
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 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): May 2, 2016 (April 29, 2016)

COMMUNITY HEALTH SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-15925
(Commission
File Number)

13-3893191
(I.R.S. Employer
Identification No.)

4000 Meridian Boulevard
Franklin, Tennessee 37067
(Address of principal executive offices)

Registrant's telephone number, including area code: (615) 465-7000

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 communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

On April 29, 2016, Community Health Systems, Inc. (the “Company”) completed the spin-off of Quorum Health Corporation (“QHC”) through the distribution of 100% of the outstanding common stock, par value \$.0001 per share, of QHC, to Company stockholders (the “Spin-off”). To complete the Spin-off, the Board of Directors of the Company declared a pro rata dividend of QHC’s common stock to Company stockholders of record as of the close of business on April 22, 2016 (the “Record Date”). As a result of the Spin-off, QHC is now an independent public company trading on the New York Stock Exchange (the “NYSE”) under the symbol “QHC.” Company common stock will continue to trade on the NYSE under the symbol “CYH.”

Agreements with QHC Related to the Spin-Off

In connection with the Spin-off, on April 29, 2016, the Company entered into certain agreements with QHC that allocate between the Company and QHC the various assets, employees, liabilities and obligations (including investments, property and employee benefits and tax-related assets and liabilities) that comprise the separate companies and govern certain relationships between, and activities of, the Company and QHC for a period of time after the Spin-off, including the following:

- A Separation and Distribution Agreement (the “Separation and Distribution Agreement”) with QHC that sets forth, among other things, agreements with QHC regarding the principal actions needed to be taken in connection with the Spin-off. It also sets forth other agreements that govern certain aspects of our relationship with QHC following the Spin-off;
- A Tax Matters Agreement (the “Tax Matters Agreement”) with QHC that governs the respective rights, responsibilities and obligations of QHC and the Company after the Spin-off with respect to tax liabilities and benefits, tax attributes, tax contests and other tax sharing regarding U.S. federal, state, local and foreign income taxes, other tax matters and related tax returns; and
- An Employee Matters Agreement (the “Employee Matters Agreement”) with QHC that governs certain compensation and employee benefit obligations with respect to the current and former employees and non-employee directors of each company. It also allocates liabilities and responsibilities relating to employment matters, employee compensation and benefit plans and programs.

The foregoing summaries of the Separation and Distribution Agreement, Tax Matters Agreement and Employee Matters Agreement do not purport to be complete and are subject to, and qualified in their entirety by, the full text of these agreements which are attached hereto as Exhibits 2.1 through 2.3, respectively, and incorporated herein by reference.

In addition to the agreements referenced above, the Company entered into certain transition services agreements with QHC, under which the Company or its affiliates will provide QHC with certain services, and QHC or certain of its affiliates will provide the Company certain services, for a limited time to help ensure an orderly transition for each of the Company and QHC following the Spin-off. These transition services will include, among other services, information technology services and support, payroll processing and other human resources related services and support, patient eligibility screening services, as well as receivables, billing and collection and other revenue cycle management services and support.

Item 8.01 Other Events

A copy of the press release announcing the completion of the Spin-off is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Pursuant to a special distribution paid by QHC to the Company as part of the Spin-off, the Company received approximately \$1.2 billion in cash generated from the net proceeds of certain financing arrangements entered into by QHC as part of the Spin-off. The Company has used approximately \$194 million of such proceeds to repay a portion of its Term F Loans due 2018 and intends to use remaining proceeds from such special distribution to repay other outstanding debt and to pay certain expenses incurred in connection with the Spin-off and such debt repayment transactions.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

The following items are included as Exhibits to this Form 8-K and incorporated herein by reference:

<u>Exhibit No.</u>	<u>Description</u>
2.1	Separation and Distribution Agreement, by and between Community Health Systems, Inc. and Quorum Health Corporation, dated April 29, 2016.*
2.2	Tax Matters Agreement, by and between Community Health Systems, Inc. and Quorum Health Corporation, dated April 29, 2016.*
2.3	Employee Matters Agreement, by and between Community Health Systems, Inc. and Quorum Health Corporation, dated April 29, 2016.*
99.1	Press Release, dated April 29, 2016.

* Community Health Systems, Inc. hereby undertakes to furnish supplementally a copy of any omitted schedule or exhibit to such agreement to the U.S. Securities and Exchange Commission upon request.

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.

Date: May 2, 2016

COMMUNITY HEALTH SYSTEMS, INC.
(Registrant)

By: /s/ Wayne T. Smith
Wayne T. Smith
Chairman of the Board and Chief Executive Officer (principal
executive officer)

Exhibit Index

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SEPARATION AND DISTRIBUTION AGREEMENT

BY AND BETWEEN

COMMUNITY HEALTH SYSTEMS, INC.

AND

QUORUM HEALTH CORPORATION

DATED AS OF APRIL 29, 2016

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Exhibits

<u>Exhibit A</u>	Form of Amended and Restated Certificate of Incorporation of QHC
<u>Exhibit B</u>	Form of Amended and Restated By-laws of QHC

SEPARATION AND DISTRIBUTION AGREEMENT

THIS SEPARATION AND DISTRIBUTION AGREEMENT, dated as of April 29, 2016, is by and between COMMUNITY HEALTH SYSTEMS, INC., a Delaware corporation ("CHS"), and QUORUM HEALTH CORPORATION, a Delaware corporation ("QHC").

RECITALS

WHEREAS, the CHS Board of Directors (the "CHS Board") has determined that it is in the best interests of CHS and its stockholders to create a new publicly traded company that shall operate the QHC Business (as defined herein);

WHEREAS, in furtherance of the foregoing, the CHS Board has determined that it is appropriate and advisable to: (i) separate the QHC Business (as defined herein) from the CHS Business (as defined herein) (the "Separation"); and (ii) following the Separation, make a distribution, on a pro rata basis, to holders of the issued and outstanding common shares, par value \$0.01 per share, of CHS (the "CHS Common Stock") on the Record Date (as defined herein) of all of the outstanding shares of common stock, par value \$0.0001 per share, of QHC (the "QHC Common Stock"), owned by CHS (the "Distribution"); and

WHEREAS, QHC has been incorporated solely for these purposes and has not engaged in activities except in preparation for the Separation and the Distribution;

WHEREAS, the Distribution is intended to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes under Section 355 of the Code;

WHEREAS, QHC and CHS have prepared, and QHC has filed with the SEC, a Registration Statement on Form 10, which includes the Information Statement (as defined herein), and which sets forth disclosure concerning QHC, the Separation and the Distribution; and

WHEREAS, each of CHS and QHC has determined that it is necessary and advisable to set forth the principal transactions required to effect the Separation and the Distribution and to describe other agreements that shall govern certain other matters prior to and following the Separation and the Distribution.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement (as defined herein), the Parties (as defined herein) hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Reference is made to Section 10.15 regarding the interpretation of certain words and phrases used in this Agreement. In addition, for purposes of this Agreement, the following terms shall have the meanings set forth below.

“Actual Deferred Taxes” means the deferred Taxes and prepaid Taxes as defined under GAAP as of the Distribution Date.

“Adjustment” has the meaning set forth in Section 2.12.

“Affiliate” (including, with a correlative meaning, “affiliated”) means, when used with respect to a specified Person, a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition, “control” (including with correlative meanings, “controlled by” and “under common control with”), when used with respect to any specified Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. The Parties agree that, for purposes of this Agreement and the Ancillary Agreements, neither QHC nor any of the QHC Subsidiaries, including the Transferred Entities, shall be deemed to be an Affiliate of CHS or any of the CHS Subsidiaries, and neither CHS nor any of the CHS Subsidiaries shall be deemed to be an Affiliate of QHC or any of the QHC Subsidiaries.

“Agent” means American Stock Transfer & Trust Company, LLC, or such other trust company or bank duly appointed to act as distribution agent, transfer agent and registrar for the QHC Common Stock in connection with the Distribution.

“Agreement” means this Separation and Distribution Agreement and each of the Schedules and Exhibits hereto.

“Ancillary Agreements” means the agreements set forth on Schedule 1.01(a) and all other agreements entered into by the Parties or their Subsidiaries (but as to which no Third Party is a party) in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement.

“Arbitration Request” has the meaning set forth in Section 8.02(a).

“Arbitration Rules” has the meaning set forth in Section 8.02(a).

“Assets” means, with respect to any Person, the assets, rights, interests, claims and properties of all kinds, real and personal, tangible, intangible and contingent, wherever located (including in the possession of suppliers, distributors, other Third Parties or elsewhere), of such Person, including rights and benefits pursuant to any contract, license, permit, indenture, note, bond, mortgage, agreement, concession, franchise, instrument, undertaking, commitment, understanding or other arrangement and any rights or benefits pursuant to any Proceeding.

“BA Agreement” means any Business Associate Agreement entered into by a Party for purposes of compliance with the Health Insurance Portability and Accountability Act of 1996, as amended, and the rules and regulations thereunder.

“Business Entity” means any corporation, general or limited partnership, trust, joint venture, unincorporated organization, limited liability entity or other entity.

“By-laws” means the Amended and Restated By-laws of Quorum Health Corporation, substantially in the form of Exhibit B.

“C2” means CHS/Community Health Systems, Inc., a Delaware corporation and a wholly-owned subsidiary of CHS.

“Certificate of Incorporation” means the Amended and Restated Certificate of Incorporation of Quorum Health Corporation, substantially in the form of Exhibit A.

“Change of Control” means, with respect to a Party, the occurrence after the Effective Time of any of the following: (i) the sale, conveyance or disposition, in one or a series of related transactions, of all or substantially all of the assets of such Party to a Third Party that is not an Affiliate of such Party prior to such transaction or the first of such related transactions; (ii) the consolidation, merger or other business combination of a Party with or into any other Business Entity, immediately following which the then-current stockholders of the Party, as such, fail to own in the aggregate at least Majority Voting Power of the surviving party in such consolidation, merger or business combination or of its ultimate publicly-traded parent Business Entity; (iii) a transaction or series of transactions in which any Person or “group” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) acquires Majority Voting Power of such Party (other than (a) a reincorporation or similar corporate transaction in which each of such Party’s stockholders owns, immediately thereafter, interests in the new parent company in substantially the same percentage as such stockholder owned in such Party immediately prior to such transaction, or (b) in connection with a transaction described in clause (ii), which shall be governed by such clause (ii)); or (iv) a majority of the board of directors of such Party ceasing to consist of individuals who have become directors as a result of being nominated or elected by a majority of such Party’s directors.

“CHS” has the meaning set forth in the Preamble.

“CHS Accounts” has the meaning set forth in Section 2.09(b).

“CHS Assets” means all Assets of the Parties or their respective Subsidiaries as of the Effective Time, other than the QHC Assets.

“CHS Board” shall have the meaning set forth in the Recitals.

“CHS Business” means all businesses, operations and activities (whether or not such businesses, operations or activities are or have been terminated, divested or discontinued) conducted at any time prior to the Effective Time by either Party or its Subsidiaries, other than the QHC Business.

“CHS CIA” has the meaning set forth in Section 2.02(f).

“CHS Common Stock” has the meaning set forth in the Recitals.

“CHS Facility” means a Facility owned or operated by CHS or a CHS Subsidiary and that is not a QHC Facility.

“CHS Group” means CHS and the CHS Subsidiaries.

“CHS Indemnitees” means (i) CHS and each CHS Subsidiary; (ii) each of the respective past, present and future directors, officers, employees or agents of the entities described in (i) above, in each case in their respective capacities as such; and (iii) each of the heirs, executors, administrators, successors and assigns of any of the foregoing.

“CHS Indemnity Obligations” means all Losses incurred by any QHC Indemnitee to the extent such Losses relate to, arise out of or result from, directly or indirectly, any of the following items:

(i) any CHS Liability;

(ii) any failure of CHS or a CHS Subsidiary or any other Person to pay, perform or otherwise promptly discharge any CHS Liabilities in accordance with their terms, whether prior to, at or after the Effective Time;

(iii) any Third Party Claim relating to the conduct of any business, operation or activity by CHS or a CHS Subsidiary from and after the Effective Time (other than the conduct of business, operations, or activities for the benefit of QHC pursuant to an Ancillary Agreement); and

(iv) any breach by CHS or a CHS Subsidiary of this Agreement or any Ancillary Agreement.

“CHS Insurance Policies” means those insurance policies maintained by CHS or a CHS Subsidiary and listed on Schedule 1.01(b).

“CHS Liabilities” means (i) the Liabilities relating to, arising out of or resulting from actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to, on or after the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case, before, at or after the Effective Time) in connection with the conduct or operation of the CHS Business, or ownership of the CHS Assets, and (ii) any CHS Specified Liability; provided, however, that, for the avoidance of doubt CHS Liabilities shall not include any QHC Liability.

“CHS Specified Liabilities” means those Liabilities set forth on Schedule 1.01(c).

“CHS Subsidiary” means any Business Entity that is a Subsidiary of CHS prior to, at or after the Effective Time (other than QHC or a QHC Subsidiary).

“Code” means the Internal Revenue Code of 1986, as amended.

“Commission” means the United States Securities and Exchange Commission.

“Compliance Agreement” means an agreement setting forth the agreement of the party executing such agreement to comply with applicable Laws and to take specified actions intended to permit such compliance to be monitored.

“Consents” means any consents, waivers or approvals from, or notification requirements to, any Third Parties.

“Conveyance and Assumption Instruments” means, collectively, such deeds, bills of sale, asset transfer agreements, business transfer agreements, deeds or agreements, endorsements, assignments, assumptions (including Liability assumption agreements), leases, subleases, affidavits and other instruments of sale, conveyance, contribution, distribution, lease, transfer and assignment between CHS or, where applicable, a CHS Subsidiary or designee of CHS, on the one hand, and QHC or, where applicable, a QHC Subsidiary, on the other hand, as may be necessary or advisable under the Laws of the relevant jurisdictions to effect the Separation.

“Custodial Party” has the meaning set forth in Section 8.03(a).

“Delayed CHS Asset” has the meaning set forth in Section 2.04(a).

“Delayed CHS Liability” has the meaning set forth in Section 2.04(a).

“Delayed QHC Asset” has the meaning set forth in Section 2.03(a).

“Delayed QHC Liability” has the meaning set forth in Section 2.03(a).

“Direct Claim” has the meaning set forth in Section 4.06(b).

“Dispute” has the meaning set forth in Section 8.01(a).

“Distribution” has the meaning set forth in the Recitals.

“Distribution Date” means the date of the consummation of the Distribution, which shall be determined by the CHS Board in its sole discretion.

“Effective Time” means 4:15 Eastern Time on the Distribution Date.

“Employee Matters Agreement” means the Employee Matters Agreement to be entered into by and between CHS and QHC in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement.

“Estimated Deferred Taxes” means the deferred Taxes and prepaid Taxes as defined under GAAP, as reflected on the balance sheet accounts of QHC and the QHC Subsidiaries, as of the Distribution Date as determined by the Parties within sixty (60) days after the Distribution Date.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

“Facilities” means hospitals and other health care facilities.

“Final Adjustment” has the meaning set forth in Section 2.13.

“Financial Reporting and Proxy Materials” has the meaning set forth in Section 7.01(c).

“Force Majeure” means, with respect to a Party, an event beyond the control of such Party (or any Person acting on its behalf), which by its nature could not reasonably have been foreseen by such Party (or such Person), or, if it could reasonably have been foreseen, was unavoidable, and includes acts of God, storms, floods, riots, fires, sabotage, civil commotion or civil unrest, interference by civil or military authorities, acts of war (declared or undeclared) or armed hostilities, other national or international calamities or acts of terrorism or failures of energy sources or distribution or transportation facilities. Notwithstanding the foregoing, the receipt by a Party of an unsolicited takeover offer or other acquisition proposal, even if unforeseen or unavoidable, and such Party’s response thereto shall not be deemed an event of Force Majeure.

“GAAP” means U.S. generally accepted accounting principles as applied by CHS as of the Distribution Date.

“Governmental Authority” means any federal, state or local court, government, department, commission, board, bureau, agency, official or other regulatory, administrative or governmental authority, including the NYSE and any similar self-regulatory body under applicable securities Laws.

“Group” means the CHS Group or the QHC Group, as the context requires.

“Indemnifying Party” has the meaning set forth in Section 4.04(a).

“Indemnitee” means a QHC Indemnitee or a CHS Indemnitee, as appropriate.

“Indemnity Payment” has the meaning set forth in Section 4.04(a).

“Information” means information in written, oral, electronic or other tangible or intangible forms, including books, records, manuals, agreements and other materials (in any form or medium), including, without limitation, all mortgages, licenses, indentures, contracts, financial data, customer lists, marketing materials and studies, advertising materials, price lists, correspondence, distribution lists, supplier lists, production data, sales and promotional materials and records, purchasing materials and records, personnel records, manufacturing and quality

control records and procedures, blue prints, research and development files, records, data and laboratory books, account records, sales order files, litigation files, computer files, microfiche, tape recordings, photographs, patient and medical records, and Medicare cost report files and workpapers; provided that "Information" does not include patents, trademarks, or other intellectual property.

"Information Statement" means the information statement forming a part of the Registration Statement as the same may be amended or supplemented from time to time prior to the Effective Time.

"Initial Notice" has the meaning set forth in Section 8.01.

"Insurance Administration" shall mean, with respect to an insurance policy, the accounting for premiums, retrospectively-rated premiums, defense costs, indemnity payments, deductibles and retentions, as appropriate, under the terms and conditions of each such policy; discussions or negotiations with insurers and the control of any Proceedings relating to any such policy; the reporting to excess insurance carriers of any losses or claims which may cause the per-occurrence, per claim or aggregate limits of any such policy to be exceeded; and the distribution of Insurance Proceeds as contemplated by this Agreement.

"Insurance Proceeds" means, with respect to any insured party, those monies, net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses incurred in the collection thereof, which are: (i) received by an insured from an insurance carrier or its estate; (ii) paid by an insurance carrier or its estate on behalf of the insured; or (iii) received (including by way of setoff) from any Third Party in the nature of insurance, contribution or indemnification in respect of any Liability.

"Intercompany Accounts" means any receivable, payable or loan between any member of the CHS Group, on the one hand, and any member of the QHC Group, on the other hand, that exists prior to the Effective Time and is reflected in the books and records of the relevant members of the CHS Group and the QHC Group, except for any such receivable, payable or loan that arises pursuant to this Agreement or any Ancillary Agreement.

"Law" means any federal, state, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any Tax treaty), license, permit, authorization, approval, Consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case enacted, promulgated, issued or entered by a Governmental Authority.

"Liabilities" means all debts, liabilities, obligations, responsibilities, response actions, losses, damages (whether compensatory, punitive, consequential, incidental, treble or other), fines, penalties and sanctions, absolute or contingent, matured or unmatured, liquidated or unliquidated, foreseen or unforeseen, joint, several or individual, asserted or unasserted, accrued or unaccrued, known or unknown, whenever arising, including those arising under or in connection with any Law or other pronouncements of Governmental Authorities having the effect of Law, Proceeding, threatened Proceeding, order or consent decree of any Governmental Authority or any award of any arbitration tribunal, and those arising under any contract,

guarantee, commitment or undertaking, whether sought to be imposed by a Governmental Authority, private party, or Party, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute, or otherwise, and including any costs, expenses, interest, attorneys' fees, disbursements and expenses of counsel, expert and consulting fees and costs related thereto or to the investigation or defense thereof.

“Losses” means, with respect to any matter for which a person is entitled to indemnification pursuant to Article IV hereof, any and all losses, damages, settlements, claims, fines, penalties, costs and expenses (including reasonable attorneys' fees, but not including time spent by employees of such person) actually incurred by such person arising from such matter, but excluding consequential damages.

“Majority Voting Power” means a majority of the ordinary voting power in the election of directors of all the outstanding voting securities of the resulting Business Entity or of the Party, respectively.

“Non-Custodial Party” has the meaning set forth in Section 7.03(a).

“Notice” means any written notice, request demand or other communication specifically referencing this Agreement and given in accordance with Section 10.05.

“NYSE” means the New York Stock Exchange.

“OIG” means the Office of Inspector General of the U.S. Department of Health and Human Services.

“Parties” means the parties to this Agreement.

