

Magellan Health, Inc.

MANAGEMENT COMPENSATION COMMITTEE CHARTER

Revised October 19, 2015

This Management Compensation Committee Charter was initially adopted by the Board of Directors (the “*Board*”) of Magellan Health, Inc. (the “*Company*”) on February 22, 2008 and last revised on October 19, 2015. This Charter is intended to serve as a component of the flexible governance framework within which the Board and its committees directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, and the Company’s Certificate of Incorporation and By-Laws, it is not intended to establish any legally-binding obligations.

I. PURPOSE

The Management Compensation Committee (the “*Committee*”) is responsible for overseeing the Company’s management compensation philosophies, policies, programs and practices, including (i) establishing the Company’s general compensation philosophy, and oversight of the development and implementation of compensation programs; (ii) review and approval of the means by which the Company’s corporate goals are incorporated in the management compensation program, and its specific company-wide and business unit performance objectives to be used in determining the compensation of the Company’s chief executive officer, other executive officers and other members of senior management; (iii) review and approval of the compensation payable to the Company’s chief executive officer and the other executive officers designated as “named executive officers” under the proxy rules promulgated from time to time by the U.S. Securities and Exchange Commission (the “*SEC*”); (iv) the development of recommendations to the Board with respect to the Company’s various plans and programs and overseeing the activities of the individuals and committees responsible for administering those plans; and (v) oversight of regulatory compliance with respect to compensation matters, including the preparation of a report on executive compensation for inclusion in the Company’s annual proxy statement and the review and discussion with management of the Compensation Discussion and Analysis section of such proxy statement.

In discharging its role, the Committee has been delegated the full power of the Board on matters relating to management compensation, Company compensation and benefit plans or otherwise within the scope of this Charter. In furtherance of this delegation, the Committee is empowered to inquire into any matter that it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of the Company. The Committee has the power to retain independent legal counsel, compensation consultants or other advisors (each, an “*Adviser*”) to assist it in carrying out its activities. The Company shall provide appropriate funding for the payment by the Committee of reasonable compensation, as determined by the Committee, of the Committee’s Advisers. The Committee shall have the sole authority to retain, compensate, direct, oversee and terminate its Advisers, who shall be ultimately accountable to the Committee.

II. COMMITTEE MEMBERSHIP

The Committee shall consist of three or more members of the Board, each of whom the Board has selected and determined to be “*Independent Directors*” in accordance with applicable rules of the Nasdaq Global Market and who have not accepted directly or indirectly any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries, except standard board and committee fees. In addition, no director may serve unless he or she (i) is a “*Non-employee Director*” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (ii) satisfies the requirements of an “*outside director*” for purposes of Section 162(m) of the Internal Revenue Code.

Members shall continue to be members until their successors are elected and qualified or until their earlier resignation or removal. Any member may be removed by the Board, with or without cause, at any time. The Chairman of the Committee shall be appointed from among the Committee members by, and serve at the pleasure of, the Board to convene and chair meetings of the Committee, set agendas for meetings, and determine the Committee’s information needs. In the absence of the Chairman at a duly convened meeting, the Committee shall select a temporary substitute from among its members.

III. COMMITTEE MEETINGS

The Committee shall meet on a regularly scheduled basis at least two times per year, or more frequently as circumstances dictate.

The Committee shall establish its own schedule and rules of procedure consistent with this Charter. Meetings of the Committee may be held telephonically. A majority of the members of the Committee shall constitute a quorum sufficient for the taking of any action by the Committee.

The Committee shall meet at least annually with the CEO and any other corporate officers the Board and Committee deem appropriate to discuss and review the performance criteria and compensation levels of the CEO and the Company’s executive officers. The CEO may not be present during any deliberations or voting on his or her own compensation.

