



2025 EXECUTIVE COMPENSATION SUMMARY



Blue Shield of California: we're truly mission-driven

At Blue Shield our mission is to ensure all Californians have access to high-quality health care worthy of our family and friends and sustainably affordable. To achieve our mission, we must transform a dysfunctional healthcare system and ensure everything we do, every decision we make is driven by our mission and a strong leadership team that inspires all of us to achieve our goals.

The purpose of this document is to provide insight into our executive compensation program and how we pay for performance. As a non-profit healthcare plan, we want to be transparent and help our members and partners understand what we stand for, what we do, and why we do it.

Table of Contents

Our compensation philosophy	4
Serving more members at every stage of life	6
Elements of our executive compensation program	8
Compensation mix	9
Executive Incentive Plan	10
Long-Term Incentive Plan	12
Compensation paid	14
2025 Chief Executive Officer (CEO) compensation	15
How we compare against the market	17
CEO pay ratio	18
Pay equity	19



Our compensation philosophy

Blue Shield rewards executives through a pay for performance compensation philosophy that combines achieving strong company performance (the “what”) and high-quality, high-performing leadership (the “how”). How we achieve our results through leadership is as important as what we achieve. We expect our leaders to be human, honest and courageous and to model our leadership behaviors, including continuously advancing toward our north star, to make health care worthy of our family and friends. We do this by putting our members first, giving back to our communities, building high-performing teams, and delivering high-quality results.





At Blue Shield we are committed to a compensation program that is fair, equitable, performance-based, and competitive so that we can attract, retain, motivate and reward an executive team with superior skills and experience – to lead in the healthcare industry and fulfill our mission.

We pay for outcomes versus effort and emphasize achieving them in the right way, aligned with our values and leadership behaviors.

The compensation program is overseen by the Compensation and Human Resources Committee of the Board of Directors, an independent committee comprised of outside directors. Annually, the committee:

- Reviews our compensation philosophy and guiding principles
- Works with an independent compensation consultant to benchmark Blue Shield pay programs against peer companies, which include nonprofit and for-profit managed care companies, and California general industry
- Reviews and approves short- and long-term incentive measures and goals
- Monitors company performance against goals and determines applicable incentive payout factors
- Reviews and approves the performance and development plans of the Chief Executive Officer and senior leadership
- Reviews and approves executive compensation actions
- Reviews incentive plans to ensure they do not promote excessive risk taking

Serving more members at every stage of life

New corporate structure

In January 2025, Blue Shield of California became a subsidiary of Ascendium, a nonprofit corporate entity that is the parent to a family of organizations including Blue Shield of California and its subsidiary, Blue Shield of California Promise Health Plan; Altas, a clinical services company; and Stellarus, a company designed to scale healthcare solutions. Together, these organizations are referred to as the Ascendium Family of Companies. Paul Markovich, Blue Shield of California's former Chief Executive Officer, is President and CEO of Ascendium.

Following Lois Quam's tenure as Blue Shield of California's President and CEO from January to March 2025, Mike Stuart, Chief Financial Officer, was named as Interim President and CEO. He was appointed President and CEO of Blue Shield of California in August 2025. Kassie Maroney, Chief Actuary, has been serving as interim Chief Financial Officer since March 2025.

Advancing our mission

Blue Shield of California strives to be the health plan partner of choice for individuals, families and employers across the state. We now serve nearly six million members, including over 550,000 Blue Shield Promise members.

In 2025, we advanced our mission to make health care more affordable, transparent, and easier for members to navigate. We exceeded member growth targets and, despite higher health care costs impacting operating income, strong investment results drove pretax income of \$368 million, compared to \$181 million in 2024.

Key initiatives that supported this work include:

Member Growth

- We onboarded more than 400,000 state employees, retirees and their families through the California Public Employees Retirement System (CalPERS) and hundreds of thousands of active-duty military members and their families living in California. We are honored to collaborate with CalPERS and TriWest in support of California's public servants and our active and retired service members.

