attracting and retaining qualified executives.

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***2014 Short-Term Incentive Goals***

For the financial goal, the Compensation Committee determined to use adjusted reported earnings per share. For the quality goal, the Compensation Committee determined to use a holistic assessment of the Company's quality performance (both forward and backward looking).

Due to our financial performance, the Compensation Committee determined not to make any payments to our executive officers under the short-term incentive program. Our adjusted reported earnings per share was \$2.06 compared to a threshold of \$3.65 required for a minimum payout.

***2012-2014 Long-Term Incentive Goals***

Compared to the five companies used to measure relative performance of financial goals under the 2012-2014 long-term incentive program, our ROE was approximately 52% below median and our operating margin was approximately 19% below median. We did not have any plans with a Medicare Star Rating of our goal of four stars. We did however exceed our quality targets in most of our largest Medicaid markets.

Based on these results, the Compensation Committee attributed slightly above target performance payout for the Medicaid quality goal and no payout related to the other goals, and determined that the achievement of goals for the performance stock unit ( PSU ) awards for the three-year performance period ended December 31, 2014 was 26% of target.

**Philosophy and Objectives of Our Compensation Program**

WellCare's compensation program is designed to maintain a strong link between pay and the achievement of enterprise-wide goals. The primary objectives of our executive compensation program are to:

Motivate, retain and attract highly qualified executive officers.

Align the economic interests of our executive officers with those of our stockholders.

Reward performance that emphasizes collaboration among executive officers, but also recognizes individual performance.

Reward performance that supports the Company's values and mission to enhance our members' health and quality of life, and partner with providers and governments to provide cost-effective health care solutions

Foster an environment that reflects leadership, initiative, execution and accountability and leverages the passion and focus of our associates.

### **Compensation Program Principles**

Our Compensation Committee uses the following principles to implement our compensation philosophy and achieve our executive compensation program objectives:

*Pay-for-performance.* A substantial portion of the total compensation of our executive officers is earned based on achievement of enterprise-wide goals that affect stockholder value.

*Enhance the long-term value of the business.* Our incentive compensation design and the performance measures we select encourage executive officers to focus on enhancing the longer-term value of the Company and avoid excessive risk-taking.

*Reward long-term growth and focus management on sustained success and stockholder value creation.* Compensation of our executive officers is generally heavily weighted toward equity and long-term performance awards. These awards encourage sustained performance and positive stockholder returns.

*Standard benefits and very limited perquisites.* We provide standard employee benefits and very limited perquisites to our executive officers. We generally do not have any executive-only benefits or perquisites, which we believe is appropriate in our culture and does not impact our ability to attract and retain top executive talent.



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We endeavor to maintain strong governance standards in the oversight of our executive compensation programs, including the following policies and practices that were in effect during 2014:

We generally tie pay to performance. We grant performance-based incentive awards under a pay-for-performance compensation program with pre-established short-term and long-term incentive goals designed to align individuals' rewards with Company performance, including tangible financial results and the achievement of health care quality goals. The Compensation Committee is also aware of both the direct and indirect impact a serious health care compliance issue can have on our Company, and has included compliance with ethical, regulatory and contractual requirements as a threshold to any payout under the short-term and long-term incentive programs. The Compensation Committee believes that financial goals are very important, but also believes that focusing on only financial measures can result in quality and compliance issues that negatively impact subsequent year financial performance. Accordingly, non-financial components are weighted equally with the financial components. Additionally, the mix of financial and non-financial metrics is designed so that metrics in our short-term and long-term programs balance near-term operational performance with longer-term strategic goals. The Compensation Committee believes this balance helps reinforce a culture emphasizing the importance of quality of service and regulatory compliance, which are both critical to the Company's long-term success.

We use a balanced mix of long-term incentive awards for our executive officers. Long-term performance-based awards use multiple performance objectives that are designed to drive long-term value creation and are based on three-year performance cycles with cliff vesting in the third year.

We benchmark executive compensation against the compensation practices of a selected group of companies that we consider to be our peers and market pay data from published surveys of a broader group of companies, and use the median of market data (as defined under Competitive Positioning below) as a reference point when making decisions regarding target compensation levels for our executive officers.

We use sign-on equity awards only to replace awards forfeited from a prior employer. Our practice is for new executives to participate in the cycle of incentive awards related to the year in which they are hired.

We require that our executive officers hold a substantial amount of Company stock.

We include misconduct-based recoupment or clawback provisions in all incentive awards issued to our executive officers.

The severance plan for our executive officers has terms that are consistent with market practices. The executive severance plan includes double-trigger change-in-control severance provisions, misconduct-based clawback provisions and does not provide for any change-in-control excise tax gross-up payments. Change in control cash payouts under the executive severance plan for the Chief Executive Officer position is 2.5x base salary and bonus, and range from 1.5x to 2.0x base salary and bonus for our other executive officer positions.

We have a formal annual review process for the Chief Executive Officer's performance, co-led by the Chairpersons of the Compensation Committee and the NCG Committee. This process was not conducted for Mr. Gallitano, due to the temporary nature of his appointment, but we expect it will be conducted for Mr. Burdick.

The Compensation Committee's independent compensation consultant, Cook & Co., is retained directly by the Compensation Committee and performs no other consulting or other services for the Company.

The Compensation Committee performs a compensation risk assessment with the assistance of its independent compensation consultant to identify and mitigate undue compensation-related risks.

We conduct annual advisory shareholder votes to approve the Company's executive compensation.

We **do not** provide for any change-in-control excise tax gross-up payments.

We **do not** provide for any home-loss buyouts.

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We **do not** have an executive retirement plan that provides extra benefits to our executive officers.

We **do not** provide pension obligations (supplemental or otherwise) for any of our named executive officers.

We **do not** provide any perquisites to former and/or retired executives, such as lifetime benefits, car allowances, personal use of corporate aircraft, or similar arrangements.

Our 2013 Incentive Compensation Plan **prohibits** an equity exchange or re-pricing program without first obtaining stockholder approval for such a program.

We **do not** permit our executive officers to use Company stock in hedging activities, such as cashless collars, forward sales, equity swaps, or other similar arrangements, or to pledge Company stock as security for loans.

**Elements of Our Executive Compensation Program**

Our Compensation Committee believes that the following elements of our executive compensation program further our compensation program principles.

Element	Objectives	Type
Base Salary	Provides competitive level of fixed compensation. Rewards core competence relative to level of responsibility, experience and contribution.	Annual compensation, not variable
Short-Term Incentives	Provides variable compensation opportunity for short-term performance. Rewards on the basis of tangible financial results and the achievement of health care quality goals that are the basis for longer-term strategic goals.	Annual performance compensation; variable
Long-Term Incentives	Provides variable compensation opportunity for long-term performance. Rewards on the basis of sustained long-term achievement of tangible financial results, health care quality and changes in stock price. Aligns executive compensation with creation of stockholder value.	Long-term performance compensation, variable
Employee Benefits	Includes medical, dental, disability, retirement, relocation and severance plans. Provides competitive and cost-effective benefits that promote a healthy workforce.	Annual indirect compensation, not variable

**Determination of Total Compensation****Role of the Compensation Committee**

The Compensation Committee oversees the Company's policies and philosophy related to the compensation for executive officers. The Compensation Committee approves the compensation for the named executive officers based

on its own evaluation, input from our Chief Executive Officer (for all executive officers except for himself), internal pay equity considerations, the tenure and performance of each named executive officer, input from its independent consultant and market data.

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On behalf of the Board, the Chairs of the Compensation Committee and NCG Committee typically co-lead an annual performance review of our Chief Executive Officer. The review would typically include personal interviews with members of the Board, management, and a review of the Chief Executive Officer's self-assessment. The results of this performance evaluation would provide a qualitative assessment of the Chief Executive Officer's performance during the year. A performance review of Mr. Gallitano was not conducted due to the temporary nature of his appointment as our Interim Chief Executive Officer. The Chief Executive Officer assists the Compensation Committee by evaluating the performance of the executive officers that report directly to him and recommending compensation levels for these executive officers. The Chief Executive Officer does not, however, make recommendations regarding his own compensation.

In addition, in making compensation decisions, the Compensation Committee considers the results of the Company's annual stockholder advisory votes approving the Company's executive compensation. More than 97% of the votes cast were in favor of the Company's executive compensation at each of our annual meetings since 2012. The Compensation Committee believes these stockholder votes indicate strong support for the Company's executive compensation program.

### ***The Compensation Committee's Use of an Independent Compensation Consultant***

The Compensation Committee retains a separate independent compensation consultant, Cook & Co., to advise the Compensation Committee on executive and director compensation matters, assess total compensation program levels and program elements for executive officers and evaluate competitive compensation trends. Cook & Co. reports directly to the Compensation Committee. The types of services performed by Cook & Co. during 2014 included reviewing the Company's peer groups, advising on the design of short-term and long-term incentive programs, providing data regarding prevalent compensation practices and levels of pay for directors and executives, commenting on compensation-related disclosure, conducting a compensation risk assessment and providing data regarding compensation practices and levels of pay for a director assuming the role of Chief Executive Officer on an interim basis. A representative of Cook & Co. generally attends meetings of the Compensation Committee, is available to participate in executive sessions when invited, and communicates directly with the Compensation Committee's Chairperson and its other members outside of meetings.

Cook & Co. does not provide any other services to the Company and does not perform any work for management. The Compensation Committee has assessed the independence of Cook & Co., specifically considering, in accordance with SEC and NYSE rules, whether Cook & Co. had any relationships with the Company, our officers or our Board members that would impair its independence. Based on this evaluation, the Compensation Committee concluded that Cook & Co.'s work for the Compensation Committee did not raise any conflict of interest.

### ***Competitive Positioning***

For benchmarking purposes in assessing and reviewing compensation levels for our executive officers, including our named executive officers, the Compensation Committee utilized data collected from the publicly disclosed proxy materials of a selected group of companies (the Peer Group) and market pay data from published surveys of a broader group of companies (the Survey Group). The Compensation Committee's goal is to achieve target total compensation for the named executive officers that generally targets the median of the Peer Group and Survey Group. The Compensation Committee believes this approach is appropriate due to the Company's size, complexity and the design of the compensation program, which calibrates realized compensation to the Company's internal and relative performance over a multi-year period. The following is a brief summary of the processes followed by the Compensation Committee to select competitive compensation benchmark data and how the Compensation Committee uses that data.



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The Compensation Committee requests Cook & Co. to conduct an annual review of the Peer Group data. The annual review is intended to ensure that competitive compensation data considered by the Compensation Committee is: an accurate reflection of the external labor market for senior talent; sourced from companies whose scope of operations were generally consistent with the Company's size and complexity; and based on a sufficient number of companies to stand up over time to changes in the external market. The Peer Group used for setting 2014 compensation levels for our executive officers consisted of the following companies:

Catamaran Corporation	Humana Inc.
Centene Corporation	Magellan Health Services, Inc.
CNO Financial Group, Inc.	Molina Healthcare, Inc.
Health Net, Inc.	Universal American Corp.

The companies included in the Peer Group were selected by the Compensation Committee with the assistance of Cook & Co. because they are considered to be similarly sized managed health care and related companies, they are representative of the pool of companies in which we compete for talent and the resulting group, as a whole, represents a reasonable match to us in terms of business content. The Peer Group includes eight of the ten companies that were used for the Peer Group in the prior year. Amerigroup Corporation and Coventry Health Care, Inc. were removed from the Peer Group because they were acquired and no longer report compensation information. Although the Compensation Committee recognizes that Humana Inc. has revenues greater than our target revenue range for peer group companies, the Compensation Committee decided to continue to include Humana Inc. as a member of the Peer Group because it is similar to us in terms of product portfolio and operating margin and we compete with it for contracts with government-sponsored programs. Revenues of the companies included in the Peer Group (based on each company's most recently disclosed trailing four quarters at the time the Compensation Committee selected the Peer Group) ranged from approximately \$2.2 billion to \$40.0 billion, with a median of \$8.3 billion. This compared to our revenue of approximately \$8.4 billion for the comparable period.

In addition to Peer Group data, the Compensation Committee uses Survey Group data provided by Cook & Co. from:

the Towers Watson 2014 CDB General Industry Executive Compensation Survey,

the Aon Hewitt 2014 Executive Compensation Survey, and

the 2014 Mercer IHN Health Plan Executives Survey.

The data from these surveys was scaled to our size by Cook & Co. based on revenues or corresponding revenue ranges as provided by the various surveys. While the Compensation Committee reviewed and considered the data provided by these surveys, it did not consider or review the compensation paid to executives at the component companies included within such surveys.

In setting compensation levels, the Compensation Committee compares base salaries, short-term incentive opportunities and long-term incentive opportunities for our executive officers to the Peer Group data and Survey

Group data, which are collectively referred to as market data. The Compensation Committee recognizes that there are inherent limitations on the comparability and usefulness of the market data, including time lags, differences in scope of responsibilities, geographic differences and other factors. While the Compensation Committee believes such comparative information is useful, such data is intended solely to serve as a reference point to assist the Compensation Committee in its discussions and deliberations. Except for our interim Chief Executive Officer, each executive officer's compensation was determined after considering the market data of comparable positions, the executive's qualifications and experience, the executive's scope of responsibility within the Company, internal equity (in this context, meaning striving to ensure that our executives with similar levels of responsibility, experience and historical performance are rewarded comparably) and the individual's historical performance. The compensation of our named executive officers is benchmarked against Peer Group data based on comparable roles and compensation rank and Survey Group data for comparable roles only.