It is recognized that compensation modifications or adjustments may need to be made throughout the year, or other Committee actions may be desirable, depending on circumstances that arise. To the extent possible, these issues will be addressed during the Committee’s regularly scheduled meetings. If circumstances require more immediate action, however, the CEO will discuss the proposed modification, or other action, with the Committee Chairman, who will in turn confer with the other Committee members. Once agreement has been reached, the Committee’s decision will be documented through a written resolution that reflects that consent of each Committee member.

IV. KEY RESPONSIBILITIES

The following responsibilities are set forth as a guide for fulfilling the Committee's purpose, with the understanding that the Committee's activities may diverge as appropriate given the circumstances. The Committee is authorized to carry out these activities and other actions reasonably related to the Committee's purposes or assigned by the Board from time to time. The Committee may form, and delegate any of its responsibilities to, a subcommittee so long as such subcommittee is solely comprised of one or more members of the Committee.

To fulfill its purposes, the Committee shall:

1. establish and review the Company's overall management compensation philosophy and policy;
2. oversee the development and implementation of management compensation plans and programs;
3. if the Committee determines to seek the advice of any Adviser, then it shall directly engage, compensate and oversee the work of such Adviser;
4. in connection with the engagement of an Adviser, review and evaluate certain specific factors that may affect the independence of such Adviser, including (i) the provision of other services to the Company by the person that employs the Adviser, (ii) the amount of fees received from the company by the person that employs the Adviser, as a percentage of that person's total revenue, (iii) the policies and procedures of the person that employs the Adviser that are designed to prevent conflicts of interest, (iv) any business or personal relationship of the Adviser with a member of the Committee, (v) any stock of the Company owned by the Adviser, and (vi) any business or personal relationship between the Adviser or the person employing such Adviser with an executive officer of the Company;
5. review and approve corporate goals and objectives relevant to compensation of the Company's CEO, other executive officers and other members of senior management designated from time to time by the Committee, including annual performance objectives;
6. evaluate at least annually the performance of the CEO against corporate goals and objectives, including the annual performance objectives for the CEO and, based on this evaluation, determine and approve the compensation level (including any discretionary incentive awards) for the CEO, reviewing as appropriate, any agreement or understanding relating to the CEO's employment, incentive compensation, or other benefits based on this evaluation;
7. review at least annually and approve the compensation of the "*Executive Officers*," as that term is defined in the rules of the Nasdaq Global Select Market, including the "*named executive officers*" as that term is defined by the SEC and any other officers of the Company as the Committee shall deem appropriate;

8. review on a periodic basis the Company's management compensation programs, including any management incentive compensation plans, to determine whether they are appropriate, properly coordinated and achieve their intended purpose(s), and recommend to the Board any appropriate modifications or new plans or programs;
9. review and recommend to the Board incentive and equity-based compensation plans of the Company and any modifications of such plans (whether or not final approval rests with the Company's shareholders) and review all grants of awards, including the award of shares or share options, pursuant to such plans;
10. administer and monitor compliance by participants with the rules and guidelines of the Company's equity-based plans;
11. review and make recommendations to the Board regarding compensation for members of the Board;
12. advise the Board on, and establish and administer other policies reasonably related to, compensation and employment, including ownership guidelines regarding Company stock by executive officers and directors, restrictions on business activities of former employees that could harm the Company, policies regarding the recoupment of compensation paid based on erroneous reported financial results or in other circumstances, perquisites and succession planning.
13. prepare a report on management compensation to be included in the Company's annual proxy statement or annual report on Form 10-K, and review and discuss with management the Compensation Discussion and Analysis section of such proxy statement or annual report on Form 10-K and determine whether to recommend to the Board the inclusion of such section in the proxy statement or annual report on Form 10-K, in accordance with applicable rules and regulations of the Nasdaq Global Select Market, the SEC and other applicable regulatory bodies;
14. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
15. review and reassess the adequacy of this Charter annually, and recommend to the Board amendments as the Committee deems appropriate; and
16. report regularly to the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board requests, and maintain minutes or other records of Committee meetings and activities.