Strategic Partnerships

- We expanded our Digital Health Record to securely connect more providers and health systems, improving data sharing for more than a million members. This expansion helps providers coordinate care more effectively and improves quality, experience, and long-term affordability.
- Blue Shield joined CivicaScript to expand access to transparent, low-cost insulin as part of a broader effort to address affordability for essential, widely used medications for Blue Shield members.

- We teamed up with Zocdoc to launch a new online appointment scheduling feature that allows members to book in-network medical, dental, vision, and mental health appointments directly through the “Find a doctor” tool in our app and website. This is Zocdoc’s first collaboration with a health plan to power scheduling within a member portal, reinforcing our leadership in delivering seamless, digitally enabled member experiences.

Investing in our Workforce

- Blue Shield of California remains a great place to work. In 2025, 93 percent of employees participated in annual giving and volunteer opportunities, contributing more than 65,500 volunteer hours and \$1.7 million in donations (including company match) to more than 2,700 nonprofit organizations.
- We also won high-profile, competitive industry awards including 2025 U.S. News and World Report Best Places to Work For and 2025 U.S. Best Managed Company for the sixth consecutive year and a Gold Standard honoree for the third straight year.



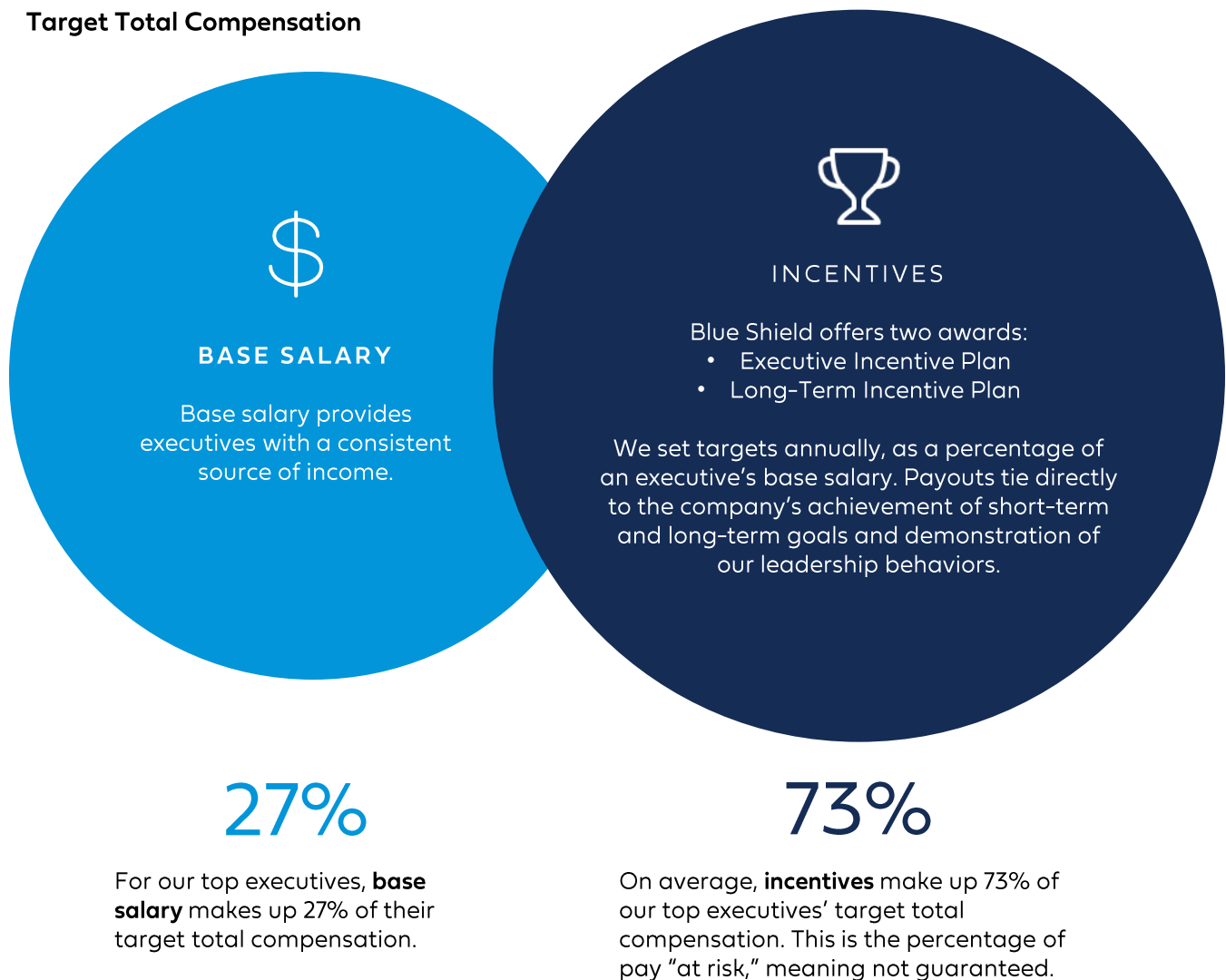
Elements of our executive compensation program

