

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported): February 22, 2022 (February 21, 2022)**

**Humana Inc.**  
(Exact Name of Registrant as Specified in Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-05975**  
(Commission  
File Number)

**61-0647538**  
(IRS Employer  
Identification No.)

**500 W. Main St, Louisville, Kentucky 40202**  
(Address of Principal Executive Offices, and Zip Code)

**(502) 580-1000**  
Registrant's Telephone Number, Including Area Code

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading<br>Symbol(s) | Name of each exchange<br>on which registered |
|---------------------|----------------------|--|
| Common Stock        | HUM                  | New York Stock Exchange                      |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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### **Item 1.01 Entry into a Material Definitive Agreement.**

On February 21, 2022, Humana Inc. (the “Company”) entered into an agreement (the “Agreement”) with Starboard Value LP and certain of its affiliated entities and natural persons as set forth in the signature pages thereto (collectively, “Starboard”). The following is a summary of the material terms of the Agreement. The summary does not purport to be complete and is qualified in its entirety by reference to the Agreement, a copy of which is attached as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Pursuant to the Agreement, the Company and Starboard have agreed to act in good faith to mutually agree (x) as promptly as practicable after the date of the Agreement but prior to March 5, 2022, upon an independent director candidate, for appointment to the Company’s board of directors (the “Board”) (such agreed candidate, the “First Agreed Appointee”) and (y) as promptly as practicable after the Company’s 2022 Annual Meeting of Stockholders (the “2022 Annual Meeting”), upon a second independent director candidate for appointment to the Board (such second agreed candidate, the “Second Agreed Appointee,” and together with the First Agreed Appointee, the “Agreed Appointees”). Each of the Agreed Appointees must meet certain criteria as specified in the Agreement.

Under the Agreement, the Company agreed that, if Starboard and the Company agree on a First Agreed Appointee before 5:00 P.M. Eastern Time on the later of March 5, 2022 and the second day prior to the date the Company files with the Securities and Exchange Commission the Company’s definitive proxy statement for its 2022 Annual Meeting (such time on such later date, the “Proxy Statement Deadline”), then, (x) the Board will appoint the First Agreed Appointee as a director of the Company as promptly as practicable thereafter, and (y) provided that the First Agreed Appointee is able and willing to continue to serve on the Board, the Company will include the First Agreed Appointee in the Company’s slate of recommended nominees standing for election at the 2022 Annual Meeting and will recommend, support and solicit proxies for the election of the First Agreed Appointee at the 2022 Annual Meeting in the same manner as for the Company’s other nominees at the 2022 Annual Meeting. If the Company and Starboard do not agree on a First Agreed Appointee before the Proxy Statement Deadline, then, as promptly as practicable after the 2022 Annual Meeting, the Company and Starboard will work in good faith to mutually agree upon a First Agreed Appointee and once agreed upon, the Board will appoint the First Agreed Appointee as a director of the Company. In addition, under the Agreement, the Company agreed that, as promptly as practicable after Starboard and the Company agree on the Second Agreed Appointee, the Board will appoint the Second Agreed Appointee as a director of the Company.

The Company further agreed that the Agreed Appointees (or any replacement thereof) will be given the same due consideration for membership to committees of the Board as any other independent director.

Pursuant to the Agreement, if any Agreed Appointee (or any replacement thereof) is unable or unwilling to serve as a director, resigns as a director or is removed as a director during the Standstill Period (defined below), and if at that time Starboard has beneficial ownership of, or aggregate economic exposure to, the Company’s then outstanding common stock, par value \$0.16 2/3 per share, as set forth in the Agreement, Starboard and the Company will work in good faith to promptly mutually agree upon a replacement independent director candidate for appointment to the Board.

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The Company also agreed that (x) one of the members of the Board as of the date of the Agreement, to be selected by the Nominating, Governance & Sustainability Committee of the Board (the “Governance Committee”), will not be included in the Company’s slate of recommended nominees standing for election at the 2022 Annual Meeting and (y) a second member of the Board as of the date of the Agreement, also to be selected by the Governance Committee, will not be included in the Company’s slate of recommended nominees standing for election at the Company’s 2023 Annual Meeting of Stockholders (the “2023 Annual Meeting”).

With respect to the 2022 Annual Meeting, Starboard agreed to vote (A) in favor of all of the Company’s nominees, (B) in favor of the ratification of the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm, (C) in accordance with the Board’s recommendation with respect to the Company’s “say-on-pay” proposal and (D) in accordance with the Board’s recommendation with respect to any other Company proposal or stockholder proposal presented at the 2022 Annual Meeting, unless Institutional Shareholder Services or Glass Lewis & Co., LLC recommends otherwise with respect to one of the Company’s other proposals (other than proposals relating to the election or removal of directors), in which case Starboard will be permitted to vote in accordance with their recommendation on the Company’s proposals. Starboard also agreed that during the Standstill Period, Starboard will not (i) submit director nominations or proposals at any annual or special meeting of the Company’s stockholders, or any stockholder action by written consent, or (ii) initiate, encourage or participate in any solicitation of proxies or consents, “vote no,” “withhold” or similar campaign with respect to any annual or special meeting of the Company’s stockholders, or any stockholder action by written consent.

Starboard also agreed to certain customary standstill provisions, effective as of the date of the Agreement until the earlier of (x) the date that is fifteen (15) business days prior to the deadline for the submission of stockholder nominations for the 2023 Annual Meeting pursuant to the Company’s By-Laws, or (y) the date that is ninety (90) days prior to the first anniversary of the 2022 Annual Meeting (the “Standstill Period”).

The Company and Starboard also made certain customary representations, agreed to mutual non-disparagement provisions and agreed to jointly issue a press release announcing certain terms of the Agreement.

#### **Item 7.01 Regulation FD.**

On February 22, 2022, the Company issued a press release relating to the Agreement and the changes to the Board, as described in Item 1.01 and Item 5.02 above. A copy of the press release is attached as Exhibit 99.1 to this report and is incorporated by reference herein.