“Person” means any (i) individual; (ii) Business Entity; or (iii) Governmental Authority.

“Plan of Separation” has the meaning set forth in Section 2.02.

“Prime Rate” means the rate that Bloomberg displays as *Prime Rate by Country United States* at <http://www.bloomberg.com/markets/rates-bonds/key-rates/> or on a Bloomberg terminal at PRIMBB Index.

“Privileged Information” means any information, in written, oral, electronic or other tangible or intangible forms, including any communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), as to which a Party or its respective Subsidiaries would be entitled to assert or have asserted a privilege, including the attorney-client and attorney work product privileges.

“Proceeding” means any past, present or future suit, countersuit, action, alternative dispute resolution process, claim, counterclaim, demand, hearing, inquiry, investigation or proceeding before a judicial, quasi-judicial, tribunal, arbitration or mediation body, or by or before a Governmental Authority, in each case, involving CHS, a CHS

Subsidiary, a CHS Indemnitee (but only if in a capacity entitling such Person to the rights of a CHS Indemnitee), QHC, a QHC Subsidiary, or a QHC Indemnitee (but only if in a capacity entitling such Person to the rights of a QHC Indemnitee), in each case, other than any such matter solely between CHS or any CHS Subsidiaries, on the one hand, and QHC or any QHC Subsidiaries, on the other hand, arising with respect to a controversy, dispute or claim under this Agreement or any Ancillary Agreement.

“QHC” has the meaning set forth in the Preamble.

“QHC Accounts” has the meaning set forth in Section 2.09(b).

“QHC Assets” means only the following Assets:

(i) all of the issued and outstanding capital stock or other equity interests of the Transferred Entities that are owned by either Party or any of its Subsidiaries as of the Effective Time or, in the case of a Transferred Entity formed after the Effective Time, as of the date on which such Transferred Entity is transferred from CHS or a CHS Subsidiary to QHC or a QHC Subsidiary;

(ii) the Assets of either Party or any of its Subsidiaries as of the Effective Time included or reflected on the QHC Pro Forma Balance Sheet or any notes or subledgers thereto, it being understood that (x) the QHC Pro Forma Balance Sheet and the notes and subledgers thereto shall be used to determine the types of, and methodologies used to determine, those Assets that are included in the definition of QHC Assets pursuant to this subclause (ii); and (y) the amounts set forth on the QHC Pro Forma Balance Sheet with respect to any Assets shall not be treated as minimum amounts or limitations on the amount of such Assets that are included in the definition of QHC Assets pursuant to this subclause (ii);

(iii) all other Assets of either Party or any of its Subsidiaries as of the Effective Time that are of a nature or type that would have resulted in such Assets being included as Assets on a pro forma combined balance sheet of QHC or any notes or subledgers thereto as of the Effective Time (were such balance sheet, notes and subledgers to be prepared on a basis consistent with the determination of the Assets included on the QHC Pro Forma Balance Sheet or any notes or subledgers thereto), it being understood that (x) the QHC Pro Forma Balance Sheet and the notes and subledgers thereto shall be used to determine the types of, and methodologies used to determine, those Assets that are included in the definition of QHC Assets pursuant to this subclause (iii); and (y) the amounts set forth on the QHC Pro Forma Balance Sheet with respect to any Assets shall not be treated as minimum amounts or limitations on the amount of such Assets that are included in the definition of QHC Assets pursuant to this subclause (iii);

(iv) the Assets expressly allocated to QHC or a QHC Subsidiary pursuant to this Agreement or any Ancillary Agreement;

(v) all rights, interests and claims of either Party or any of its Subsidiaries as of the Effective Time under the QHC Contracts;

(vi) all other rights, interests and claims of either Party or any of their Subsidiaries as of the Effective Time with respect to Information that is exclusively related to the QHC Assets, the QHC Liabilities, the QHC Business or the Transferred Entities and, subject to the provisions of the applicable Ancillary Agreements, a non-exclusive right to all Information that is related to the QHC Assets, the QHC Liabilities, the QHC Business or the Transferred Entities (but is not exclusively related to such matters);

(vii) all rights, interests and claims of either Party or any of its Subsidiaries as of the Effective Time to the QHC Facilities;

(viii) the Assets relating to, arising out of or resulting from Proceedings to the extent such Proceedings relate to, arise out of, or result from the QHC Business, the other QHC Assets, or the QHC Liabilities, except to the extent such Proceedings are CHS Liabilities; and

(ix) the Assets set forth on Schedule 1.01(d).

The Parties agree that all Delayed QHC Assets shall be QHC Assets for purposes of this Agreement and the Ancillary Agreements regardless of when such Delayed QHC Assets are assumed by QHC or a QHC Subsidiary or designee. The Parties also agree that, if any Transferred Entity holds a CHS Asset, such CHS Asset shall nonetheless be treated as a CHS Asset and the Parties shall, and shall cause their respective Subsidiaries to, use their commercially reasonable efforts to cause such CHS Asset to be transferred to CHS or a CHS Subsidiary.

“QHC Business” means:

(i) *Operation of the QHC Facilities*. The business, operations and activities conducted at any time prior to the Effective Time by either Party or any of its Subsidiaries of the QHC Facilities;

(ii) *Operation of Quorum Health Resources, LLC*. The business, operations and activities conducted at any time prior to the Effective Time by Quorum Health Resources; and

(iii) *QHC Former Businesses*. The business, operations and activities conducted at any time prior to the Effective Time by either Party or any of its Subsidiaries to the extent such business, operations and activities relate to, arise out of or result from a QHC Former Business.

“QHC Cash Distribution” has the meaning set forth in Section 2.07.

“QHC CIA” has the meaning set forth in Section 2.02(f).

“QHC Common Stock” has the meaning set forth in the Recitals.

“QHC Contracts” means the following contracts, agreements, arrangements, commitments or understandings to which either Party or any of its Subsidiaries is a party or by which it or its Assets is bound, whether or not in writing, in each case, prior to the Effective Time:

- (i) any contract, agreement, arrangement, commitment or understanding or portion thereof that is a QHC Liability;
- (ii) any contract, agreement, arrangement, commitment or understanding or portion thereof to the extent related to the QHC Business;
- (iii) any employment, change of control, retention, consulting, indemnification, termination, severance or other similar agreements with any employee or consultant of QHC or a QHC Subsidiary; and
- (iv) any other contract, agreement, arrangement, commitment or understanding or portion thereof that is otherwise expressly contemplated pursuant to this Agreement or any Ancillary Agreement to be assigned to QHC or a QHC Subsidiary;

provided, however, that (A) such contracts, agreements, arrangements, commitments or understandings or portions thereof that are contemplated to be retained by CHS or a CHS Subsidiary pursuant to any provision of this Agreement or any Ancillary Agreement shall not be QHC Contracts; (B) such contracts, agreements, arrangements, commitments or understandings or portions thereof that relate to debt instruments, insurance arrangements, or employee benefit plans or programs shall be QHC Contracts only to the extent expressly provided for under the terms of this Agreement or any Ancillary Agreement; and (C) the rights and obligations of CHS and the CHS Subsidiaries under this Agreement and the Ancillary Agreements shall not be QHC Contracts.

“QHC Facilities” means the Facilities set forth on Schedule 1.01(e).

“QHC Financing Transactions” has the meaning set forth in Section 2.07(a).

“QHC Former Business” means any Business Entity, division, business unit or business, including any business within the meaning of Rule 11-01(d) of Regulation S-X promulgated under the Exchange Act (in each case, including any Assets and Liabilities comprising the same) that is not owned, leased or operated by a Party or any of its Subsidiaries as of immediately prior to the Effective Time because it has been sold, conveyed, assigned, transferred or otherwise disposed of or divested by QHC or one of the QHC Subsidiaries to one or more Persons (other than CHS or any CHS Subsidiaries) or the operations, activities or production of which has been discontinued, abandoned, completed or otherwise terminated, in each case, prior to the Effective Time.

“QHC Group” means QHC and the QHC Subsidiaries.

“QHC Indemnitees” means (i) QHC and each QHC Subsidiary; (ii) each of the respective past, present and future directors, officers, employees or agents of the entities described in (i) above, in each case in their respective capacities as such; and (iii) each of the heirs, executors, administrators, successors and assigns of any of the foregoing.

“QHC Indemnity Obligations” means all Losses incurred by a CHS Indemnitee to the extent such Losses relate to, arise out of or result from, directly or indirectly, any of the following items:

(i) any QHC Liability;

(ii) any failure of QHC or a QHC Subsidiary or any other Person to pay, perform or otherwise promptly discharge any QHC Liabilities in accordance with their terms, whether prior to, at or after the Effective Time;

(iii) any Third Party Claim relating to the conduct of any business, operation or activity by QHC or a QHC Subsidiary from and after the Effective Time;

(iv) any Proceeding in respect of the CHS CIA to the extent such Proceeding relates to, arises out of or results from any business, operation or activity of QHC occurring from and after the Effective Time; and

(v) any breach by QHC or a QHC Subsidiary of this Agreement or any Ancillary Agreement.

“QHC Liabilities” means any or all of the following Liabilities of either Party or any of its Subsidiaries:

(i) all Liabilities included or reflected on the QHC Pro Forma Balance Sheet or any notes or subledgers thereto, subject to any discharge of such Liabilities after the date of such QHC Pro Forma Balance Sheet, it being understood that (x) the QHC Pro Forma Balance Sheet and the notes and subledgers thereto shall be used to determine the types of, and methodologies used to determine, those Liabilities that are included in the definition of QHC Liabilities pursuant to this subclause (i); and (y) the amounts set forth on the QHC Pro Forma Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of QHC Liabilities pursuant to this subclause (i);

(ii) all other Liabilities that are incurred or accrued by either Party or any of its Subsidiaries from the date of the QHC Pro Forma Balance Sheet to the Effective Time that are of a nature or type that would have resulted in such Liabilities being included as Liabilities on a pro forma combined balance sheet of QHC or any notes or subledgers thereto as of the Effective Time (were such balance sheet, notes or subledgers to be prepared on a basis consistent with the determination of the Liabilities included on the QHC Pro Forma Balance Sheet or any notes or subledgers thereto), it being understood that (x) the QHC Pro Forma Balance Sheet and the notes and subledgers thereto shall be used to determine the types of, and methodologies used to determine, those Liabilities that are included in the definition of QHC Liabilities pursuant to this subclause (ii); and (y) the amounts set forth on the QHC Pro Forma Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of QHC Liabilities pursuant to this subclause (ii);

(iii) all Liabilities relating to, arising out of or resulting from the actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to, on or after the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case, to the extent that such Liabilities relate to, arise out of or result from the QHC Business or a QHC Asset, including, for clarity, all Liabilities relating to, arising out of or resulting from the business, operations and activities conducted by Quorum Health Resources whether or not covered by the QHR Policies;

(iv) all Liabilities for claims made by Third Parties, or the directors, officers, employees, agents of CHS, QHC or their respective Subsidiaries or Affiliates against either Party or any of its Subsidiaries to the extent relating to, arising out of or resulting from the QHC Business or the QHC Assets;

(v) all Liabilities related to any outstanding checks issued by CHS, QHC, or any of their respective Subsidiaries prior to the Effective Time, to the extent such checks arise out of or are related to the QHC Business;

(vi) all Liabilities expressly allocated to QHC or a QHC Subsidiary pursuant to this Agreement or any Ancillary Agreement, and the obligations of QHC or a QHC Subsidiary under such agreements;

(vii) all Liabilities relating to, arising out of or resulting from the QHC Financing Transactions;

(viii) the Liabilities relating to, arising out of, or resulting from Proceedings to the extent such Proceedings relate to, arise out of, or result from the QHC Business, the QHC Assets, or the other QHC Liabilities;

(ix) all Liabilities relating to, arising out of, or resulting from the QHC CIA;

(x) all Liabilities assumed by QHC or a QHC Subsidiary from a Third Party after the Effective Time (whether or not such Liabilities initially arose or accrued before the Effective Time); and

(xi) all QHC Specified Liabilities.

provided, however, that, for the avoidance of doubt QHC Liabilities shall not include any CHS Liability.

The Parties agree that all Delayed QHC Liabilities shall be QHC Liabilities for purposes of this Agreement and the Ancillary Agreements regardless of when such Delayed QHC Liabilities are assumed by QHC or a QHC Subsidiary or designee. The Parties also agree

that, if any Transferred Entity holds a CHS Liability, such CHS Liability shall nonetheless be treated as a CHS Liability and the Parties shall, and shall cause their respective Subsidiaries to, use their commercially reasonable efforts to cause such CHS Liability to be assumed by CHS or a CHS Subsidiary.

“QHC Pro Forma Balance Sheet” means the pro forma combined balance sheet of QHC and the QHC Subsidiaries, including any notes or subledgers thereto, as of December 31, 2015, as presented in the Information Statement made available to the Record Holders prior to the Effective Time.

“QHC Specified Liabilities” means those Liabilities set forth on Schedule 1.01(f).

“QHC Subsidiary” means any Business Entity that is a Subsidiary of QHC prior to, at or after the Effective Time, including the Transferred Entities, which shall be deemed to have been QHC Subsidiaries at all times prior to, at and after the Effective Time.

“QHR Policies” has the meaning set forth in Section 5.01(b).

“Quorum Health Resources” means Quorum Health Resources, LLC, a Delaware limited liability company, and including any Business Entity that is a Subsidiary of Quorum Health Resources, LLC prior to, at or after the Effective Time.

“Record Date” means the close of business on the date to be determined by the CHS Board as the record date for determining holders of CHS Common Stock entitled to participate in the Distribution.

“Record Holders” means the holders of record of CHS Common Stock as of the close of business on the Record Date.

“Records Facility” has the meaning set forth in Section 8.03(a).

“Registration Statement” means the registration statement on Form 10 filed under the Exchange Act on September 4, 2015, pursuant to which the class of QHC Common Stock to be distributed in the Distribution has been registered, together with all amendments and supplements thereto.

“Representatives” has the meaning set forth in Section 8.08(a).

“Security Interest” means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, or other encumbrance of any nature whatsoever.

“Separation” has the meaning set forth in the Recitals.

“Settlement” has the meaning set forth in Section 2.02(f).

“Stored Records” has the meaning set forth in Section 8.03(a).

“Subsidiary” or “subsidiary” shall mean, with respect to any Person, any Business Entity of which such Person: (i) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (A) the total combined voting power of all classes of voting securities of such Business Entity; (B) the total combined equity interests; or (C) the capital or profit interests, in the case of a partnership; (ii) has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body; or (iii) with respect to any non-corporate entity, is a general partner or an entity performing similar functions (for example, manager of a limited liability company or a trustee of a trust).

“Tangible Information” means Information that is contained in written, electronic or other tangible forms.

“Tax” has the meaning set forth in the Tax Matters Agreement.

“Tax Matters Agreement” means the Tax Matters Agreement to be entered into by and between CHS and QHC or their respective Subsidiaries in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement.

“Third Party” means any Person other than the Parties or any of their respective Subsidiaries.

“Third Party Claim” has the meaning set forth in Section 4.05(a).

“Transferred Cash Amount” has the meaning set forth in Section 2.10.

“Transferred Entities” means the entities set forth on Schedule 1.01(g).

“Transition Services Agreements” means the Ancillary Agreements to be entered into by and between one or more CHS Subsidiaries and one or more QHC Subsidiaries in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement regarding the provision of transition and other post-Distribution Date services and designated as Transition Services Agreements on Schedule 1.01(a).

“U.S.” or “United States” means the United States of America, including each of the fifty (50) states thereof, the District of Columbia, Puerto Rico, and all other territories and possessions of the United States of America.

ARTICLE II

THE SEPARATION

Section 2.01. Formation of QHC.

(a) *Incorporation of QHC.* The Parties acknowledge that: (i) CHS caused QHC to be incorporated in Delaware on July 27, 2015; and (ii) immediately prior to the Effective Time, CHS shall be the sole stockholder of QHC.

(b) *Adoption of QHC's Certificate of Incorporation and By-laws.* On or prior to the Distribution Date, CHS and QHC shall take all necessary actions so that, as of or prior to the Effective Time, the Certificate of Incorporation and the By-laws shall be the certificate of incorporation and bylaws of QHC.

(c) *QHC's Directors and Officers.* On or prior to the Distribution Date, CHS and QHC shall take all necessary actions so that as of the Effective Time: (i) the directors and executive officers of QHC shall be those set forth in the Information Statement made available to the Record Holders prior to the Effective Time, unless otherwise agreed by the Parties; and (ii) QHC shall have such other officers as QHC shall appoint.

(d) *NYSE Listing.* QHC shall prepare and file, and shall use commercially reasonable efforts to have approved prior to the Effective Time, an application for the listing of the QHC Common Stock to be distributed in the Distribution and the shares of QHC Common Stock to be reserved for issuance pursuant to any director or employee benefit plan or arrangement on the NYSE (and such other stock exchanges as may be necessary or desirable), subject to official notice of distribution.

Section 2.02. The Separation. The Parties acknowledge that the Separation is intended to result in QHC owning the QHC Assets and assuming the QHC Liabilities as set forth below in this Article II and in the applicable Ancillary Agreements. Subject to Sections 2.03 and 2.04, on or prior to the Distribution Date, in accordance with the plan and structure of the Separation set forth of Schedule 2.02 (the "Plan of Separation"):

(a) *Transfer and Assignment of QHC Assets.* CHS shall, and shall cause the applicable CHS Subsidiaries to, contribute, assign, transfer, convey and deliver to QHC or the applicable QHC Subsidiaries, and QHC or such QHC Subsidiaries shall accept from CHS and the applicable CHS Subsidiaries, all of CHS' and such CHS Subsidiaries' respective direct or indirect rights, title and interest in and to all of the QHC Assets, including all of the outstanding shares of capital stock or other ownership interests in the Transferred Entities, which shall result in QHC owning directly or indirectly all of the Transferred Entities (it being understood that if a QHC Asset shall be held by a Transferred Entity or a Subsidiary of a Transferred Entity, such QHC Asset may be assigned, transferred, conveyed and delivered for all purposes hereunder as a result of the transfer of all or substantially all of the equity interests in such Transferred Entity to QHC or a QHC Subsidiary).

(b) *Acceptance and Assumption of QHC Liabilities.* QHC and the applicable QHC Subsidiaries shall accept, assume and agree faithfully to perform, discharge and fulfill all of the QHC Liabilities in accordance with their respective terms, without regard for the manner in which or circumstances under which such QHC Liabilities arose or against whom they are asserted. QHC and the applicable QHC Subsidiaries shall be responsible for all QHC Liabilities, regardless of when or where such QHC Liabilities arose or arise, or whether the facts on which they are based occurred prior to, at or after the Effective Time, regardless of where or against whom such QHC Liabilities are asserted or determined (including any such QHC Liabilities arising out of claims made by CHS' or QHC's respective Subsidiaries or Affiliates or by Representatives of CHS or QHC or their respective Subsidiaries or Affiliates against either Party or any of its Subsidiaries or Affiliates) or whether asserted or determined prior to the date hereof,

and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by either Party or any of its Subsidiaries or Affiliates or any of their respective Representatives.

(c) *Transfer and Assignment of CHS Assets.* CHS and QHC shall cause QHC and any Business Entity that shall be a QHC Subsidiary after the Effective Time to contribute, assign, transfer, convey and deliver to CHS or a Business Entity designated by CHS that shall be a CHS Subsidiary after the Effective Time all of QHC's and such QHC Subsidiary's respective direct or indirect rights, title and interest in and to all CHS Assets held by QHC or a QHC Subsidiary.

(d) *Acceptance and Assumption of CHS Liabilities.* CHS and the applicable CHS Subsidiaries shall accept, assume and agree faithfully to perform, discharge and fulfill, all of the CHS Liabilities held by QHC or any Business Entity that shall be a QHC Subsidiary after the Effective Time, and CHS and the applicable CHS Subsidiaries shall be responsible for all of such CHS Liabilities in accordance with their respective terms, without regard for the manner in which or circumstances under which such CHS Liabilities arose or against whom they are asserted. CHS and the applicable CHS Subsidiaries shall be responsible for all CHS Liabilities, regardless of when or where such CHS Liabilities arose or arise, or whether the facts on which they are based occurred prior to, at or after the Effective Time, regardless of where or against whom such CHS Liabilities are asserted or determined (including any such CHS Liabilities arising out of claims made by CHS' or QHC's respective Subsidiaries or Affiliates or by Representatives of CHS or QHC or their respective Subsidiaries or Affiliates) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by either Party or any of its Subsidiaries or Affiliates or any of their respective Representatives.