ELEMENT	LINK TO PROGRAM OBJECTIVES	TYPE OF COMPENSATION	KEY FEATURES
Base Salary	Provides a consistent source of income and is a standard compensation element	Cash	Established at hire or promotion based on competitive market data for each role and individual capabilities and experience. Subject to annual adjustment based on market data and individual performance using the same guidelines as for all employees.
Executive Incentive Plan	An annual cash-based incentive that encourages executives to focus on specific corporate and individual annual performance goals	Cash	Target incentive opportunity is set as a percentage of base salary and is paid only if performance levels are met and leadership behaviors are demonstrated
Long-Term Incentive Plan	Links pay to the achievement of the company's long-term strategic goals; promotes retention	Cash	Target incentive opportunity is set annually with a three-year horizon needed to achieve the company's performance goals
Health and Welfare Benefits	Helps attract and retain talent	Benefit	Comprehensive program of benefits that are available generally to all Blue Shield employees
Retirement	Helps attract and retain talent	Benefit	Executives receive retirement benefits through four plans: <ul style="list-style-type: none"> • 401(k) Plan • Deferred Compensation Plan • Defined Benefit Pension Plan (closed to new participants as of 1/1/16) • Supplemental Executive Retirement Plan (closed to new participants as of 1/1/16)
Other Benefits (e.g., perquisites)	Enables executives to be efficient and focus on their role	Benefit	Perquisites are limited in amount and the Compensation and Human Resources Committee limits eligibility and use

Blue Shield's success depends largely on the contributions of motivated, focused and energized people all working to achieve our strategic goals. This understanding shapes our approach to providing a competitive total rewards package to our executives, including the Chief Executive Officer.

Compensation Mix

Target Total Compensation



Benefits

For our top executives, Blue Shield's benefits package added an amount equal to 10% of target total compensation to their total rewards in 2025. Relative to total rewards, base salary made up 25%, incentives 68% and benefits 8%.



Includes health insurance, 401(k) plan, and pension plan (closed to new participants as of 1/1/16).

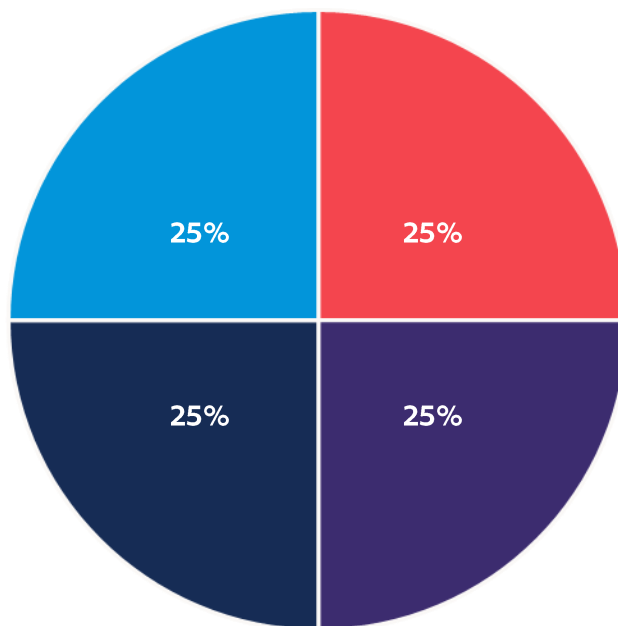
Executive Incentive Plan

This incentive opportunity is tied to achievement of annual strategic and financial goals, and factors in demonstration of our leadership behaviors.