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The information in Item 7.01 of this report (including Exhibit 99.1) is being furnished pursuant to Item 7.01 and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or the rules or regulations promulgated thereunder (“Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits:

| <b>Exhibit<br/>No.</b>      | <b>Description</b>   |
|-----------------------------|--|
| <a href="#"><u>10.1</u></a> | <a href="#"><u>Agreement, dated February 21, 2022, by and among Humana Inc. and Starboard Value and Opportunity Master Fund Ltd, Starboard Value and Opportunity S LLC, Starboard Value and Opportunity C LP, Starboard Value and Opportunity Master Fund L LP, Starboard Value L LP, Starboard Value R LP, Starboard Value R GP LLC, Starboard Value LP, Starboard Value GP LLC, Starboard Principal Co LP, Starboard Principal Co GP LLC, Starboard X Master Fund Ltd, and Jeffrey C. Smith.</u></a> |
| <a href="#"><u>99.1</u></a> | <a href="#"><u>Press Release, dated February 22, 2022.</u></a>   |

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

**HUMANA INC.**

**BY:** /s/ Cynthia H. Zipperle  
**Cynthia H. Zipperle**  
**Senior Vice President, Chief Accounting Officer and**  
**Controller**  
**(Principal Accounting Officer)**

Dated: February 22, 2022

## AGREEMENT

This Agreement (this “Agreement”) is made and entered into as of February 21, 2022, by and among Humana Inc. (the “Company”) and the entities and natural persons set forth in the signature pages hereto (collectively, “Starboard”) (each of the Company and Starboard, a “Party” to this Agreement, and collectively, the “Parties”).

## RECITALS

WHEREAS, the Company and Starboard have engaged in discussions and communications concerning the Company’s business, financial performance and strategic plans;

WHEREAS, as of the date hereof, Starboard has beneficial ownership (as determined under Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended, or the rules or regulations promulgated thereunder (the “Exchange Act”)) of 1,000,000 shares of Company’s common stock, par value \$0.16 2/3 per share (the “Common Shares”), including 525,000 Common Shares underlying certain forward purchase contracts; and

WHEREAS, as of the date hereof, the Company and Starboard have determined to come to an agreement with respect to the addition of a new independent member to the Company’s board of directors (the “Board”) and certain other matters, as provided in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound hereby, agree as follows:

### 1. Board Appointment and Related Agreements

(a)

(i) The Company and Starboard shall act in good faith to mutually agree (x) as promptly as practicable after the date hereof but prior to March 5, 2022, upon a first Qualified Independent Candidate (as defined below) for appointment to the Board (such first agreed Qualified Independent Candidate, the “First Agreed Appointee”) and (y) as promptly as practicable after the Company’s 2022 Annual Meeting of Stockholders (the “2022 Annual Meeting”), upon a second Qualified Independent Candidate for appointment to the Board (such second agreed Qualified Independent Candidate, the “Second Agreed Appointee,” and together with the First Agreed Appointee, the “Agreed Appointees”). For an individual to be a “Qualified Independent Candidate,” such individual shall (A) have submitted to the Company (1) a fully completed copy of the Company’s standard director and officer questionnaire and other reasonable and customary director onboarding documentation (including an authorization form to conduct a background check, a representation agreement, consent to be named as a director in the Company’s proxy statement (if applicable) and certain other agreements) required by the Company in connection with the appointment or election of Board members, and (2) a written representation that such person, if appointed or elected as a director of the Company, would be in compliance, and will comply with, all applicable publicly disclosed confidentiality, corporate governance, conflict of interest, Regulation FD, code of conduct and ethics, and stock ownership and trading policies and guidelines of the Company that have been provided to such person prior to such date, (B) be independent of Starboard (for the avoidance of doubt, the nomination by Starboard of such person to serve on the board of any other company shall not (in and of itself) cause such person not to be deemed independent of Starboard), (C) qualify as independent director of the Company pursuant to New York Stock Exchange (“NYSE”) listing standards, and (D) have the relevant financial and business experience to be a director of the Company (in the case of the matters set forth in clauses (B) through (D), as reasonably determined by the Nominating, Governance & Sustainability Committee of the Board (the “Governance Committee”).

(ii) If the Parties agree on a First Agreed Appointee prior to 5:00 P.M. Eastern Time on the later of March 5, 2022 and the second day prior to the date the Company files with the Securities and Exchange Commission the Company’s definitive proxy statement for its 2022 Annual Meeting (such time on such later date, the “Proxy Statement Deadline”), then, (x) as promptly as practicable thereafter, the Board and all applicable committees of the Board shall take all necessary actions to appoint the First Agreed Appointee to the Board, and (y) provided that the First Agreed Appointee is able and willing to continue to serve on the Board, the Company shall include the First Agreed Appointee in the Company’s slate of recommended nominees standing for election at the 2022 Annual Meeting and shall recommend, support and solicit proxies for the election of the First Agreed Appointee at the 2022 Annual Meeting in the same manner as for the Company’s other nominees at the 2022 Annual Meeting. If the Parties fail to agree on a First Agreed Appointee prior to the Proxy Statement Deadline, then, as promptly as practicable after the 2022 Annual Meeting, the Parties shall work in good faith to mutually agree upon a First Agreed Appointee and once agreed upon by the Parties, the Board and all applicable committees of the Board shall take all necessary actions to immediately appoint the First Agreed Appointee to the Board.

(iii) As promptly as practicable after the Parties agree on the Second Agreed Appointee, the Board and all applicable committees of the Board shall take all necessary actions to immediately appoint the Second Agreed Appointee to the Board.