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**2014 Compensation Decisions**

***2014 Target Compensation***

**David G. Gallitano**

Mr. Gallitano served as our Interim Chief Executive Officer during 2014 while we conducted a search for a successor Chief Executive Officer. Due to the temporary nature of his appointment, Mr. Gallitano did not participate in the Company's executive severance plan, short-term or long-term incentive programs, health benefits programs or the 401(k) plan. Mr. Gallitano's base salary during 2014 was \$2,000,000 and he received a housing allowance of \$25,000 per month. In connection with a six-month review of Mr. Gallitano's compensation, the Compensation Committee reconfirmed that the base salary and housing allowance being paid to Mr. Gallitano as Interim Chief Executive Officer was fair and appropriate but determined that two restricted stock unit (RSU) awards were appropriate in consideration of increased work load and increased expectations of the Board than what were originally contemplated when he was initially appointed Interim Chief Executive Officer. One of the RSU awards had a grant date fair value of \$1,000,000 and was scheduled to vest on the earlier of the date a permanent Chief Executive Officer commenced employment or May 1, 2015. The other RSU award had a grant date fair value of \$2,000,000 and was scheduled to vest on the date a permanent Chief Executive Officer commenced employment. In connection with a subsequent six-month review in October 2014, the Compensation Committee determined that no additional adjustments to Mr. Gallitano's compensation were necessary at that time.

**Thomas L. Tran**

In February 2014, we announced that Mr. Tran would be leaving the Company, but would continue to serve as our Senior Vice President and Chief Financial Officer while we conduct a search for a successor Chief Financial Officer. We agreed with Mr. Tran that he would continue to receive his base salary of \$500,000 through November 30, 2014 and serve as our Senior Vice President and Chief Financial Officer until the first to occur of the date we decided his services were no longer required, the date his successor commenced employment with the Company or November 30, 2014. The arrangement also provided he would be entitled to a retention bonus of \$1,000,000 and severance benefits related to a termination without cause under our executive severance plan upon termination of his employment if he assisted with the transition and satisfactorily fulfilled his duties. Because of Mr. Tran's transitional role, the Compensation Committee did not award Mr. Tran a payout under our 2013 short-term incentive program and he was not eligible for a payout under our 2014 short-term incentive program. In addition, the Compensation Committee did not grant him any long-term incentive awards in 2014.

For a description of severance benefits provided to Mr. Tran under our executive severance plan, see [Potential Payments to Named Executive Officers upon Termination or Change in Control](#) below.

**Kenneth A. Burdick**

Mr. Burdick joined the Company in January 2014 as our President, National Health Plans. His initial base salary was \$550,000, with a short-term incentive target of \$550,000 and a long-term incentive target of \$1,237,500. The Compensation Committee also approved Mr. Burdick's participation in the 2014 short-term incentive program at his short-term incentive target and his participation in the 2014 long-term incentive program at his long-term incentive target. In June 2014, Mr. Burdick was promoted to President and Chief Operating Officer. In connection with the promotion, his base salary was increased to \$625,000, his short-term incentive target was increased to \$625,000 and his long-term incentive target was increased to \$1,562,500. In order to bring his participation level in the 2014 long-term incentive program up to his new target level, he was granted additional equity awards with a grant date fair

value of \$325,000. In addition, Mr. Burdick was granted additional equity awards in September 2014 under the special equity program described below. The grant date fair value of these awards was \$940,000, which was equal to approximately 150% of his base salary.

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### **Andrew L. Asher**

Mr. Asher joined the Company in August 2014 as a Senior Vice President and became our Senior Vice President and Chief Financial Officer in November 2014. Mr. Asher's base salary is \$500,000, with a short-term incentive target of \$500,000 and a long-term incentive target of \$1,000,000. Upon commencement of employment, to replace awards forfeited from a prior employer, Mr. Asher received a \$250,000 cash sign-on bonus and a RSU award with a grant date fair value of \$1,000,000 that is scheduled to vest in four equal increments on each anniversary of his start date. Because Mr. Asher received a sign-on bonus that replaced the annual bonus he would have received had he stayed at his former employer, he was not eligible to participate in our 2014 short-term incentive program. However, the Compensation Committee approved Mr. Asher's participation in the 2014 long-term incentive program at his long-term incentive target.

### **Blair W. Todt**

In February 2014, Mr. Todt's salary was increased from \$400,000 to \$440,000. Mr. Todt's short-term incentive target was increased from \$240,000 to \$264,000 and his long-term incentive target was increased from \$500,000 to \$550,000. The Compensation Committee approved these adjustments to align Mr. Todt's compensation with the 75<sup>th</sup> percentile of market data to recognize an effective start in his role as Chief Strategy and Development Officer and his continued high quality leadership of compliance. The Compensation Committee also approved Mr. Todt's participation in the 2014 short-term incentive program at his short-term incentive target and his participation in the 2014 long-term incentive program at his long-term incentive target. In addition, Mr. Todt was granted additional equity awards in September 2014 under the special equity program described below. The grant date fair value of these awards was \$330,000, which was equal to 75% of his base salary. Though Mr. Todt was promoted to Chief Legal and Administrative Officer in December 2014, his compensation was not adjusted at that time.

### **Steven E. Goldberg**

In February 2014, Dr. Goldberg's salary was increased from \$400,000 to \$415,000. Dr. Goldberg's short-term incentive target was increased from \$240,000 to \$249,000 and his long-term incentive target was increased from \$400,000 to \$498,000. The Compensation Committee approved these adjustments to recognize Dr. Goldberg's expanded role and model of care development. The Compensation Committee also approved Dr. Goldberg's participation in the 2014 short-term incentive program at his short-term incentive target and his participation in the 2014 long-term incentive program at his long-term incentive target. In addition, Dr. Goldberg was granted additional equity awards in September 2014 under the special equity program described below. The grant date fair value of these awards was \$310,000, which was equal to approximately 75% of his base salary.

### ***2014 Short-Term Incentive Program Awards and Payout Determination***

As a component of total compensation, the Compensation Committee grants short-term incentive awards with the intention of driving the achievement of key goals and initiatives for the Company and rewarding individuals based on their contributions to those results. Short-term incentive awards are based on each executive's pre-established short-term incentive target, subject to continued employment and the achievement of performance goals, limited to a maximum payout of 200% of target and payable in cash. In addition, due to the direct and indirect impact a serious health care compliance issue can have on a company, compliance with the Company's corporate integrity agreement and ethical, regulatory and contractual requirements is a threshold to any payout under the program. The Compensation Committee also retained discretion to determine ultimate award payouts to guard against any unintended or unjust outcomes. Messrs. Gallitano, Tran and Asher did not participate in our 2014 short-term incentive program.

For the 2014 short-term incentive program, 70% of an executive officer's short-term incentive opportunity is based on the achievement of corporate goals and 30% is based on the achievement of personal goals. The corporate goals consist of a financial component and a quality component, and payout is subject to a compliance standard threshold

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as discussed above and achievement of threshold performance under the financial goal to fund the bonus pool. The Compensation Committee believes that financial goals are very important, but focusing on only financial measures can result in quality issues that negatively impact subsequent year financial performance. Accordingly, a mix of financial and non-financial metrics in our short-term program balance near-term operational performance with longer-term strategic goals. For the financial goal, the Compensation Committee determined to use adjusted reported earnings per share. For the quality goal, the Compensation Committee determined to use a holistic assessment of the Company's quality performance (both forward and backward looking). In addition to corporate goals, each executive officer worked with Mr. Gallitano to develop their personal goals.

The following table sets forth the 2014 short-term incentive program financial goal and actual result determined by the Compensation Committee.

Performance Metric	Threshold (50% Payout)	Target (100% Payout)	Maximum (200% Payout)	Actual Results
Adjusted Reported EPS <sup>(1)</sup>	\$ 3.65	\$ 4.05	\$ 4.65	\$ 2.06

(1) Adjusted Reported EPS excludes extraordinary and/or non-rate items including expenses associated with government investigations and related litigation, changes in the capital structure such as new financing or refinancing, changes in accounting methodology, unanticipated events, unplanned acquisition and expansion costs, non-recurring and extraordinary items, prior period reserve development and other factors it deemed relevant in the exercise of the Compensation Committee's discretion.

The Company did not meet the threshold performance level of \$3.65, due mainly to a higher than anticipated increase in the medical benefit ratios for all three of its segments. As a result, the Compensation Committee determined not to make any payments to its executive officers under the 2014 short-term incentive program.

***2014 Long-Term Incentive Program Awards*****Overview**

As a component of total compensation, in 2014 the Compensation Committee granted long-term incentive awards with the intention of driving the achievement of key goals and initiatives for the Company and rewarding individuals based on their contributions to those results. The granting of long-term incentive awards is discretionary, based on each executive's pre-established long-term incentive target and represent the largest portion of executive officer compensation.

For 2014, the Compensation Committee determined to grant awards of PSUs, market stock units ( MSUs ) and RSUs as long-term incentives. PSUs represented 50% of each executive's long-term incentive opportunity, MSUs represented 25% of each executive's long-term incentive opportunity and RSUs represented 25% of each executive's long-term incentive opportunity. Our Compensation Committee views both PSUs and MSUs as performance-based incentives. PSUs were selected to ensure a strong pay-for-performance alignment of the Company's compensation program with stockholder interests and are earned by executives based on the achievement of internal and relative goals. MSUs, which are earned by executives based on stock price performance, were selected because they provide a clear linkage to stockholder value creation. MSUs also provide additional pay-for-performance leverage (i.e., greater sensitivity to changes in stockholder return). RSUs were selected because they are full value shares with time vesting and, as such, provide added retention value.

The allocation of the types of equity awards granted in 2014 results in 75% of the equity awards being performance-based and 25% retention-oriented. The Compensation Committee believes that this allocation provides a compelling performance-based compensation opportunity and effectively balances the Company's objective of focusing our executives on delivering long-term value creation to our stockholders with the goal of retaining talented executives and encouraging their long-term tenure with the Company.

**Table of Contents****Performance Stock Units**

The PSUs granted in 2014 will cliff-vest on March 1, 2017. The number of PSUs that vest will be based on the achievement of goals (summarized in the table below) for a three-year performance period ending December 31, 2016 and is limited to a maximum payout of 200% of target.

The Compensation Committee worked with the Health Care Quality and Access Committee, the Audit and Finance Committee and senior management to develop the 2014 long-term incentive performance goals that are designed to align individuals' rewards with Company performance, including tangible financial results and the achievement of health care quality goals. These goals consist of a financial component and a quality component, each weighted 50%. The Compensation Committee believes that financial goals are very important, but focusing on only financial measures could result in quality and compliance issues that negatively impact subsequent year financial performance. The Compensation Committee believes the equal weighting between the financial component and the non-financial component helps reinforce a culture emphasizing the importance of quality of service and regulatory compliance to the Company's future success. In other words, failure to focus on quality and compliance in one year could harm our financial performance in future years.

To guard against any unintended or unjust outcomes, the Compensation Committee retains discretion to determine ultimate award payouts. As such, in making a determination as to whether or not awards will be paid and the amounts of award payments, if any, the Compensation Committee will be heavily guided by reference to the pre-established targets but will evaluate other factors such as compliance with ethical, regulatory and contractual requirements, unanticipated events, acquisition and expansion costs, non-recurring and extraordinary items and other factors it deems relevant in the exercise of its discretion.

The following table summarizes the performance goals established by the Compensation Committee for the three-year period ending December 31, 2016 for awards of PSUs granted during 2014.

Weight	Performance Metric	Threshold (50% Payout)	Target (100% Payout)	Maximum (200% Payout)
<i>Financial Element</i>				
50%	Return on Equity	Discretion	Peer Median <sup>(3)</sup>	100th Percentile of Peers
<i>Quality Elements</i>				
50% <sup>(1)</sup>	Medicare Stars Result	Each market must achieve the greater of 3.0 or its current rating <sup>(2)</sup>	Each market must achieve its target rating; rating varies by market	Each market exceeds its target rating by .5
	State Quality Results	Discretion	Meeting state quality standards	Exceeding state quality standards

- (1) The elements within the metric are not individually weighted, but are considered together in determining our overall achievement of the metric.
- (2) If any market fails to achieve a minimum 3.0 stars performance level (calculated in accordance with CMS rounding procedures), the market receives a zero payout on the measure and the entire Medicare Star measure becomes discretionary for corporate associates.
- (3) Catamaran Corporation, Centene Corporation, CNO Financial Group, Inc., Health Net, Inc., Humana Inc., Magellan Health Services, Inc., Molina Healthcare, Inc. and Universal American Corp. are the eight companies that will be used by the Compensation Committee to measure ROE performance.

The Compensation Committee chose ROE as the financial element because it is a widely accepted measure for our industry and can be used to measure the Company's financial performance against that of our Peer Group. ROE also provides a measure of management's ability to optimize the Company's deployment of capital. The



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quality element consists of quality scores for our Medicare and Medicaid products. We believe that quality results will continue to be important factors in determining, among other things, premium rates in some markets, our ability to expand or win new business and our ability to obtain accreditations.

**Market Stock Units**

Awards of MSUs granted in 2014 will cliff-vest on March 1, 2017. The number of shares of common stock earned upon vesting will be based on the number of target units granted multiplied by the ratio of the average closing price of our common stock during the last 30 market trading days of 2016 compared to the last 30 market trading days of 2013. The performance ratio is capped at 200%. If our common stock price declines by more than 50%, no shares are earned by the executive.

**Restricted Stock Units**

Awards of RSUs granted in 2014 will vest in approximately equal installments on March 1, 2015, March 1, 2016 and March 1, 2017.