(e) *Issuance of QHC Common Stock.* On or prior to the Distribution Date, CHS and QHC shall take all necessary actions to cause to be issued and outstanding, and delivered to CHS, in accordance with the Plan of Separation, such number of shares of QHC Common Stock constituting all the shares to be distributed as set forth below in Section 3.02.

(f) *Corporate Integrity Agreement.* CHS and QHC acknowledge that (i) CHS entered into that certain Corporate Integrity Agreement, dated as of July 28, 2014 (the "CHS CIA") with the OIG in connection with a civil settlement (the "Settlement") with the U.S. Department of Justice, other federal agencies and identified relators; and (ii) prior to the Distribution, the QHC Facilities were bound by the terms of the Settlement and the CHS CIA. Following the Distribution, (i) CHS and QHC shall cooperate in good faith with the OIG to negotiate a Corporate Integrity Agreement applicable to QHC (the "QHC CIA") and to amend or modify the CHS CIA to take into account the effect of the Distribution; (ii) provided that the QHC CIA includes substantially similar terms as the CHS CIA, or otherwise is not materially more burdensome to QHC than the CHS CIA is to CHS, QHC shall promptly enter into the QHC CIA without delay; and (iii) until such time as the QHC CIA is entered into by QHC, QHC shall continue to operate the QHC Business in compliance in all respects with the CHS CIA in the same manner as prior to the Distribution. For the avoidance of doubt, following the Effective Time, (i) CHS shall be responsible for compliance by CHS and the CHS Subsidiaries with the CHS CIA and (ii) QHC shall be responsible for compliance by QHC and the QHC Subsidiaries

with (A) until such time as the QHC CIA is entered into, the CHS CIA (to the extent such terms are applicable to and enforceable against QHC Business), and (B) at an after such time as the QHC CIA is entered into, the QHC CIA.

Section 2.03. Delayed Transfers of QHC Assets and QHC Liabilities.

(a) *Delayed QHC Transfers.* If and to the extent the valid, complete and perfected transfer or assignment to QHC or a QHC Subsidiary or designee of any QHC Assets or the assumption by QHC or a QHC Subsidiary or designee of any QHC Liabilities (i) would be a violation of applicable Law, (ii) requires a Consent that has not been obtained as of or prior to the Effective Time, or (iii) in spite of the Parties best efforts, such transfer or assignment has not been fully effected on or prior to the Effective Time, whether due to impracticality or other reasons as determined by the Parties, then, unless the Parties shall otherwise mutually agree, the transfer or assignment to QHC or the applicable QHC Subsidiary or designee of such QHC Assets or the assumption by QHC or the applicable QHC Subsidiary or designee of such QHC Liabilities shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal or other impediments are removed or such Consent is obtained (any such QHC Asset, a “Delayed QHC Asset” and any such QHC Liability, a “Delayed QHC Liability”). Notwithstanding the foregoing, any Delayed QHC Assets or Delayed QHC Liabilities shall continue to constitute QHC Assets or QHC Liabilities, respectively, for all other purposes of this Agreement.

(b) *Treatment of Delayed QHC Assets and Delayed QHC Liabilities.* From and after the Effective Time, CHS shall, and shall cause the CHS Subsidiaries to, hold on behalf of and for the benefit of QHC or, where applicable, a QHC Subsidiary or designee, all Delayed QHC Assets, and to pay, perform and discharge fully all Delayed QHC Liabilities. QHC or the applicable QHC Subsidiary or designee shall promptly reimburse CHS or the applicable CHS Subsidiaries for all commercially reasonable payments made in connection with the performance and discharge of such Delayed QHC Liabilities. Each such Delayed QHC Asset or Delayed QHC Liability shall be held by CHS or, where applicable, a CHS Subsidiary or designee for, insofar as reasonably practicable, the benefit and burden of QHC or the applicable QHC Subsidiary or designee. CHS and QHC shall, and shall cause their respective Subsidiaries to, take such other actions as may be reasonably requested by the other Party or any of its Subsidiaries in accordance with the provisions of this Agreement so that all the benefits and burdens relating to such Delayed QHC Asset and Delayed QHC Liability, including expenses, risk of loss, potential for gain and control of such Delayed QHC Asset and Delayed QHC Liability, shall inure from and after the Effective Time to QHC or the applicable QHC Subsidiaries or designees, without recourse of any kind to CHS or any CHS Subsidiary or designee. Any registration fees or recordation fees required to be paid to a Governmental Authority in connection with the transfer of a Delayed QHC Asset or a Delayed QHC Liability shall be borne by QHC.

(c) *Transfer of Delayed QHC Assets and Delayed QHC Liabilities.* When and as the Parties agree and provided that, as of such agreed-upon time (i) the necessary Consents for each Delayed QHC Asset or Delayed QHC Liability shall have been obtained; (ii) the assumption by QHC or a QHC Subsidiary or designee of each Delayed QHC Asset or Delayed QHC Liability is not at such time a violation of applicable Law; and (iii) all other barriers of impracticality or otherwise have been resolved to the satisfaction of the Parties:

(A) CHS shall, and shall cause each CHS Subsidiary to, contribute, assign, transfer, convey and deliver to QHC or such QHC Subsidiaries or designees as QHC may determine, and QHC shall, and shall cause such QHC Subsidiaries or designees to, accept from CHS and the CHS Subsidiaries all of CHS’ and the CHS Subsidiaries’ respective rights, title and interest in and to such Delayed QHC Assets; and

(B) QHC shall, and shall cause such QHC Subsidiaries or designees as QHC may determine to, accept, assume and agree faithfully to perform, discharge and fulfill such Delayed QHC Liabilities, in accordance with their terms.

Section 2.04. Delayed Transfers of CHS Assets and CHS Liabilities.

(a) *Delayed CHS Transfers.* If and to the extent that the valid, complete and perfected transfer or assignment to CHS or a CHS Subsidiary or designee of any CHS Assets or the assumption by CHS or a CHS Subsidiary or designee of any CHS Liabilities (i) would be a violation of applicable Law, (ii) require a Consent that has not been obtained as of or prior to the Effective Time, or (iii) in spite of the Parties best efforts, such transfer or assignment has not been fully effected on or prior to the Effective Time, whether due to impracticality or other reasons as determined by the Parties, then, unless the Parties shall otherwise mutually agree, the transfer or assignment to CHS or the applicable CHS Subsidiary or designee of such CHS Assets or the assumption by CHS or the applicable CHS Subsidiary or designee of such CHS Liabilities shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal or other impediments are removed or such Consent is obtained (any such CHS Asset, a "Delayed CHS Asset" and any such CHS Liability, a "Delayed CHS Liability"). Notwithstanding the foregoing, any Delayed CHS Assets or Delayed CHS Liabilities shall continue to constitute CHS Assets or CHS Liabilities, respectively, for all other purposes of this Agreement.

(b) *Treatment of Delayed CHS Assets and Delayed CHS Liabilities.* Except as otherwise provided herein or in any Ancillary Agreement, from and after the Effective Time, QHC shall, and shall cause the QHC Subsidiaries or designees to, hold on behalf of and for the benefit of CHS or, where applicable, a CHS Subsidiary or designee, all Delayed CHS Assets, and to pay, perform and discharge fully all Delayed CHS Liabilities. CHS or the applicable CHS Subsidiary or designee shall promptly reimburse QHC or the applicable QHC Subsidiaries or designees for all commercially reasonable payments made in connection with the performance and discharge of such Delayed CHS Liabilities. Each such Delayed CHS Asset or Delayed CHS Liability shall be held by QHC or, where applicable, a QHC Subsidiary or designee for, insofar as reasonably practicable, the benefit and burden of CHS or the applicable CHS Subsidiary or designee. CHS and QHC shall, and shall cause their respective Subsidiaries to, take such other actions as may be reasonably requested by the other Party or any of its Subsidiaries in accordance with the provisions of this Agreement so that all the benefits and burdens relating to such Delayed CHS Asset and Delayed CHS Liability, including expenses, risk of loss, potential for gain and control of such Delayed CHS Asset and Delayed CHS Liability, shall inure from and after the Effective Time to CHS or the applicable CHS Subsidiaries or designees, without recourse of any kind to QHC or any QHC Subsidiary. Any registration fees or recordation fees required to be paid to a Governmental Authority in connection with the transfer of a Delayed CHS Asset or a Delayed CHS Liability shall be borne by CHS.

(c) *Transfer of Delayed CHS Assets and Delayed CHS Liabilities.* When and as the Parties agree and provided that, as of such agreed-upon time (i) the necessary Consents for each Delayed CHS Asset or Delayed CHS Liability shall have been obtained; (ii) the assumption by CHS or a CHS Subsidiary or designee of each Delayed CHS Asset or Delayed CHS Liability is not at such time a violation of applicable Law; and (iii) all other barriers of impracticality or otherwise have been resolved to the satisfaction of the Parties:

(A) QHC shall, and shall cause each QHC Subsidiary to, contribute, assign, transfer, convey and deliver to CHS or such CHS Subsidiaries or designees as CHS may determine, and CHS shall, and shall cause such CHS Subsidiaries or designees to, accept from QHC and the QHC Subsidiaries all of QHC's and the QHC Subsidiaries' respective rights, title and interest in and to such Delayed CHS Assets; and

(B) CHS shall, and shall cause such CHS Subsidiaries or designees as CHS may determine to, accept, assume and agree faithfully to perform, discharge and fulfill such Delayed CHS Liabilities, in accordance with their terms.

Section 2.05. Ancillary Agreements. Prior to the Effective Time, the Parties shall execute and deliver, or where applicable shall cause their respective Subsidiaries to execute and deliver, each Ancillary Agreement to which they are intended to be a party; provided, however, that if this Article II calls for an Ancillary Agreement to be executed and delivered on or as of a later time, it shall be executed and delivered on or as of such later time.

Section 2.06. Disclaimer of Representations and Warranties.

(a) EACH OF CHS (ON BEHALF OF ITSELF AND EACH OF THE CHS SUBSIDIARIES) AND QHC (ON BEHALF OF ITSELF AND EACH OF THE QHC SUBSIDIARIES) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, NO PARTY TO THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR OTHERWISE, IS: (X) REPRESENTING OR WARRANTING TO ANY OTHER PARTY HERETO OR THERETO IN ANY WAY AS TO (I) THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED, LICENSED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY; (II) ANY APPROVALS OR NOTIFICATIONS REQUIRED IN CONNECTION HEREWITH OR THEREWITH; (III) THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY; (IV) THE ABSENCE OR PRESENCE OF ANY DEFENSES TO OR RIGHT OF SETOFF AGAINST OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY PROCEEDING OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF EITHER PARTY; OR (V) THE LEGAL SUFFICIENCY OF ANY CONVEYANCE AND ASSUMPTION INSTRUMENTS OR ANY OTHER ANCILLARY AGREEMENT TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING OF SUCH CONVEYANCE AND ASSUMPTION INSTRUMENTS OR SUCH OTHER ANCILLARY AGREEMENTS; OR (Y) MAKING ANY OTHER REPRESENTATIONS OR GRANTING ANY WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE. EACH PARTY SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES, WHETHER

WRITTEN OR ORAL, OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE OR ANY WARRANTY AS TO THE VALIDITY OF ANY PATENTS OR THE NON-INFRINGEMENT OF ANY PATENTS, TRADEMARKS, OR OTHER INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES. EXCEPT AS MAY EXPRESSLY BE SET FORTH IN THIS AGREEMENT OR IN ANY ANCILLARY AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED OR LICENSED ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY, BY MEANS OF A QUITCLAIM OR SIMILAR FORM DEED OR CONVEYANCE) AND THE RESPECTIVE TRANSFEREES OR LICENSEES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (A) ANY CONVEYANCE AND ASSUMPTION INSTRUMENT OR ANY OTHER ANCILLARY AGREEMENT MAY PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ALL SECURITY INTERESTS; AND (B) ANY NECESSARY CONSENTS ARE NOT OBTAINED OR THAT ANY REQUIREMENTS OF LAWS, AGREEMENTS, SECURITY INTERESTS OR JUDGMENTS ARE NOT COMPLIED WITH.

(b) QHC hereby waives compliance by itself and each and every QHC Subsidiary with the requirements and provisions of any "bulk-sale" or "bulk transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the QHC Assets to QHC or a QHC Subsidiary.

(c) CHS hereby waives compliance by itself and each and every CHS Subsidiary with the requirements and provisions of any "bulk-sale" or "bulk transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any and all of the CHS Assets to CHS or a CHS Subsidiary.

Section 2.07. Financing Transactions; QHC Cash Distribution.

(a) *QHC Financing Transactions.* Prior to the Effective Time, QHC and one or more QHC Subsidiaries shall enter into the financing transactions described on Schedule 2.07 (the "QHC Financing Transactions").

(b) *QHC Cash Distribution.* Immediately prior to the Effective Time, QHC shall distribute cash proceeds from the QHC Financing Transactions (the "QHC Cash Distribution") in such amounts and in the manner described on Schedule 2.07 in connection with the Separation and Distribution and in partial consideration for the ultimate transfer of QHC Assets to QHC. CHS shall cause the cash received in the QHC Cash Distribution to be held in a segregated account.

(c) *Use of Proceeds by C2.* Upon receipt of the QHC Cash Distribution, C2 shall use such funds to complete the repayments, repurchases and redemptions with respect to CHS' existing indebtedness in such amounts and in the manner described on Schedule 2.07, with such repayments, repurchases and redemptions to occur as promptly as practicable following the Distribution and in no event later than twelve (12) months following the Distribution Date.

(d) *Preparation of Materials.* Prior to the Effective Time, QHC shall cooperate in the preparation of all materials as may be necessary or advisable to complete the QHC Financing Transactions.

Section 2.08. Termination of Agreements.

(a) *Termination of Agreements Between CHS and QHC.* Except as set forth in Section 2.08(b), the Parties agree that all agreements, arrangements, commitments or understandings, whether or not in writing, entered into prior to the Effective Time between or among QHC or a QHC Subsidiary, on the one hand, and CHS or a CHS Subsidiary, on the other hand, shall be terminated effective as of immediately prior to the Effective Time; provided that the provisions of this Section 2.08(a) shall not terminate any rights or obligations (i) between CHS and any of the CHS Subsidiaries; or (ii) between QHC and any of the QHC Subsidiaries.

(b) *Exceptions.* The provisions of Section 2.08(a) shall not apply to any of the following agreements, arrangements, commitments or understandings (or to any of the provisions thereof): (i) this Agreement and the Ancillary Agreements; (ii) any agreements, arrangements, commitments or understandings listed or described on Schedule 2.08(b)(ii); (iii) any agreements, arrangements, commitments or understandings to which any Third Party is a party; and (iv) any agreements, arrangements, commitments or understandings, to which any non-wholly owned Subsidiary of CHS or QHC, as the case may be, is a party (it being understood that directors' qualifying shares or similar interests shall be disregarded for purposes of determining whether a Subsidiary is wholly owned). To the extent that the rights and obligations of CHS or a CHS Subsidiary under any agreements, arrangements, commitments or understandings not terminated under this Section 2.08 constitute QHC Assets or QHC Liabilities, they shall be assigned or assumed by QHC or the applicable QHC Subsidiary or designee pursuant to this Agreement.

Section 2.09. Settlement of Accounts between CHS and QHC.

(a) Each Intercompany Account outstanding immediately prior to the Effective Time, in any general ledger account of CHS, QHC or any of their respective Subsidiaries, other than those set forth on Schedule 2.09(a), shall be satisfied and/or settled by the relevant members of the CHS Group and the QHC Group no later than the Effective Time by (i) forgiveness by the relevant obligor, (ii) one or a related series of distributions of capital or (iii) cash payment by the relevant obligor to the relevant obligee, in each case as agreed to by the Parties. Each such Intercompany Account set forth on Schedule 2.09(a) shall continue to be outstanding after the Effective Time and thereafter (i) shall be an obligation of the relevant Party (or the relevant member of such Party's Group), each responsible for fulfilling its (or a member of such Party's Group's) obligations in accordance with the terms and conditions applicable to such obligation, and (ii) shall be for each relevant Party (or the relevant member of such Party's Group) an obligation to a third-party and shall no longer be an Intercompany Account.

(b) CHS and QHC each agrees to take, or cause their respective Subsidiaries to take, prior to the Effective Time, all actions necessary to amend all contracts or agreements governing each bank and brokerage account owned by QHC or any other member of the QHC Group (collectively, the "QHC Accounts") and all contracts or agreements governing each bank

or brokerage account owned by CHS or any other member of the CHS Group (collectively, the “CHS Accounts”) so that each such QHC Account and CHS Account, if currently linked (whether by automatic withdrawal, automatic deposit or any other authorization to transfer funds from or to, hereinafter “linked”) to any CHS Account or QHC Account, respectively, is de-linked effective at or prior to the Effective Time.

(c) As between CHS and QHC (and their respective Subsidiaries) all payments and reimbursements received after the Effective Time by either Party (or any of its Subsidiaries) in respect or satisfaction of a business, Asset or Liability of the other Party (or any of its Subsidiaries), including any payments received by automatic deposit from third parties into lockbox accounts, shall be held by such Party in trust for the use and benefit of the Party entitled thereto and, as promptly as commercially practicable or as otherwise agreed between the Parties, upon receipt by such Party of any such payment or reimbursement, such Party shall pay over, or shall cause its applicable Subsidiary to pay over, to the other Party the amount of such payment or reimbursement.

Section 2.10. Cash Transfer. Prior to the Effective Time and pursuant to the Plan of Separation, CHS shall transfer, or cause its Subsidiaries to transfer (including by one (1) or more transfers or capital contributions), to QHC and/or the designated QHC Subsidiaries an aggregate amount of cash and cash equivalents equal to Twenty Million Dollars (\$20,000,000.00), subject to adjustment in accordance with the QHC Financing Transactions described on Schedule 2.07 (such amounts, the “Transferred Cash Amount”).

Section 2.11. Novation of Liabilities; Release of Guarantees.

(a) *Novation of QHC Liabilities*.

(i) Each of CHS and QHC, at the request of the other Party, shall use commercially reasonable efforts to obtain, or cause to be obtained, any Consent, substitution, approval or amendment required to novate or fully assign to QHC or a designated QHC Subsidiary the QHC Liabilities and obtain in writing the unconditional release of CHS and each CHS Subsidiary that is a party to any such arrangements, so that, in any such case, QHC and the designated QHC Subsidiaries shall be solely responsible for such QHC Liabilities; provided, however, that, except as otherwise expressly provided in the Ancillary Agreements, neither CHS nor QHC (nor any of their respective Subsidiaries) shall be obligated to contribute any capital, pay any consideration, grant any concession or incur any additional Liability to any Third Party other than ordinary and customary fees to a Governmental Authority from whom such Consents, substitutions, approvals, amendments, terminations or releases are requested.

(ii) If CHS or QHC is unable to obtain, or to cause to be obtained, any such required Consent, substitution, approval, amendment, termination or release, CHS or the applicable CHS Subsidiary shall continue to be bound by such arrangement and, unless not permitted by the terms thereof or by Law, QHC shall, as agent or subcontractor for CHS or such CHS Subsidiary, as the case may be, pay, perform and discharge fully all the obligations or other Liabilities of CHS or such CHS Subsidiary, as the case may be, that constitute QHC Liabilities thereunder from and after the Effective Time. CHS shall cause each CHS Subsidiary without further consideration, to pay and remit, or cause to be paid or remitted, to QHC, promptly all

money, rights and other consideration received by it or a CHS Subsidiary in respect of QHC's performance as agent or subcontractor for CHS or such CHS Subsidiary, as the case may be, with respect to such Liabilities of CHS or the applicable CHS Subsidiary (unless any such consideration is a CHS Asset).

(b) Novation of CHS Liabilities.