(iv) If any Agreed Appointee (or any replacement thereof pursuant to this section) is unable or unwilling to serve as a director, resigns as a director or is removed as a director prior to the expiration of the Standstill Period (as defined below), and at such time Starboard has beneficial ownership of (as determined under Rule 13d-3 promulgated under the Exchange Act), or aggregate economic exposure to, at least the lesser of 0.4% of the Company’s then outstanding Common Shares and 506,534 Common Shares (subject to adjustment for stock splits, reclassifications, combinations and similar adjustments), the Parties shall work in good faith to promptly mutually agree upon a replacement Qualified Independent Candidate for appointment to the Board (any such replacement nominee, when appointed to the Board, shall be referred to as a “Replacement Director”), and once agreed upon by the Parties, the Board and all applicable committees of the Board shall take all necessary actions to immediately appoint the Replacement Director to the Board. Upon such Replacement Director’s appointment to the Board, the Board and all applicable committees of the Board shall take all necessary actions to appoint such Replacement Director to any applicable committee of the Board of which the Agreed Appointee was a member immediately prior to such director’s resignation or removal or, if the Board or the applicable committee of the Board determines that the Replacement Director does not satisfy the requirements of the NYSE and applicable law with respect to service on the applicable committee (which determination shall be made reasonably and in good faith), to an alternative committee of the Board.

(v) The Company agrees that the Agreed Appointees (and any Replacement Directors) shall be given the same due consideration for membership to committees of the Board as any other independent director.

(vi) The Company agrees that (x) one of the members of the Board as of the date hereof to be selected by the Governance Committee shall not be included in the Company's slate of recommended nominees standing for election at the 2022 Annual Meeting and (y) a second member of the Board as of the date hereof to be selected by the Governance Committee shall not be included in the Company's slate of recommended nominees standing for election at the Company's 2023 Annual Meeting of Stockholders (the "2023 Annual Meeting").

(b) Additional Agreements.

(i) Starboard shall comply, and shall cause each of its controlled Affiliates and Associates (collectively, "Covered Persons") to comply, with the terms of this Agreement and shall be responsible for any breach of this Agreement by any such Covered Person. As used in this Agreement, the terms "Affiliate" and "Associate" shall have the respective meanings set forth in Rule 12b-2 promulgated by the Securities and Exchange Commission under the Exchange Act and shall include all persons or entities that at any time during the term of this Agreement become Affiliates or Associates of any person or entity referred to in this Agreement.

(ii) During the Standstill Period, except as otherwise provided herein, Starboard shall not, and shall cause each of its Covered Persons not to, directly or indirectly, (A) nominate or recommend for nomination any person for election at any annual or special meeting of the Company's stockholders, or any stockholder action by written consent, (B) submit any proposal for consideration at, or bring any other business before, any annual or special meeting of the Company's stockholders, or any stockholder action by written consent, or (C) initiate, encourage or participate in any solicitation of proxies or consents, "vote no," "withhold" or similar campaign with respect to any annual or special meeting of the Company's stockholders, or any stockholder action by written consent. Starboard shall not publicly or privately encourage or support any other stockholder, person or entity to take any of the actions described in this Section 1(b)(ii).

(iii) Starboard shall appear in person or by proxy at the 2022 Annual Meeting and vote all Common Shares beneficially owned by Starboard at the 2022 Annual Meeting (A) in favor of all of the Company's nominees, (B) in favor of the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2022, (C) in accordance with the Board's recommendation with respect to the Company's "say-on-pay" proposal and (D) in accordance with the Board's recommendation with respect to any other Company proposal or stockholder proposal presented at the 2022 Annual Meeting; provided, however, that in the event Institutional Shareholder Services Inc. ("ISS") or Glass Lewis & Co., LLC ("Glass Lewis") recommends otherwise with respect to the Company's "say-on-pay" proposal or any other Company proposal or stockholder proposal presented at the 2022 Annual Meeting (other than proposals relating to the election or removal of directors), Starboard shall be permitted to vote in accordance with the ISS or Glass Lewis recommendation. Starboard further agrees that it will (x) appear in person or by proxy at any special meeting of the Company's stockholders held during the Standstill Period and vote all Common Shares beneficially owned by Starboard as of the record date at such meeting, and (y) execute valid written consents with respect to all Common Shares beneficially owned by Starboard as of the record date in any stockholder action by written consent during the Standstill Period, in the case of each of (x) and (y) in accordance with the Board's recommendation on any proposal relating to the appointment, election or removal of director(s). For the avoidance of doubt, Starboard shall be permitted to vote in its discretion on any proposal of the Company in respect of any extraordinary transaction, including any merger, acquisition, amalgamation, tender offer, exchange offer, recapitalization, restructuring, disposition, distribution, spin-off, asset sale, joint venture or other business combination involving the Company or any of its subsidiaries or that would result in (i) any person becoming a beneficial owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the equity interests and voting power of the Company's then-outstanding equity securities or (ii) the Company entering into a stock-for-stock transaction whereby immediately after the consummation of the transaction the Company's shareholders retain less than fifty percent (50%) of the equity interests and voting power of the surviving entity's then-outstanding equity securities.

(iv) Starboard acknowledges that all directors (including the Agreed Appointees and any Replacement Directors) are (A) governed by, and required to comply with, all policies, procedures, codes, rules, standards and guidelines applicable to all members of the Board and (B) required to keep confidential all Company confidential information and not disclose to any third parties (including Starboard) any such Company confidential information.

(v) The Company agrees that the Board and all applicable committees of the Board shall take all necessary actions, effective no later than immediately following the appointment of each Agreed Appointee, to determine, in connection with his or her initial appointment as a director and nomination by the Company at the 2022 Annual Meeting, as applicable, that such Agreed Appointee is deemed to be (A) a member of the "Incumbent Board" or "Continuing Director" (as such term may be defined in the definition of "Change in Control" or any similar term under the Company's incentive plans, options plans, deferred compensation plans, employment agreements, severance plans, retention plans, loan agreements, or indentures, including, without limitation, the Company's 2011 Stock Incentive Plan, Deferred Compensation Plan, or the Amended and Restated Employment Agreement with Bruce Broussard, or any other related plans or agreements that refer to any such plan or agreement's definition of "Change in Control" or any similar term) and (B) a member of the Board as of the beginning of any applicable measurement period for the purposes of the definition of "Change in Control" or any similar term under such incentive plans, options plans, employment agreements, loan agreements or indentures of the Company, including, without limitation, any retention plan, severance plan, change-in-control severance plan, or the Company's 2011 Stock Incentive Plan, Deferred Compensation Plan, or the Amended and Restated Employment Agreement with Bruce Broussard.