ONE YEAR
Performance is measured over a one-year period.

Our 2025 goals
(apply to incentive compensation paid in March 2026)

- Clinical Quality
- Membership
- Customer Experience
- Operating Income



Executive Incentive Plan Award

Corporate Performance

80%

weight
(0 to 150% range)

The corporate performance factor is set as a percentage for the entire company, based on achievement of Blue Shield's goals.

Individual Performance

20%

weight
0 to 200% range

The individual performance factor is based on the employee's achievement of individual goals and leadership for the plan year.

160%

of target is the maximum payout allowed

Determining an Executive Incentive Plan award

Corporate and individual performance sets the amount paid out against an executive's target.

Corporate performance sets the amount of the Executive Incentive Plan payout based on achievement of Blue Shield's goals.

$$\begin{array}{ccccccc}
 \text{\$} & & \text{Location Pin} & & \text{Trophy} & & \text{Calculator} \\
 \text{Eligible earnings} & \times & \text{Executive Incentive Plan target} & \times & \text{Corporate performance factor} & \times & \text{80\%} = \text{Corporate \$}
 \end{array}$$

An executive's individual performance against goals impacts the remainder of the Executive Incentive Plan payout.

$$\begin{array}{ccccccc}
 \text{\$} & & \text{Location Pin} & & \text{Star} & & \text{Calculator} \\
 \text{Eligible earnings} & \times & \text{Executive Incentive Plan target} & \times & \text{Individual performance factor} & \times & \text{20\%} = \text{Individual \$}
 \end{array}$$

Long-Term Incentive Plan

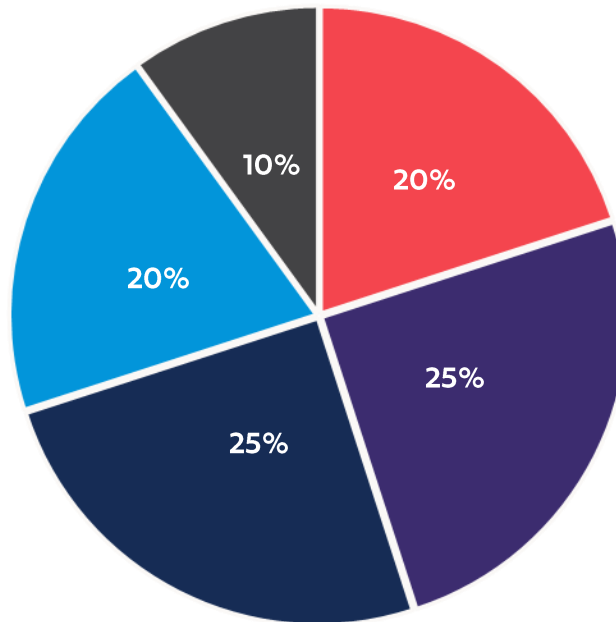
The long-term incentive opportunity is tied to long-term strategic and financial goals that support achieving our mission.

THREE YEARS
Performance is measured over a three-year period.