***2014 Special Equity Award Program***

In order to further align rewards with executing on initiatives that are expected to translate into financial and quality performance over the next two years, the Compensation Committee approved additional awards of PSUs and RSUs in September 2014 to Messrs. Burdick, Todt and Goldberg. The terms of the PSU awards provide that 50% of the shares subject to the award will vest on March 1, 2016 based on the achievement of targeted adjusted earnings per share as will be included in the Company's 2015 operating plan, and 50% will vest on March 1, 2017 based on the achievement of targeted adjusted earnings per share as will be included in the Company's 2016 operating plan. In addition to the financial goals, payouts would be subject to achieving quality and compliance standards as determined in the discretion of the Compensation Committee. The terms of the RSU awards provide that 50% of the shares subject to the award will vest on September 1, 2015 and 50% will vest September 1, 2016.

***2014 Payout Determinations of Performance-Based Long-Term Incentive Awards*****2012 – 2014 Cycle Performance Stock Units**

In March 2012, the Compensation Committee established performance goals for the three-year period ending December 31, 2014 for awards of PSUs granted during 2012. These awards of PSUs cliff-vested on March 1, 2015. The number of shares of common stock earned upon vesting was based on the level of achievement of the performance goals as determined by the Compensation Committee. The following table sets forth the goals and actual results determined by the Compensation Committee.

	Performance	Threshold	Target	Maximum	Actual
Weight	Metric	(50% Payout)	(100% Payout)	(150% Payout)	Results
<i>Financial Elements</i>					
25%	Return on Equity	Discretion	Peer median <sup>(1)</sup>	Discretion	51.7% below median

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25%	Operating Margin	Discretion	Peer median <sup>(1)</sup>	Discretion	19.3% below median
<i>Quality Elements</i>					
	Medicare Stars Result	1/3 Membership in 4 Star Plan	2/3 Membership in 4 Star Plan	100% Membership in 4 Star Plan	0% Membership in 4 Star Plan
50%*	Medicaid Quality Result	Discretion	Meeting quality standards <sup>(2)</sup>	Discretion	Exceeded targets in most of our largest markets

\* The elements within the metric are not individually weighted, but are considered together in determining our overall achievement of the metric.

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(1) Centene Corporation, Health Net, Inc., Humana Inc., Molina Healthcare, Inc. and Universal American Corp. were the five companies used by the Compensation Committee to measure Return on Equity and operating margin performance. Amerigroup Corporation, Coventry Health Care, Inc. and HealthSpring, Inc. were originally included in the group of companies to be used to measure relative performance, but each company was acquired and no longer publicly reports results.

(2) Because there are significant differences between states on how quality is measured and rewarded, results were calculated based on the quality achievement as determined by each state Medicaid program, and then weighted by premium to determine company performance. For the states that did not have an explicit formula, we compared ourselves to a like peer median, excluding non-profits and provider-owned companies.

Although we had strong revenue growth during the past few years, our earnings growth was challenged in 2014 due to continued pressure on margins and higher medical benefits ratios in each of our segments and the new Affordable Care Act industry fee. As a result, we fell short of our financial targets related to ROE and operating margin. We also did not meet our Medicare star scores quality goal threshold of achieving 1/3 of our Medicare membership in a four star plan. However, we did exceed our quality targets in most of our largest Medicaid markets.

The Compensation Committee considered all of these results and attributed slightly above target performance payout for the Medicaid Quality results goal, and no payout related to the ROE, Operating Margin or Medicare Star results goals. After weighting each goal in accordance with the 2012-2014 long-term incentive program, the Compensation Committee determined that the achievement of goals for the PSUs for the three-year performance period ended December 31, 2014 was 26% of target. Mr. Todt was the only named executive officer with an outstanding 2012-2014 PSU that vested. The target number of his award was 2,965 PSUs, which resulted in a payout of 771 shares of the Company's common stock.

### **2012 – 2014 Cycle Market Stock Units**

Awards of MSUs granted in 2012 cliff-vested on March 1, 2015. We calculated the number of shares of common stock earned upon vesting based on the number of target units granted multiplied by the ratio of the average closing price of our common stock during the last 30 market trading days of 2014 (\$76.63) compared to the last 30 market trading days of 2011 (\$54.56). This resulted in a payout of approximately 140% of target.

Mr. Todt was the only named executive officer with an outstanding 2012 – 2014 MSU award that vested. The target number of his award was 1,247 MSUs, which resulted in a payout of 1,752 shares of the Company's common stock.

## **Other Compensation**

### ***Benefits***

Our executive officers, including our named executive officers, are eligible to participate in those programs that are also offered to a broad-based group of our associates, including welfare benefit programs such as medical and prescription coverage, dental and vision programs, short-term and long-term disability insurance, group life insurance and supplemental life insurance as well as paid time off, leave of absence and similar policies. In addition to these benefits, our executive officers may elect to receive supplemental long-term disability coverage provided by the Company. Mr. Gallitano did not participate in these programs.

### ***Retirement Savings Plan***

We provide a 401(k) retirement savings plan, including Company matching contributions, designed to provide all of our associates with a tax-deferred, long-term savings vehicle for their retirement. The Company matching contribution is provided on the same basis to named executive officers as all other participants in the plan. For

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2014, we made matching contributions in an amount equal to 50% of the first 6% of an associate's eligible compensation deferred to the 401(k) plan. Eligible compensation generally consists of salary and cash bonuses, up to the federal limits for tax-qualified 401(k) plans. Mr. Gallitano did not participate in this plan.

### ***Perquisites***

Except as discussed below, we only provide modest perquisites to our executive officers. Accordingly, we do not provide perquisites such as home-loss buyouts, company automobiles, private aircraft for personal use or club memberships. We provided Mr. Gallitano with an allowance for reasonable housing and automobile expenses while he served as our Interim Chief Executive Officer, due to the temporary nature of his appointment.

### ***Relocation Assistance Program***

We have a relocation assistance program for our associates, including our executive officers. Under this program, executives are reimbursed for most expenses associated with relocating, including moving expenses, temporary housing expenses, closing costs associated with the sale of the executive's existing home and the purchase of a new home in the destination location, as well as other miscellaneous amounts in connection with relocating to the destination location. In addition, any relocation costs that are not excludable from an executive's income, except for any temporary living expenses and a miscellaneous expense allowance, are provided on a fully grossed-up basis to cover all applicable federal, state and local income taxes. Although Mr. Gallitano did not participate in the relocation assistance program, the Company did reimburse him for moving his household and personal goods to Tampa, Florida.

### ***Executive Severance Plan***

We maintain an executive severance plan to attract and retain executives and to provide a level of transition assistance in the event an executive's employment is terminated. The executive severance plan provides for an enhanced benefit if the executive's termination is in connection with a change in control. The enhanced change in control benefit is intended to preserve executive productivity, encourage retention and minimize the distraction caused by concerns over personal financial security in the context of a change in control. We believe the importance of these concerns increases with the position and level of responsibility of the executive, and have structured the benefits accordingly.

All severance benefits are conditioned on the executive's termination of employment (double-trigger) and the executive signing a general release of claims and complying with the terms of certain restrictive covenants including non-competition, non-solicitation, non-disparagement and confidentiality. The executive severance plan does not provide for any excise tax gross-up payments. Mr. Gallitano did not participate in this plan.

For a description of payments and benefits available under the executive severance plan, see [Potential Payments to Named Executive Officers upon Termination or Change in Control](#) below.

## **Other Compensation Practices**

### ***Executive Stock Ownership Guidelines***

The Compensation Committee believes that executive stock ownership aligns management's interests with those of stockholders and fosters a long-term outlook. Effective April 1, 2011, the Compensation Committee established guidelines requiring significant ownership of Company stock by our executive officers. Under our stock ownership guidelines for our executive officers, each executive officer must beneficially own a number of shares of our common stock with a fair market value equal to or in excess of a specified multiple of the executive's base salary:

5x for the Chief Executive Officer;

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3x for the Chief Financial Officer and President and Chief Operating Officer; and  
2x for other executive officers.

Shares owned directly and indirectly (e.g., by a spouse or a trust), vested PSUs, vested MSUs and vested and unvested time-based awards (other than stock options) count toward satisfaction of the ownership requirements under the guidelines. Stock options, regardless of vesting status, unvested PSUs and unvested MSUs do not count toward satisfaction of the ownership requirements under the guidelines. Until the applicable stock ownership level is achieved, the executive officer is required to retain all Net Shares received as a result of the exercise of stock options or the vesting of restricted stock, RSUs, PSUs, MSUs or other equity awards. Net Shares are those shares that remain after shares are sold or netted to pay the exercise price of stock options (if applicable) and shares sold or netted to fulfill tax obligations. Once an executive officer's applicable minimum stock ownership level is initially achieved, the executive officer is required to retain enough shares to continue to comply with his or her minimum stock ownership level.

The Compensation Committee annually reviews compliance with this requirement. As of April 1, 2014, the most recent measurement date under the guidelines, Messrs. Todt and Tran had achieved their respective share ownership requirements. As a result, they were permitted under the stock ownership guidelines to sell shares not to exceed an amount required to maintain their minimum stock ownership levels. As of April 1, 2014, Mr. Burdick and Dr. Goldberg had not achieved their respective share ownership requirements. In addition, Mr. Asher did not join us until August 2014. As a result, each of those executives is required to retain all shares received as a result of the exercise of stock options or vesting of RSUs, PSUs and MSUs, net of any shares sold or forfeited to cover tax obligations, until the ownership requirement is met. Due to the temporary nature of his appointment, Mr. Gallitano was not subject to the ownership guidelines for executive officers, but remained subject to the ownership guidelines for directors, and has achieved his share ownership requirements under those guidelines. The next measurement to determine whether our executives have achieved minimum share ownership levels is April 1, 2015.

### ***Trading Controls***

Under our policy on insider information and insider trading, members of the Board and executive officers are required to obtain the permission of our Chief Legal Officer prior to entering into transactions in our securities. Our members of the Board and our executive officers are permitted to buy or sell our securities only during announced trading periods as provided under the policy.

### ***Hedging and Pledging Prohibition***

In addition, our policies prohibit trading in call or put options or other derivatives involving our securities, engaging in short sales of our securities, holding our securities in a margin account, and pledging our securities to secure margin or other loans by our directors, executive officers and associates.

### ***Equity Award Process***

We maintain an equity award process to ensure that the authorization, granting and pricing of all equity awards are processed, recorded, disclosed and accounted for in full compliance with all applicable laws and regulations. All equity awards issued to existing executive officers and associates are granted on or after the date of approval by the Compensation Committee. The Compensation Committee does not delegate authority to management to grant equity awards. Equity awards issued to newly-hired executive officers are granted on the later of the date of approval or the individual's first date of employment. The exercise price for all stock option awards is the officially-quoted closing selling price of our common stock on the NYSE on the date of grant (or the officially-quoted closing selling price of our common stock on the previous trading day if the NYSE is closed on the date of grant).





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### ***Double Trigger for Vesting in Change in Control Transaction***

Our equity award agreements include a double-trigger provision, which provides for accelerated vesting only if there is a change in control and the executive officer's employment is terminated without cause or the executive officer terminates his or her employment for good reason within twenty-four months of the change in control.

### ***Potential Impact on Compensation from Executive Misconduct/Compensation Clawbacks***

Our Board of Directors, including its Compensation Committee, is committed to fostering an environment of compliance. The Compensation Committee's approach to our compensation programs is an integral part of our focus on compliance. We believe compliance is the responsibility of each of our executive officers and other associates. We are also aware of both the direct and indirect impact a serious health care compliance issue can have on a company. It is for these reasons that our Compensation Committee included compliance with ethical, regulatory and contractual requirements as a threshold to any payout in our incentive programs, as described above. We believe including compliance as a threshold in our incentive programs helps align our associates' financial interests with the goals of our corporate compliance program.

Recoupment is another component of the Compensation Committee's strategy to support compliance across the enterprise. Recognizing the role every associate plays in our compliance efforts, every incentive award granted to each of our associates, supervisors and executive officers, including stock option awards, RSUs, MSUs, PSUs, long-term incentive cash bonus awards and short-term cash bonus awards, is subject to recoupment. If it is ever determined by the Board of Directors or the Compensation Committee that actions or omissions by an associate, supervisor or executive officer have constituted: (a) wrongdoing that contributed to (i) any material misstatement in or omission from any report or statement filed by the Company with the SEC or (ii) a statement, certification, cost report, claim for payment, or other filing made under Medicare or Medicaid that was false, fraudulent, or for an item or service not provided as claimed; (b) intentional or gross misconduct; (c) a breach of a fiduciary duty to the Company or a subsidiary; (d) fraud; or (e) non-compliance with the Company's Code of Conduct and Business Ethics, policies or procedures to the material detriment of the Company, then the Board or the Compensation Committee will, to the extent permitted by applicable law, cause the cancellation of outstanding awards and seek reimbursement of amounts realized from awards that vested and/or were paid during and after the first fiscal year in which the misconduct occurred. The recoupment provisions will be reviewed and revised as necessary to comply with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 once rules are adopted by the SEC to implement such requirements.

The Compensation Committee does not believe it is possible to anticipate all possible scenarios in which recoupment might be appropriate and has retained discretion to evaluate each situation based on its individual facts. For example, there may be a case in which a supervisor's failure to properly supervise an associate who commits fraud could be an omission serious enough to trigger the forfeiture provision for the supervisor as well as the associate. However, there could also be situations in which an associate's actions will warrant forfeiture but the associate's supervisor was neither negligent nor complicit with respect to those actions. The Compensation Committee believes each situation should be examined on its individual facts in connection with determining when recoupment will be appropriate. The forfeiture provisions are designed to recognize that no two situations will be alike and to provide the Compensation Committee with the discretion necessary to invoke recoupment in a manner that is fair to both WellCare and its associates.