## 2. Standstill Provisions

(a) Starboard agrees that, from the date of this Agreement until the earlier of (x) the date that is fifteen (15) business days prior to the deadline for the submission of stockholder nominations for the 2023 Annual Meeting pursuant to the Company's By-Laws or (y) the date that is ninety (90) days prior to the first anniversary of the 2022 Annual Meeting (the "Standstill Period"), Starboard shall not, and shall cause each Covered Person not to, in each case directly or indirectly, in any manner:

(i) engage in any solicitation of proxies or consents or become a "participant" in a "solicitation" (as such terms are defined in Regulation 14A under the Exchange Act) of proxies or consents (including, without limitation, any solicitation of consents that seek to call a special meeting of stockholders, or any action by written consent), in each case, with respect to any securities of the Company;

(ii) form, join or in any way knowingly participate in any "group" (within the meaning of Section 13(d)(3) of the Exchange Act) with respect to any securities of the Company (other than a "group" that includes all or some of the members of Starboard, but does not include any other entities or persons that are not members of Starboard as of the date hereof); provided, however, that nothing herein shall limit the ability of an Affiliate of



Starboard to join the “group” following the execution of this Agreement, so long as any such Affiliate agrees to be bound in writing by the terms and conditions of this Agreement;

(iii) deposit any Common Shares in any voting trust or subject any Common Shares to any arrangement or agreement with respect to the voting of any Common Shares, other than any such voting trust, arrangement or agreement solely among the members of Starboard and otherwise in accordance with this Agreement;

(iv) seek or submit, or knowingly encourage any person or entity to seek or submit, nomination(s), proxies or consents in furtherance of a “contested solicitation” for the appointment, election or removal of directors with respect to the Company or seek, knowingly encourage or take any other action with respect to the appointment, election or removal of any directors, except as permitted under Section 1(a); provided, however, that nothing in this Agreement shall prevent Starboard or its Affiliates or Associates from taking actions in furtherance of identifying director candidates in connection with the 2023 Annual Meeting so long as such actions do not create a public disclosure obligation for Starboard or the Company, are not publicly disclosed by Starboard or its representatives, Affiliates or Associates and are undertaken on a basis reasonably designed to be confidential and in accordance in all material respects with Starboard’s normal practices in the circumstances;

(v) (A) make any proposal for consideration by stockholders at any annual or special meeting of stockholders of the Company or through any stockholder action by written consent, (B) make any offer or proposal (with or without conditions) with respect to any merger, takeover offer, tender (or exchange) offer, acquisition, recapitalization, restructuring, disposition or other business combination involving the Company or any of its subsidiaries, (C) affirmatively solicit a third party to make an offer or proposal (with or without conditions) with respect to any merger, takeover offer, tender (or exchange) offer, acquisition, recapitalization, restructuring, disposition or other business combination involving the Company or any of its subsidiaries, or knowingly publicly encourage, initiate or support any third party in making such an offer or proposal, (D) publicly comment on any third party proposal regarding any merger, takeover offer, tender (or exchange) offer, acquisition, recapitalization, restructuring, disposition, or other business combination with respect to the Company or any of its subsidiaries by such third party (provided that this clause (D) shall not prevent such public comment after such proposal has become generally known to the public other than as a result of a disclosure by Starboard), or (E) call or seek to call a special meeting of stockholders, or initiate or participate in any stockholder action by written consent;

(vi) seek, alone or in concert with others, representation on the Board, except as specifically provided in Section 1;

(vii) advise, knowingly encourage, knowingly support or knowingly influence any person or entity with respect to the voting or disposition of any securities of the Company at any annual or special meeting of stockholders or any stockholder action by written consent, except in accordance with Section 1; or

(viii) make any request or submit any proposal to amend the terms of this Agreement other than through non-public communications with the Company that would not be reasonably determined to trigger public disclosure obligations for any Party.

(b) Except as expressly provided in Section 1 or Section 2(a), Starboard shall be entitled to (i) vote the Common Shares that it beneficially owns as it determines in its sole discretion and (ii) disclose, publicly or otherwise, how it intends to vote or act with respect to any securities of the Company on any stockholder proposal or other matter to be voted on by the stockholders of the Company and the reasons therefor.

(c) Nothing in Section 2(a) shall be deemed to limit the exercise in good faith by an Agreed Appointee or a Replacement Director of such persons’ fiduciary duties solely in such person’s capacity as a director of the Company and in a manner consistent with such person’s and Starboard’s obligations under this Agreement.

### 3. Representations and Warranties of the Company.

The Company represents and warrants to Starboard that (A) the Company has the corporate power and authority to execute this Agreement and to bind it thereto, (B) this Agreement has been duly and validly authorized, executed and delivered by the Company, and assuming due execution by each counterparty hereto, constitutes a valid and binding obligation and agreement of the Company, and is enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws generally affecting the rights of creditors and subject to general equity principles, (C) as of the date of this Agreement, the Board is comprised of thirteen (13) directors, and (D) the execution, delivery and performance of this Agreement by the Company does not and will not (1) violate or conflict with any law, rule, regulation, order, judgment or decree applicable to the Company or (2) result in any breach or violation of or constitute a default (or an event which with notice or lapse of time or both would constitute such a breach, violation or default) under or pursuant to, or result in the loss of a material benefit under, or give any right of termination, amendment, acceleration or cancellation of, any organizational document or material agreement to which the Company is a party or by which it is bound.