(i) Each of CHS and QHC, at the request of the other Party, shall use commercially reasonable efforts to obtain, or cause to be obtained, any Consent, substitution, approval or amendment required to novate or assign to CHS or a designated CHS Subsidiary the CHS Liabilities and obtain in writing the unconditional release of QHC and each QHC Subsidiary that is a party to any such arrangements, so that, in any such case, CHS and the designated CHS Subsidiaries shall be solely responsible for such CHS Liabilities; provided, however, that, except as otherwise expressly provided herein or in the Ancillary Agreements, neither CHS nor QHC (nor any of their respective Subsidiaries) shall be obligated to contribute any capital, pay any consideration, grant any concession or incur any additional Liability to any Third Party other than ordinary and customary fees to a Governmental Authority from whom such Consents, substitutions, approvals, amendments, terminations or releases are requested.

(ii) If CHS or QHC is unable to obtain, or to cause to be obtained, any such required Consent, substitution, approval, amendment, termination or release, QHC or the applicable QHC Subsidiary shall continue to be bound by such arrangement and, unless not permitted by the terms thereof or by Law, CHS shall, as agent or subcontractor for QHC or such QHC Subsidiary, as the case may be, pay, perform and discharge fully all the obligations or other Liabilities of QHC or such QHC Subsidiary, as the case may be, that constitute CHS Liabilities, as the case may be, thereunder from and after the Effective Time. QHC shall cause each QHC Subsidiary without further consideration, to pay and remit, or cause to be paid or remitted, to CHS, promptly all money, rights and other consideration received by it or a QHC Subsidiary in respect of CHS' performance as agent or subcontractor for QHC or such QHC Subsidiary, as the case may be, with respect to such Liabilities of QHC or the applicable QHC Subsidiary (unless any such consideration is a QHC Asset). If and when any such Consent, substitution, approval, amendment, termination or release shall be obtained or the obligations under such arrangements shall otherwise become assignable or able to be novated, QHC or the applicable QHC Subsidiary shall promptly assign or novate, or cause to be assigned or novated, all its obligations and other Liabilities thereunder or any obligations of QHC or a QHC Subsidiary to CHS or its designated CHS Subsidiary without payment of further consideration and CHS or such CHS Subsidiary shall, without the payment of any further consideration, assume such obligations.

(c) Release of Guarantees.

(i) Each of CHS and QHC, at the request of the other Party, shall use commercially reasonable efforts, as soon as is reasonably practicable, to (A) have QHC or a QHC Subsidiary removed as guarantor of or obligor for any CHS Liability to the extent that such guarantees or obligations relate to CHS Liabilities, which shall include the removal of any Security Interest on or in any QHC Asset that may serve as collateral or security for any such CHS Liability; and (B) have CHS or a CHS Subsidiary removed as guarantor of or obligor for any QHC Liability to the extent that such guarantees or obligations relate to QHC Liabilities,

which shall include the removal of any Security Interest on or in any CHS Asset that may serve as collateral or security for any such QHC Liability; provided, however, that, except as otherwise expressly provided in the Ancillary Agreements and without limiting the requirements under Section 2.11(c)(ii), the use of commercially reasonable efforts under this Section 2.11(c)(i) shall not obligate either CHS or QHC (nor any of their respective Subsidiaries) to contribute any capital, pay any consideration, grant any concession or incur any additional Liability to any Third Party other than ordinary and customary fees to a Governmental Authority from whom such Consents, substitutions, amendments, terminations or releases are requested.

(ii) To the extent required to obtain a release from a guarantee:

(A) of CHS or a CHS Subsidiary, QHC shall execute a guarantee agreement in the form of the existing guarantee or such other form as is agreed to by the relevant parties to such guarantee agreement, which agreement shall include the removal of any Security Interest on or in any CHS Asset that may serve as collateral or security for any such QHC Liability and the release of any CHS guaranty with respect to obligations arising after the Effective Time, except to the extent that such existing guarantee contains representations, covenants or other terms or provisions either with which QHC (1) would be reasonably unable to comply or (2) would not reasonably be able to avoid breaching; and

(B) of QHC or a QHC Subsidiary, CHS shall execute a guarantee agreement in the form of the existing guarantee or such other form as is agreed to by the relevant parties to such guarantee agreement, which agreement shall include the removal of any Security Interest on or in any QHC Asset that may serve as collateral or security for any such CHS Liability, except to the extent that such existing guarantee contains representations, covenants or other terms or provisions either with which CHS (1) would be reasonably unable to comply or (2) would not reasonably be able to avoid breaching.

(iii) If CHS or QHC is unable to obtain, or to cause to be obtained, any such required removal or release as set forth in clauses (i) and (ii) of this Section 2.11(c), (A) the Party or its relevant Subsidiary that has assumed the Liability with respect to such guarantee shall indemnify and hold harmless the guarantor or obligor against or from any Liability arising from or relating thereto (in accordance with the provisions of Article IV) and shall cause one of its Subsidiaries, as agent or subcontractor for such guarantor or obligor, to pay, perform and discharge fully all the obligations or other Liabilities of such guarantor or obligor thereunder; and (B) each of CHS and QHC, on behalf of themselves and their respective Subsidiaries, agree not to renew or extend the term of, increase its obligations under, or transfer to a Third Party, any loan, guarantee, lease, contract or other obligation for which the other Party or such Party's Subsidiaries is or may be liable unless all obligations of such other Party and the Subsidiaries of such other Party with respect thereto are thereupon terminated by documentation reasonably satisfactory in form and substance to such other Party.

Section 2.12. Further Assurances.

(a) *Additional Actions.* Except as set forth in Section 3.04 and Article IX, in addition to the actions specifically provided for elsewhere in this Agreement, each Party shall, and shall cause each of its respective Subsidiaries to, use commercially reasonable efforts, prior

to and after the Effective Time to take, or cause to be taken, all actions, and to do, or cause to be done, all things, necessary or advisable under applicable Laws and agreements to consummate the transactions contemplated by this Agreement and the Ancillary Agreements; provided, however, that neither CHS nor QHC (nor any of their respective Subsidiaries) shall be obligated under this Section 2.12(a) to pay any consideration, grant any concession or incur any additional Liability to any Third Party other than ordinary and customary fees paid to a Governmental Authority.

(b) *Cooperation*. Without limiting the foregoing, prior to and after the Effective Time, each Party shall, and shall cause each of its Subsidiaries to, cooperate with the other Party without any further consideration to execute and deliver, or use commercially reasonable efforts to cause to be executed and delivered, all Conveyance and Assumption Instruments and to make all filings with, and to obtain all Consents of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument (including any Consents), and to take all such other actions as such Party may reasonably be requested to take by the other Party from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and the Ancillary Agreements and the transfers of the QHC Assets and the CHS Assets and the assignment and assumption of the QHC Liabilities and the CHS Liabilities as contemplated by this Agreement and the other transactions contemplated hereby and thereby.

(c) *Misallocations*. Except to the extent otherwise contemplated in connection with a Delayed QHC Asset or Delayed QHC Liability under Section 2.03 or a Delayed CHS Asset or Delayed CHS Liability under Section 2.04, in the event that, at any time or from time to time (whether prior to, at or after the Effective Time), one Party or any of its Subsidiaries shall receive or otherwise possess any Asset that is allocated to the other Party or any Subsidiary of such other Party pursuant to this Agreement or any Ancillary Agreement, the first Party shall promptly transfer, or cause its Subsidiary to transfer, such Asset to the Party so entitled thereto or such Party's Subsidiary or designee and such Party or such Party's Subsidiary or designee shall accept such Asset; provided that, the terms of this Section 2.12(c) are not intended to limit or otherwise modify in any way the Parties' rights and obligations under this Agreement or the Tax Matters Agreement. Except to the extent otherwise contemplated in connection with a Delayed QHC Asset or Delayed QHC Liability under Section 2.03 or a Delayed CHS Asset or Delayed CHS Liability under Section 2.04, in the event that, at any time or from time to time (whether prior to, at or after the Effective Time), one Party or any of its Subsidiaries shall receive or otherwise assume any Liability that is allocated to the other Party or any Subsidiary of such other Party pursuant to this Agreement or any Ancillary Agreement, the first Party shall promptly transfer, or cause its Subsidiary to transfer, such Liability to the Party so entitled thereto or such Party's Subsidiary or designee, and such Party or such Party's Subsidiary or designee shall accept, assume and agree faithfully to perform such Liability; provided that, the terms of this Section 2.12(c) are not intended to limit or otherwise modify in any way the Parties' rights and obligations under this Agreement or the Tax Matters Agreement.

Section 2.13. Accounting for Deferred Taxes. Subsequent to the Distribution Date but no later than November 20, 2017, CHS shall determine the difference, if any, between the Estimated Deferred Taxes and the Actual Deferred Taxes (the "Adjustment") and shall provide QHC with a schedule that sets forth the Adjustment and how it was calculated. QHC shall

provide a Notice to CHS of any disagreement with the Adjustment within twenty (20) days of receipt of the schedule setting forth the Adjustment and its calculation. QHC and CHS shall use commercially reasonable efforts to resolve any disagreement by December 20, 2017, and, if the Parties are unable to agree prior to such date, the Parties shall utilize the procedures set forth in Article VIII (except those set forth in Section 8.01(a)(i)) to resolve such disagreement (such Adjustment, as modified to reflect the disposition of any disagreement, the “Final Adjustment”). CHS and QHC shall, and shall cause their respective Subsidiaries to, reflect the Final Adjustment to shareholders’ equity on their respective books.

ARTICLE III

THE DISTRIBUTION

Section 3.01. Actions Prior to the Distribution. Prior to the Effective Time and subject to the terms and conditions set forth herein, the Parties shall take, or cause to be taken, the following actions in connection with the Distribution:

(a) *Notice to NYSE*. CHS shall, to the extent possible, give the NYSE not less than ten (10) days’ advance notice of the Record Date in compliance with Rule 10b-17 under the Exchange Act.

(b) *Securities Law Matters*. QHC shall file any amendments or supplements to the Registration Statement as may be necessary or advisable in order to cause the Registration Statement to become and remain effective as required by the Commission or federal, state or other applicable securities Laws. CHS and QHC shall cooperate in preparing, filing with the Commission and causing to become effective registration statements or amendments thereof which are required to reflect the establishment of, or amendments to, any employee benefit and other plans necessary or advisable in connection with the transactions contemplated by this Agreement and the Ancillary Agreements. CHS and QHC shall take all such action as may be necessary or advisable under the securities or blue sky Laws of the United States (and any comparable Laws under any non-U.S. jurisdiction) in connection with the transactions contemplated by this Agreement and the Ancillary Agreements.

(c) *Distribution of Information Statement*. CHS shall, as soon as is reasonably practicable after the Registration Statement is declared effective under the Exchange Act and the CHS Board has approved the Distribution, cause the Information Statement to be made available to the Record Holders.

(d) *The Distribution Agent*. CHS shall enter into a distribution agent agreement with the Agent or otherwise provide instructions to the Agent regarding the Distribution.

(e) *Stock-Based Employee Benefit Plans*. At or prior to the Effective Time, CHS and QHC shall take all actions as may be necessary to approve the stock-based employee benefit plans of QHC in order to satisfy the requirements of Rule 16b-3 under the Exchange Act and the applicable rules and regulations of the NYSE.

(f) *Satisfying Conditions to Distribution.* CHS and QHC shall cooperate to cause the conditions to the Distribution set forth in this Article III to be satisfied and to effect the Distribution at the Effective Time.

Section 3.02. The Distribution. Subject to the terms and conditions contained herein:

(a) *Delivery of QHC Common Stock.* On or prior to the Distribution Date, CHS shall deliver to the Agent, for the benefit of the Record Holders, book-entry transfer authorizations for such number of the outstanding shares of QHC Common Stock as is necessary to effect the Distribution.

(b) *Effective Time of Distribution.* The Distribution shall be effective at the Effective Time.

(c) *Distribution of Shares and Cash.* CHS shall instruct the Agent to distribute, as soon as practicable following the Effective Time, to each Record Holder the following:

(i) one share of QHC Common Stock for every four (4) CHS Common Shares held by such Record Holder as of the Record Date; and

(ii) cash, if applicable, in lieu of fractional shares obtained in the manner provided in Section 3.03.

(d) *Transfer Authorizations.* QHC agrees to provide all book-entry transfer authorizations for shares of QHC Common Stock that CHS or the Agent shall require (after giving effect to Section 3.03) in order to effect the Distribution.

Section 3.03. Fractional Shares; Unclaimed Shares.

(a) *No Fractional Shares.* Notwithstanding anything herein to the contrary, no fractional shares of QHC Common Stock shall be issued in connection with the Distribution, and any such fractional share interests to which a Record Holder would otherwise be entitled shall not entitle such Record Holder to vote or to any other rights as a stockholder of QHC. In lieu of any such fractional shares, each Record Holder who, but for the provisions of this Section 3.03, would be entitled to receive a fractional share interest of QHC Common Stock pursuant to the Distribution, shall be paid cash, without any interest thereon, as hereinafter provided. CHS shall instruct the Agent to determine the number of whole shares and fractional shares of QHC Common Stock allocable to each Record Holder, to aggregate all such fractional shares into whole shares, to sell the whole shares obtained thereby in the open market at the then-prevailing prices on behalf of each Record Holder who otherwise would be entitled to receive fractional share interests and to distribute to each such Record Holder his, her or its ratable share of the total proceeds of such sale, after making appropriate deductions of the amounts required for U.S. federal income tax withholding purposes and after deducting any applicable transfer Taxes and the costs and expenses of such sale and distribution, including brokers fees and commissions. The sales of fractional shares shall occur as soon after the Effective Time as practicable and as determined by the Agent. None of CHS, QHC or the Agent shall guarantee any minimum sale price for the fractional shares of CHS Common Stock. Neither CHS nor QHC shall pay any

interest on the proceeds from the sale of fractional shares. The Agent shall have the sole discretion to select the broker-dealers through which to sell the aggregated fractional shares and to determine when, how and at what price to sell such shares. Neither the Agent nor the broker-dealers through which the aggregated fractional shares are sold shall be Affiliates of CHS or QHC.

(b) *Beneficial Owners.* Solely for purposes of computing fractional share interests pursuant to this Section 3.03, the beneficial owner of CHS Common Stock held of record in the name of a nominee in any nominee account shall be treated as the holder of record with respect to such shares.

(c) *Unclaimed Stock or Cash.* Any QHC Common Stock or cash in lieu of fractional shares with respect to QHC Common Stock that remain unclaimed by any Record Holder one hundred and eighty (180) days after the Distribution Date shall be delivered to QHC, QHC shall hold such QHC Common Stock for the account of such Record Holder and the Parties agree that all obligations to provide such QHC Common Stock and cash, if any, in lieu of fractional share interests shall be obligations of QHC, subject in each case to applicable escheat or other abandoned property Laws, and CHS shall have no Liability with respect thereto.

(d) *Equity Incentive Programs.* Effective upon the Distribution, CHS shall take, or cause to be taken, all actions necessary so that each outstanding CHS Option, CHS Restricted Stock Award, and CHS RSU Award (each as defined in the Employee Matters Agreement) granted under a CHS Stock Program (as defined in the Employee Matters Agreement) shall be adjusted as provided in Section 5.01 of the Employee Matters Agreement.

Section 3.04. Sole Discretion of CHS. Notwithstanding anything to the contrary set forth in this Agreement or in any Ancillary Agreement, until the Effective Time, CHS shall have the sole discretion to determine whether to proceed with the Distribution and any and all terms of the Distribution, including the form, structure and terms of any transaction(s) or offering(s) to effect the Distribution and the timing of and conditions to the consummation of the Distribution. In addition, CHS may, in its sole discretion, determine the Distribution Date and may, at any time and from time to time until the Effective Time, modify or change the terms of the Distribution, including by accelerating or delaying the timing of the consummation of the Distribution.

Section 3.05. Conditions to the Distribution.

(a) *The Conditions.* In addition to CHS' rights under Section 3.04, the Distribution shall not occur unless each of the following conditions shall have been satisfied (or waived by CHS, in whole or in part, in its sole discretion):

(i) the Separation shall have been completed in accordance with the Plan of Separation, including the transfer to QHC of the QHC Assets (other than any Delayed QHC Assets) and the assumption by QHC of the QHC Liabilities (other than any Delayed QHC Liability), as well as the transfer to QHC of the permits, licenses and registrations relating to the QHC Business, except for such steps as CHS in its sole discretion shall have determined may be completed after the Distribution Date;

(ii) the Registration Statement shall have been declared effective by the Commission; no stop-order shall be in effect with respect thereto; no Proceeding for that purpose shall have been instituted or threatened by the Commission; and the Information Statement shall have been made available to the Record Holders;

(iii) the QHC Financing Transactions shall have been completed and QHC shall have made the distributions of cash and senior notes in accordance with Schedule 2.07;

(iv) the QHC Common Stock to be distributed in the Distribution shall have been accepted for listing on the NYSE, subject to official notice of issuance;

(v) no order, injunction or decree issued by any Governmental Authority or other legal restraint or prohibition preventing the consummation of all or any portion of the Distribution or any of the other transactions related thereto, including the Separation, contemplated by this Agreement or any Ancillary Agreement shall be pending, threatened, issued or in effect, and no other event shall have occurred or failed to occur that prevents the consummation of all or any portion of the Distribution;

(vi) CHS shall have obtained an opinion from its outside tax advisor that remains in effect as of the distribution date, in form and substance satisfactory to CHS, as to the satisfaction of certain requirements necessary for the distribution, together with certain related transactions, to qualify as generally tax-free for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code;

(vii) the CHS Board shall have approved the Separation and the Distribution, which approval may be given or withheld at its absolute and sole discretion, and no other events or developments shall have occurred or exist that, in the judgment of the CHS Board, in its sole discretion, makes it inadvisable to effect the Separation, the Distribution or the other transactions contemplated by this Agreement or any Ancillary Agreement;

(viii) the Parties shall have executed and delivered or, where applicable, shall have caused their respective Subsidiaries to execute and deliver, the Ancillary Agreements that are contemplated by this Agreement to be executed and delivered on or prior to the Effective Time;

(ix) an independent appraisal firm acceptable to CHS shall have delivered one or more opinions to the CHS Board confirming the solvency and financial viability of CHS before the consummation of the Distribution and each of CHS and QHC after consummation of the Distribution, and such opinions shall be acceptable to CHS in form and substance in CHS' sole discretion and such opinions shall not have been withdrawn or rescinded;

(x) all permits, registrations and Consents necessary to consummate the Distribution shall have been received;

(xi) QHC and/or the designated QHC Subsidiaries shall have received the Transferred Cash Amount;

(xii) CHS shall have taken all necessary action, in the judgment of the CHS Board, to cause the board of directors of QHC to consist of the individuals identified in the Information Statement as directors of QHC; and

(xiii) all necessary actions shall have been taken to adopt the Certificate of Incorporation and the By-laws.

(b) Conditions for Benefit of CHS. The foregoing conditions are for the sole benefit of CHS and not for the benefit of any other Person and shall not give rise to nor create any duty on the part of CHS or the CHS Board to waive or not waive any such condition or in any way limit CHS' right to terminate this Agreement as set forth in Article IX or alter the consequences of any such termination from those specified in such Article IX. Any determination made by CHS prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 3.05 shall be conclusive and binding on the Parties hereto. If CHS waives any material condition, it shall promptly issue a press release disclosing such fact and file a report on Form 8-K with the Commission describing such waiver.

ARTICLE IV

MUTUAL RELEASES; INDEMNIFICATION

Section 4.01. Releases.