### ***Consideration of Risk in Compensation Programs***

The Compensation Committee reviews the risks and rewards associated with our compensation programs for all of our associates and designs programs with features that are designed to mitigate risk without diminishing the incentive

nature of the compensation. During 2014, the Compensation Committee engaged Cook & Co. to conduct a compensation risk assessment to determine whether the risks arising from any of our 2014 compensation policies or practices are reasonably likely to have a material adverse effect on the Company. The objective of the assessment was to identify general areas of risk (or potential for unintended consequences) that

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exist in the design of our incentive programs and to evaluate the risks in order to make decisions around whether the risks should be accepted or avoided given our risk appetite. In conducting the assessment, Cook & Co. reviewed the components of the Company's executive and non-executive compensation programs for areas of potential risk in its compensation design, and considered its risks in connection with the program as a whole, and whether those risks were balanced against other compensation components. In line with Cook & Co.'s assessment, the Compensation Committee concluded that our policies and practices are well-aligned with sound compensation design principles and provide for a balanced approach to delivering incentives given various levels of performance, encourage and reward prudent business judgment and appropriate risk-taking over the short and long term and do not create risk that is reasonably likely to have a material adverse effect on the Company. Furthermore, the Compensation Committee and Cook & Co. concluded that the Company's risks were evenly distributed across the Company's business units and geographies.

The table below summarizes the risk mitigation factors applicable to the components of the Company's compensation program.

Element of Compensation	Specific Risk Mitigation Factors
Base Salary	<p>Base salary does not encourage risk-taking as it is a fixed amount.</p> <p>Base salaries are competitive and based on market data.</p>
Short-Term Incentives	<p>Short-term incentive awards provide a balanced approach that includes profitability metrics and a review of quality results. In addition, short-term goals are balanced by long-term goals and short-term incentive payouts are subject to compliance with ethical, regulatory and contractual requirements as a threshold for any payout.</p> <p>Short-term incentive opportunities are limited to a maximum by formula.</p> <p>Short-term incentive awards are subject to misconduct-based recoupment provisions.</p>
Long-Term Incentives	<p>PSUs and long-term incentive cash bonus awards uses a balanced approach that emphasizes stock price performance, ROE and quality results, thus diversifying the risk associated with any single goal. In addition, long-term goals are balanced by short-term goals and the Compensation Committee has the discretion to take into account compliance with ethical, regulatory and contractual requirements as well as other factors it deems relevant when making PSU and long-term incentive cash bonus award payout determinations.</p> <p>Long-term incentive opportunities are limited to a maximum by formula.</p> <p>A significant portion of incentive award value is delivered in the form of equity awards that vest over multiple years, which aligns the interests of our executives to the interests of our stockholders, members, government customers and business partners.</p>

Executive officers are subject to substantial stock ownership requirements to further align their interests and actions with the interests of our stockholders.

Long-term incentive awards are subject to misconduct-based recoupment provisions.

Executive officers are required to obtain permission from our Chief Legal Officer before buying or selling any stock, even during an open trading window.

Executive officers are prohibited from trading in call or put options and other derivatives involving our securities, engaging in short sales of our securities, holding our securities in a margin account or pledging our securities to secure margin or other loans.

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### ***Accounting and Tax Considerations***

Internal Revenue Code Section 162(m) imposes a \$1 million corporate deduction limit for compensation to the Company's Chief Executive Officer and its three other highest-paid executive officers (other than the Chief Financial Officer) employed at the end of the year, unless the compensation is performance-based, as defined in Section 162(m), and provided under a plan that has been approved by the stockholders. As part of the federal health care reform legislation enacted in 2010, Section 162(m) was revised as it pertains to compensation paid by health insurers. Starting in 2013, an annual tax deduction limit of \$500,000 per person applies to compensation that we pay to any of our employees and certain service providers, regardless of whether such compensation is deemed performance-based under Section 162(m) or is provided pursuant to a stockholder-approved plan. Any outstanding stock options and SARs that were fully vested prior to 2010 are not subject to the tax deduction limitation. This tax deduction limitation applies to compensation earned after 2009, if paid after 2012. The tax deduction limitation applies whether or not the compensation is performance-based. In September 2014, the IRS issued final regulations on the \$500,000 limitation. As a result, we no longer believe the deduction limitations apply to WellCare. However, we are not able to conclude at this time that our tax position is more likely than not to be sustained. Further, the Compensation Committee has discretion to authorize compensation that does not qualify for income tax deductibility.

### ***Accounting For Stock-Based Compensation***

We account for stock-based payments, including stock options, RSUs, PSUs and MSUs, in accordance with FASB ASC Topic 718. The Compensation Committee takes into consideration the accounting treatment under FASB ASC Topic 718 of alternative award proposals when determining the form and amount of equity compensation awards.

## **Compensation Committee Report**

The Compensation Committee, comprised solely of independent directors, has reviewed and discussed the Compensation Discussion and Analysis with the Company's management. Based on this review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement on Schedule 14A and incorporated by reference into the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

### **The Compensation Committee,**

Carol J. Burt, Chairperson

Kevin F. Hickey

Glenn D. Steele, Jr., M.D.

Paul E. Weaver

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The following table and footnotes summarize, in accordance with the reporting requirements of the SEC, compensation of the following executive officers for 2014, 2013 and 2012 (collectively, the named executive officers): David J. Gallitano, the individual who served as our principal executive officer on an interim basis during 2014; Andrew L. Asher and Thomas L. Tran, the individuals who served as our principal financial officer during 2014; Kenneth A. Burdick, Blair W. Todt and Stephen E. Goldberg, our three other most highly compensated executive officers who were serving as executive officers at the end of 2014.

Name and Principal Position <sup>(1)</sup>	Year	Salary (\$)	Bonus (\$)	Non-Equity Incentive Plan		All Other Compensation (\$)	Total (\$)
				Stock Awards (\$)	Compensation (\$)		
David J. Gallitano <i>Former Chairman of the Board and Former Interim Chief Executive Officer<sup>(2)</sup></i>	2014	2,029,004 <sup>(3)</sup>		3,000,044 <sup>(4)</sup>		331,987 <sup>(5)</sup>	5,361,035
	2013	481,654 <sup>(6)</sup>		2,140,020 <sup>(7)</sup>		50,000	2,671,674
Andrew L. Asher <i>Senior Vice President and Chief Financial Officer</i>	2014	146,154 <sup>(8)</sup>	250,000 <sup>(9)</sup>	1,999,997 <sup>(10)</sup>		23,892 <sup>(11)</sup>	2,420,043
Thomas L. Tran <i>Former Senior Vice President and Chief Financial Officer</i>	2014	480,769 <sup>(8)</sup>	1,000,000 <sup>(12)</sup>			52,592 <sup>(11)</sup>	1,533,361
	2013	500,000 <sup>(8)</sup>		1,250,027 <sup>(10)</sup>		11,270	1,761,297
	2012	500,000 <sup>(8)</sup>		750,019 <sup>(10)</sup>	594,219 <sup>(13)</sup>	11,120	1,855,358
Kenneth A. Burdick <i>President and Chief Operating Officer</i>	2014	524,038 <sup>(8)</sup>		2,502,487 <sup>(10)</sup>		273,624 <sup>(11)</sup>	3,300,149
Blair W. Todt <i>Senior Vice President, Chief Legal and Administrative Officer</i>	2014	432,308 <sup>(8)</sup>		879,999 <sup>(10)</sup>		17,158 <sup>(11)</sup>	1,329,465
	2013	396,154 <sup>(8)</sup>		500,034 <sup>(10)</sup>	190,656 <sup>(14)</sup>	27,227	1,114,071
Stephen E. Goldberg <i>Senior Vice President and Chief Medical Officer</i>	2014	412,115 <sup>(8)</sup>		807,998 <sup>(10)</sup>		30,482 <sup>(11)</sup>	1,250,595

- (1) Compensation for Messrs. Gallitano and Todt is provided only for 2013 and 2014 because they were not named executive officers prior to 2013. Compensation for Messrs. Asher and Burdick and Dr. Goldberg are provided only for 2014, because they were not named executive officers prior to 2014. Mr. Gallitano began his service as our Interim Chief Executive Officer on October 31, 2013. Mr. Asher began his service as an executive officer on August 29, 2014. Mr. Burdick began his service as an executive officer on January 27, 2014. Mr. Asher replaced Mr. Tran as Senior Vice President and Chief Financial Officer on November 14, 2014.

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- (2) Mr. Gallitano does not participate in any of Company's benefit plans.
- (3) Of this amount, \$29,000 represents fees earned as Chairman of the Board in 2013, but paid in 2014, under the Company's Non-Employee Director Compensation Policy, prior to being appointed Interim Chief Executive Officer. The remainder represents salary earned as Interim Chief Executive Officer in 2014. Pursuant to the terms of his employment arrangement, Mr. Gallitano did not receive the fees provided under the Company's Non-Employee Director Compensation Policy while serving as Interim Chief Executive Officer.
- (4) This amount represents the full grant date fair value of the restricted stock unit awards granted to Mr. Gallitano during the fiscal year. Restricted stock unit award amounts represent the full grant date fair value of such awards calculated in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures. These amounts reflect the accounting expense that we will recognize over the vesting term for these awards and do not correspond to the actual value that will be realized by the executives, if any. For a discussion of valuation assumptions and methodologies, see Notes 2 and 15 to our 2014 consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2014.
- (5) Of this amount, \$300,000 represents an allowance for housing and automobile expenses in the Tampa area while serving as our Interim Chief Executive Officer, and \$31,987 represents the reimbursement of Mr. Gallitano's expenses associated with moving his household and personal goods to Tampa.
- (6) Of this amount, \$246,154 represents salary earned as Interim Chief Executive Officer during November and December 2013. \$235,500 represents fees earned as Chairman of the Board under the Company's Non-Employee Director Compensation Policy prior to his appointment as our Interim Chief Executive Officer. Pursuant to the terms of his employment arrangement, Mr. Gallitano did not receive the fees provided under the Company's Non-Employee Director Compensation Policy while serving as Interim Chief Executive Officer.
- (7) Of this amount, \$2,000,014 represents the full grant date fair value of the restricted stock unit award granted to Mr. Gallitano upon being appointed Interim Chief Executive Officer and \$140,006 represents the full grant date fair value of the restricted stock unit award granted to Mr. Gallitano under the Company's Non-Employee Director Compensation Policy prior to being appointed Interim Chief Executive Officer. Restricted stock unit award amounts represent the full grant date fair value of such awards calculated in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures. These amounts reflect the accounting expense that we will recognize over the vesting term for these awards and do not correspond to the actual value that will be realized by the executives, if any. For a discussion of valuation assumptions and methodologies, see Notes 2 and 15 to our 2014 consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2014.
- (8) Amount represents total salary earned by the named executive officers and includes amounts contributed by the named executive officers to our 401(k) retirement savings plan, if any, during each respective fiscal year.
- (9)



Amount represents signing bonus, which must be repaid if Mr. Asher voluntarily terminates his employment, or the Company terminates his employment due to his misconduct, within 12 months after the commencement of his employment, or August 29, 2015.

- (10) Amount represents the full grant date fair value of restricted stock unit and market stock unit awards granted to our named executive officers during each respective fiscal year. Restricted stock unit award and market stock unit award amounts represent the full grant date fair value of such awards calculated in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures. These amounts reflect the accounting expense that we will recognize over the vesting term for these awards and do not correspond to the actual value that will be realized by the executives, if any. For a discussion of valuation assumptions and methodologies, see Notes 2 and 15 to our 2014 consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2014. The amounts

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attributed to the performance stock unit awards are based on the closing price of our common stock on the NYSE on the date of grant and upon target level of performance, which was the probable outcome of the performance conditions as of the date of grant. If the maximum level of performance under the performance stock unit awards is achieved and the Compensation Committee does not modify the awards, the total amount of stock awards for each year for each named executive officer is as follows:

<b>Name</b>	<b>2014</b> <b>(\$)</b>	<b>2013</b> <b>(\$)</b>	<b>2012</b> <b>(\$)</b>
Andrew L. Asher	2,500,006		
Thomas L. Tran		1,625,006	937,526
Kenneth A. Burdick	3,283,717		
Blair W. Todt	1,154,987	750,059	
Stephen E. Goldberg	1,056,977		

(11) The following table shows the components of All Other Compensation for fiscal year 2014:

<b>Name</b>	<b>Separation Payments<sup>(a)</sup></b> <b>(\$)</b>	<b>Supplemental Disability<sup>(b)</sup></b> <b>(\$)</b>	<b>401(k) Match<sup>(c)</sup></b> <b>(\$)</b>	<b>Relocation Expenses<sup>(d)</sup></b> <b>(\$)</b>	<b>Legal Expenses<sup>(e)</sup></b> <b>(\$)</b>	<b>Tax Gross-Ups<sup>(f)</sup></b> <b>(\$)</b>	<b>Total All Other Compensation</b> <b>(\$)</b>
Andrew L. Asher				22,175		1,717	23,892
Thomas L. Tran	41,474	3,318	7,800				52,592
Kenneth A. Burdick		2,318	7,800	209,277	3,250	50,979	273,624
Blair W. Todt		2,881	7,800			6,477	17,158
Stephen E. Goldberg			7,800	22,519		163	30,482

(a) Represents amounts paid upon termination of Mr. Tran's employment pursuant to the Company's executive severance plan. Of this amount, \$19,231 represents salary continuation payments, \$649 represents insurance benefits and \$21,594 represents the payout of accrued paid time off. For a description of all the payments and benefits expected to be received by Mr. Tran in connection with his termination of employment, see *Potential Payments to Named Executive Officers upon Termination or Change in Control* below.

(b) Represents premiums paid by the Company for supplemental long-term disability coverage. A summary of benefits programs our executive officers participate in is described under *Compensation Discussion and Analysis - Other Compensation - Benefits* above.

(c) Represents Company matching of 401(k) retirement savings plan contributions. Company matching contributions are described in more detail under *Compensation Discussion and Analysis - Other Compensation - Retirement Savings Plan* above.