### 4. Representations and Warranties of Starboard.

Starboard represents and warrants to the Company that (A) the authorized signatory of Starboard set forth on the signature page hereto has the power and authority to execute this Agreement and any other documents or agreements to be entered into in connection with this Agreement and to bind Starboard thereto, (B) this Agreement has been duly authorized, executed and delivered by Starboard, and assuming due execution by each counterparty hereto, constitutes a valid and binding obligation of Starboard, and is enforceable against Starboard in accordance with its terms except as enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws generally affecting the rights of creditors and subject to general equity principles, (C) the execution of this Agreement, the consummation of any of the transactions contemplated hereby, and the fulfillment of the terms hereof, in each case in accordance with the terms hereof, will not conflict with, or result in a breach or violation of the organizational documents of Starboard as currently in effect, (D) the execution, delivery and performance of this Agreement by Starboard does not and will not (1) violate or conflict with any law, rule, regulation, order, judgment or decree applicable to Starboard or (2) result in any breach or violation of or constitute a default (or an event which with notice or lapse of time or both would constitute such a breach, violation or default) under or pursuant to, or result in the loss of a material benefit under, or give any right of termination, amendment, acceleration or cancellation of, any organizational document, agreement, contract, commitment, understanding or arrangement to which such member is a party or by which it is bound, (E) as of the date of this Agreement, Starboard beneficially owns (as determined under Rule 13d-3 promulgated under the Exchange Act) an interest in 1,000,000 Common Shares, including 525,000 Common Shares underlying certain forward purchase contracts, (F) as of the date hereof, and except as set forth in clause (E) above, Starboard does not currently have, and does not currently have any right to acquire, any interest in any securities or assets of the Company or its Affiliates (or any rights, options or other securities convertible into or exercisable or exchangeable (whether or not convertible, exercisable or exchangeable immediately or only after the passage of time or the occurrence of a specified event) for such securities or assets or any obligations measured by the price or value of any securities of the Company or any of its controlled Affiliates, including any swaps or other derivative arrangements designed to produce

economic benefits and risks that correspond to the ownership of Common Shares or any other class or series of the Company's stock, whether or not any of the foregoing would give rise to beneficial ownership (as determined under Rule 13d-3 promulgated under the Exchange Act), and whether or not to be settled by delivery of Common Shares, payment of cash or by other consideration, and without regard to any short position under any such contract or arrangement), and (G) Starboard has not directly or indirectly, compensated or agreed to compensate, and will not, directly or indirectly, compensate or agree to compensate any director or director nominee of the Company for his or her respective service as a director of the Company, including the Agreed Appointees, with any cash, securities (including any rights or options convertible into or exercisable for or exchangeable into securities or any profit sharing agreement or arrangement), or other form of compensation directly or indirectly related to the Company or its securities. For the avoidance of doubt, nothing herein shall prohibit Starboard for compensating or agreeing to compensate any person for his or her respective service as a nominee or director of any other company.

5. Press Release.

Promptly following the execution of this Agreement, the Company and Starboard shall jointly issue a mutually agreeable press release (the "Press Release") announcing certain terms of this Agreement in the form attached hereto as Exhibit A. Prior to the issuance of the Press Release and subject to the terms of this Agreement, neither the Company (including the Board and any committee thereof) nor Starboard shall issue any press release or make any public announcement regarding this Agreement or the matters contemplated hereby except as required by law or the rules of any stock exchange, or with the prior written consent of the other Party. During the Standstill Period, neither the Company nor Starboard shall make any public announcement or statement that is inconsistent with or contrary to the terms of this Agreement, except as required by law or the rules of any stock exchange.

6. Specific Performance.

Each of Starboard, on the one hand, and the Company, on the other hand, acknowledges and agrees that irreparable injury to the other Party hereto would occur in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached and that such injury would not be adequately compensable by the remedies available at law (including the payment of money damages). It is accordingly agreed that Starboard, on the one hand, and the Company, on the other hand (the "Moving Party"), shall each be entitled to specific enforcement of, and injunctive relief to prevent any violation of, the terms hereof, and the other Party hereto will not take action, directly or indirectly, in opposition to the Moving Party seeking such relief on the grounds that any other remedy or relief is available at law or in equity. This Section 6 is not the exclusive remedy for any violation of this Agreement.

7. Expenses.

The Company shall reimburse Starboard for its reasonable, documented out-of-pocket fees and expenses (including legal expenses) incurred in connection with Starboard's involvement at the Company through the date of this Agreement, including, but not limited to, the negotiation and execution of this Agreement, provided that such reimbursement shall not exceed \$75,000 in the aggregate.

8. Severability.

If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated. It is hereby stipulated and declared to be the intention of the Parties that the Parties would have executed the remaining terms, provisions, covenants and restrictions without including any of such which may be hereafter declared invalid, void or unenforceable. In addition, the Parties agree to use their best efforts to agree upon and substitute a valid and enforceable term, provision, covenant or restriction for any of such that is held invalid, void or enforceable by a court of competent jurisdiction.

9. Notices.

Any notices, consents, determinations, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (A) upon receipt, when delivered personally; (B) upon confirmation of receipt, when sent by email (provided such confirmation is not automatically generated); or (C) two (2) business days after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the Party to receive the same. The addresses for such communications shall be:

If to the Company, to:

Humana Inc.  
500 West Main Street  
Louisville, Kentucky 40202  
Attention: Joseph C. Ventura

with a copy (which shall not constitute notice) to:

Fried, Frank, Harris, Shriver & Jacobson LLP  
One New York Plaza  
New York, NY 10004

Attention: Warren de Wied  
Phillip Richter  
Brian T. Mangino  
Facsimile: (212) 859-4000  
E-mail: warren.dewied@friedfrank.com  
philip.richter@friedfrank.com  
brian.mangino@friedfrank.com

If to Starboard or any member thereof, to:

Starboard Value LP

777 Third Avenue, 18th Floor  
New York, New York 10017  
Attention: Jeffrey C. Smith  
Peter A. Feld  
Facsimile: (212) 845-7989  
Email: [jsmith@starboardvalue.com](mailto:jsmith@starboardvalue.com)  
[pfeld@starboardvalue.com](mailto:pfeld@starboardvalue.com)

with a copy (which shall not constitute notice) to:

Olshan Frome Wolosky LLP  
1325 Avenue of the Americas  
New York, New York 10019  
Attention: Steve Wolosky, Esq.  
Andrew Freedman, Esq.  
Facsimile: (212) 451-2222  
Email: [swolosky@olshanlaw.com](mailto:swolosky@olshanlaw.com)  
[afreedman@olshanlaw.com](mailto:afreedman@olshanlaw.com)

#### 10. Applicable Law.

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without reference to the conflict of laws principles thereof that would result in the application of the law of another jurisdiction. Each of the Parties hereto irrevocably agrees that any legal action or proceeding with respect to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by the other Party hereto or its successors or assigns, shall be brought and determined exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any federal court within the State of Delaware). Each of the Parties hereto hereby irrevocably submits with regard to any such action or proceeding for itself and in respect of its property, generally and unconditionally, to the personal jurisdiction of the aforesaid courts and agrees that it will not bring any action relating to this Agreement in any court other than the aforesaid courts. Each of the Parties hereto hereby irrevocably waives, and agrees not to assert in any action or proceeding with respect to this Agreement, (A) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason, (B) any claim that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (C) to the fullest extent permitted by applicable legal requirements, any claim that (1) the suit, action or proceeding in such court is brought in an inconvenient forum, (2) the venue of such suit, action or proceeding is improper or (3) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

#### 11. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the Parties and delivered to the other Party (including by means of electronic delivery or facsimile).

