

HMS HOLDINGS CORP.
STOCK OWNERSHIP GUIDELINES FOR OFFICERS AND DIRECTORS

(Effective as of July 28, 2016)

The Board of Directors (the “*Board*”) of HMS Holdings Corp. (the “*Company*”) believes that the Company’s executive officers and members of the Board, while serving in such capacities, should own and hold common stock of the Company to further align their interests and actions with the interests of the Company and the Company’s stockholders. Therefore, the Board has adopted the following Stock Ownership Guidelines (the “*Guidelines*”).

EXECUTIVE STOCK OWNERSHIP GUIDELINES

These Guidelines apply to the Chief Executive Officer, Chief Financial Officer, Executive Vice Presidents, and any other officers subject to the reporting requirements under Section 16 of the Securities Exchange Act of 1934 (“*Officers*”). The Chief Executive Officer is expected to own that number of shares having a market value of at least five times the Chief Executive Officer’s base salary, and each other Officer is expected to own that number of shares having a market value of at least two times such Officer’s base salary. Each newly elected or promoted Officer will have up to five years after their election or promotion to meet the applicable ownership guideline set forth above, or in the case of Officers in office at the time these Guidelines were adopted, within five years of the date of adoption of the Guidelines.

DIRECTOR STOCK OWNERSHIP GUIDELINES

These Guidelines apply to each non-executive member of the Board (“*Director*”) ¹. Each Director is expected to own that number of shares having a market value of at least five times such Director’s annual cash retainer. Directors will be required to achieve the ownership guidelines set forth above within five years of election to the Board, or in the case of Directors serving at the time these Guidelines were adopted, within five years of the date of adoption of the Guidelines.

INCLUDED HOLDINGS

The following equity holdings will be counted in determining the Officer’s or Director’s stock ownership under these Guidelines:

- common stock owned outright, directly or indirectly, including stock owned by such Officer’s or Director’s immediate family members, or held in trust for the benefit of the Officer or Director or his or her immediate family member;
- restricted stock or restricted stock units, whether or not vested; and
- deferred stock units.

VALUATION METHODOLOGY

To mitigate the impact of stock price fluctuation, the number of shares necessary to satisfy these Guidelines will be determined every third December 1 (beginning December 1, 2016) (each such third anniversary, a “Redetermination Date”), regardless of when an individual becomes subject to the Guidelines, based on the annual base salary or annual cash retainer, as applicable, and the stock ownership multiple, on the determination date. For a newly hired Officer, an Officer promoted to a new stock ownership multiple, or a newly elected or appointed Director, the number of shares necessary to satisfy these Guidelines will be determined as of the first day of the month following such hire, promotion, election or appointment. The stock price on any determination date will be

¹ In the event that a director of the Board also serves as an Officer of the Company, that director will be subject to the Executive Stock Ownership Guidelines in lieu of any stock ownership guidelines applicable to members of the Board.

equal to the average closing price of the Company's common stock on the Nasdaq Stock Market for the month immediately prior to the determination date.

COMPLIANCE WITH GUIDELINES

The number of shares required to be held by each Officer and Director to satisfy these Guidelines will remain fixed until the next Redetermination Date. The Company will notify each Officer and Director by December 31 (or the end of the month following any interim determination for a newly hired Officer, Officer promoted to a new stock ownership multiple, or a newly elected or appointed Director) as to whether he or she is in compliance with these Guidelines. An Officer or Director will have three years following any Redetermination Date to come into compliance with any increased stock ownership requirement.

ADMINISTRATION

The Compensation Committee shall be responsible for monitoring the application of these Guidelines. The Compensation Committee may, from time to time, temporarily suspend, reevaluate or revise these Guidelines to give effect to changes in the Company's common stock or other factors it deems relevant.