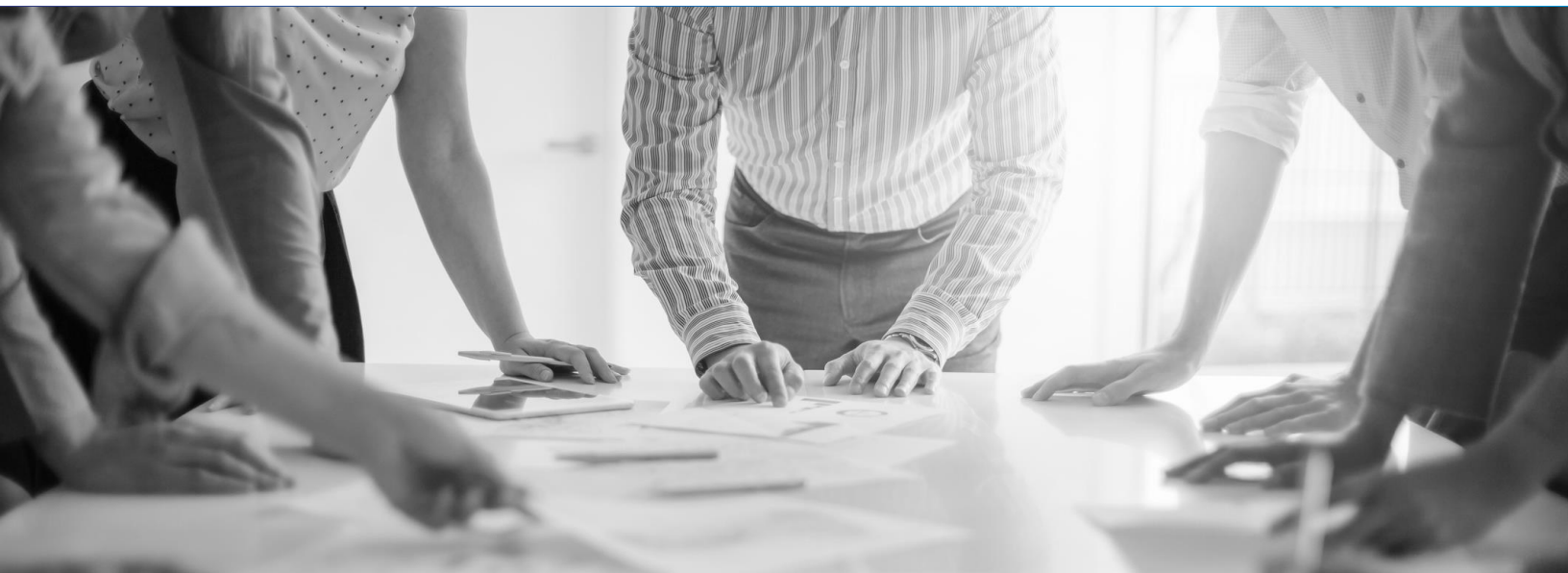
Our 2025-2027 goals

(apply to incentive compensation paid in March 2028)

- Clinical Quality
- Membership
- Customer Experience
- Affordability
- Employee Engagement



In addition to performance for the five goals above, the long-term incentive payout is subject to downward adjustment if certain financial goals are not met.