#### 12. Mutual Non-Disparagement.

Subject to applicable law, each of the Parties covenants and agrees that, during the Standstill Period, or if earlier, until such time as the other Party or any of its agents, subsidiaries, controlled affiliates, successors, assigns, partners, members, officers, key employees or directors shall have breached this Section 12, neither it nor any of its respective agents, subsidiaries, controlled affiliates, successors, assigns, partners, members, officers, key employees or directors, shall in any way publicly criticize, disparage, call into disrepute, or otherwise defame or slander the other Party or such other Party's subsidiaries, affiliates, successors, assigns, partners, members, officers (including any current officer of a Party or a Party's subsidiaries who no longer serves in such capacity following the execution of this Agreement), directors (including any current officer or director of a Party or a Party's subsidiaries who no longer serves in such capacity following the execution of this Agreement), employees, stockholders, agents, attorneys or representatives, or any of their businesses, products or services, in any manner that would reasonably be expected to damage the business or reputation of such other Party, their businesses, products or services or their subsidiaries, affiliates, successors, assigns, officers (or former officers), directors (or former directors), employees, stockholders, agents, attorneys or representatives.

#### 13. Securities Laws.

Starboard acknowledges that it is aware, and will advise each of its representatives who are informed as to the matters that are the subject of this Agreement, that the United States securities laws may prohibit any person who directly or indirectly has received from an issuer material, non-public information from purchasing or selling securities of such issuer or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

#### 14. Entire Agreement; Amendment and Waiver; Successors and Assigns; Third Party Beneficiaries; Term.

This Agreement (including its exhibits) contains the entire understanding of the Parties with respect to its subject matter. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings between the Parties other than those expressly set forth herein. No modifications of this Agreement can be made except in writing signed by an authorized representative of each the Company and Starboard. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law. The terms and conditions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the Parties hereto and their respective successors, heirs, executors, legal representatives, and permitted assigns. No Party shall assign this Agreement or any rights or obligations hereunder without, with respect to Starboard, the prior written consent of the Company, and with respect to the Company, the prior written consent of Starboard. This Agreement is solely for the benefit of the Parties and is not enforceable by any other persons or entities. This Agreement shall terminate at the end of the Standstill Period, except the Company's obligation under Section 1(a)(vi)(y), which shall survive such termination until the 2023 Annual Meeting, and the provisions of Sections 6, 9, 10, 13 and 14, which shall survive such termination; provided, however, that any Party may bring an action following such termination alleging a breach of this

Agreement occurring prior to the end of the Standstill Period (or in the case of the Company's obligation under Section 1(a)(vi)(y), alleging a breach of this Agreement occurring prior to the 2023 Annual Meeting).

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IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized signatories of the Parties as of the date first set forth above.

**THE COMPANY:**

**HUMANA INC.**

By: /s/ JOSEPH VENTURA

Name: Joseph Ventura

Title: Chief Legal Officer

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**STARBOARD:**

STARBOARD VALUE AND  
OPPORTUNITY MASTER FUND LTD  
By: Starboard Value LP,  
its investment manager

STARBOARD VALUE AND  
OPPORTUNITY S LLC  
By: Starboard Value LP,  
its manager

STARBOARD VALUE AND  
OPPORTUNITY C LP  
By: Starboard Value R LP,  
its general partner

STARBOARD VALUE R LP  
By: Starboard Value R GP LLC,  
its general partner

STARBOARD VALUE AND  
OPPORTUNITY MASTER FUND L LP  
By: Starboard Value L LP,  
its general partner

STARBOARD VALUE L LP  
By: Starboard Value R GP LLC,  
its general partner

STARBOARD X MASTER FUND LTD  
By: Starboard Value LP,  
its investment manager

STARBOARD VALUE LP  
By: Starboard Value GP LLC,  
its general partner

STARBOARD VALUE GP LLC  
By: Starboard Principal Co LP,  
its member

STARBOARD PRINCIPAL CO LP  
By: Starboard Principal Co GP LLC,  
its general partner

STARBOARD PRINCIPAL CO GP LLC

STARBOARD VALUE R GP LLC

By: /s/ JEFFREY C. SMITH  
Name: Jeffrey C. Smith  
Title: Authorized Signatory

[Signature Page to Agreement by and among Humana and Starboard]

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**EXHIBIT A**

**PRESS RELEASE**

FOR IMMEDIATE RELEASE

**Humana Announces Board of Directors Refreshment Plan***Company to Continue Refreshment Efforts with Appointment of Two New Independent Directors**Effort Part of Constructive Engagement with Large Shareholder, Starboard Value**Reiterates Long-Term Adjusted Earnings Growth Targets*

**LOUISVILLE, KY, Feb 22, 2022** – Humana Inc. (NYSE: HUM) ("Humana" or the "Company") today announced a Board refreshment plan under which the Company will add two new independent directors to its Board of Directors as part of a cooperation agreement with Starboard Value LP (together with certain of its affiliates, "Starboard").

As part of the refreshment plan, the Humana Board will appoint two new independent directors mutually agreed upon by the Company and Starboard, the first before Humana's 2022 Annual Meeting of Shareholders ("Annual Meeting") and the second following. In keeping with Humana's active Board refreshment process, one incumbent director will not stand for re-election at the 2022 Annual Meeting and a second incumbent director will not stand for re-election at the 2023 Annual Meeting.