(a) *QHC Release of CHS*. Except as provided in Section 4.01(c) and in the provisos to this Section 4.01(a), effective as of the Effective Time, QHC does hereby, for itself, each of the QHC Subsidiaries, and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been directors, officers, agents or employees of QHC or any of the QHC Subsidiaries (in each case, in their respective capacities as such), remise, release and forever discharge: (1) CHS, each CHS Subsidiary, and their respective successors and assigns; (2) all Persons who at any time are or have been shareholders, directors, officers, agents or employees of CHS or a CHS Subsidiary (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns; and (3) all Persons who at any time prior to the Effective Time are or have been shareholders, directors, officers, agents or employees of a Transferred Entity and who are not, as of immediately following the Effective Time, directors, officers or employees of QHC or a QHC Subsidiary, in each such case from:

(i) all QHC Liabilities; and

(ii) any other Liabilities existing or arising: (A) in connection with the implementation of the Separation and the Distribution; or (B) from actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent relating to, arising out of or resulting from the QHC Business, the QHC Assets or the QHC Liabilities;

provided, however, that nothing in this Section 4.01(a) shall release the Persons described in this Section 4.01(a) from: (x) any Liability expressly allocated to CHS or a CHS Subsidiary in this Agreement (including the indemnification obligations in Section 4.03 and the contribution obligations in Section 4.07), any Ancillary Agreement or any other agreement, arrangement, commitment or understanding to the extent expressly preserved pursuant to Section 2.08(b); (y) any Intercompany Account that is not settled, capitalized, cancelled, assigned or assumed by QHC or one or more QHC Subsidiaries prior to the Effective Time; or (z) any Liability the release of which would result in the release of any Person other than the Persons described in this Section 4.01(a), and, provided, further, that nothing in this Section 4.01(a) shall relieve any Person released in this Section 4.01(a) who, after the Effective Time, is a director, officer or employee of QHC or a QHC Subsidiary and is no longer a director, officer or employee of CHS or a CHS Subsidiary from Liabilities arising out of, relating to or resulting from his or her service as a director, officer or employee of QHC or any of the QHC Subsidiaries after the Effective Time.

(b) *CHS Release of QHC*. Except as provided in Section 4.01(c) and in the proviso to this Section 4.01(b), effective as of the Effective Time, CHS does hereby, for itself, each of the CHS Subsidiaries, and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been directors, officers, agents or employees of CHS or any of the CHS Subsidiaries (in each case, in their respective capacities as such), remise, release and forever discharge QHC, each QHC Subsidiary and their respective successors and assigns from:

(i) all CHS Liabilities; and

(ii) any other Liabilities existing or arising: (A) in connection with the implementation of the Separation and the Distribution; or (B) from actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent relating to, arising out of or resulting from the CHS Business, the CHS Assets or the CHS Liabilities;

provided, however, that nothing in this Section 4.01(b) shall release the Persons described in this Section 4.01(b) from: (x) any Liability expressly allocated to QHC or a QHC Subsidiary in this Agreement (including the indemnification obligations in Section 4.02 and the contribution obligations in Section 4.07), any Ancillary Agreement or any other agreement, arrangement, commitment or understanding to the extent expressly preserved pursuant to Section 2.08(b); (y) any Intercompany Account that is not settled, capitalized, cancelled, assigned or assumed by QHC or one or more QHC Subsidiaries prior to the Effective Time; or (z) any Liability the release of which would result in the release of any Person other than the Persons released in this Section 4.01(b).

(c) *CHS Obligations Not Affected*. Nothing contained in this Article IV shall release CHS or a CHS Subsidiary from honoring its obligations existing immediately prior to the Effective Time to (i) indemnify any director, officer or employee of QHC or a QHC Subsidiary who was a director, officer or employee of CHS or a CHS Subsidiary or Quorum Health

Resources on or prior to the Effective Time, to the extent such director, officer or employee was entitled in such capacity to such indemnification pursuant to obligations existing immediately prior to the Effective Time; provided that if a director of QHC receives indemnification payments from CHS or QHC, as the case may be, with respect to a particular Liability for which such director is entitled to indemnification, such director shall not be entitled to receive indemnification payments from the other Party with respect to the same Liability to the extent of the indemnification payments previously received by such director from CHS or QHC, as the case may be; provided, further, that (A) to the extent the events underlying an indemnification claim would give rise to a CHS Liability, then CHS shall have primary responsibility for the administration of the indemnification claim and (B) to the extent that the events underlying an indemnification claim would give rise to a QHC Liability, then QHC shall have primary responsibility for the administration of the indemnification claim; or (ii) provide any employment, post-employment or retirement benefits to any director, officer or employee of QHC or a QHC Subsidiary who was a director, officer or employee of CHS or a CHS Subsidiary on or prior to the Effective Time, to the extent such director, officer or employee was entitled to such benefits pursuant to obligations existing immediately prior to the Effective Time, except as otherwise provided in the Employee Matters Agreement.

(d) *No QHC Claims.* Without limiting the rights of either Party under Section 4.04, 4.05 or 4.06, QHC shall not make, and shall not permit a QHC Subsidiary to make, any claim or demand, or commence any Proceeding asserting any claim or demand, including any claim of contribution or indemnification, against CHS or a CHS Subsidiary or any other Person released pursuant to Section 4.01(a), with respect to any Liabilities released pursuant to Section 4.01(a).

(e) *No CHS Claims.* Without limiting the rights of either Party under Section 4.04, 4.05 or 4.06, CHS shall not make, and shall not permit a CHS Subsidiary to make, any claim or demand, or commence any Proceeding asserting any claim or demand, including any claim of contribution or indemnification, against QHC or a QHC Subsidiary or any other Person released pursuant to Section 4.01(b), with respect to any Liabilities released pursuant to Section 4.01(b).

(f) *Subsidiary Releases.* At any time at or after the Effective Time, at the request of either Party, the other Party shall cause its Subsidiaries to execute and deliver releases reflecting the provisions of this Section 4.01.

Section 4.02. Indemnification by QHC. Except as otherwise specifically set forth in any provision of this Agreement or of any Ancillary Agreement, QHC and each of the QHC Subsidiaries shall, to the fullest extent permitted by Law, indemnify, defend and hold harmless each of the CHS Indemnitees from and against all QHC Indemnity Obligations, including, to the fullest extent permitted by Law, the advancement and reimbursement of expenses, including attorneys' fees and costs, incurred with respect to a QHC Indemnity Obligation; provided, however, that the indemnity in this Section 4.02 for QHC Liabilities shall not extend to a past, present or future director, officer, employee or agent of QHC or a QHC Subsidiary to the extent such Person would not be eligible for indemnification under the terms of (i) CHS' certificate of incorporation or bylaws in connection with the matter for which indemnification is sought due to action or inaction by such Person in connection with such matter; or (ii) the directors' and

officers' insurance policy of CHS would not cover such Person in connection with the matter for which indemnification is sought due to action or inaction by such Person in connection with such matter. Notwithstanding the foregoing, the indemnification provided for in this Section 4.02 shall exclude, and QHC shall have no responsibility for, Liability arising out of or relating to acts, practices or omissions engaged in after the Distribution Date by CHS or any of its respective Subsidiaries or Affiliates.

Section 4.03. Indemnification by CHS. Except as otherwise specifically set forth in any provision of this Agreement or of any Ancillary Agreement, CHS and each of the CHS Subsidiaries shall, to the fullest extent permitted by Law, indemnify, defend and hold harmless each of the QHC Indemnitees from and against all CHS Indemnity Obligations, including, to the fullest extent permitted by Law, the advancement and reimbursement of expenses, including attorneys' fees and costs, incurred with respect to a CHS Indemnity Obligation; provided, however, that the indemnity in this Section 4.03 for CHS Liabilities shall not extend to a past, present or future director, officer, employee or agent of CHS or a CHS Subsidiary to the extent such Person would not be eligible for indemnification under the terms of (i) the Certificate of Incorporation or the By-laws in connection with the matter for which indemnification is sought due to action or inaction by such Person in connection with such matter or (ii) the directors' and officers' insurance policy of QHC would not cover such Person in connection with the matter for which indemnification is sought due to action or inaction by such Person in connection with such matter. Notwithstanding the foregoing, the indemnification provided for in this Section 4.03 shall exclude, and CHS shall have no responsibility for, Liability arising out of or relating to acts, practices or omissions engaged in after the Distribution Date by QHC or any of its respective Subsidiaries or Affiliates.

Section 4.04. Indemnification Obligations Net of Insurance Proceeds and Other Amounts.

(a) *Insurance Proceeds and Other Amounts*. The Parties intend that any Losses subject to indemnification or contribution pursuant to this Agreement or any Ancillary Agreement: (i) shall be reduced by any Insurance Proceeds or other amounts actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof) from any Person by or on behalf of the Indemnitee in respect of any indemnifiable Losses; (ii) shall not be increased to take into account any Tax costs incurred by the Indemnitee arising from any Indemnity Payments received from the Indemnifying Party (as defined below); and (iii) shall not be reduced to take into account any Tax benefit received by the Indemnitee arising from the incurrence or payment of any Indemnity Payment; provided that Sections 4.04(a)(ii) and 4.04(a)(iii) shall not apply to Indemnity Payments made pursuant to the Tax Matters Agreement. Accordingly, the amount which either Party against whom a claim is made for indemnification under this Agreement (an "Indemnifying Party") is required to pay to any Indemnitee shall be reduced by any Insurance Proceeds or any other amounts theretofore actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof) by or on behalf of the Indemnitee in respect of the related Loss. If an Indemnitee receives a payment required by this Agreement from an Indemnifying Party in respect of any Loss (an "Indemnity Payment") and subsequently receives Insurance Proceeds or any other amounts in respect of the related Loss, then the Indemnitee shall pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been

due if the Insurance Proceeds or such other amounts (net of any out-of-pocket costs or expenses incurred in the collection thereof) had been received, realized or recovered before the Indemnity Payment was made.

(b) *Insurers and Other Third Parties Not Relieved.* The Parties hereby agree that an insurer or other Third Party that would otherwise be obligated to pay any amount shall not be relieved of the responsibility with respect thereto or have any subrogation rights with respect thereto by virtue of any provision contained in this Agreement or any Ancillary Agreement, and that no insurer or any other Third Party shall be entitled to a “windfall” (e.g., a benefit they would not be entitled to receive in the absence of the indemnification or release provisions) by virtue of any provision contained in this Agreement or any Ancillary Agreement. Each Party shall, and shall cause its Subsidiaries to, use commercially reasonable efforts to collect or recover, or allow the Indemnifying Party to collect or recover, any Insurance Proceeds that may be collectible or recoverable respecting the Losses for which indemnification may be available under this Article IV. Notwithstanding the foregoing, an Indemnifying Party may not delay making any indemnification payment required under the terms of this Agreement, or otherwise satisfying any indemnification obligation, pending the outcome of any Proceeding to collect or recover Insurance Proceeds, and an Indemnitee need not attempt to collect any Insurance Proceeds prior to making a claim for indemnification or receiving any Indemnity Payment otherwise owed to it under this Agreement or any Ancillary Agreement.

Section 4.05. Procedures for Indemnification of Third Party Claims.

(a) *Notice of Claims.* If, at or following the date of this Agreement, an Indemnitee receives notice or otherwise learns of the assertion or commencement by a Third Party of any Proceeding against the Indemnitee with respect to which the Indemnitee believes that QHC (in the case of a CHS Indemnitee) or CHS (in the case of a QHC Indemnitee) is obligated to provide indemnification to such Indemnitee pursuant to this Agreement or any Ancillary Agreement (collectively, a “Third Party Claim”), such Indemnitee shall give such Indemnifying Party Notice thereof within ten (10) days (or sooner if the nature of the Third Party Claim so requires) after becoming aware of such Third Party Claim. The Notice must describe the Third Party Claim in reasonable detail or, in the alternative, include copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third Party Claim. Notwithstanding the foregoing, the failure of any Indemnitee to give the Notice as provided in this Section 4.05(a) shall not relieve the related Indemnifying Party of its obligations under this Article IV, except to the extent that such Indemnifying Party is actually prejudiced by such failure to give the Notice in accordance with this Section 4.05(a).

(b) *Control of Defense.* An Indemnifying Party may elect to defend (and seek to settle or compromise), at its own expense and with its own counsel, any Third Party Claim. Within thirty (30) days after the receipt of a Notice from an Indemnitee in accordance with Section 4.05(a) (or sooner, if the nature of the Third Party Claim so requires), the Indemnifying Party shall provide a Notice to the Indemnitee indicating whether the Indemnifying Party shall assume responsibility for defending the Third Party Claim and specifying any reservations or exceptions to its defense. If an Indemnifying Party elects not to assume responsibility for defending any Third Party Claim or fails to notify an Indemnitee of its election within thirty (30) days after receipt of a Notice from an Indemnitee as provided in Section 4.05(a), then the Indemnitee that is the subject of such Third Party Claim shall be entitled to continue to conduct and control the defense of such Third Party Claim.

(c) *Allocation of Defense Costs.* If an Indemnifying Party has elected to assume the defense of a Third Party Claim, whether with or without any reservations or exceptions with respect to such defense, then such Indemnifying Party shall be solely liable for all fees and expenses incurred by it in connection with the defense of such Third Party Claim and shall not be entitled to seek any indemnification or reimbursement from the Indemnitee for any such fees or expenses incurred during the course of its defense of such Third Party Claim, regardless of any subsequent decision by the Indemnifying Party to reject or otherwise abandon its assumption of such defense. If an Indemnifying Party elects not to assume responsibility for defending any Third Party Claim or fails to notify an Indemnitee of its election within thirty (30) days after receipt of a Notice from an Indemnitee as provided in Section 4.05(a), and the Indemnitee conducts and controls the defense of such Third Party Claim, then the Indemnifying Party shall be liable for all reasonable fees and expenses incurred by the Indemnitee in connection with the defense of such Third Party Claim.

(d) *Right to Monitor and Participate.* An Indemnitee that does not conduct and control the defense of any Third Party Claim, or an Indemnifying Party that has failed to defend any Third Party Claim as contemplated hereby, nevertheless shall have the right to employ separate counsel (including local counsel as necessary) of its own choosing to monitor and participate in (but not control) the defense of any Third Party Claim for which it is a potential Indemnitee or Indemnifying Party, but the fees and expenses of such counsel shall be at the expense of such Indemnitee or Indemnifying Party, as the case may be, and the provisions of Section 4.05(c) shall not apply to such fees and expenses. Notwithstanding the foregoing, subject to Sections 7.06 and 7.07, such Party shall cooperate with the Party entitled to conduct and control the defense of such Third Party Claim in such defense and make available to the controlling Party, at the non-controlling Party's expense, all witnesses, information and materials in such Party's possession or under such Party's control relating thereto as are reasonably required by the controlling Party. In addition to the foregoing, if any Indemnitee shall in good faith determine that such Indemnitee and the Indemnifying Party have actual or potential differing defenses or conflicts of interest between them that make joint representation inappropriate, then the Indemnitee shall have the right to employ separate counsel (including local counsel as necessary) and to participate in (but not control) the defense, compromise, or settlement thereof, and the Indemnifying Party shall bear the reasonable fees and expenses of such counsel for all Indemnitees.

(e) *No Settlement.* Neither Party may settle or compromise any Third Party Claim for which either Party is seeking to be indemnified hereunder without the prior written consent of the other Party, which consent may not be unreasonably withheld, unless such settlement or compromise is solely for monetary damages, does not involve any finding or determination of wrongdoing or violation of Law by the other Party and provides for a full, unconditional and irrevocable release of the other Party from all Liability in connection with the Third Party Claim. The Parties hereby agree that if a Party presents the other Party with a Notice containing a proposal to settle or compromise a Third Party Claim for which either Party is seeking to be indemnified hereunder and the Party receiving such proposal does not respond in any manner to the Party presenting such proposal within thirty (30) days (or within any such

shorter time period that may be required by applicable Law or court order) of receipt of such proposal, then the Party receiving such proposal shall be deemed to have consented to the terms of such proposal.

(f) *Pending Third Party Claims.* The provisions of this Article IV shall apply to Third Party Claims that are already pending or asserted as well as Third Party Claims brought or asserted after the date of this Agreement. There shall be no requirement under this Section 4.05 to give a Notice with respect to any Third Party Claims that exist as of the Effective Time.

(g) *Allocation of Proceeding Liabilities.* The Parties acknowledge that Liabilities for Proceedings (regardless of the parties to the applicable Proceeding) may be partly CHS Liabilities and partly QHC Liabilities. In such event, the Parties shall cooperate in good faith in regard to the evaluation, defense, prosecution, and/or pursuit in respect of such Proceeding. If the Parties cannot agree on an allocation of any such Liabilities for Proceedings, they shall resolve the matter pursuant to the procedures set forth in Article VIII. Neither Party shall, nor shall either Party permit its Subsidiaries to, file Third Party claims or cross-claims against the other Party or its Subsidiaries in a Proceeding in which a Third Party Claim is being resolved.

Section 4.06. Additional Matters.

(a) *Timing of Payments.* Indemnity Payments or contribution payments in respect of any Losses for which an Indemnitee is entitled to indemnification or contribution under this Article IV shall be paid reasonably promptly (but in any event within sixty (60) days of the final determination of the amount that the Indemnitee is entitled to indemnification or contribution under this Article IV) by the Indemnifying Party to the Indemnitee as such Losses are incurred upon demand by the Indemnitee, including reasonably satisfactory documentation setting forth the basis for the amount of such Indemnity Payments or contribution payments, including documentation with respect to calculations made and consideration of any Insurance Proceeds that actually reduce the amount of such Losses. The indemnity and contribution provisions contained in this Article IV shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Indemnitee; and (ii) the knowledge by the Indemnitee of Losses for which it might be entitled to indemnification or contribution hereunder.

(b) *Notice of Direct Claims.* Any claim for indemnification under this Agreement or any Ancillary Agreement which does not result from a Third Party Claim (a "Direct Claim") must be asserted by a Notice given by the Indemnitee to the applicable Indemnifying Party; provided, that the failure by an Indemnitee to so assert any such Direct Claim shall not prejudice the ability of the Indemnitee to do so at a later time except to the extent (if any) that the Indemnifying Party is prejudiced thereby. Such Indemnifying Party shall have a period of thirty (30) days after the receipt of such Notice within which to respond thereto. If such Indemnifying Party does not respond within such thirty (30)-day period, such Direct Claim specified in such Notice shall be conclusively deemed a Liability of the Indemnifying Party under this Section 4.06(b) or, in the case of any Notice in which the amount of the Direct Claim (or any portion thereof) is estimated, on such later date when the amount of such Direct Claim

(or such portion thereof) becomes finally determined. If such Indemnifying Party does not respond within such thirty (30)-day period or rejects such claim in whole or in part, such Indemnitee shall be free to pursue such remedies as may be available to such Indemnitee as contemplated by this Agreement or the Ancillary Agreements, as applicable, without prejudice to its continuing rights to pursue indemnification or contribution hereunder.

(c) *Subrogation*. In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other Person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(d) *Pursuit of Claims Against Third Parties*. If (i) a Party incurs any Liability arising out of this Agreement or any Ancillary Agreement; (ii) an adequate legal or equitable remedy is not available for any reason against the other Party to satisfy the Liability incurred by the incurring Party; and (iii) a legal or equitable remedy may be available to the other Party against a Third Party for such Liability, then the other Party shall use its commercially reasonable efforts to cooperate with the incurring Party, at the incurring Party's expense, to permit the incurring Party to obtain the benefits of such legal or equitable remedy against the Third Party.

(e) *Substitution*. In any Proceeding in which the Indemnifying Party is not a named defendant, if either the Indemnitee or Indemnifying Party shall so request, the Parties shall endeavor to substitute the Indemnifying Party for the named defendant if they conclude that substitution is desirable and practicable. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Proceeding as set forth in [Section 4.05](#) and this [Section 4.06](#), and the Indemnifying Party shall fully indemnify the named defendant against all costs of defending the Proceeding (including court costs, sanctions imposed by a court, attorneys' fees, experts fees and all other external expenses), the costs of any judgment or settlement, and the cost of any interest or penalties relating to any judgment or settlement.

Section 4.07. Right of Contribution.

(a) *Contribution*. If any right of indemnification contained in [Section 4.02](#) or [4.03](#) is held unenforceable or is unavailable for any reason, or is insufficient to hold harmless an Indemnitee in respect of any Loss for which such Indemnitee is entitled to indemnification hereunder, then the Indemnifying Party shall contribute to the amounts paid or payable by the Indemnitees as a result of such Loss (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and its Subsidiaries, on the one hand, and the Indemnitees entitled to contribution, on the other hand, as well as any other relevant equitable considerations.