- (d) Represents amounts paid by the Company or reimbursed to the executive in connection with the executive's relocation to Tampa, Florida. The Company relocation assistance program is described in more detail under *Compensation Discussion and Analysis - Other Compensation - Relocation Assistance Program* above.
- (e) Represents amount paid by the Company in connection with the legal review of Mr. Burdick's employment offer.
- (f) Represents the payment to cover income taxes attributed to the relocation payments described in footnote (d) above. As described under *Compensation Discussion and Analysis - Other Compensation - Relocation Assistance Program* above, in order to make an executive whole in

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connection with a relocation, we reimburse the executive for income taxes attributed to certain relocation expenses under the Company's relocation assistance program. For Mr. Burdick, it also includes \$1,223 related to the payment to cover income taxes attributed to the legal fees described in footnote (e) above.

- (12) Amount represents retention bonus received by Mr. Tran pursuant to an agreement reached on February 21, 2014, under which Mr. Tran had agreed to serve as our Senior Vice President and Chief Financial Officer until the first to occur of the date we decide his services are no longer required, the date his successor commences employment with the Company or November 30, 2014, while the Company searched for a successor. Mr. Tran's employment was terminated on November 30, 2014.
- (13) Amount represents bonus earned by Mr. Tran under the Company's Annual Cash Bonus Plan of \$425,000, based on the achievement of performance goals for 2012 and the Long Term Incentive Cash Bonus Plan of \$169,219, based on the achievement of performance goals for the three-year performance period ended December 31, 2012.
- (14) Represents the total payout of short-term incentive cash bonus award amounts under our Annual Cash Bonus Plan based on the achievement of performance goals for 2013, which included financial, quality and personal goals.

**Grants of Plan-Based Awards**

The following table sets forth information regarding each grant of a plan-based award made to a named executive officer during fiscal year 2014, except for Mr. Tran, who was not granted any plan-based awards during fiscal year 2014.

Name	Grant Date	Grant Type*	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	Grant Date Fair Value of Stock and Option Awards
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
David J.	5/01/14	RSUs <sup>(2)</sup>							15,065	1,000,015 <sup>(10)</sup>
Gallitano	5/01/14	RSUs <sup>(2)</sup>							30,130	2,000,029 <sup>(10)</sup>
Andrew L.	8/29/14	RSUs <sup>(4)</sup>							15,184	1,000,018 <sup>(10)</sup>
Asher	8/29/14	RSUs <sup>(5)</sup>				3,796	7,592	15,184	3,796	250,005 <sup>(10)</sup>
	8/29/14	RSUs <sup>(6)</sup>				1,642	3,284	6,568		500,009 <sup>(11)</sup>
										249,965 <sup>(10)</sup>

	2/27/15	STI Cash	15,000	550,000	1,100,000				
	2/27/15	RSUs <sup>(4)</sup>						5,044	309,399 <sup>(10)</sup>
	2/27/15	RSUs <sup>(5)</sup>				4,044	10,087	20,174	618,737 <sup>(11)</sup>
	2/27/15	MSUs <sup>(6)</sup>				2,199	4,397	8,794	309,372 <sup>(10)</sup>
Kenneth A. Burdick	6/16/15	STI Cash	17,500	75,000	150,000				
	6/16/15	RSUs <sup>(4)</sup>						1,059	81,246 <sup>(10)</sup>
	6/16/15	RSUs <sup>(5)</sup>				1,059	2,118	4,236	162,493 <sup>(11)</sup>
	6/16/15	MSUs <sup>(6)</sup>				462	923	1,846	81,222 <sup>(10)</sup>
	9/02/15	RSUs <sup>(8)</sup>						7,201	470,009 <sup>(10)</sup>
	9/02/15	RSUs <sup>(9)</sup>					7,201		470,009 <sup>(11)</sup>
	2/27/15	STI Cash	12,000	264,000	528,000				
	2/27/15	RSUs <sup>(4)</sup>						2,242	137,524 <sup>(10)</sup>
Blair W. Todt	2/27/15	RSUs <sup>(5)</sup>				2,242	4,483	8,966	274,987 <sup>(11)</sup>
	2/27/15	MSUs <sup>(6)</sup>				977	1,954	3,908	137,483 <sup>(10)</sup>
	9/02/15	RSUs <sup>(8)</sup>						2,528	165,003 <sup>(10)</sup>
	9/02/15	RSUs <sup>(9)</sup>					2,528		165,003 <sup>(11)</sup>

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Name	Grant Date	Grant Type*	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	Grant Date Fair Value of Stock and Option Awards
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
	2/27/11	STI Cash	127,500	249,000	498,000					
	2/27/11	RSUs <sup>(4)</sup>						2,030	124,520 <sup>(10)</sup>	
Stephen E. Goldberg	2/27/11	PSUs <sup>(5)</sup>				2,030	4,059	8,118	248,979 <sup>(11)</sup>	
	2/27/11	MSUs <sup>(6)</sup>				885	1,769	3,538	124,466 <sup>(10)</sup>	
	9/02/11	RSUs <sup>(8)</sup>						2,375	155,016 <sup>(10)</sup>	
	9/02/11	PSUs <sup>(9)</sup>					2,375		155,016 <sup>(11)</sup>	

\* RSU = restricted stock unit; PSU = performance stock unit; MSU = market stock unit.

- (1) Our equity award process is described in more detail under *Compensation Discussion and Analysis – Equity Award Process* above.
- (2) This is an award of restricted stock units granted under our 2013 Incentive Compensation Plan. This award vested in full on January 1, 2015, when Mr. Burdick was appointed as our Chief Executive Officer and Mr. Gallitano's service as Interim Chief Executive Officer terminated. The award had no express performance criteria other than continued service as Interim Chief Executive Officer (with a limited exception that any unvested restricted stock units will immediately vest if there is a change in control of the Company and the executive's employment is terminated by us without cause or by the executive for good reason, in each case, within two years following the change in control).
- (3) This is an award of restricted stock units granted under our 2013 Incentive Compensation Plan. This award is scheduled to vest in approximately equal installments on August 29, 2015, August 29, 2016, August 29, 2017 and August 29, 2018. The award has no express performance criteria other than continued employment (with a limited exception that any unvested restricted stock units will immediately vest if there is a change in control of the Company and the executive's employment is terminated by us without cause or by the executive for good reason, in each case, within two years following the change in control).
- (4) This is an award of restricted stock units granted under our 2013 Incentive Compensation Plan. One-third of the shares underlying the grant vested on March 1, 2015; and the remaining amount is scheduled to vest in equal increments on March 1, 2016 and March 1, 2017. The award has no express performance criteria other than continued employment (with a limited exception that any unvested restricted stock units will immediately vest if there is a change in control of the Company and the executive's employment is terminated by us without cause or by the executive for good reason, in each case, within two years following the change in control).

- (5) This is an award of performance stock units granted under our 2013 Incentive Compensation Plan. This award is scheduled to vest on March 1, 2017. The number of performance stock units that vest under the award, if any, is subject to the achievement of performance goals for the three-year period ending December 31, 2016 and consideration of other factors as described in *Compensation Discussion and Analysis 2014 Compensation Decisions 2014 Long-Term Incentive Program Awards* above. Except under limited circumstances following a change in control of the Company as described below, any unvested portion of the award will terminate and be forfeited in the event of the executive's termination of employment for any reason. In the event of a change in control of the Company, the target number of performance stock units will vest on the earlier of the original vesting date or upon termination of the executive's employment if employment is terminated by us without cause or by the executive for good reason, in each case, within two years following the change in control.
- (6) This is an award of market stock units granted under our 2013 Incentive Compensation Plan. This award is scheduled to vest on March 1, 2017. The number of market stock units that vest under the award, if any, will be based upon the product of (i) the Company's stock price multiplier, which is a calculated percentage

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change in the price of the Company's common stock over the three-year performance period ending December 31, 2016 and (ii) the target number of units granted. The stock price multiplier is the quotient of the average closing price of the Company's common stock for the last 30 trading days of calendar year 2016 (or in the event of a change in control, the price per share paid in the change in control transaction) divided by the average closing price of the Company's common stock for the last 30 trading days of calendar year 2013; provided that no units will vest if the stock price multiplier is less than 50% and the maximum stock price multiplier is limited to 200%. Except under limited circumstances following a change in control of the Company as described below, any unvested portion of the award will terminate and be forfeited in the event of the executive's termination of employment for any reason. In the event of a change in control of the Company, the number of market stock units based on the formula described above will vest on the earlier of the original vesting date or upon termination of employment if the executive's employment is terminated by the Company without cause or by the executive for good reason, in each case if within two years following the change in control.

- (7) This is a short-term incentive cash award granted under our Annual Cash Bonus Plan. The amount of the award payment, if any, was subject to achievement of performance goals for fiscal year 2014. No amounts were or will be paid under the award because the Company did not meet threshold level of performance for the 2014 performance goals. For a discussion of the 2014 performance goals and award payment determination, see *Compensation Discussion and Analysis 2014 Compensation Decisions 2014 Short-Term Incentive Program Awards and Payout Determination* above.
- (8) This is an award of restricted stock units granted under our 2013 Incentive Compensation Plan. This award is scheduled to vest in equal increments on September 1, 2015 and September 1, 2016. The award has no express performance criteria other than continued employment (with a limited exception that any unvested restricted stock units will immediately vest if there is a change in control of the Company and the executive's employment is terminated by us without cause or by the executive for good reason, in each case, within two years following the change in control).
- (9) This is an award of performance stock units granted under our 2013 Incentive Compensation Plan. This award is scheduled to vest in equal increments on March 1, 2016 and March 1, 2017. One-half of the performance stock units will vest, if at all, subject to the achievement of performance goals for the year ending December 31, 2015 and the other half will vest, if at all, subject to the achievement of performance goals for the fiscal year ending December 31, 2016. Except under limited circumstances following a change in control of the Company as described below, any unvested portion of the award will terminate and be forfeited in the event of the executive's termination of employment for any reason. In the event of a change in control of the Company, the target number of performance stock units will vest on the earlier of the original vesting date or upon termination of the executive's employment if employment is terminated by us without cause or by the executive for good reason, in each case, within two years following the change in control.
- (10) This amount represents the full grant date fair value computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures. The amount reflects the accounting expense that we will recognize over the vesting term for the award and does not correspond to the actual value that will be realized by the executive, if any. For a discussion of valuation assumptions and methodologies, see Notes 2 and 15 to our 2014 consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2014.



- (11) This amount represents the fair value of the award as of the grant date (the service inception date under FASB ASC Topic 718) and is based on the closing price of our common stock on the NYSE on the date of grant, and upon target level of performance which was the probable outcome of the performance conditions as of the date of grant. Due to the discretion retained by the Compensation Committee when determining the extent to which performance measures have been achieved and the requirements of FASB ASC Topic 718 relating to the establishment of an accounting grant date, there is no accounting grant date for the performance stock units until the Compensation Committee makes its performance measure determination at the end of the performance period.

**Table of Contents****Employment Agreements with Named Executive Officers**

We do not have any employment agreements with our named executive officers.

**Outstanding Equity Awards at Fiscal Year-End**

The following table sets forth certain information regarding stock awards that have not vested for the named executive officers outstanding as of December 31, 2014. Mr. Tran did not have any equity awards outstanding as of December 31, 2014, except for awards for Mr. Tran described under **Nonqualified Deferred Compensation** below. All vesting is based upon the continued service of the executive and, in the case of performance stock units and market stock units, vesting is also contingent upon performance metrics being achieved.

Name	Award Type*	Grant Date	Number of Shares or Units of Stock That Have Not Vested		Stock Awards Equity Incentive	Equity Incentive
			Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested <sup>(1)</sup>	Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Plan Awards: Market or Payout Value of Unearned Shares, Units Or Other Rights That Have Not Vested <sup>(1)</sup>
			(#)	(\$)	(#)	(\$)
David J. Gallitano	RSU	5/01/14	15,065 <sup>(2)</sup>	1,236,234		
	RSU	5/01/14	30,130 <sup>(2)</sup>	2,472,468		
Andrew L. Asher	RSU	8/29/14	15,184 <sup>(3)</sup>	1,245,999		
	RSU	8/29/14	3,796 <sup>(4)</sup>	311,500		
	PSU	8/29/14			7,592 <sup>(5)</sup>	623,000
	MSU	8/29/14			3,284 <sup>(6)</sup>	269,485
Kenneth A. Burdick	RSU	2/27/14	5,044 <sup>(4)</sup>	413,911		
	RSU	6/16/14	1,059 <sup>(4)</sup>	86,902		
	RSU	9/02/14	7,201 <sup>(7)</sup>	590,914		
	PSU	2/27/14			10,087 <sup>(5)</sup>	827,739
	PSU	6/16/14			2,118 <sup>(5)</sup>	173,803

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	PSU	9/02/14		7,201 <sup>(8)</sup>	590,914
	MSU	2/27/14		4,397 <sup>(6)</sup>	360,818
	MSU	6/16/14		923 <sup>(6)</sup>	75,741
Blair W. Todt	RSU	2/13/12	494 <sup>(9)</sup>	40,538	
	RSU	3/18/13	1,456 <sup>(10)</sup>	119,479	
	RSU	2/27/14	2,242 <sup>(4)</sup>	183,979	
	RSU	9/02/14	2,528 <sup>(7)</sup>	207,448	
	PSU	2/13/12		2,965 <sup>(11)</sup>	243,308
	PSU	3/18/13		4,368 <sup>(12)</sup>	358,438
	PSU	2/27/14		4,483 <sup>(5)</sup>	367,875
	PSU	9/02/14		2,528 <sup>(8)</sup>	207,448
	MSU	2/13/12		1,247 <sup>(13)</sup>	102,329
	MSU	3/18/13		1,552 <sup>(14)</sup>	127,357
	MSU	2/27/14		1,954 <sup>(6)</sup>	160,345
	Stephen E. Goldberg	RSU	7/08/13	1,008 <sup>(10)</sup>	82,716
RSU		2/27/14	2,030 <sup>(4)</sup>	166,582	
RSU		9/02/14	2,375 <sup>(7)</sup>	194,893	
PSU		7/08/13		3,025 <sup>(12)</sup>	248,232
PSU		2/27/14		4,059 <sup>(5)</sup>	333,082
PSU		9/02/14		2,375 <sup>(8)</sup>	194,893
MSU		7/08/13		1,080 <sup>(14)</sup>	88,625
MSU		2/27/14		1,769 <sup>(6)</sup>	145,164

\* RSU = restricted stock units; PSU = performance stock units; MSU = market stock units.