In connection with today's announcement, Humana reiterated its goal of delivering long-term adjusted earnings per share growth of 11 to 15 percent, by growing individual Medicare Advantage market share while improving pre-tax margins, driving accelerated growth in its Healthcare Services businesses, reducing operating costs and optimizing capital deployment. The Company will accomplish this in part by achieving the previously announced \$1 billion value creation target by 2023 while ensuring it maintains operational discipline and drives sustainable operating cost leverage long-term, and expects to improve individual Medicare Advantage pre-tax margins by at least 50 basis points in 2022.

"At Humana, we pride ourselves on our commitment to best-in-class corporate governance, board refreshment and active shareholder engagement and look forward to welcoming two new independent directors to our Board," said Bruce D. Broussard, President and CEO of Humana. "With these anticipated appointments, we will have added seven new independent directors over the last three years, continuing our planned transition considering the Company's historical experience and necessary skills and capabilities to affect our strategy going forward. This is an important time for our company as we focus on delivering growth in Medicare Advantage and our Healthcare Services businesses. We have enjoyed the constructive relationship with Starboard and look forward to benefitting from the valuable insights and fresh perspectives that these new additions to the Board will bring. We will prioritize adding individuals who can complement our Board's diverse mix of skills and experiences and help us continue to drive growth and deliver long-term shareholder value."

Jeff Smith, CEO of Starboard commented, "We believe Humana is well positioned to continue delivering Medicare Advantage market share gains, improved profitability, and earnings growth as it executes on its strategies, captures the significant opportunities ahead and enhances value for shareholders. We appreciate the constructive dialogue we have had with Humana and are pleased to reach this agreement for the benefit of all shareholders. We look forward to working with the Board to identify two exemplary directors who will further enhance our common goal of significantly increasing shareholder value."

The full agreement between Starboard and Humana will be filed on a Form 8-K with the U.S. Securities and Exchange Commission (the "SEC").

**About Humana**

Humana Inc. (NYSE: HUM) is committed to helping our millions of medical and specialty members achieve their best health. Our successful history in care delivery and health plan administration is helping us create a new kind of integrated care with the power to improve health and well-being and lower costs. Our efforts are leading to a better quality of life for people with Medicare, families, individuals, military service personnel, and communities at large.

To accomplish that, we support physicians and other health care professionals as they work to deliver the right care in the right place for their patients, our members. Our range of clinical capabilities, resources and tools – such as in-home care, behavioral health, pharmacy services, data analytics and wellness solutions – combine to produce a simplified experience that makes health care easier to navigate and more effective.

More information regarding Humana is available to investors via the Investor Relations page of the Company's website at [humana.com](http://humana.com), including copies of:

- Annual reports to stockholders
- Securities and Exchange Commission filings
- Most recent investor conference presentations
- Quarterly earnings news releases and conference calls
- Calendar of events
- Corporate Governance information

**About Starboard Value LP**

Starboard Value LP is a New York-based investment adviser with a focused and differentiated fundamental approach to investing primarily in publicly traded U.S. companies. Starboard seeks to invest in deeply undervalued companies and actively engage with management teams and boards of directors to identify and execute on opportunities to unlock value for the benefit of all shareholders.

**Cautionary Statement**

This news release includes forward-looking statements regarding Humana within the meaning of the Private Securities Litigation Reform Act of 1995. When used in investor presentations, press releases, Securities and Exchange Commission (SEC) filings, and in oral statements made by or with the approval of one of Humana's executive officers, the words or phrases like "expects," "believes," "anticipates," "intends,"



“likely will result,” “estimates,” “projects” or variations of such words and similar expressions are intended to identify such forward looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and assumptions, including, among other things, information set forth in the “Risk Factors” section of the company’s SEC filings, a summary of which includes but is not limited to the following:

- If Humana does not design and price its products properly and competitively, if the premiums Humana receives are insufficient to cover the cost of healthcare services delivered to its members, if the company is unable to implement clinical initiatives to provide a better healthcare experience for its members, lower costs and appropriately document the risk profile of its members, or if its estimates of benefits expense are inadequate, Humana’s profitability could be materially adversely affected. Humana estimates the costs of its benefit expense payments, and designs and prices its products accordingly, using actuarial methods and assumptions based upon, among other relevant factors, claim payment patterns, medical cost inflation, and historical developments such as claim inventory levels and claim receipt patterns. The company continually reviews estimates of future payments relating to benefit expenses for services incurred in the current and prior periods and makes necessary adjustments to its reserves, including premium deficiency reserves, where appropriate. These estimates involve extensive judgment, and have considerable inherent variability because they are extremely sensitive to changes in claim payment patterns and medical cost trends. Accordingly, Humana’s reserves may be insufficient.
- If Humana fails to effectively implement its operational and strategic initiatives, particularly its Medicare initiatives and state-based contract strategy, the company’s business may be materially adversely affected, which is of particular importance given the concentration of the company’s revenues in these products. In addition, there can be no assurances that the company will be successful in maintaining or improving its Star ratings in future years.
- If Humana fails to properly maintain the integrity of its data, to strategically maintain existing or implement new information systems, to protect Humana’s proprietary rights to its systems, or to defend against cyber-security attacks or prevent other privacy or data security incidents that result in security breaches that disrupt our operations or in the unintentional dissemination of sensitive personal information or proprietary or confidential information, the company’s business may be materially adversely affected.
- Humana is involved in various legal actions, or disputes that could lead to legal actions (such as, among other things, provider contract disputes and qui tam litigation brought by individuals on behalf of the government), governmental and internal investigations, and routine internal review of business processes any of which, if resolved unfavorably to the company, could result in substantial monetary damages or changes in its business practices. Increased litigation and negative publicity could also increase the company’s cost of doing business.
- As a government contractor, Humana is exposed to risks that may materially adversely affect its business or its willingness or ability to participate in government healthcare programs including, among other things, loss of material government contracts; governmental audits and investigations; potential inadequacy of government determined payment rates; potential restrictions on profitability; including by comparison of profitability of the company’s Medicare Advantage business to non-Medicare Advantage business; or other changes in the governmental programs in which Humana participates. Changes to the risk-adjustment model utilized by CMS to adjust premiums paid to Medicare Advantage, or MA, plans according to the health status of covered members, including proposed changes to the methodology used by CMS for risk adjustment data validation audits that fail to address adequately the statutory requirement of actuarial equivalence, if implemented, could have a material adverse effect on our operating results, financial position and cash flows.
- Humana’s business activities are subject to substantial government regulation. New laws or regulations, or legislative, judicial, or regulatory changes in existing laws or regulations or their manner of application could increase the company’s cost of doing business and have a material adverse effect on Humana’s results of operations (including restricting revenue, enrollment and premium growth in certain products and market segments, restricting the company’s ability to expand into new markets, increasing the company’s medical and operating costs by, among other things, requiring a minimum benefit ratio on insured products, lowering the company’s Medicare payment rates and increasing the company’s expenses associated with a non-deductible health insurance industry fee and other assessments); the company’s financial position (including the company’s ability to maintain the value of its goodwill); and the company’s cash flows.
- Humana’s failure to manage acquisitions, divestitures and other significant transactions successfully may have a material adverse effect on the company’s results of operations, financial position, and cash flows.
- If Humana fails to develop and maintain satisfactory relationships with the providers of care to its members, the company’s business may be adversely affected.
- Humana faces significant competition in attracting and retaining talented employees. Further, managing succession for, and retention of, key executives is critical to the Company’s success, and its failure to do so could adversely affect the Company’s businesses, operating results and/or future performance.
- Humana’s pharmacy business is highly competitive and subjects it to regulations and supply chain risks in addition to those the company faces with its core health benefits businesses.
- Changes in the prescription drug industry pricing benchmarks may adversely affect Humana’s financial performance.
- Humana’s ability to obtain funds from certain of its licensed subsidiaries is restricted by state insurance regulations.
- Downgrades in Humana’s debt ratings, should they occur, may adversely affect its business, results of operations, and financial condition.
- The securities and credit markets may experience volatility and disruption, which may adversely affect Humana’s business.
- The spread of, and response to, the novel coronavirus, or COVID-19, underscores certain risks Humana faces, including those discussed above, and the ongoing, heightened uncertainty created by the pandemic precludes any prediction as to the ultimate adverse impact to Humana of COVID-19. As the COVID-19 pandemic continues, the premiums the company charges may prove to be insufficient to cover the cost of health care services delivered to its members, each of which could be impacted by many factors, including the impacts that Humana has experienced, and may continue to experience, to its revenues due to limitations on its ability to implement clinical initiatives to manage health care costs and chronic conditions of its members, and appropriately document their risk profiles, as a result of the company’s members being unable or unwilling to see their providers due to actions taken to mitigate the spread of COVID-19; increased costs that may result from higher utilization rates of medical facilities and services and other increases in associated hospital and pharmaceutical costs; and shifts in the company’s premium and medical claims cost trends to reflect the demographic impact of higher mortality during the COVID-19 pandemic. In addition, Humana is offering, and has been mandated by legislative and regulatory action (including the Families First Act and CARES Act) to provide, certain expanded benefit coverage to its members, such as waiving, or reimbursing, certain costs for COVID-19 testing, vaccinations and treatment. These measures taken by Humana, or governmental action, to respond to the ongoing impact of COVID-19 (including further expansion or modification of the services delivered to its members, the adoption or modification of regulatory requirements associated with those services and the costs and challenges associated with ensuring timely compliance with such requirements), and the potential for widespread testing, treatments and the distribution and administration of COVID-19 vaccines, could adversely impact the company’s profitability.

The spread and impact of COVID-19 and additional variants, or actions taken to mitigate this spread, could have material and adverse effects on Humana’s ability to operate effectively, including as a result of the complete or partial closure of facilities or labor shortages. Disruptions in public and private infrastructure, including communications, availability of in-person sales and marketing channels, financial services and supply chains, could materially and adversely disrupt the company’s normal business operations. A

significant subset of the company's and the company's third party providers' employee population are in a remote work environment in an effort to mitigate the spread of COVID-19, which may exacerbate certain risks to Humana's business, including an increased demand for information technology resources, increased risk of phishing and other cybersecurity attacks, and increased risk of unauthorized dissemination of sensitive personal, proprietary, or confidential information. The continued COVID-19 pandemic has severely impacted global economic activity, including the businesses of some of Humana's commercial customers, and caused significant volatility and negative pressure in the financial markets. In addition to disrupting Humana's operations, these developments may adversely affect the timing of commercial customer premium collections and corresponding claim payments, the value of the company's investment portfolio, or future liquidity needs.

The ongoing, heightened uncertainty created by the pandemic precludes any prediction as to the ultimate adverse impact to Humana of COVID-19. Humana is continuing to monitor the spread of COVID-19, changes to the company's benefit coverages, and the ongoing costs and business impacts of dealing with COVID-19, including the potential costs and impacts associated with lifting or reimposing restrictions on movement and economic activity, the timing and degree in resumption of demand for deferred healthcare services, the pace of administration of COVID-19 vaccines and the effectiveness of those vaccines, and related risks. The magnitude and duration of the pandemic remain uncertain, and its impact on Humana's business, results of operations, financial position, and cash flows could be material.

In making forward-looking statements, Humana is not undertaking to address or update them in future filings or communications regarding its business or results. In light of these risks, uncertainties, and assumptions, the forward-looking events discussed herein may or may not occur. There also may be other risks that the company is unable to predict at this time. Any of these risks and uncertainties may cause actual results to differ materially from the results discussed in the forward-looking statements.

Humana advises investors to read the following documents as filed by the company with the SEC for further discussion both of the risks it faces and its historical performance:

- Form 10-K for the year ended December 31, 2021.

## **Contacts**

Lisa Stoner  
Humana Investor Relations  
(502) 580-2652  
LStamper@humana.com

or

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Humana Corporate Communications  
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e-mail: MTaylor108@humana.com