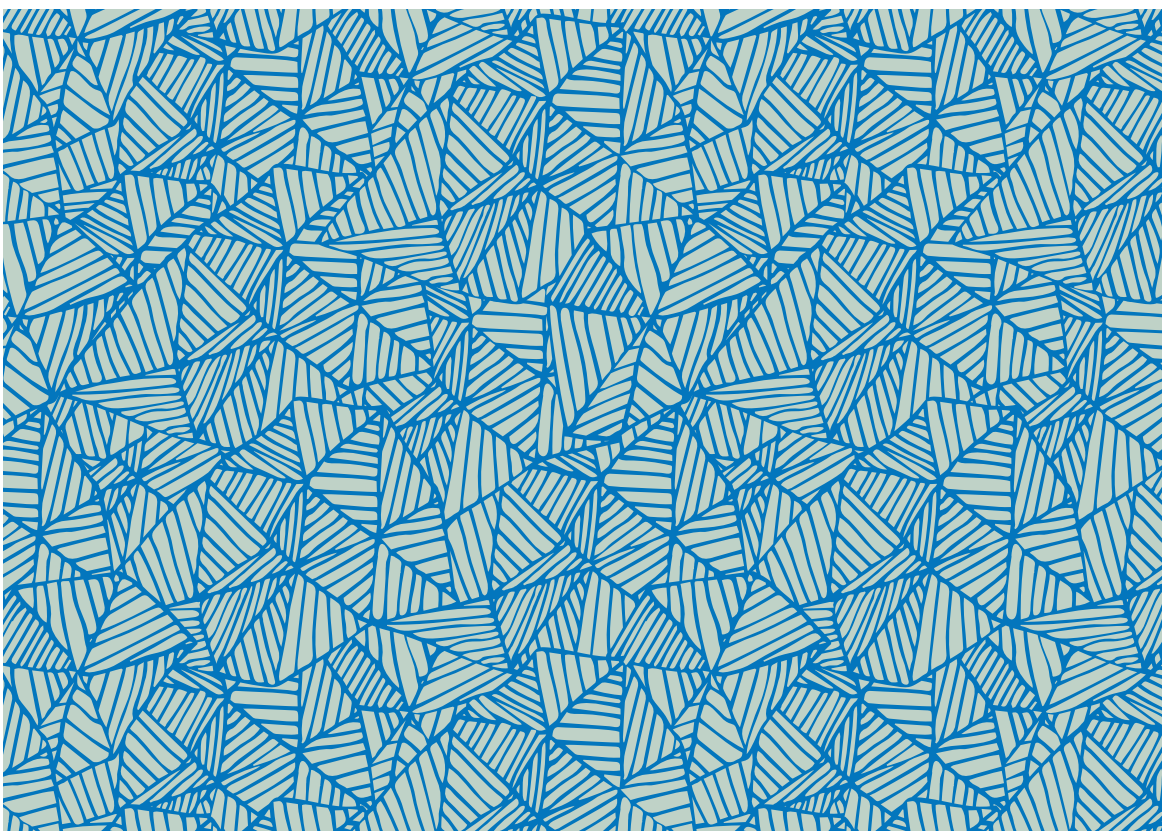


Executive and Board Compensation



An Independent Licensee of the Blue Cross and Blue Shield Association

Executive compensation philosophy



At HMSA, we offer an executive leadership compensation program that is fair, equitable, performance-based, and competitive to attract, retain, motivate, and recognize superior skills and experience. This is a vital component to fulfilling our mission to improve the health of Hawaii.

We pay for outcomes, not effort, and emphasize achieving them the right way that aligns with our values.

Compensation for HMSA's principal officers is set by the Compensation and Human Resources Committee of the Board, an independent committee of Board members. The committee uses an executive compensation consultant to assist with market reviews and provide guidance to the committee for appropriate market comparators and pay structure.

To ensure HMSA remains competitive, the market values used to benchmark compensation data include other comparably sized Blue Cross Blue Shield plans, health care systems, and general industry companies. The committee also reviews compensation at other comparable Hawaii companies.

A large part of total compensation for executive leadership is at-risk payments (i.e., annual and long-term incentives) scored via Board-approved company goals. This helps ensure that executive leadership pay is aligned to performance and is tied to both near- and long-term value created for members and the community.

Also taken into consideration:

- Annual fluctuations in total compensation are heavily dependent on how HMSA performs against goals, not changes in guaranteed base salary.
- For more than 87 years, HMSA's administrative expenses have remained consistent at 7% revenue, which is low for the health care industry and other comparably sized Hawaii businesses. As our fiduciary responsibility to our members, we have targeted a net operating gain of 0%-1%.
- We must balance affordability of premiums with ensuring that HMSA has the talent it needs at all levels to take care of the more than 750,000 people we cover.
- With more locals leaving due to the high cost of living and inflation rising, we're no different than other businesses that are struggling to retain and recruit good employees who will help us fulfill our mission.