(b) *Allocation of Relative Fault.* Solely for purposes of determining relative fault pursuant to this Section 4.07: (i) any fault associated with the business conducted with Delayed QHC Assets or Delayed QHC Liabilities (except for the gross negligence or intentional misconduct of CHS or a CHS Subsidiary) or with the ownership, operation or activities of the QHC Business prior to the Effective Time shall be deemed to be the fault of QHC and the QHC Subsidiaries, and no such fault shall be deemed to be the fault of CHS or a CHS Subsidiary; and (ii) any fault associated with the business conducted with Delayed CHS Assets or Delayed CHS Liabilities (except for the gross negligence or intentional misconduct of QHC or a QHC Subsidiary) or with the ownership, operation or activities of the CHS Business prior to the Effective Time shall be deemed to be the fault of CHS and the CHS Subsidiaries, and no such fault shall be deemed to be the fault of QHC or a QHC Subsidiary.

(c) *Contribution Procedures.* The provisions of Sections 4.04 through 4.10 and Sections 6.03 through 6.06 shall govern any contribution claims.

Section 4.08. Covenant Not to Sue. Each Party hereby covenants and agrees that none of it, its Subsidiaries or any Person claiming through it shall bring suit or otherwise assert any claim against any Indemnitee, or assert a defense against any claim asserted by any Indemnitee, before any court, arbitrator, neutral mediator or administrative agency anywhere in the world, alleging that: (a) the assumption of any QHC Liabilities by QHC and the QHC Subsidiaries on the terms and conditions set forth in this Agreement and the Ancillary Agreements is void or unenforceable for any reason; (b) the retention of any CHS Liabilities by CHS and the CHS Subsidiaries on the terms and conditions set forth in this Agreement and the Ancillary Agreements is void or unenforceable for any reason, or (c) the provisions of this Article IV are void or unenforceable for any reason.

Section 4.09. Remedies Cumulative. The remedies provided in this Article IV shall be cumulative and, subject to the provisions of Sections 4.08 and 8.01, shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

Section 4.10. Survival of Indemnities. The rights and obligations of each of the Parties and their respective Indemnitees under this Article IV shall survive (a) the sale or other transfer by either Party or any of its respective Subsidiaries of any assets or businesses or the assignment by it of any Liabilities; or (b) any merger, consolidation, business combination, sale of all or substantially all of the Assets, restructuring, recapitalization, reorganization or similar transaction involving either Party or any of its respective Subsidiaries.

Section 4.11. Coordination with Ancillary Agreements.

(a) The provisions of Sections 4.2 through 4.10 hereof shall not apply with respect to Taxes or Tax matters (including the control of Tax related proceedings), which shall be governed by the Tax Matters Agreement. In the case of any conflict between this Agreement and the Tax Matters Agreement in relation to any matters addressed by the Tax Matters Agreement, the Tax Matters Agreement shall control.

(b) The provisions of Sections 4.2 through 4.10 hereof shall not apply (except as expressly set forth in the applicable Ancillary Agreement) with respect to the representations, warranties, covenants and agreements set forth in the Transition Services Agreements or the Employee Matters Agreement, which shall be governed by the applicable terms of such Ancillary Agreement, respectively.

ARTICLE V

INSURANCE MATTERS

Section 5.01. Insurance Matters.

(a) CHS and QHC agree to cooperate in good faith to provide for an orderly transition of insurance coverage from the date hereof through the Effective Time. In no event shall CHS, any other member of the CHS Group or any CHS Indemnitee have Liability or obligation whatsoever to any member of the QHC Group in the event that any insurance policy or other contract or policy of insurance is terminated or otherwise cease to be in effect for any reason, is unavailable or inadequate to cover any Liability of any member of the QHC Group for any reason whatsoever, or is not be renewed or extended beyond the current expiration date. Furthermore, QHC acknowledges and agrees, on its own behalf and on behalf of each of the QHC Subsidiaries, that, from and after the Effective Time, neither QHC nor any of the QHC Subsidiaries shall have any rights to or under any of CHS' or the CHS Subsidiaries' insurance policies, other than any insurance policies acquired prior to the Effective Time directly by and in the name of a member of QHC or any of the QHC Subsidiaries or as expressly provided in this Section 5.01 or in the Employee Matters Agreement.

(b) All insurance policies and programs acquired prior to the Effective Time by or held in the name of Quorum Health Resources (the "QHR Policies") shall be retained by Quorum Health Resources and Quorum Health Resources shall retain responsibility for and have the exclusive right to control Insurance Administration with respect to the QHR Policies and any and all other rights with respect to the QHR Policies.

(c) Notwithstanding Section 5.01(a) and except as provided in Section 5.01(b), from and after the Effective Time, with respect to any losses, damages and Liability incurred by any member of the QHC Group prior to the Effective Time:

(i) QHC shall report any claim to CHS, as promptly as practicable, and in any event in sufficient time so that CHS may make such claim in accordance with CHS' claim reporting procedures then in effect;

(ii) Except to the extent such loss is a CHS Indemnity Obligation, QHC and the members of the QHC Group shall indemnify, hold harmless and reimburse CHS and the members of the CHS Group for any deductibles, self-insured retention (other than any such retention under a CHS Group captive insurance arrangement), fees and expenses incurred by CHS or any members of the CHS Group to the extent resulting from any claims made by CHS or any other members of the CHS Group under any CHS Insurance Policy, including any indemnity payments, settlements, judgments, legal fees and allocated claims expenses and claim handling fees, whether such claims are made by CHS, its employees or third Persons (it being understood that amounts recovered under a CHS Group captive insurance arrangement shall not be deemed to be fees and expenses incurred by CHS or any member of the CHS Group); and

(iii) Except to the extent such loss is a CHS Indemnity Obligation, QHC shall exclusively bear (and neither CHS nor any members of the CHS Group shall have any obligation to repay or reimburse QHC or any member of the QHC Group for) and shall be liable for all uninsured, uncovered, unavailable or uncollectible amounts of any claims made by CHS or any member of the CHS Group under the CHS Insurance Policies. In the event an insurance policy aggregate is exhausted, or believed likely to be exhausted, due to noticed claims, the QHC Group, on the one hand, and the CHS Group, on the other hand, shall be responsible for their pro rata portion of the reinstatement premium, if any, based upon the losses of such Group submitted to CHS' insurance carrier(s) (including any submissions prior to the Effective Time). To the extent that the CHS Group or the QHC Group is allocated more than its pro rata portion of such premium due to the timing of losses submitted to CHS' insurance carrier(s), the other party shall promptly pay the first party an amount so that each Group shall be properly allocated its pro rata portion of the reinstatement premium. Subject to the following sentence, CHS may elect not to reinstate the policy aggregate. In the event that CHS elects not to reinstate the policy aggregate, it shall provide prompt written notice to QHC, and QHC may direct CHS in writing to, and CHS shall, in such case, reinstate the policy aggregate; provided, that QHC shall then be responsible for all reinstatement premiums and other costs associated with such reinstatement.

In the event that any member of the CHS Group incurs any losses, damages or Liability prior to or in respect of the period prior to the Effective Time for which such member of the CHS Group is entitled to coverage under QHC's insurance policies, the same process pursuant to this Section 5.01(c) shall apply, substituting "CHS" for "QHC" and "QHC" for "CHS."

(d) Any payments, costs and adjustments required pursuant to Section 5.01(c) shall be billed by CHS, on behalf of itself and the CHS Subsidiaries, to QHC on a monthly basis and QHC, on behalf of itself and the QHC Subsidiaries, shall pay such payments, costs and adjustments to CHS within thirty (30) days from receipt of invoice. If CHS incurs costs to enforce QHC's obligations under this Section 5.01, QHC agrees to indemnify CHS for such enforcement costs, including reasonable attorneys' fees.

(e) From and after the Effective Time, neither QHC nor any member of the QHC Group shall have any rights to or under any of the insurance policies of CHS or any other member of the CHS Group. Such CHS insurance programs include general liability, commercial auto liability, workers' compensation, employers liability, product liability, professional services and malpractice liability, property, cargo, employment practices liability, employee dishonesty/crime, aircraft hull and liability, directors' and officers' liability, fiduciary liability and special accident. At the Effective Time, QHC shall have in effect all insurance programs required to comply with QHC's statutory and contractual obligations and such other insurance policies as reasonably necessary or customary for companies operating a business similar to the QHC Business.

(f) Neither QHC nor any member of the QHC Group, in connection with making a claim under any insurance policy of CHS or any member of the CHS Group pursuant to this Section 5.01, shall take any action (other than the act of making the claim) that would be

reasonably likely to (i) have an adverse impact on the then-current relationship between CHS or any member of the CHS Group, on the one hand, and the applicable insurance company, on the other hand; (ii) result in the applicable insurance company terminating or reducing coverage, or increasing the amount of any premium owed by CHS or any member of the CHS Group under the applicable insurance policy; or (iii) otherwise compromise, jeopardize or interfere with the rights of CHS or any member of the CHS Group under the applicable insurance policy. CHS and the other members of the CHS Group, in connection with reporting, administering or handling a claim on behalf of QHC or any member of the QHC Group under any insurance policy of CHS or any member of the CHS Group pursuant to this Section 5.01, will use commercially reasonable efforts to avoid taking any action (other than the act of making the claim) that would be reasonably likely to have an adverse impact on the then-current relationship between QHC or any member of the QHC Group, on the one hand, and the applicable insurance company, on the other hand, if such insurance company is also an insurer of QHC or any member of the QHC Group.

(g) CHS shall retain responsibility for and have the exclusive right to control Insurance Administration of its insurance policies and programs and any and all other rights with respect to its insurance policies and programs, including the right to exhaust, settle, release, commute, buyback or otherwise resolve disputes with respect to any of its insurance policies and programs and to amend, modify or waive any rights under any such insurance policies and programs, notwithstanding whether any such policies or programs apply to any QHC Liabilities and/or claims QHC has made or could make in the future, and no member of the QHC Group shall (without the prior written consent of CHS) erode, exhaust, settle, release, commute, buyback or otherwise resolve disputes with CHS' insurers with respect to any of CHS' insurance policies and programs, or amend, modify or waive any rights under any such insurance policies and programs. QHC shall cooperate with CHS and share such information as is reasonably necessary to permit CHS to manage and conduct its insurance matters as it deems appropriate.

(h) QHC shall, and shall cause the members of the QHC Group to, use commercially reasonable efforts, at CHS' reasonable request, to assist CHS in making claims under the CHS Insurance Policies. CHS shall, to the extent such recovery relates to a CHS Indemnity Obligation, promptly (and in any event within thirty (30) days after CHS' receipt thereof) pay over to QHC or the applicable member of the QHC Group any Insurance Proceeds that are received by CHS or any member of the CHS Group in respect of such claims.

(i) Neither CHS nor any of the CHS Subsidiaries shall have any obligation to secure stand-alone policies or additional extending reporting coverage for any claims under any of CHS' or the CHS Subsidiaries' claims-made or occurrence-reported liability policies for any acts or omissions by QHC or any QHC Subsidiary incurred prior to the Effective Time.

(j) This Agreement shall not be considered as an attempted assignment of any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of either CHS or any CHS Subsidiary in respect of any of the CHS insurance policies and programs or any other contract or policy of insurance.

(k) QHC does hereby, for itself and each other member of the QHC Group, agree that no member of the CHS Group shall have any liability whatsoever as a result of the

insurance policies and practices of CHS and the members of the CHS Group as in effect at any time, including as a result of the level or scope of any such insurance, the creditworthiness of any insurance carrier, the terms and conditions of any policy, the adequacy or timeliness of any notice to any insurance carrier with respect to any claim or potential claim or otherwise.

(l) The Parties shall utilize the procedures set forth in Article VIII to resolve any disputes regarding the submission or pursuit of any claim under any CHS Insurance Policy.

ARTICLE VI

CERTAIN OTHER MATTERS

Section 6.01. Late Payments. Except as provided in any Ancillary Agreement, any amount not paid when due pursuant to this Agreement or any Ancillary Agreement (and any amounts billed or otherwise invoiced or demanded and properly payable that are not paid within thirty (30) days of the date of such bill, invoice or other demand) shall accrue interest at a rate per annum equal to the Prime Rate plus 2%.

Section 6.02. Treatment of Payments for Tax Purposes. For all Tax purposes, the Parties agree to treat (i) any payment required by this Agreement (other than payments with respect to interest accruing after the Effective Time) as either a contribution by CHS to QHC or a distribution by QHC to CHS, as the case may be, occurring immediately prior to the Effective Time or as a payment of an assumed or retained Liability; and (ii) any payment of interest as taxable or deductible, as the case may be, to the Party entitled under this Agreement to retain such payment or required under this Agreement to make such payment, in either case except as otherwise required by applicable Law.

Section 6.03. Inducement. QHC acknowledges and agrees that CHS' willingness to cause, effect and consummate the Separation and the Distribution has been conditioned upon and induced by QHC's covenants and agreements in this Agreement and the Ancillary Agreements, including QHC's assumption of the QHC Liabilities pursuant to the Separation and the provisions of this Agreement and QHC's covenants and agreements contained in Article IV.

Section 6.04. Post-Effective Time Conduct. The Parties acknowledge that, after the Effective Time, each Party shall be independent of the other Party, with responsibility for its own actions and inactions and its own Liabilities relating to, arising out of or resulting from the conduct of its business, operations and activities following the Effective Time, except as may otherwise be provided in any Ancillary Agreement, and each Party shall (except as otherwise provided in Article IV, including Sections 4.02 and 4.03) use commercially reasonable efforts to prevent such Liabilities from being inappropriately borne by the other Party.

Section 6.05. Non-Solicitation of Employees.

(a) Except as expressly set forth in this Agreement or the Employee Matters Agreement, each Party covenants, agrees and undertakes for itself and each other member of the Group to which such Party belongs, that, except with the written approval of the other Party, no Party nor any member of the Group to which such Party belongs shall, for a period of twenty-four (24) months following the Distribution Date, enter into any employment, consulting,

independent contractor or similar arrangement with any employee or former employee of the other Party or employee or former employee of any member of the Group to which such other Party belongs except in accordance with Section 2.04(b) of the Employee Matters Agreement; provided, however, that from and after the one (1) year anniversary of the Distribution Date, the foregoing shall not prohibit either Party from hiring any employee or former employee of the other Party who responds to general solicitations made by the hiring Party to the public or the industry generally through advertising or electronic listings which are not targeted at employees of the other Party so long as such person has ceased to be an employee of the other Party for a period of at least sixty (60) days prior to the date of hire by the hiring Party. Notwithstanding the foregoing, this Section 6.05(a) shall only apply to management employees of the CHS Group or QHC Group, that also qualify as exempt employees under the federal Fair Labor Standards Act and as a Supervisor under Section 2(11) of the National Labor Relations Act.

(b) Each Party understands and agrees that the other Party shall suffer irreparable and substantial harm in the event that such Party breaches any of its obligations under this Section 6.04 and that monetary damages shall be inadequate to compensate for the breach. Accordingly, each Party agrees that, in the event of a breach or threatened breach by such Party of any of the provisions of this Section 6.04, the other Party, in addition to and not in limitation of any other rights, remedies or damages available to the other Party under applicable Law or in equity, shall be entitled to equitable remedies, including provisional, interlocutory and permanent injunctive relief in order to prevent or to restrain any such breach by such Party or by any or all of such Party's Group members, employees, agents, representatives and any and all Persons directly or indirectly acting for, on behalf of or with such Party.

ARTICLE VII

EXCHANGE OF INFORMATION; CONFIDENTIALITY

Section 7.01. Agreement for Exchange of Information.

(a) *Exchange of Information.* Except as otherwise provided in any Ancillary Agreement, each of CHS and QHC, on behalf of itself and its respective Subsidiaries and Affiliates, shall use commercially reasonable efforts to provide or make available, or cause to be provided or made available, to the other Party, at any time before or after the Effective Time, as soon as reasonably practicable after written request therefor, any Information (or a copy thereof) in the possession or under the control of either Party or any of its Subsidiaries to the extent that (i) such Information relates to the QHC Business, or any QHC Asset or QHC Liability, if QHC is the requesting Party, or to the CHS Business, or any CHS Asset or CHS Liability, if CHS is the requesting Party; (ii) such Information is required by the requesting Party to comply with its obligations under this Agreement or any Ancillary Agreement; or (iii) such Information is required by the requesting Party to comply with any obligation imposed by any Governmental Authority. Notwithstanding the foregoing, this Section 7.01 shall not require the Party to whom the request has been made to provide such information if such Party determines that doing so would, in the reasonable good faith judgment of such Party, reasonably be expected to result in any violation of any Law or agreement or waive any privilege available under applicable Law, including any attorney-client privilege; provided, that the Parties shall use commercially reasonable efforts to cooperate in seeking to find a way to permit compliance with

such obligations to the extent and in a manner that avoids such consequence. The Party providing Information pursuant to this Section 7.01(a) shall only be obligated to provide such Information in the form, condition and format in which it then exists and in no event shall such Party be required to perform any improvement, modification, conversion, updating or reformatting of any such Information, and nothing in this Section 7.01(a) shall expand the obligations of the Parties under Section 7.03.

(b) *Access to Specified Information.* Without limiting the generality of the foregoing, until the first QHC fiscal year end occurring after the Effective Time (and for a reasonable period of time afterwards as required for each of CHS and QHC to prepare consolidated financial statements or complete a financial statement audit for the fiscal year during which the Distribution Date occurs), each of CHS and QHC shall use its commercially reasonable efforts to cooperate with the other Party's Information requests to enable (i) the other Party to meet its timetable for dissemination of its earnings releases, financial statements and management's assessment of the effectiveness of its disclosure controls and procedures and its internal control over financial reporting in accordance with Items 307 and 308, respectively, of Regulation S-K promulgated under the Exchange Act; and (ii) the other Party's accountants to timely complete their review of the quarterly financial statements and audit of the annual financial statements, including, to the extent applicable to such Party, its auditor's audit of its internal control over financial reporting and management's assessment thereof in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, the Commission's and Public Company Accounting Oversight Board's rules and auditing standards thereunder and any other applicable Laws.

(c) *Financial Reporting and Proxy Materials.* Without limiting the generality of the foregoing, each Party shall deliver to the other Party a reasonably complete draft (to the extent practicable) of (i) its first annual report on Form 10-K to be filed with the Commission that includes its respective annual financial statements in the form expected to be covered by the audit report of such Party's independent auditor and (ii) the proxy materials to be filed with the Commission in respect of such Party's first annual meeting of stockholders following the Distribution Date (the documents described in clauses (i) and (ii), the "Financial Reporting and Proxy Materials") at least fifteen (15) days prior to the expected date of filing and to deliver to the other Party any supplements, amendments or significant revisions following such delivery. Each Party shall notify the other Party as soon as reasonably practicable after it becomes aware of any material accounting differences between its Financial Reporting and Proxy Materials and the other Party's Financial Reporting and Proxy Materials with respect to transactions or activities conducted prior to or at the Effective Time, and the Parties shall subsequently confer and use commercially reasonable efforts to consult with each other in good faith and resolve such differences prior to the filing of the applicable Financial Reporting and Proxy Materials.

(d) *Medical Records and Patient Confidentiality.* The Parties agree that in the performance of any obligation set forth in this Section 7.01, the Parties shall protect the confidentiality of all patient records in accordance with the standards of all applicable local, state and federal laws and regulations relating to the patient records, specifically including the privacy requirements of the Administrative Simplification subtitle of the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, and the regulations promulgated thereunder and state requirements and in compliance with any applicable BA Agreement.

(e) *Compensation for Providing Information.* Subject to any Ancillary Agreement or any other agreement between the Parties, the Party requesting Information agrees to reimburse the other Party for the reasonable costs, if any, of creating, gathering, copying, transporting and otherwise complying with the request with respect to such Information (including any reasonable costs and expenses incurred in any review of Information for purposes of protecting the Privileged Information of the providing Party or in connection with the restoration of backup media for purposes of providing the requested Information). Except as may be otherwise specifically provided elsewhere in this Agreement or in any Ancillary Agreement, such costs shall be computed in accordance with the providing Party's standard methodology and procedures.

Section 7.02. Ownership of Information. The provision of any Information pursuant to Section 7.01 shall not affect the ownership of such Information (which shall be determined solely in accordance with the terms of this Agreement and the Ancillary Agreements), or constitute the grant of rights in or to any such Information.

Section 7.03. Stored Records.