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- (1) Value based on \$82.06 per share which was the closing price of our common stock on the NYSE on December 31, 2014.
- (2) This award vested on January 1, 2015, when Mr. Gallitano's service as Interim Chief Executive Officer terminated and Mr. Burdick was appointed Chief Executive Officer. The terms of this award provided that any unvested restricted stock units will immediately vest if there is a change in control of the Company and Mr. Gallitano's service as Interim Chief Executive Officer is terminated by us without cause or by Mr. Gallitano for good reason, in each case, within two years following the change in control.
- (3) This award is scheduled to vest in approximately equal increments on August 29, 2015, August 29, 2016, August 29, 2017 and August 29, 2018; provided that any unvested restricted stock units will immediately vest if there is a change in control of the Company and the executive's employment is terminated by us without cause or by the executive for good reason, in each case, within two years following the change in control.
- (4) One-third of the shares underlying the grant vested on March 1, 2015; and the remaining amount is scheduled to vest in equal increments on March 1, 2016 and March 1, 2017; provided that any unvested restricted stock units will immediately vest if there is a change in control of the Company and the executive's employment is terminated by us without cause or by the executive for good reason, in each case, within two years following the change in control.
- (5) This award is scheduled to vest on March 1, 2017. The amount shown reflects the target payout of the performance stock units based on the Compensation Committee's assessment of performance through December 31, 2014. The number of performance stock units that actually vest under the award, if any, is subject to the achievement of performance goals for the three-year period ending December 31, 2016; provided that the target number of performance stock units will immediately vest if there is a change in control of the Company and the executive's employment is terminated by us without cause or by the executive for good reason, in each case, within two years following the change in control.
- (6) This award is scheduled to vest on March 1, 2017. The amount shown reflects the target payout of the market stock units. The number of market stock units that actually vest under the award, if any, will be based upon the product of (i) the Company's stock price multiplier, which is a calculated percentage change in the price of the Company's common stock over the three-year performance period ending December 31, 2016 and (ii) the target number of units granted. The stock price multiplier is the quotient of the average closing price of the Company's common stock for the last 30 trading days of calendar year 2016 (or in the event of a change in control, the price per share paid in the change in control transaction) divided by the average closing price of the Company's common stock for the last 30 trading days of calendar year 2013; provided that no units will vest if the stock price multiplier is less than 50% and the maximum stock price multiplier is limited to 200%. In the event of a change in control of the Company, the number of MSUs based on the formula described above will vest on the earlier of the original vesting date or upon termination of employment if the executive's employment is terminated by the Company without cause or by the executive for good reason, in each case if within two years following the change in control.

- (7) This award is scheduled to vest in equal increments on September 1, 2015 and September 1, 2016; provided that any unvested restricted stock units will immediately vest if there is a change in control of the Company and the executive's employment is terminated by us without cause or by the executive for good reason, in each case, within two years following the change in control.
- (8) This award is scheduled to vest in equal increments on March 1, 2016 and March 1, 2017. The amount shown reflects the target payout of the performance stock units. Half of the performance stock units will vest, if at all, subject to the achievement of performance goals for the fiscal year ending December 31, 2015 and the other half will vest, if at all, subject to the achievement of performance goals for the fiscal year ending December 31, 2016; provided that the target number of performance stock units will immediately vest if there is a change in control of the Company and the executive's employment is terminated by us without cause or by the executive for good reason, in each case, within two years following the change in control.

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- (9) This award vested on March 1, 2015. The terms of this award provided that any unvested restricted stock units will immediately vest if there is a change in control of the Company and the executive's employment is terminated by us without cause or by the executive for good reason, in each case, within two years following the change in control.
- (10) One-half of the shares underlying the grant vested on March 1, 2015; and the remaining amount is scheduled to vest on March 1, 2016; provided that any unvested restricted stock units will immediately vest if there is a change in control of the Company and the executive's employment is terminated by us without cause or by the executive for good reason, in each case, within two years following the change in control.
- (11) This award vested on March 1, 2015. The amount shown reflects the target payout of the performance stock units based on the Compensation Committee's assessment of performance through December 31, 2014. For a discussion of the goals, award payment determination and actual number of performance stock units that vested, see *Compensation Discussion and Analysis 2014 Compensation Decisions 2014 Payout Determinations of Performance-Based Long-Term Incentive Awards 2012-2014 Cycle Performance Stock Units* above.
- (12) This award is scheduled to vest on March 1, 2016. The amount shown reflects the target payout of the performance stock units based on the Compensation Committee's assessment of performance through December 31, 2014. The number of performance stock units that actually vest under the award, if any, is subject to the achievement of performance goals for the three-year period ending December 31, 2015; provided that the target number of performance stock units will immediately vest if there is a change in control of the Company and the executive's employment is terminated by us without cause or by the executive for good reason, in each case, within two years following the change in control.
- (13) This award vested on March 1, 2015. The amount shown reflects the target payout of the market stock units. The amount shown reflects the target payout of the market stock units. The number of market stock units that actually vested under the award, is based upon the product of (i) the Company's stock price multiplier, which is a calculated percentage change in the price of the Company's common stock over the three-year performance period ending December 31, 2014 and (ii) the target number of units granted. The stock price multiplier is the quotient of the average closing price of the Company's common stock for the last 30 trading days of calendar year 2014 (\$76.63) divided by the average closing price of the Company's common stock for the last 30 trading days of calendar year 2011 (\$54.56); provided that no units would have vested if the stock price multiplier is less than 50% and the maximum stock price multiplier was limited to 150%. For a discussion of the award payment determination and actual number of market stock units that vested, see *Compensation Discussion and Analysis 2014 Compensation Decisions 2014 Payout Determinations of Performance-Based Long-Term Incentive Awards 2012-2014 Cycle Market Stock Units* above.
- (14) This award is scheduled to vest on March 1, 2016. The amount shown reflects the target payout of the market stock units. The number of market stock units that actually vest under the award, if any, will be based upon the product of (i) the Company's stock price multiplier, which is a calculated percentage change in the price of the Company's common stock over the three-year performance period ending December 31, 2015 and (ii) the target number of units granted. The stock price multiplier is the quotient of the average closing price of the Company's common stock for the last 30 trading days of calendar year 2015 (or in the event of a change in control, the price

per share paid in the change in control transaction) divided by the average closing price of the Company's common stock for the last 30 trading days of calendar year 2012; provided that no units will vest if the stock price multiplier is less than 50% and the maximum stock price multiplier is limited to 200%. In the event of a change in control of the Company, the number of MSUs based on the formula described above will vest on the earlier of the original vesting date or upon termination of employment if the executive's employment is terminated by the Company without cause or by the executive for good reason, in each case if within two years following the change in control.

**Table of Contents****Option Exercises and Stock Vested**

The following table sets forth the number of stock options exercised and the value realized upon exercise of stock options during 2014, and the number of shares of restricted stock units and/or performance stock units that vested during 2014 and the value realized upon vesting of such shares, for the named executive officers.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise <sup>(1)</sup> (\$)	Number of Shares Acquired on Vesting <sup>(2)</sup> (#)	Value Realized on Vesting <sup>(3)</sup> (\$)
David J. Gallitano			32,905	2,144,076
Andrew L. Asher				
Thomas L. Tran			18,346	1,124,793
Kenneth A. Burdick				
Blair W. Todt	2,522	105,543	8,270	507,034
Stephen E. Goldberg			504	30,900

- (1) Represents the value realized upon the exercise of stock options calculated by multiplying the number of shares purchased upon exercise of the stock option by the difference between the market price of our common stock at the time of exercise and the exercise price of the stock option.
- (2) Represents the gross number of shares acquired upon vesting of shares of restricted stock units and/or performance stock units without taking into account any shares that may have been withheld to satisfy applicable tax obligations. Mr. Gallitano deferred the receipt of 2,707 of the shares underlying his restricted stock units that vested on May 22, 2014 (with a value of \$198,721 on the date of vesting) to the earliest to occur of December 1, 2018, the date of his termination of service with us as a member of our board of directors or a change in control of the Company. Mr. Tran deferred the receipt of 1,092 of the shares underlying his restricted stock units and 16,266 of the shares underlying his performance stock units, all of which vested on March 1, 2014, (with a value of \$1,064,219 on the date of vesting) to the earliest to occur of March 31, 2022, the date of his termination of employment with us or a change in control of the Company. Although Mr. Tran's employment terminated on November 30, 2014, the payout of his deferred shares is being delayed for six months in order to comply with Internal Revenue Code Section 409A, and will be paid in June 2015. The vested and unpaid deferred restricted stock units are reported in the *Nonqualified Deferred Compensation* table below.
- (3) Represents the value of vested shares of restricted stock units and/or performance stock units calculated by multiplying the gross number of vested shares of restricted stock units and/or performance stock units by the closing price of our common stock on the NYSE on the vesting date or if the vesting date occurred on a day on which the NYSE was closed for trading, the next trading day.



**Pension Benefits**

We did not maintain a pension plan during fiscal year 2014.

**Table of Contents****Nonqualified Deferred Compensation**

Messrs. Gallitano and Tran elected to defer receipt of shares underlying certain restricted stock unit awards. These deferred restricted stock units are considered to be a form of nonqualified deferred compensation under SEC rules, and information regarding the deferred restricted stock units is provided in the following table.

<b>Name</b>	<b>Executive Contributions in Last Fiscal Year<sup>(1)</sup></b> <b>(\$)</b>	<b>Company Contributions in Last Fiscal Year</b> <b>(\$)</b>	<b>Aggregate Earnings in Last Fiscal Year<sup>(2)</sup></b> <b>(\$)</b>	<b>Aggregate Withdrawals/ Distributions</b> <b>(\$)</b>	<b>Aggregate Balance at Last Fiscal Year End<sup>(3)</sup></b> <b>(\$)</b>
David J. Gallitano	198,721		79,718		619,061
Thomas L. Tran	1,064,219		415,061		1,811,310

(1) Messrs. Gallitano and Tran elected to receive payment of certain restricted stock unit awards on a deferred basis. Mr. Tran also elected to receive payment of certain performance stock unit awards on a deferred basis. These amounts are reported under *Stock Awards* in the *Options Exercised and Stock Vested* table above. Mr. Gallitano deferred the receipt of 2,707 of the shares underlying his restricted stock units that vested on May 22, 2014 to the earliest to occur of December 1, 2018, the date of his termination of service with us as a member of our board of directors or a change in control of the Company. Mr. Tran deferred the receipt of 1,092 of the shares underlying his restricted stock units and 16,266 of the shares underlying his performance stock units, all of which vested on March 1, 2014, to the earliest to occur of March 31, 2022, the date of his termination of employment with us or a change in control of the Company. Although Mr. Tran's employment terminated on November 30, 2014, the payout of his deferred shares is being delayed for six months in order to comply with Internal Revenue Code Section 409A, and will be paid in June 2015. The value of vested restricted stock units for Mr. Gallitano is calculated by multiplying the gross number of vested restricted stock units by \$73.41, which was the closing price of our common stock on the NYSE on May 22, 2014, the date of vesting. The value of vested restricted stock units for Mr. Tran is calculated by multiplying the gross number of vested restricted stock units and performance stock units on March 1, 2014 by \$61.31, which was the closing price of our common stock on the NYSE on March 3, 2014 (the first trading day following the vesting date). The grant date fair value of Mr. Gallitano's restricted stock units that vested on May 22, 2014 was \$140,006, and is included in the *Summary Compensation Table* under *Stock Awards* in our 2014 proxy statement. The grant date fair value of Mr. Tran's restricted stock units that vested on March 1, 2014 was \$62,506, and is included in the *Summary Compensation Table* under *Stock Awards* for 2013. The grant date fair value of Mr. Tran's performance stock units that vested on March 1, 2014 was \$562,507, based on the target number of shares of 14,144, and is included in the *Summary Compensation Table* under *Stock Awards* for 2011 in our 2012 proxy statement.

(2) Represents the aggregate earnings on the shares of the common stock underlying the deferred restricted stock units during the year ended December 31, 2014.

(3)

Represents the value of the shares of our common stock underlying the deferred restricted stock units on December 31, 2014, based on \$82.06 per share, which was the closing price of our common stock on the NYSE on December 31, 2014. As of December 31, 2014, Mr. Gallitano deferred receipt of 2,590 shares, 2,247 shares and 2,707 shares underlying his previously vested restricted stock units to the earliest to occur of December 1, 2015, January 1, 2017 and December 1, 2018, respectively, and the date of his termination of service with us as a member of our board of directors or a change in control of the Company. As of December 31, 2014, Mr. Tran had deferred the receipt of 22,073 shares underlying his previously vested restricted stock units and performance stock units to the earliest to occur of March 31, 2022, the date of his termination of employment with us or a change in control of the Company. Although Mr. Tran's employment terminated on November 30, 2014, the payout of his deferred shares is being delayed for six months in order to comply with Internal Revenue Code Section 409A, and will be paid in June 2015.