Long-Term Incentive Plan Award

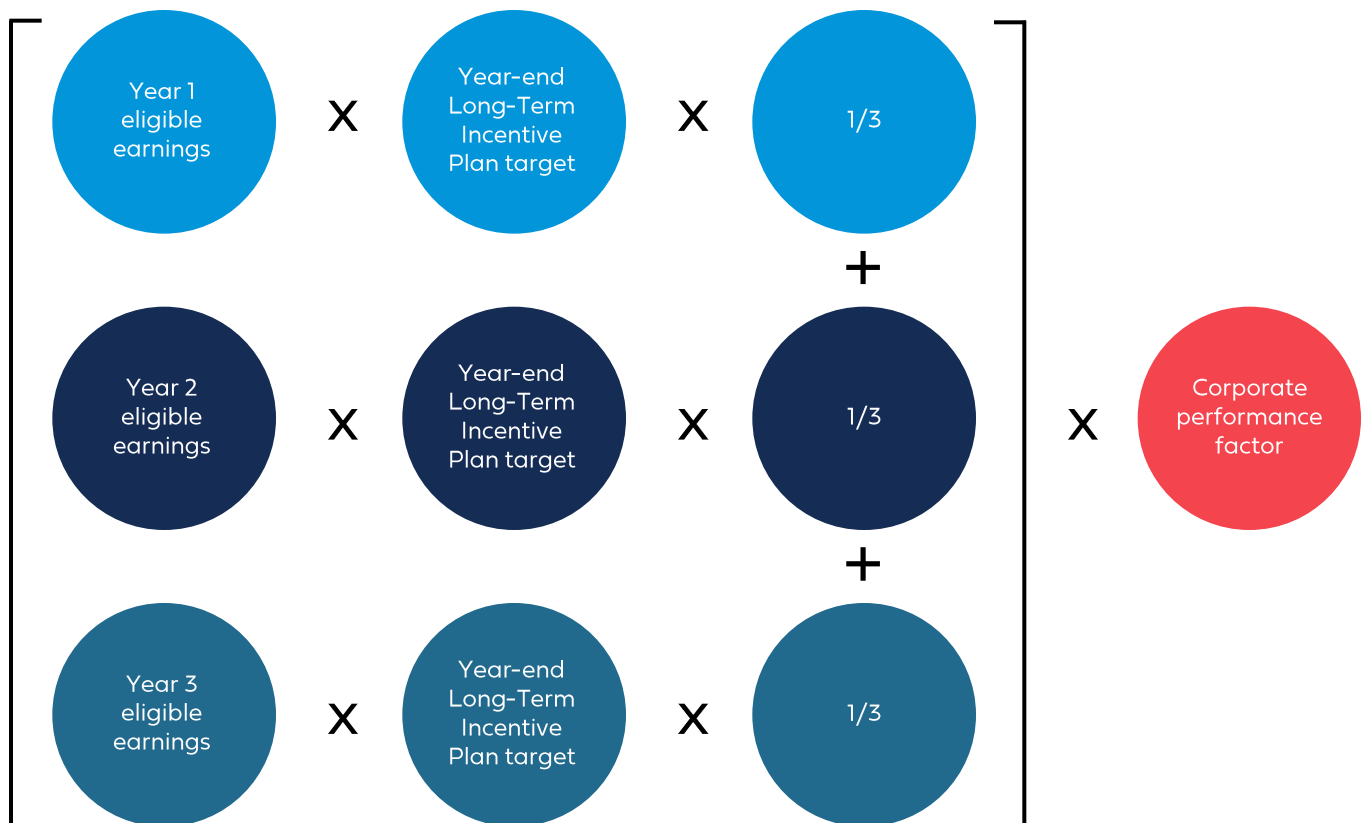
The corporate performance factor for the Long-Term Incentive Plan ranges from

0% to 200%

When applied to an executive's Long-Term Incentive Plan target, it can increase or decrease an executive's award payout.

200% of target is the maximum payout allowed

Determining a Long-Term Incentive Plan award



Compensation Paid

Compensation paid to our Chief Executive Officer, Interim Chief Financial Officer, and top three highest paid executives other than the CEO and CFO who served in their role at year-end:

Michael Stuart

President and Chief Executive Officer
\$4,954,085

Haley Mixon

EVP, Chief Human Resources Officer
\$3,477,689

Kassie Maroney

SVP, Interim Chief Financial Officer
\$1,843,679

Susan Mullaney

EVP, Chief Operating Officer
\$2,913,335

Hope Scott

EVP, General Counsel and Corporate Secretary
\$3,903,233

Compensation paid to Paul Markovich who transferred to Ascendium in 2025:

Paul Markovich

President and Chief Executive Officer
\$7,891,651

Compensation paid to executives who left Blue Shield of California in 2025 whose compensation would have been reportable were it not for their change in employment:

Lisa Davis

EVP, Chief Information Officer
\$10,214,017

Kelly Stern

SVP, Corporate and Executive Communications
and Visibility
\$3,972,737

Lois Quam

President and Chief Executive Officer
\$7,695,336

Krishna Ramachandran

SVP, Health Transformation
\$3,523,109

Our determination of executives for whom we report compensation is based on reporting rules for publicly traded companies. While Blue Shield of California is not subject to these rules, this approach ensures we are consistent and focus our reporting on key executives.

Compensation paid includes incentives paid in March 2025 which reflect performance in fiscal year 2024 for the Executive Incentive Plan, and performance in 2022-2024 for the Long-Term Incentive Plan, and payment of retirement benefits and incentives earned over several years upon meeting retirement criteria, and other post-termination benefits consistent with plan terms.