(a) The Parties agree and acknowledge that it is not practicable to separate all Tangible Information belonging to the Parties, and that following the Effective Time, each Party will have some of the Tangible Information of the other Party stored at internal or Third Party records storage locations (each, a "Records Facility"). Tangible Information held in a Records Facility maintained or arranged for by the Party other than the Party that owns such Tangible Information is referred to as "Stored Records". The Party that maintains the Records Facility where Stored Records are held is referred to as the "Custodial Party" and the Party that owns the Stored Records held in the other Party's Records Facility is referred to as the "Non-Custodial Party".

(b) Each Party shall use commercially reasonable efforts: (i) to maintain the Stored Records as to which it is the Custodial Party in accordance with its regular records retention policies and procedures and the terms of this Section 7.03; (ii) to comply with the requirements of any applicable BA Agreement and any applicable privacy or security regulations promulgated under the Health Insurance Portability and Accountability Act of 1996, as amended; and (iii) to comply with the requirements of any "Litigation Hold" that relates to Stored Records as to which it is the Custodial Party that relate to (x) any Proceeding that is pending as of the Effective Time; or (y) any Proceeding that arises or becomes threatened or reasonably anticipated after the Effective Time as to which the Custodial Party has received a Notice of the applicable "Litigation Hold" from the Non-Custodial Party.

Section 7.04. Limitations of Liability. Neither Party shall have any Liability to the other Party in the event that any Information exchanged or provided pursuant to this Agreement is found to be inaccurate unless such inaccuracy is caused by the gross negligence or willful misconduct of the Party providing such Information. Neither Party shall have any Liability to any other Party if any Information is destroyed after commercially reasonable efforts by such Party to comply with the provisions of this Article VII.

Section 7.05. Other Agreements Providing for Exchange of Information; Retention of Records.

(a) The rights and obligations set forth under this Article VII are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention or confidential treatment of Information set forth in any Ancillary Agreement.

(b) Either Party that receives, pursuant to a request for Information in accordance with this Article VII, Tangible Information that is not relevant to its request shall (i) return it to the providing Party or, at the providing Party's request, destroy such Tangible Information; and (ii) deliver to the providing Party a certificate certifying that such Tangible Information was returned or destroyed, as the case may be, which certificate shall be signed by an authorized Representative of the requesting Party.

(c) When any Tangible Information provided by one Party to the other Party (other than Tangible Information provided pursuant to Section 7.03) is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement or is no longer required to be retained by applicable Law, the receiving Party shall promptly, after request of the other Party, either return to the other Party all Tangible Information in the form in which it was originally provided (including all copies thereof and all notes, extracts or summaries based thereon) or, if the providing Party has requested that the other Party destroy such Tangible Information, certify to the other Party that it has destroyed such Tangible Information (and such copies thereof and such notes, extracts or summaries based thereon); provided that this obligation to return or destroy such Tangible Information shall not apply to any Tangible Information solely related to the receiving Party's business, Assets, Liabilities, operations or activities.

(d) Except when a longer period is required by Law or is specifically provided for herein or in any Ancillary Agreement, each Party hereto shall take all necessary action to keep, or cause to be kept, in its original form or a copy thereof, for a period equal to the time required by the applicable CHS document retention policy, following the Distribution Date, all material Information relating to such Party's Group and its operations prior to the Distribution Date; provided, however, that any party hereto may offer in writing to deliver to the other parties all or a portion of such information as it relates to the offering Party's Group and, if such offer is accepted in writing within 90 days after receipt thereof, the offering Party shall promptly arrange for the delivery of such information (or copies thereof) to each accepting Party (at the expense of such accepting Party). If such offer is not so accepted, the offered information may be destroyed or otherwise disposed of by the offering Party at any time thereafter. With regard to patient records, each Party hereto shall maintain the patient records held at each of its Facilities (or delivered to it pursuant hereto) relating to periods prior to the Distribution Date in accordance with applicable Law, and requirements of relevant insurance carriers, and in a manner consistent with its maintenance of patient records generated at its Facilities after the Distribution Date. Each Party acknowledges that as a result of operating the Facilities it will gain access to patient and other information which is subject to rules and regulations regarding confidentiality, and agrees to abide by such rules and regulations with regard to such confidential information.

Notwithstanding the foregoing, in the event any Party has notified the other in writing of any Proceeding with respect to with the other Party may have applicable books, records or other documents, the notified Party shall take commercially reasonable efforts to identify and preserve such books, records or other documents in accordance with the notified Party's litigation hold/document preservation policies or such time as specified in writing by the notifying Party.

Section 7.06. Production of Witnesses; Records; Cooperation.

(a) After the Effective Time, except in the case of an adversarial Proceeding or Dispute between CHS and QHC or as prohibited by applicable Law, each Party shall use its reasonable best efforts (which shall not impose undue burden on such Party) to make available to the other Party, upon written request, the former and then-current directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its possession, custody or control, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Proceeding in which the requesting Party (or member of its Group) may from time to time be involved, regardless of whether such Proceeding is a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all reasonable out-of-pocket costs and expenses in connection therewith.

(b) If an Indemnifying Party chooses to defend any Third Party Claim, the other Party shall make available to such Indemnifying Party (without undue burden to such other Party), upon written request, the former and then-current directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its possession, custody or control, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with such defense, or such prosecution, evaluation or pursuit, as the case may be, and shall otherwise cooperate in such defense, or such prosecution, evaluation or pursuit, as the case may be.

(c) Without limiting the foregoing, the Parties shall cooperate and consult with each other to the extent reasonably necessary with respect to any Proceedings.

(d) The obligation of the Parties to provide witnesses pursuant to this Section 7.06 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to provide as witnesses employees and other officers without regard to whether the witness or the employer of the witness could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 7.06(a)).

Section 7.07. Privileged Matters.

(a) The Parties recognize that legal and other professional services that have been and shall be provided prior to the Effective Time have been and shall be rendered for the collective benefit of the Parties and their respective Subsidiaries, and that each Party and its respective Subsidiaries should be deemed to be the client with respect to such services for the purposes of asserting all privileges and immunities that may be asserted under applicable Law in connection therewith.

(b) The Parties agree as follows:

(i) CHS shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates primarily to the CHS Business, whether or not the Privileged Information is in the possession or under the control of CHS or a CHS Subsidiary or QHC or a QHC Subsidiary. CHS shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates primarily to any CHS Liabilities resulting from any Proceedings that are now pending or may be asserted in the future, whether or not the Privileged Information is in the possession or under the control of CHS or a CHS Subsidiary or QHC or a QHC Subsidiary.

(ii) QHC shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates primarily to the QHC Business, whether or not the Privileged Information is in the possession or under the control of QHC or a QHC Subsidiary or CHS or a CHS Subsidiary. QHC shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates primarily to any QHC Liabilities resulting from any Proceedings that are now pending or may be asserted in the future, whether or not the Privileged Information is in the possession or under the control of QHC or a QHC Subsidiary or CHS or a CHS Subsidiary.

(iii) If CHS and QHC do not agree as to whether certain Information is Privileged Information, then the Information shall be treated as Privileged Information, and the Party who believes such Information is Privileged Information shall be entitled to control the assertion or waiver of all privileges and immunities in connection with any such Information unless the Parties otherwise agree. The Parties shall utilize the procedures set forth in Article VIII to resolve any disputes as to whether any Information relates primarily to the CHS Business, primarily to the QHC Business, or to both the CHS Business and the QHC Business.

(c) Subject to Sections 7.07(d) and 7.07(e), the Parties agree that they shall have a shared privilege or immunity with respect to all privileges not allocated pursuant to Section 7.07(b) and all privileges and immunities relating to any Proceedings or other matters that involve both Parties (or one or more of their respective Subsidiaries) and in respect of which both Parties have Liabilities under this Agreement, and that no such shared privilege or immunity may be waived by either Party without the consent of the other Party.

(d) If any Dispute arises between CHS and QHC, or any of their respective Subsidiaries, regarding whether a privilege or immunity should be waived to protect or advance the interests of either Party and/or their respective Subsidiaries, each Party agrees that it shall (i) negotiate with the other Party in good faith; (ii) endeavor to minimize any prejudice to the rights of the other Party; and (iii) not unreasonably withhold consent to any request for waiver by the other Party. Further, each Party specifically agrees that it shall not withhold its consent to the waiver of a privilege or immunity for any purpose except to protect its own legitimate interests.

(e) In the event of any adversarial Proceeding or Dispute between CHS and QHC, or any members of their respective Groups, in which CHS or QHC, or any member of their respective Groups, intend to make use of any Privileged Information with respect to which the other Party or member of such other Party's Group has a shared privilege, each Party agrees that the Party making use of such Privileged Information shall do so in a manner reasonably calculated to preserve and not waive any privilege held by the other Party or member of such other Party's Group with respect to such Privileged Information, including but not limited to filing or submitting such Privileged Information to a court or arbitrator under seal, and the Parties shall take all reasonable efforts to preserve the privilege and to protect against any waiver of the shared privilege with respect to any Third Party.

(f) Upon receipt by either Party, or by any member of its respective Group, of any subpoena, discovery or other request (or of written notice that it will or has received such subpoena, discovery or other request) that may reasonably be expected to result in the production or disclosure of Privileged Information subject to a shared privilege or immunity or as to which another Party has the sole right hereunder to assert a privilege or immunity, or if either Party obtains knowledge or becomes aware that any of its, or any member of its respective Group's, current or former directors, officers, agents or employees have received any subpoena, discovery or other requests (or have received written notice that they will or have received such subpoena, discovery or other requests) that may reasonably be expected to result in the production or disclosure of such Privileged Information, such Party shall promptly notify the other Party of the existence of the request (which notice shall be delivered to such other Party no later than five (5) business days following the receipt of (or of written notice that it will or has received) any such subpoena, discovery or other request) and shall provide the other Party a reasonable opportunity to review the Privileged Information and to assert any rights it or they may have, under this Section 7.07 or otherwise, to prevent the production or disclosure of such Privileged Information; provided, that if such Party is prohibited by applicable Law from disclosing the existence of the request, such Party shall provide written notice of such related information for which disclosure is not prohibited by applicable Law and use commercially reasonable efforts to inform the other Party of any related information such Party determines, in its discretion, is necessary or appropriate for the other Party to be informed of to enable the other Party to review the Privileged Information and to assert its rights, under this Section 7.07 or otherwise, to prevent the production or disclosure of such Privileged Information

(g) Any furnishing of, or access to, Information pursuant to this Agreement is made in reliance on the agreement of CHS and QHC set forth in this Section 7.07 and in Section 7.08 to maintain the confidentiality of Privileged Information and to assert and maintain all applicable privileges and immunities. The Parties agree that their respective rights to any access to information, witnesses and other Persons, the furnishing of notices and documents and other cooperative efforts between the Parties contemplated by this Agreement, and the transfer of Privileged Information between the Parties and members of their respective Groups pursuant to this Agreement, shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise. The Parties further agree that (i) the exchange by one Party to the other Party of any Privileged Information that should not have been transferred pursuant to the terms of this Article VII shall not be deemed to constitute a waiver of any privilege or immunity that has been or may be asserted under this Agreement or otherwise with respect to such Privileged Information; and (ii) the Party receiving such Privileged Information shall promptly return such Privileged Information to the Party who has the right to assert the privilege or immunity.

(h) In furtherance of, and without limitation to, the Parties' agreement under this Section 7.07, CHS and QHC shall, and shall cause their applicable Subsidiaries to, use reasonable efforts to maintain their respective separate and joint privileges and immunities, including by executing joint defense and/or common interest agreements where necessary or useful for this purpose.

Section 7.08. Confidentiality.

(a) *Confidentiality.* From and after the Effective Time, subject to Section 7.09 and except as contemplated by or otherwise provided in this Agreement or any Ancillary Agreement, CHS, on behalf of itself and each of the CHS Subsidiaries, and QHC, on behalf of itself and each of the QHC Subsidiaries, agrees to hold, and to cause its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives (each, a "Representative") to hold, in strict confidence, with at least the same degree of care that applies to CHS' confidential and proprietary information pursuant to policies in effect as of the Effective Time, all confidential and proprietary information concerning the other Party (or its business) and the other Party's Subsidiaries (or their respective businesses) that is either in its possession (including confidential and proprietary information in its possession prior to the Effective Time) or furnished by the other Party or the other Party's Subsidiaries or their respective Representatives at any time pursuant to this Agreement or any Ancillary Agreement, and shall not use any such confidential and proprietary information other than for such purposes as may be expressly permitted hereunder or thereunder, except, in each case, to the extent that such confidential and proprietary information has been: (i) in the public domain or generally available to the public, other than as a result of a disclosure by such Party or any of its Subsidiaries or any of their respective Representatives in violation of this Agreement; (ii) later lawfully acquired from other sources by such Party or any of its Subsidiaries, which sources are not themselves bound by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such confidential and proprietary information; or (iii) independently developed or generated without reference to or use of the respective proprietary or confidential information of the other Party or any of its Subsidiaries. If any confidential and proprietary information of one Party or any of its Subsidiaries is disclosed to another Party or any of its Subsidiaries in connection with providing services to such first Party or any of its Subsidiaries under this Agreement or any Ancillary Agreement, then such disclosed confidential and proprietary information shall be used only as required to perform such services.

(b) *No Release; Return or Destruction.* Each Party agrees not to release or disclose, or permit to be released or disclosed, any information addressed in Section 7.08(a) to any other Person, except its Representatives who need to know such information in their capacities as such, and except in compliance with Section 7.09. Information furnished by the other Party after the Effective Time pursuant to this Agreement or any Ancillary Agreement shall be subject to the provisions of Section 7.03. Without limiting the foregoing, when any such information is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, each Party shall, at its option and as promptly as practicable after receiving a written request from the other Party, either (i) return to the other Party all such information in a

tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or (ii) certify to the other Party that it has destroyed such information (and such copies thereof and such notes, extracts or summaries based thereon); provided, that such Party's Representatives may retain one (1) copy of such information to the extent required by applicable Law or professional standards, and shall not be required to destroy any such information located in back-up, archival electronic storage).

(c) *Third-Party Information; Privacy or Data Protection Laws.* Each Party acknowledges that it and its respective Subsidiaries may presently have and, following the Effective Time, may gain access to or possession of confidential or proprietary information of, or personal information relating to, Third Parties (i) that was received under confidentiality or non-disclosure agreements entered into between such Third Parties, on the one hand, and the other Party or the other Party's Subsidiaries, on the other hand, prior to the Effective Time, including a BA Agreement; or (ii) that, as between the two Parties, was originally collected by the other Party or the other Party's Subsidiaries and that may be subject to and protected by privacy, data protection or other applicable Laws, including applicable privacy or security regulations promulgated under the Health Insurance Portability and Accountability Act of 1996, as amended. As may be provided in more detail in an applicable Ancillary Agreement, each Party agrees that it shall hold, protect and use, and shall cause its Subsidiaries and its and their respective Representatives to hold, protect and use, in strict confidence the confidential and proprietary information of, or personal information relating to, Third Parties in accordance with privacy, data protection or other applicable Laws and the terms of any agreements that were either entered into before the Effective Time or affirmative commitments or representations that were made before the Effective Time by, between or among the other Party or the other Party's Subsidiaries, on the one hand, and such Third Parties, on the other hand.

Section 7.09. Protective Arrangements. In the event that either Party or any of its Subsidiaries is requested or required (by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) by any Governmental Authority or pursuant to applicable Law to disclose or provide any confidential or proprietary information of the other Party (other than with respect to any such information furnished pursuant to the provisions of Sections 7.01 through 7.07), as applicable, that is subject to the confidentiality provisions hereof, such Party shall provide the other Party with Notice of such request or demand as promptly as practicable under the circumstances so that such other Party shall have an opportunity to seek an appropriate protective order, at such other Party's own cost and expense. In the event that such other Party fails to receive such appropriate protective order in a timely manner and the Party receiving the request or demand reasonably determines that its failure to disclose or provide such information shall actually prejudice the Party receiving the request or demand, then the Party that received such request or demand may thereafter disclose or provide information to the extent required by such Law (as so advised by counsel) or by lawful process or such Governmental Authority.

ARTICLE VIII

DISPUTE RESOLUTION

Section 8.01. Good-Faith Negotiation. Subject to Section 8.03, either Party seeking resolution of any dispute, controversy or claim arising out of or relating to this Agreement or Ancillary Agreement (including regarding whether any Assets are QHC Assets, any Liabilities are QHC Liabilities or the validity, interpretation, breach or termination of this Agreement or any Ancillary Agreement) (a “Dispute”), shall provide written notice thereof to the other Party (the “Initial Notice”), and within thirty (30) days of the delivery of the Initial Notice, the Parties shall attempt in good faith to negotiate a resolution of the Dispute. The negotiations shall be conducted by executives who hold, at a minimum, the title of senior vice president or general counsel and who have authority to settle the Dispute. All such negotiations shall be confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. If the Parties are unable for any reason to resolve a Dispute within thirty (30) days after the delivery of such notice or if a Party reasonably concludes that the other Party is not willing to negotiate as contemplated by the preceding sentences of this Section 8.01, the Dispute shall be submitted to arbitration in accordance with Section 8.02.

Section 8.02. Arbitration; Litigation.

(a) In the event that a Dispute has not been resolved within thirty (30) days after receipt by a Party of an Initial Notice provided in Section 8.01, or within such longer period of good faith negotiation as the Parties may agree to in writing, then, unless the Dispute involves primarily non-monetary relief (in which case such Dispute shall be addressed in accordance with Section 8.02(e)), such Dispute shall, upon the written request of a Party (an “Arbitration Request”) be submitted to be finally resolved by binding arbitration pursuant to the then current CPR Arbitration Commercial Arbitration Rules of the American Arbitration Association (the “Arbitration Rules”). The arbitration shall be held in Williamson County, Tennessee. Unless otherwise agreed by the Parties in writing, any Dispute to be decided by binding arbitration pursuant to this Section 8.02 will be decided (i) before a sole independent arbitrator if the amount in dispute, inclusive of all claims and counterclaims, totals \$25 million or less; or (ii) by a panel of three (3) arbitrators if the amount in dispute, inclusive of all claims and counterclaims, totals more than \$25 million.

(b) The panel of three (3) arbitrators will be chosen as follows: (i) within fifteen (15) days from the date of the receipt of the Arbitration Request, each Party will name an arbitrator; and (ii) the two (2) Party-appointed arbitrators will thereafter, within thirty (30) days from the date on which the second of the two (2) arbitrators was named, name a third, independent arbitrator who will act as chairperson of the arbitral tribunal. In the event that either Party fails to name an arbitrator within fifteen (15) days from the date of receipt of the Arbitration Request, then upon written application by either Party, that arbitrator shall be appointed pursuant to the Arbitration Rules. In the event that the two (2) Party-appointed arbitrators fail to appoint the third, then the third, independent arbitrator will be appointed pursuant to the Arbitration Rules. If the arbitration will be before a sole independent arbitrator, then the sole independent arbitrator will be appointed by agreement of the Parties within fifteen (15) days of the date of receipt of the Arbitration Request. If the Parties cannot agree to a sole independent arbitrator, then upon written application by either party, the sole independent arbitrator will be appointed pursuant to the Arbitration Rules.

(c) If the amount in dispute, inclusive of all claims and counterclaims, totals \$25 million or less, then each Party shall provide the arbitrator with its respective resolution of the Dispute, including the net amount to be paid or received by such Party, together with the supporting calculations and analyses prepared with respect thereto, and the arbitrator shall select either the resolution of the Dispute as proposed by CHS or by QHC; provided, that the arbitrator may award only one or the other of the net amounts so submitted. If the amount in dispute, inclusive of all claims and counterclaims, totals more than \$25 million, the arbitrator(s) will have the right to award, on an interim basis, or include in the final award, any monetary relief which it deems proper in the circumstances, including money damages (with interest on unpaid amounts from the due date) and attorneys' fees and costs. The arbitrator(s) will decide the substance of all claims in accordance with applicable Law, including recognized principles of equity, and will honor all claims of privilege recognized by Law. In no event shall the arbitrator(s) award any relief not specifically requested by the parties or award any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than any such Liability with respect to a Third-Party Claim). Upon selection of the arbitrator(s) following any grant of interim relief by a special arbitrator or court pursuant to Section 8.03, the arbitrator(s) may affirm or disaffirm that relief, and the parties will seek modification or rescission of the order entered by the court as necessary to accord with the decision of the arbitrator(s). The award of the arbitrator(s) shall be final and binding on the Parties, and may be enforced in any court of competent jurisdiction. The Parties shall share equally the administration and arbitrator fees associated with the arbitration.