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**Table of Contents****Potential Payments to Named Executive Officers upon Termination or Change in Control**

The tables below summarize the potential payments and benefits to which Messrs. Gallitano, Asher, Burdick, and Todt and Dr. Goldberg would be entitled upon termination of employment or a change in control, and the actual payments and benefits received or to be received by Mr. Tran. The amounts shown in the table for Messrs. Gallitano, Asher, Burdick and Todt and Dr. Goldberg assume that the hypothetical termination date or date of a change in control was December 31, 2014. The amounts shown in the table for Mr. Tran are based on his actual termination date on November 30, 2014. Amounts are calculated based on the benefits available to the executive under the executive severance plan, which is described below, except in the case of Mr. Gallitano. Because Mr. Gallitano served as our Interim Chief Executive Officer on a temporary basis until Mr. Burdick was appointed Chief Executive Officer, he was not eligible for severance benefits pursuant to the terms of his employment arrangement. The terms of his employment arrangement; however, provided that he was entitled to a \$25,000 per month allowance for housing and automobile expenses in the Tampa area for one month following the end of his service as our Interim Chief Executive Officer. The tables also include the value of incentive awards which immediately vest in certain circumstances, as described in the footnotes to the *Outstanding Equity Awards at Fiscal Year-End* table above. The amounts in the tables do not take into account incentive awards granted, and contractual obligations entered into, after December 31, 2014. The actual amounts to be paid out can only be determined at the time the event actually occurs. The tables below do not include the payout of previously vested restricted stock units for Mr. Gallitano and Mr. Tran, which is described under *Nonqualified Deferred Compensation* above.

**Definitions**

For the purpose of the following analysis, the following terms generally have the following meanings:

A **change in control** generally occurs upon: (i) certain persons acquiring more than 50% of our outstanding voting shares or more than 50% of the fair market value of such shares; (ii) a majority of our incumbent directors being replaced under certain circumstances; (iii) the consummation of a merger, consolidation or other business combination in which more than 50% of the outstanding common stock of the Company is no longer held by the stockholders of the Company prior to such transaction; or (iv) a sale of all or substantially all of the assets of the Company.

A termination for **good reason** generally means that the executive terminated employment as the result of: (i) a material diminution in authority, duties or responsibilities; (ii) any material diminution of the executive's base salary, short-term incentive opportunity or long-term incentive opportunity; or (iii) a change in the executive's office location by more than 50 miles from the executive's current employment location.

A termination for **cause** generally means that we terminate the executive's employment as the result of: (i) any willful act or omission by the executive that constitutes a breach of any agreement to which the Company is a party or the executive's non-compliance with the Company's Code of Conduct and Business Ethics, policies or procedures to the material detriment of the Company; (ii) the executive's commission of a crime that constitutes a felony involving fraud, conversion, misappropriation or embezzlement under any federal or state law; or (iii) the executive's bad faith or willful acts or omissions in the performance of the executive's duties, to the material

detriment of the Company; in each case, subject to notice and the executive's right to a reasonable opportunity to cure.

**Executive Severance Plan**

Under our executive severance plan, our executive officers, including our named executive officers, are entitled to severance benefits following termination of employment by the Company for reasons other than for cause, death or disability, or following resignation by the executive for good reason. The amount of the severance

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payment is determined as a multiple of the executive's base salary and a bonus amount as set forth in the following table. The bonus amount is calculated as the average of the actual short-term incentive bonuses, if any, paid to the executive with respect to the two most recently completed short-term incentive bonus cycles; provided that if the first short-term incentive bonus included in the calculation is pro-rated to reflect the portion of the performance period in which the executive was employed by the Company, then an annualized amount will be used for the calculation. If the executive has not been employed for a period of time in which he or she participated in two completed short-term incentive bonus cycles, the executive's short-term incentive target for the year in which the termination occurs will be used.

	Position	Benefit Multiple	
		Standard	Change in Control
Chief Executive Officer		1.5x	2.5x
Chief Financial Officer, Chief Legal Officer and	President, Chief Operating Officer	1.0x	2.0x
Other Executive Officers		1.0x	1.5x

In addition, executives are entitled to the payout of accrued but unused time off and reimbursement of the portion of the executive's COBRA premium that exceeds the amount of premium paid by active associates for the same coverage for 18 months in the case of the Chief Executive Officer and 12 months for other executives; provided that if the termination of employment is in connection with a change of control, continuation of health benefits is for 18 months for all executive officers.

Name	Termination for Good Reason or without Cause (\$)	Termination within 24 months following a Change in Control for Good Reason or without Cause (\$)	Termination within 6 months prior to a Change in Control if without Cause and in Contemplation or in Anticipation of a Change in Control (\$)
<b>David J. Gallitano</b>			
Allowance <sup>(1)</sup>	25,000	25,000	25,000
RSUs <sup>(2)</sup>		3,708,702	
Total	25,000	3,733,702	25,000
<b>Andrew L. Asher</b>			
Separation - Base <sup>(3)</sup>	500,000	1,000,000	1,000,000
Separation - Bonus <sup>(3)</sup>	500,000	1,000,000	1,000,000
Accrued PTO <sup>(4)</sup>	4,320	4,320	4,320
Insurance Benefits <sup>(5)</sup>	11,888	17,831	17,831
RSUs <sup>(6)</sup>		1,557,499	

PSUs <sup>(6)</sup>		623,000	
MSUs <sup>(6)</sup>		313,387	
Total <sup>(7)</sup>	1,016,208	4,516,037	2,022,151

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Name	Termination for Good Reason or without Cause (\$)	Termination within 24 months following a Change in Control for Good Reason or without Cause (\$)	Termination within 6 months prior to a Change in Control if without Cause and in Contemplation or in Anticipation of a Change in Control (\$)
<b>Kenneth A. Burdick</b>			
Separation - Base <sup>(3)</sup>	625,000	1,250,000	1,250,000
Separation - Bonus <sup>(3)</sup>	625,000	1,250,000	1,250,000
Accrued PTO <sup>(4)</sup>	3,966	3,966	3,966
Insurance Benefits <sup>(5)</sup>	11,888	17,831	17,831
RSUs <sup>(6)</sup>		1,091,727	
PSUs <sup>(6)</sup>		1,592,456	
MSUs <sup>(6)</sup>		507,623	
Total <sup>(7)</sup>	1,265,854	5,713,603	2,521,797
<b>Blair W. Todt</b>			
Separation - Base <sup>(3)</sup>	440,000	880,000	880,000
Separation - Bonus <sup>(3)</sup>	175,016	350,032	350,032
Accrued PTO <sup>(4)</sup>	25,385	25,385	25,385
Insurance Benefits <sup>(5)</sup>	11,888	17,831	17,831
RSUs <sup>(6)</sup>		551,444	
PSUs <sup>(6)</sup>		1,177,069	
MSUs <sup>(6)</sup>		555,710	
Total <sup>(7)</sup>	652,289	3,557,471	1,273,248
<b>Stephen E. Goldberg</b>			
Separation - Base <sup>(3)</sup>	415,000	622,500	622,500
Separation - Bonus <sup>(3)</sup>	249,000	373,500	373,500
Accrued PTO <sup>(4)</sup>	16,013	16,013	16,013
Insurance Benefits <sup>(3)</sup>	11,888	17,831	17,831
RSUs <sup>(6)</sup>		444,191	
PSUs <sup>(6)</sup>		776,207	
MSUs <sup>(6)</sup>		319,049	
Total <sup>(7)</sup>	691,901	2,569,290	1,029,844

(1)



Represents one month of allowance for housing and automobile expenses in the Tampa area following services as our Interim Chief Executive Officer, which is the remaining minimum amount as of December 31, 2014 that Mr. Gallitano is entitled to under the terms of his employment arrangement.

- (2) Amount is calculated as the number of units that immediately vest upon termination of employment, multiplied by \$82.06, which was the closing price of our common stock on the NYSE on December 31, 2014. See the *Outstanding Equity Awards at Fiscal Year-End* table above for a listing of unvested restricted stock units at December 31, 2014. As discussed in the *Outstanding Equity Awards at Fiscal Year-End* table above, the restricted stock units will immediately vest.
  
- (3) Separation payments are subject to the executive executing and delivering a waiver and release of claims agreement within 30 days after the executive's termination date and complying with terms of certain restrictive covenants including non-competition, non-solicitation, non-disparagement and confidentiality. The base salary portion of the separation amount is payable in installments in accordance with the

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Company's normal payroll schedule over 12 months following the date the waiver and release of claims becomes effective and the bonus portion of the separation amount is payable on the first anniversary of the executive's termination date; however, if termination is in connection with a change in control, then the entire separation amount is payable following the date the waiver and release of claims becomes effective.

- (4) Accrued paid time off is payable within 10 days of the executive's termination of employment.
- (5) Insurance benefits are subject to the executive executing and delivering a waiver and release of claims agreement within 30 days after the executive's termination date and complying with the terms of certain restrictive covenants including non-competition, non-solicitation, non-disparagement and confidentiality. Following the date the waiver and release becomes effective, insurance benefits are payable over 12 months; provided that if the termination of employment is in connection with a change of control, insurance benefits are payable over 18 months.
- (6) Amount is calculated as the number of units that immediately vest upon termination of employment multiplied by \$82.06 per share which was the closing price of our common stock on the NYSE on December 31, 2014. See the *Outstanding Equity Awards at Fiscal Year-End* table above for a listing of unvested restricted stock units, performance stock units and market stock units at December 31, 2014. As discussed in the *Outstanding Equity Awards at Fiscal Year-End* table above, all outstanding restricted stock units will immediately vest; the target number of performance stock units will immediately vest; and the number of market stock units that immediately vest is calculated by multiplying the target number of market stock units by the quotient of \$82.06 (representing the price paid in the assumed hypothetical change in control transaction) divided by (as applicable): \$54.56 (representing the average closing price of the Company's common stock for the last 30 trading days of calendar year 2011) for market stock units originally scheduled to vest on March 1, 2015; or \$48.45 (representing the average closing price of the Company's common stock for the last 30 trading days of calendar year 2012) for market stock units originally scheduled to vest on March 1, 2016; or \$70.57 (representing the average closing price of the Company's common stock for the last 30 trading days of calendar year 2013) for market stock units originally scheduled to vest on March 1, 2017.
- (7) If any payments or benefits payable to a named executive officer would be subject to the additional "golden parachute" excise tax under Section 4999 of the Internal Revenue Code, the payments and/or benefits will be reduced to the extent necessary to prevent any portion of the payments or benefits from becoming nondeductible by the Company under Section 280G of the Internal Revenue Code or subject to the excise tax imposed under Section 4999 of the Internal Revenue Code, but only if, by reason of the reduction, the net after-tax benefit received by the executive exceeds the net after-tax benefit the executive would receive if no reduction was made.

	<b>Separation Base<sup>(4)</sup></b>	<b>Separation Bonus<sup>(4)</sup></b>	<b>Retention Bonus<sup>(2)</sup></b>	<b>PTO Payment<sup>(2)</sup></b>	<b>Insurance Benefits<sup>(3)</sup></b>	<b>Total</b>
<b>Former Executive</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Thomas L. Tran	500,000	515,000	1,000,000	21,594	7,791	2,044,385

- (1) Separation payments are subject to the executive executing and delivering a waiver and release of claims agreement within 30 days after the executive's termination date (which Mr. Tran did) and complying with terms of certain restrictive covenants including non-competition, non-solicitation, non-disparagement and confidentiality. The base salary portion of the separation amount is payable in installments in accordance with the Company's normal payroll schedule over 12 months following the date Mr. Tran's waiver and release of claims became effective. The bonus portion of the separation amount is payable to Mr. Tran on November 30, 2015.
- (2) The retention bonus and accrued paid time off were paid to Mr. Tran on December 19, 2014.
- (3) Insurance benefits are subject to the executive executing and delivering a waiver and release of claims agreement within 30 days after the executive's termination date (which Mr. Tran did) and complying with

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certain restrictive covenants including non-competition, non-solicitation, non-disparagement and confidentiality. The insurance benefits are payable in installments in accordance with the Company's normal payroll schedule over 12 months to Mr. Tran.

### *Equity Compensation Plans*

The following table provides information as of December 31, 2014, about common stock that may be issued upon the exercise of options and rights that have been or may be granted to employees and members of the Board of Directors and individuals who are not employees under all of the Company's existing equity compensation plans.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities
			Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities to be issued as reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by the Company's stockholders <sup>(1)</sup>	1,284,098 <sup>(2)</sup>	\$ 0.24	1,916,206
Equity compensation plans not approved by the Company's stockholders			
<b>Total</b>	<b>1,284,098</b>	<b>\$ 0.24</b>	<b>1,916,206</b>

- (1) Includes outstanding awards under our 2004 Equity Incentive Plan (the "2004 Equity Plan") and our 2013 Incentive Compensation Plan (the "2013 Incentive Plan"). The 2004 Equity Plan was approved by our stockholders in June 2004 (prior to the Company's initial public offering). No further awards are being made under the 2004 Equity Plan; the securities referenced under *Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans* are available under the 2013 Incentive Plan. The 2013 Incentive Plan was

approved by our stockholders in May 2013 at the 2013 Annual Meeting of Stockholders. In addition to options, shares may be issued in restricted stock awards, restricted stock unit awards, performance awards and other stock-based awards under the 2013 Incentive Plan.

- (2) This number includes 8,020 options, 406,903 restricted stock units, 653,403 performance stock units and 215,772 market stock units. The performance stock units and market stock units have been included at the maximum number of shares issuable pursuant to those stock units. Employees do not pay monetary consideration upon the exercise of these stock units. The stock units have been included in the table with a \$0 exercise price. Excluding these \$0 exercise price awards, the weighted average exercise price of outstanding options is \$38.92.