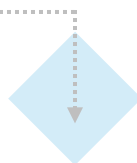


2025 Chief Executive Officer Compensation

Our Chief Executive Officer’s compensation—and that of our top executives—is weighted heavily toward performance-based incentives, meaning it is “at risk” based on company performance.

Salary

\$1,161,223



30%

of Michael Stuart’s 2025 total compensation was “at-risk” (Executive Incentive Plan + Long-Term Incentive Plan) and delivered through performance-based incentives. This percentage is lower than usual because his incentive payouts in 2025 were based on the lower incentive targets for his prior role as CFO and because he received a special retention award payout in 2025. For 2026, 78% of his target total compensation is “at risk”.

Actual Executive Incentive Plan payout
(based on 2024 achievement)

\$542,490

Actual Long-Term Incentive Plan payout
(based on 2022-2024 achievement)

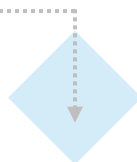
\$925,126

Retention Award payout
(for 2023-2025))

\$2,300,000

2025 gross earnings

\$4,954,085



positioned between the market 25th and 50th percentiles.



The CEO benefits package

Blue Shield’s benefits package added an amount equal to 2% of target total compensation to the CEO’s total rewards. Blue Shield provides competitive benefits that target the market median, consistent with the company’s compensation philosophy.

Health and Welfare:

The CEO is eligible to participate in the same benefits as all eligible employees, including medical, dental, vision, life, and disability insurance.

Employer 401(k) contributions:

Like other employees who do not participate in the pension plan, the CEO is eligible for a 4% matching contribution, a 2% contribution, and a 1% performance-based contribution from Blue Shield.



How we compare against the market

When compared to peer companies, we target the market median for total compensation (base salary plus annual incentive plus long-term incentive) and a range of market 50th to 75th percentile for salary and annual incentive.

Total compensation paid in 2025 to Blue Shield's Chief Executive Officer was competitive when compared with similarly sized managed care companies, including:

- Blue Cross Blue Shield companies
- Ascension Health
- Banner Health
- Centene
- Common Spirit Health
- Davita Inc.
- HCA Healthcare, Inc.
- Horizon Mutual Holdings, Inc.
- Humana
- Kaiser Permanente
- Molina Healthcare
- Sutter Health
- Other similarly sized nonprofit and for-profit companies in the managed care industry



CEO pay ratio

Public companies must disclose in their proxy statement:

- The annual total compensation of its CEO
- The median of the annual total compensation of all its employees, except the CEO
- The ratio of those two amounts
- Blue Shield is not required to disclose its CEO pay ratio since it is not a public company. We are voluntarily disclosing our CEO pay ratio for transparency.

Blue Shield's CEO pay ratio



For-profit health insurers¹



¹Includes public health insurers Alignment Healthcare, Centene, Cigna, Elevance Health, Humana, Molina and UnitedHealth.

Pay equity

Consistent with our pay-for-performance philosophy, we strive to rigorously maintain a position where everyone is paid equitably at Blue Shield. One of the tools we use to monitor pay equity is to calculate the average ratio of pay by job and location for minorities versus non-minorities and women versus men. These pay equity ratios will vary slightly over time as employees change jobs, join, or leave the company. As of March 2026, the ratios were:

- 100% for minorities versus non-minorities
- 99% for women versus men

We were recognized for our commitment to cultivating a culture of belonging through several key industry awards, including being named to the Forbes list of America’s Best Employers for Women 2025, a 2025 U.S. News & World Report Best Company to Work For and to the 2025 Disability Index® as a Best Place to Work for Disability Inclusion. These honors reflect our ongoing focus on fostering a workplace where all employees can thrive.

Minorities and Women as a Percent of Employees by Level

GROUP	ALL LEVELS	MANAGERS	DIRECTORS	VP AND ABOVE
Minorities	60%	50%	42%	34%
Women	73%	68%	58%	52%

Data as of March 2026. Minorities includes employees who self-identified as African American, Asian, Multiracial, Native American, Native Hawaiian and Pacific Islander, and Hispanic of any race. Women includes employees who self-identified as female.