We're committed to ensuring competitive wages and benefits and improving employee experience for our entire workforce. Doing so will help create a health care system that is worthy of our family and friends, and remaining sustainably affordable starts with our people, who are also members of HMSA.

2025 Senior Executive Compensation

The information below is a forecast of the annual base salary and the incentives that were paid in 2025 for prior period performance.

Mark M. Mugiishi, M.D., F.A.C.S.

President and Chief Executive Officer

Salary	\$1,293,000
At-risk incentives	\$1,933,000
Total	\$3,226,000

Jenny J. Smith

Executive Vice President and Chief Financial Officer

Salary	\$828,000
At-risk incentives	\$774,000
Total	\$1,602,000

Janna L.S. Nakagawa

Executive Vice President and Chief Administrative
and Strategy Officer

Salary	\$595,000
At-risk incentives	\$494,348
Total	\$1,089,348

Kenric M. Murayama, M.D., F.A.C.S.

Executive Vice President and Chief Health Officer

Salary	\$492,000
At-risk incentives	\$411,984
Total	\$903,984

Jenny A. Walker

Senior Vice President and General Counsel

Salary	\$517,600
At-risk incentives	\$330,439
Total	\$848,039

2025 Senior Executive Compensation *(continued)*

Rick A. Hopfer Jr.

Senior Vice President and Chief Information Officer

Salary	\$465,800
At-risk incentives	\$316,035
Total	\$781,835

Emily Oshima Lee

Senior Vice President, Corporate Strategy

Salary	\$291,500
At-risk incentives	\$186,109
Total	\$477,609

Jennifer A. Diesman

Senior Vice President, Government Policy and Advocacy

Salary	\$272,000
At-risk incentives	\$184,564
Total	\$456,564

Board Compensation Philosophy



To secure an engaged Board with directors who have specific and valuable skill sets who can be responsible fiduciaries of a \$5 billion company, HMSA must be competitive with other large business board opportunities.

The Nominating and Governance Committee of the Board commits to a rigorous process when selecting new board members. The Board considers skills, expertise, diversity, and community influence. An annual evaluation is conducted to assess the performance of individuals and the Board as a whole.

For the sake of Board recruitment and retention amongst the limited pool of strong local leaders, compensation for our Board became a necessary and logical evolution. This change helps ensure that HMSA is guided by qualified local leaders and can remain a solid company for our community.

It's important to keep in mind that HMSA is different from other nonprofit companies in Hawaii. Other health care partners are 501(c)(3)s and don't compensate their boards. However, HMSA is a different type of corporate entity – a federally taxed 501(m) mutual benefit society.

Board compensation is paid out of investment income and not member premiums.



2025 HMSA Board Compensation

Each Board member is paid a \$70,000 retainer for their services. Additional payment is made for each committee they serve on and, additional to that, if they chair a committee or serve as a Board officer. HMSA employees who also serve as principal officers of the Board are not compensated for their Board service.

Officers

Robert S. Harrison Chair Chairman, President and Chief Executive Officer First Hawaiian Bank	\$115,000
John T. Komeiji, Esq. Vice Chair Retired	\$99,500
Jenny J. Smith Treasurer Executive Vice President and Chief Financial Officer Hawai'i Medical Service Association	\$0
Elizabeth S. Hokada Assistant Treasurer Retired	\$113,500
Janna L.S. Nakagawa Secretary Executive Vice President and Chief Administrative and Strategy Officer Hawai'i Medical Service Association	\$0
Jenny A. Walker Assistant Secretary Senior Vice President and General Counsel Hawai'i Medical Service Association	\$0
Mark M. Mugiishi, M.D., F.A.C.S. President and Chief Executive Officer Hawai'i Medical Service Association	\$0

2025 HMSA Board Compensation *(continued)*

Directors

Staci M. Fujikawa, Esq. Director of Human Resources 'Iolani School	\$89,500
Terrence R. George President and Chief Executive Officer Harold K.L. Castle Foundation	\$102,000
Kevin K. Kurohara, M.D. Family Practice Hawaii Island Healthcare, Inc.	\$79,000
Francesca R. De Luzuriaga Retired	\$89,500
Elliot K. Mills Chief Executive Officer and Managing Partner Hawai'i Hospitality Group	\$100,500
Mark M. Mugiishi, M.D., F.A.C.S. President and Chief Executive Officer Hawai'i Medical Service Association	\$0
Ross R. Murakami Partner KMH LLP	\$94,000
Amol S. Navathe, M.D., Ph.D. Professor of Health Policy and Medicine University of Pennsylvania	\$89,500
James C. Polk President and Chief Banking Officer Bank of Hawaii - Consumer Banking Group	\$107,500
Lisa M.K. Sakamoto Chief Finance Officer The Roman Catholic Church in the State of Hawaii	\$94,000
Roger J. Wall Vice Chairman Foodland Super Market Ltd.	\$97,500
Ronald K. Williams Chief Executive Officer Atlantis Adventures	\$88,000