**Table of Contents****Security Ownership of Certain Beneficial Owners and Management****Beneficial Ownership**

Based on a review of filings with the SEC, the following represents each person known to us to be the beneficial owner of more than five percent of the Company's common stock as of March 20, 2015:

Name and Address	Ownership Common Stock	Percent of Class (%) <sup>(1)</sup>
T. Rowe Price Associates, Inc.  100 E. Pratt Street  Baltimore, MD 21202	4,445,176 <sup>(2)</sup>	10.1%
BlackRock, Inc., <i>et al.</i>  55 East 52nd Street  New York, NY 10022	3,637,754 <sup>(3)</sup>	8.3%
Pennant Capital Management, LLC, <i>et al.</i>  One DeForest Avenue, Suite 200  Summit, New Jersey 07901	3,107,335 <sup>(4)</sup>	7.1%
Wellington Management Group, LLP  280 Congress Street  Boston, MA 02210	3,103,058 <sup>(5)</sup>	7.0%
The Vanguard Group, Inc., <i>et al.</i>  100 Vanguard Boulevard  Malvern, PA 19355	2,649,556 <sup>(6)</sup>	6.0%

(1) Percentage is calculated based on the number of shares beneficially owned as reported by the investor as a percentage of the number of shares of Company stock issued and outstanding as of March 20, 2015, which was 44,041,586.

(2)

This disclosure is based upon a Schedule 13G/A filed by T. Rowe Price Associates, Inc. ( Price Associates ) with the SEC on March 10, 2015. As of February 28, 2015, Price Associates reported sole voting power as to 807,406 shares and sole dispositive power as to 4,445,176 shares. These securities are owned by various individual and institutional investors for which Price Associates serves as an investment adviser with power to direct investments and/or sole power to vote the securities. For the purposes of the reporting requirements of the Exchange Act, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities. We have not attempted to verify independently any of the information contained in this Schedule 13G/A.

- (3) This disclosure is based upon a Schedule 13G/A filed by BlackRock, Inc. ( BlackRock ) and other affiliated entities with the SEC on January 23, 2015. As of December 31, 2014, BlackRock and other affiliated entities reported sole voting power as to 3,531,713 shares and sole dispositive power as to 3,637,754 shares. We have not attempted to verify independently any of the information contained in this Schedule 13G/A.
- (4) This disclosure is based upon a Schedule 13G/A filed by Pennant Capital Management, LLC ( Pennant ) and other affiliated entities with the SEC on February 17, 2015. As of December 31, 2014, Pennant reported

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shared voting and dispositive power of these shares. All of the securities were owned by advisory clients of Pennant; and of such advisory clients, Pennant Windward Master Fund, L.P. directly owned 2,232,735 shares, for which it reported shared voting and dispositive power. Pennant and its affiliated entities disclaimed beneficial ownership in the shares except to the extent of their pecuniary interest therein. We have not attempted to verify independently any of the information contained in this Schedule 13G/A.

(5) This disclosure is based upon a Schedule 13G/A filed by Wellington Management Company, LLP ( Wellington ) with the SEC on February 12, 2015. As of December 31, 2014, Wellington reported shared voting power as to 1,190,700 shares and shared dispositive power as to 3,103,058 shares. We have not attempted to verify independently any of the information contained in this Schedule 13G/A.

(6) This disclosure is based upon a Schedule 13G/A filed by The Vanguard Group, Inc. ( Vanguard ) with the SEC on February 10, 2015. As of December 31, 2014, Vanguard reported sole voting power as to 62,109 shares, sole dispositive power as to 2,591,647 shares and shared dispositive power as to 57,909 shares. We have not attempted to verify independently any of the information contained in this Schedule 13G/A.

The following table sets forth the beneficial ownership of our common stock as of March 20, 2015, by (a) each of our named executive officers, (b) each director and nominee for director, and (c) all directors and executive officers as a group. For purposes of the following table, beneficial ownership is determined in accordance with Rule 13d-3 under the Exchange Act, pursuant to which a person or group of persons is deemed to have beneficial ownership of any common stock that such person or group has the right to acquire within 60 days after March 20, 2015. For purposes of computing the percentage of outstanding common stock beneficially owned by each person named above, any shares that such person has the right to acquire within 60 days after March 20, 2015, are deemed outstanding but such shares are not deemed to be outstanding for purposes of computing the percentage ownership of any other person. Each person has sole voting and dispositive power with respect to all of the shares of common stock shown as beneficially owned, subject to community property laws, where applicable.

Name	Common	
	Stock	Percent of Class
Richard C. Breon	2,707 <sup>(1)</sup>	*
Carol J. Burt	14,926 <sup>(2)</sup>	*
Roel C. Campos	6,828 <sup>(1)</sup>	*
David J. Gallitano	77,161 <sup>(3)</sup>	*
D. Robert Graham	18,813 <sup>(1)</sup>	*
Kevin F. Hickey	26,085 <sup>(2)</sup>	*
Christian P. Michalik	36,940 <sup>(1)</sup>	*
Glenn D. Steele, Jr., M.D.	18,796 <sup>(1)</sup>	*
William L. Trubeck	17,836 <sup>(1)</sup>	*
Paul E. Weaver	17,836 <sup>(1)</sup>	*
Andrew L. Asher	919	*
Kenneth A. Burdick	1,480	*
Steven E. Goldberg, M.D.	1,052	*
Blair W. Todt	12,630	*
Thomas L. Tran	22,073 <sup>(4)</sup>	*



All Directors and Executive Officers as a Group (17 persons)	268,305 <sup>(5)</sup>	*
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\* Less than one percent

(1) Includes 1,967 restricted stock units scheduled to vest on May 11, 2015.

(2) Includes 7,544 previously vested deferred stock units and 1,967 restricted stock units scheduled to vest on May 11, 2015.

(3) Includes 7,544 previously vested deferred stock units.

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- (4) These shares are previously vested deferred stock units scheduled to be distributed to Mr. Tran on June 1, 2015. Mr. Tran is no longer an executive of the Company; information is based on the Company's knowledge.
- (5) Includes 22,632 previously vested deferred stock units and 17,703 restricted stock units scheduled to vest on May 11, 2015.

## **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our officers and directors, and persons who own more than 10% of our common stock, to file reports of ownership and changes in ownership with the SEC and NYSE. Officers, directors and greater than 10% stockholders are required by the SEC to furnish us with copies of all Section 16(a) forms that they file. Based solely on our review of the copies of such forms or written representations from reporting persons that all reportable transactions were reported, we believe that all of our executive officers, directors and greater than 10% beneficial owners timely filed all reports they were required to file under Section 16(a) during the 2014 fiscal year.

## *Other Information*

### **Stockholder Proposals**

For our 2016 Annual Meeting of Stockholders, to be eligible for inclusion in our 2016 proxy statement under the SEC's requirements, any stockholder proposals must be received no later than November 28, 2015. In addition, our bylaws provide that no business may be transacted at an annual meeting unless it is specified in the notice of the meeting or is otherwise brought before the meeting by or at the direction of our Board of Directors or by a stockholder entitled to vote who has delivered proper notice to us not less than 90 days nor more than 120 days prior to the date of the anniversary of the previous year's annual meeting. Accordingly, any stockholder proposal and any stockholder nominations for the Board of Directors, that are not included in our 2016 proxy statement must be properly submitted to us not earlier than January 12, 2016 nor later than February 11, 2016 to be considered at the 2016 Annual Meeting of Stockholders. Please mail your proposals to the Company to the attention of Blair W. Todt, Secretary, 8735 Henderson Road, Tampa, Florida 33634. Please be aware that merely submitting a proposal to us is not a guarantee that it will either be included in our 2016 proxy statement or considered at our 2016 Annual Meeting.

### **Committee Reports**

The information contained in the Compensation Committee Report and the Audit and Finance Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other of our filings under the Securities Act of 1933 or the Exchange Act, except to the extent the filing specifically incorporates such information by reference therein.

### **Proxy Solicitation Costs**

This proxy solicitation is sent on behalf of our Board, and all costs and expenses associated with soliciting proxies will be borne by the Company. In addition to the use of the mails, our directors, executive officers and our associates by personal interview, telephone or telegram may solicit proxies. Such directors, executive officers and associates will not be additionally compensated for such solicitation but may be reimbursed for out-of-pocket expenses incurred in connection therewith. Arrangements will also be made with custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of our common stock held of record by such persons, and we will reimburse such custodians, nominees and fiduciaries for their reasonable

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out-of-pocket expenses incurred in connection therewith. We have retained Georgeson, Inc., a proxy soliciting firm, to assist with the solicitation of proxies for a fee of \$9,500 plus fees for any retail stockholder outreach services and reimbursement for out-of-pocket expenses.

## **Multiple Stockholders Having the Same Address**

We have adopted a process called householding for mailing proxy materials in order to reduce costs. Householding means that stockholders who share the same last name and address will receive only one copy of our 2014 Annual Report on Form 10-K and this proxy statement (collectively, the proxy materials) unless we receive contrary instructions. For those stockholders receiving our Notice of Internet Availability of Proxy Materials (Availability Notice), we will provide a separate Availability Notice for each stockholder. For those households receiving copies of our annual reports on Form 10-K and proxy statements, we will continue to mail a proxy card to each stockholder of record. If you prefer to receive multiple copies of the proxy materials at the same address, additional copies will be provided to you promptly upon request. If you hold your shares in street name, you should direct your request to Broadridge, Household Department, 51 Mercedes Way, Edgewood, NY 11717, telephone number (800) 542-1061. If you are a registered holder, you should direct your request to WellCare Health Plans, Inc., C/O Computershare Investor Services, P.O. Box 43078, Providence, RI 02940-3078, telephone number (781) 575-2879. You may also request copies of our proxy materials or notify us that you wish to receive a separate copy of these documents for each stockholder, or a single copy for each address, by writing to Investor Relations Department, WellCare Health Plans, Inc., P.O. Box 31379, Tampa, Florida 33631-3379, or by calling (813) 206-3916. The Company's annual report on Form 10-K for the year ended December 31, 2014 and this proxy statement are also available at [www.proxyvote.com](http://www.proxyvote.com).

## **Requests for Additional Information**

**We will provide without charge to each beneficial holder of our common stock on the record date, upon the written request of any such person, a copy of our Annual Report on Form 10-K (without exhibits) for the fiscal year ended December 31, 2014, as filed with the SEC. We will provide copies of any exhibit(s) to our Annual Report on Form 10-K upon request and upon payment of a reasonable fee not to exceed our costs in providing such copy. We will also provide to any person without charge, upon request, a copy of our Code of Conduct and Business Ethics, our Corporate Governance Guidelines and our Board Committee Charters. Any such requests should be made in writing to Investor Relations, WellCare Health Plans, Inc., P.O. Box 31379, Tampa, Florida 33631-3379.** A copy of these documents and our other SEC filings are also available on our website at [www.wellcare.com](http://www.wellcare.com). We intend to disclose future amendments to, or waivers, if any, from the provisions of the Code of Conduct and Business Ethics made with respect to any of our directors and executive officers on our website.

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**WELLCARE HEALTH PLANS, INC.**

**P.O. BOX 31390**

**TAMPA, FL 33631-3390**

**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 IN BLUE OR BLACK INK AS FOLLOWS:

M87003-P58982

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY  
**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

**WELLCARE HEALTH PLANS, INC.**

**The Board of Directors recommends you vote FOR the following:**

1. Election of ten directors to hold office until the Company's 2016 Annual Meeting of Stockholders or until their successors are duly elected and qualified.

**Nominees: For Against Abstain**

1a. Richard C. Breon	..	..	..	<b>The Board of Directors recommends you vote FOR proposals 2 and 3:</b>	<b>For Against Abstain</b>
1b. Kenneth A. Burdick	..	..	..	2. Ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015.	.. .. ..
1c. Carol J. Burt	..	..	..		
1d. Roel C. Campos	..	..	..	3. Advisory vote on the compensation of the Company's named executive officers ( Say on Pay ).	.. .. ..
1e. D. Robert Graham	..	..	..		

1f. Kevin F. Hickey     "     "     "

1g. Christian P.     "     "     "  
Michalik

1h. Glenn D. Steele,     "     "     "  
Jr.

1i. William L.     "     "     "  
Trubeck

1j. Paul E. Weaver     "     "     "

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.

Signature [PLEASE SIGN WITHIN BOX]

Signature (Joint Owners)

Date

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**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement and the Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

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**WELLCARE HEALTH PLANS, INC.  
PROXY FOR 2015 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 11, 2015  
SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

The undersigned hereby appoints Andrew L. Asher, Chief Financial Officer, and Blair W. Todt, Secretary, and each of them, or such other individuals as the Board may later designate, attorneys with full power of substitution, to vote as directed on the reverse side all shares of Common Stock of WellCare Health Plans, Inc. registered in the name of the undersigned, or which the undersigned may be entitled to vote, at the 2015 Annual Meeting of Stockholders to be held at WellCare's corporate headquarters, 8745 Henderson Road, Tampa, Florida 33634, on May 11, 2015, at 10:00 a.m., Eastern Time, and at any adjournment or postponement thereof.

**UNLESS THE STOCKHOLDER DIRECTS OTHERWISE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF ALL OF THE DIRECTOR NOMINEES LISTED IN PROPOSAL 1; FOR PROPOSAL 2; FOR PROPOSAL 3 AND IN THE DISCRETION OF THE PROXY HOLDERS AS TO ANY OTHER MATTERS. IF VOTING BY MAIL, YOU MUST COMPLETE THE OTHER SIDE OF THIS CARD.**

**Continued and to be signed on reverse side**