(d) The initiation of arbitration pursuant to this Article VIII will toll the applicable statute of limitations for the duration of any such proceedings.

(e) If the Dispute involves primarily non-monetary relief, then such Dispute shall not be submitted to arbitration, and either Party may commence litigation in the Tennessee Court of Chancery located in Williamson County, Tennessee (or, if such court does not have subject matter jurisdiction thereof, any other federal or state court located in the Middle District of the State of Tennessee with subject matter jurisdiction).

Section 8.03. Litigation and Unilateral Commencement of Arbitration. Notwithstanding the foregoing provisions of this Article VIII, (a) a Party may seek preliminary provisional or injunctive judicial relief with respect to a Dispute without first complying with the procedures set forth in Sections 8.01 and 8.02 if such action is reasonably necessary to avoid irreparable damage and (b) either Party may initiate arbitration before the expiration of the periods specified in Section 8.02 if such Party has submitted an Arbitration Request and the other Party has failed to comply with Section 8.02 in good faith with respect to commencement and engagement in arbitration. In such event, the other Party may commence and prosecute such arbitration unilaterally in accordance with the Arbitration Rules. Immediately following the issuance of any preliminary provisional or injunctive relief pursuant to clause (a) of the immediately preceding sentence, the Party seeking such relief will consent to the stay of any judicial proceedings pending the resolution of the Dispute pursuant to the procedures set forth in Section 8.01.

Section 8.04. Conduct During Dispute Resolution Process. Unless otherwise agreed in writing, the Parties shall, and shall cause their respective members of their Group to, continue to

honor all commitments under this Agreement and each Ancillary Agreement to the extent required by such agreements during the course of dispute resolution pursuant to the provisions of this Article VIII, unless such commitments are the specific subject of the Dispute at issue.

Section 8.05. Consent to Jurisdiction. CHS and QHC each hereby expressly (a) submits and consents in advance to the jurisdiction of any Tennessee State Court sitting in Williamson County, Tennessee or the United States District Court for the Middle District of Tennessee with respect to any Proceeding arising out of or relating to this Agreement, (b) waives any objection which it may have based upon lack of personal jurisdiction, improper venue or forum *non conveniens*, (c) agrees that all claims with respect to such Proceedings may be heard and determined in any Tennessee State Court sitting in Williamson County, Tennessee or the United States District Court for the Middle District of Tennessee, (d) agrees not to commence any Proceeding relating to this Agreement other than in a Tennessee State Court sitting in Williamson County, Tennessee or the United States District Court for the Middle District of Tennessee, and (e) agrees that a final judgment in any such Proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

Section 8.06. Waiver of Jury Trial. EACH OF CHS AND QHC ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH PARTY MAKES THIS WAIVER VOLUNTARILY AND (D) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.06.

ARTICLE IX

TERMINATION

Section 9.01. Termination. This Agreement and all Ancillary Agreements may be terminated and the Distribution may be amended, modified or abandoned at any time prior to the Effective Time by and in the sole discretion of CHS without the approval of any other Person, including QHC. In the event of such termination, this Agreement shall become null and void and no Party, nor any of its directors, officers or employees, shall have any Liability of any kind to any Person by reason of this Agreement. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by a duly authorized officer of each of the Parties.

ARTICLE X

MISCELLANEOUS

Section 10.01. Counterparts; Entire Agreement; Corporate Power; Facsimile Signatures.

(a) *Counterparts.* This Agreement and each Ancillary Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

(b) *Entire Agreement.* This Agreement, the Ancillary Agreements and the exhibits, schedules and annexes hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein. It is the intention of the Parties that the Conveyance and Assumption Instruments shall be consistent with the terms of this Agreement and the other Ancillary Agreements. In the event of any conflict between the Conveyance and Assumption Instruments and this Agreement, the provisions of this Agreement shall control. The Parties agree that the Conveyance and Assumption Instruments are not intended and shall not be construed in any way to enhance, modify or decrease any of the rights or obligations of CHS, any CHS Subsidiary, QHC or any QHC Subsidiary from those contained in this Agreement and the other Ancillary Agreements.

(c) *Corporate Power.* CHS represents on behalf of itself and, to the extent applicable, each CHS Subsidiary and QHC represents on behalf of itself and, to the extent applicable, each QHC Subsidiary as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and each Ancillary Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement and each Ancillary Agreement to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

(d) *Signatures and Delivery.* Each Party acknowledges that it and the other Party may execute this Agreement and any Ancillary Agreement by manual, stamp or mechanical signature, and that delivery of an executed counterpart of a signature page to this Agreement or any Ancillary Agreement (whether executed by manual, stamp or mechanical signature) by facsimile or by email in portable document format (PDF) shall be effective as delivery of such executed counterpart of this Agreement or any Ancillary Agreement. Each Party expressly adopts and confirms a stamp or mechanical signature (regardless of whether delivered in person, by mail, by courier, by facsimile or by email in portable document format (PDF)) made in its respective name as if it were a manual signature delivered in person, agrees that it shall not assert that any such signature or delivery is not adequate to bind such Party to the

same extent as if it were signed manually and delivered in person and agrees that, at the reasonable request of the other Party at any time, it shall as promptly as reasonably practicable cause each such Agreement and Ancillary Agreement to be manually executed (any such execution to be as of the date of the initial date thereof) and delivered in person, by mail or by courier.

Section 10.02. Governing Law. This Agreement and, unless expressly provided therein, each Ancillary Agreement, shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware, irrespective of the choice of Laws and principles of the State of Delaware, as to all matters, including matters of validity, construction, effect, enforceability, performance and remedies.

Section 10.03. Assignability. Except as set forth in any Ancillary Agreement, this Agreement and each Ancillary Agreement shall be binding upon and inure to the benefit of the Parties and the parties thereto, respectively, and their respective successors and permitted assigns; provided, however, that neither Party nor any other party thereto may assign its rights or delegate its obligations under this Agreement or any Ancillary Agreement without the express prior written consent of the other Party hereto or the other parties thereto. Notwithstanding the foregoing, no such consent shall be required for the assignment of a Party's rights and obligations under this Agreement or the Ancillary Agreements (except as may be otherwise provided in any such Ancillary Agreement) in whole in connection with a Change of Control of a Party, so long as the resulting, surviving or transferee Person assumes all the obligations of the relevant Party thereto by operation of Law or pursuant to an agreement in form and substance reasonably satisfactory to the other Party. Nothing herein is intended to, or shall be construed to, prohibit either Party or any of its Subsidiaries from being party to or undertaking a Change of Control.

Section 10.04. Third Party Beneficiaries. Except (a) for the indemnification rights under this Agreement of a CHS Indemnitee or QHC Indemnitee in their respective capacities as such under Article IV; and (b) for the releases under Section 4.01 of any Person provided therein, (i) the provisions of this Agreement and each Ancillary Agreement are solely for the benefit of the Parties and their respective Subsidiaries, after giving effect to the Distribution, and their permitted successors and assigns, and are not intended to confer upon any Person except the Parties and their respective Subsidiaries, after giving effect to the Distribution, and their permitted successors and assigns, any rights or remedies hereunder; and (ii) there are no other third-party beneficiaries of this Agreement or any Ancillary Agreement and neither this Agreement nor any Ancillary Agreement shall provide any other Third Party with any remedy, claim, Liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement or any Ancillary Agreement.

Section 10.05. Notices. All Notices under this Agreement, and to the extent applicable and unless otherwise provided therein, under each of the Ancillary Agreements, shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, or by certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a Notice):

If to CHS:

Community Health Systems, Inc.
4000 Meridian Boulevard
Franklin, Tennessee 37067
Attn: General Counsel

If to QHC:

Quorum Health Corporation
1573 Mallory Lane
Suite 100
Brentwood, TN 37027
Attn: General Counsel

Either Party may, by Notice to the other Party, change the address to which such Notices are to be given.

Section 10.06. Severability. In the event that any one or more of the terms or provisions of this Agreement or any Ancillary Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or any Ancillary Agreement, or the application of such term or provision to Persons or circumstances or in jurisdictions other than those as to which it has been determined to be invalid, illegal or unenforceable, and the Parties shall use their commercially reasonable efforts to substitute one or more valid, legal and enforceable terms or provisions into this Agreement (or the applicable Ancillary Agreement) which, insofar as practicable, implement the purposes and intent of the Parties. Any term or provision of this Agreement or any Ancillary Agreement held invalid or unenforceable only in part, degree or within certain jurisdictions shall remain in full force and effect to the extent not held invalid or unenforceable to the extent consistent with the intent of the parties as reflected by this Agreement. To the extent permitted by applicable Law, each party waives any term or provision of Law which renders any term or provision of this Agreement to be invalid, illegal or unenforceable in any respect.

Section 10.07. Force Majeure. Neither Party shall be deemed in default of this Agreement or, unless otherwise expressly provided therein, any Ancillary Agreement for failure to fulfill any obligation so long as and to the extent to which any delay or failure in the fulfillment of such obligations is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. In the event of any such excused delay, the time for performance shall be extended for a period equal to the time lost by reason of the delay. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (a) provide Notice to the other Party of the nature and extent of any such Force Majeure condition; and (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement or any Ancillary Agreement as soon as reasonably practicable.

Section 10.08. No Set Off. Except as set forth in any Ancillary Agreement or as otherwise mutually agreed to in writing by the Parties, neither Party nor any of its Subsidiaries shall have any right of set off or other similar rights with respect to (a) any amounts received pursuant to this Agreement or any Ancillary Agreement; or (b) any other amounts claimed to be owed to the other Party or any of its Subsidiaries arising out of this Agreement or any Ancillary Agreement.

Section 10.09. Responsibility for Expenses.

(a) *Expenses Incurred on or Prior to the Effective Time*. Except as otherwise expressly set forth in this Agreement or any Ancillary Agreement, or as otherwise agreed to in writing by the Parties, all costs and expenses incurred on or prior to the Effective Time in connection with the preparation, execution, delivery and implementation of this Agreement and any Ancillary Agreement, the Registration Statement, the Separation, and the Distribution and the consummation of the transactions contemplated hereby and thereby shall be charged to and paid by CHS.

(b) *Expenses Incurred or Accrued After the Effective Time*. Except as otherwise expressly set forth in this Agreement or any Ancillary Agreement, or as otherwise agreed to in writing by the Parties, each Party shall bear its own costs and expenses incurred or accrued after the Effective Time; provided that, except as provided in the Transition Services Agreement, any costs and expenses incurred in obtaining any Consent or novation from a Third Party in connection with the assignment to and assumption by a Party or its Subsidiary of any contracts, commitments or understandings in connection with the Separation shall be borne by the Party or its Subsidiary to which such contract, commitment or understanding is being assigned.

Section 10.10. Headings. The Article, Section and Paragraph headings contained in this Agreement and in the Ancillary Agreements are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement or any Ancillary Agreement.

Section 10.11. Survival of Covenants. Except as expressly set forth in this Agreement or any Ancillary Agreement, the covenants and other agreements contained in this Agreement and each Ancillary Agreement, and liability for the breach of any obligations contained herein or therein, shall survive the Effective Time and shall remain in full force and effect thereafter in accordance with their terms.

Section 10.12. Performance. CHS will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the CHS Group. QHC will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the QHC Group. Each Party (including its permitted successors and assigns) further agrees that it will (a) give timely notice of the terms, conditions and continuing obligations contained in this Agreement and any applicable Ancillary Agreement to all of the other members of its Group and (b) cause all of the other members of its Group not to take any action or fail to take any such action inconsistent with such Party's obligations under this Agreement, any Ancillary Agreement or the transactions contemplated hereby or thereby.

Section 10.13. Waivers of Default. Waiver by either Party of any default by the other Party of any provision of this Agreement or any Ancillary Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the waiving Party. No failure or delay by a Party in exercising any right, power or privilege under this Agreement or any Ancillary Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 10.14. Amendments. No provisions of this Agreement or any Ancillary Agreement shall be deemed amended, supplemented or modified unless such amendment, supplement or modification is in writing and signed by an authorized representative of both Parties or their relevant Subsidiaries, as the case may be. No provisions of this Agreement or any Ancillary Agreement shall be deemed waived unless such waiver is in writing and signed by the authorized representative of the Party or relevant Subsidiary against whom it is sought to be enforced.

Section 10.15. Interpretation. Words in the singular shall be deemed to include the plural and vice versa and words of one gender shall be deemed to include the other genders as the context requires. The terms “hereof,” “herein,” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Schedules and Exhibits hereto and thereto) and not to any particular provision of this Agreement. Article, Section, Exhibit and Schedule references are to the Articles, Sections, Exhibits, and Schedules to this Agreement unless otherwise specified. Unless otherwise stated, all references to any agreement shall be deemed to include the exhibits, schedules and annexes to such agreement. The word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless the context otherwise requires or unless otherwise specified. The word “or” shall not be exclusive. Unless otherwise specified in a particular case, the word “days” refers to calendar days. References herein to this Agreement or any Ancillary Agreement shall be deemed to refer to this Agreement or such Ancillary Agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified. References to the performance, discharge or fulfillment of any Liability in accordance with its terms shall have meaning only to the extent such Liability has terms. If the Liability does not have terms, the reference shall mean performance, discharge or fulfillment of such Liability.

Section 10.16. Public Announcements. From and after the Effective Time, CHS and QHC shall consult with each other before issuing, and give each other the opportunity to review and comment upon, that portion of any press release or other public statements that relates to the transactions contemplated by this Agreement or the Ancillary Agreements, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable Law, court process or by obligations pursuant to any listing agreement with any national securities exchange or national securities quotation system.

Section 10.17. Specific Performance. Subject to the provisions of Article VIII, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any Ancillary Agreement, the Party or Parties who are or are to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief (on an interim or permanent basis) of its rights under this Agreement or the Ancillary Agreements, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, may be inadequate compensation for any loss and that any defense in any Proceeding for specific performance that a remedy at Law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties.

Section 10.18. Limitations of Liability. Notwithstanding anything in this Agreement to the contrary, neither QHC or any member of the QHC Group, on the one hand, nor CHS or any member of the CHS Group, on the other hand, shall be liable under this Agreement to the other for any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than any such Liability to the extent payable to a Third Party with respect to a Third Party Claim).

Section 10.19. Mutual Drafting. This Agreement and the Ancillary Agreements shall be deemed to be the joint work product of the Parties and any rule of construction that a document shall be interpreted or construed against a drafter of such document shall not be applicable.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

COMMUNITY HEALTH SYSTEMS, INC.

QUORUM HEALTH CORPORATION

By: /s/ W. Larry Cash
Name: W. Larry Cash
Title: President of Financial Services and Chief Financial Officer

By: /s/ Michael J. Culotta
Name: Michael J. Culotta
Title: Executive Vice President and Chief Financial Officer

Signature Page to Separation and Distribution Agreement

TAX MATTERS AGREEMENT

This TAX MATTERS AGREEMENT dated as of April 29, 2016, is by and between COMMUNITY HEALTH SYSTEMS, INC., a Delaware corporation (“CHS”), and QUORUM HEALTH CORPORATION, a Delaware corporation (“Spinco” and, together with CHS, the “Parties”, and each individually, a “Party”).

WHEREAS, as of the date hereof, CHS is the common parent of an affiliated group of domestic corporations within the meaning of Section 1504(a) of the Code (the “Affiliated Group”), and the members of the Affiliated Group have heretofore joined in filing consolidated federal Income Tax Returns;

WHEREAS, CHS intends to distribute all of the outstanding shares of stock of Spinco *pro rata* to the holders of CHS common stock in a transaction that qualifies under Section 355 of the Code; and

WHEREAS, as a result of the Distribution, the Parties desire to enter into this Tax Matters Agreement to provide for certain Tax matters, including the assignment of responsibility for the preparation and filing of Tax Returns, the payment of and indemnification for Taxes (including Taxes with respect to the Distribution and related transactions as contemplated in the Distribution Agreement and the other Ancillary Agreements), entitlement to refunds of Taxes, and the prosecution and defense of any Tax controversies;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the Parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1. General. Capitalized terms used in this Agreement and not defined herein shall have the meanings that such terms have in the Distribution Agreement. As used in this Agreement, the following terms shall have the following meanings:

“Affiliated Group” is defined in the preamble hereof.

“Agreement” means this Tax Matters Agreement.

“Business Day” or “Business Days” means a day which is not a Saturday, Sunday or a day on which banks in New York City are authorized or required by law to close.

“CHS” is defined in the preamble hereof.

“CHS Business” is defined in the Distribution Agreement.

“CHS Group” means CHS and all CHS Subsidiaries.

“CHS Subsidiary” means any Subsidiary of CHS other than Spinco or any Spinco Subsidiary.

“Closing of the Books Method” means the apportionment of items between portions of a taxable period based on a closing of the books and records on the Distribution Date (as if the Distribution Date was the end of the taxable period).

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Covered Spinco State Income Tax Return” means any state or local Income Tax Return of Spinco or any Spinco Subsidiary for any taxable period ending on or before the Distribution Date that Spinco is legally obligated to file after the Distribution Date according to the laws of the relevant taxing jurisdiction.

“Consolidated Return” means any Income Tax Return filed pursuant to Section 1502 of the Code, or any comparable combined, consolidated, or unitary group Income Tax Return filed under state or local Tax law with respect to which CHS or any CHS Subsidiary is the parent entity.

“Corresponding Portion of the Tax Detriment” means the product of the Tax Detriment and a fraction the numerator of which is the amount of the related Tax Benefit for a taxable period and the denominator of which is the sum of the related Tax Benefits for all of the relevant taxable periods.

“Distribution” is defined in the Distribution Agreement.

“Distribution Agreement” means the agreement entitled “Separation and Distribution Agreement” entered into by CHS and Spinco dated as of April 29, 2016.

“Distribution Date” means the Business Day on which the Distribution is effected.

“Final Determination” means the final resolution of liability for any Tax for any taxable period, including any related interest or penalties, by or as a result of: (i) a final and unappealable decision, judgment, decree or other order by any court of competent jurisdiction; (ii) a closing agreement or accepted offer in compromise under Section 7121 or 7122 of the Code, or comparable agreement under the laws of other jurisdictions which resolves the entire Tax liability for any taxable period; (iii) any allowance of a refund or credit in respect of an overpayment of Tax, but only after the expiration of all periods during which such refund may be recovered by the jurisdiction imposing the Tax; or (iv) any other final disposition.

“Force Majeure” is defined in the Distribution Agreement.

“Group” means the CHS Group or the Spinco Group, or both, as the context requires

“Included Party” is defined in Section 3.3(b) hereof.

“Income Tax” means any income, franchise or similar Taxes imposed on (or measured by) net income or net profits.

“Income Tax Returns” means all Tax Returns relating to Income Taxes.

“Indemnified Liability” means any liability subject to indemnification pursuant to Section 4.3.

“IRS” means the United States Internal Revenue Service.

“Opinion” means the opinion delivered by Deloitte Tax LLP pursuant to Section 3.05(a)(vi) of the Distribution Agreement.

“Other Tax” means any Tax other than an Income Tax.

“Party” is defined in the preamble hereof.

“Payment Period” is defined in Section 2.4(c) hereof.

“Preparing Party” is defined in Section 3.3(b) hereof.

“Prime Rate” is defined in the Distribution Agreement.

“Proceeding” means any audit, examination or other proceeding brought by a Taxing Authority with respect to Taxes.

“Prohibited Acts” is defined in Section 4.2 hereof.

“Restricted Period” means the two year period commencing on the Distribution Date.

“Ruling” means the private letter ruling issued by the IRS to CHS dated December 21, 2016 and any supplemental rulings related thereto.

“Spinco” is defined in the preamble hereof.

“Spinco Business” is defined in the Distribution Agreement.

“Spinco Group” means Spinco and any Spinco Subsidiary.

“Spinco’s Share” is defined in Section 2.1(b) hereof.

“Spinco Subsidiary” means (i) any Subsidiary of Spinco after the Distribution Date and (ii) any Subsidiary of Spinco before the Distribution Date the successor of which is described in (i) above.

“Subsidiary” means, with respect to any Person, a corporation, partnership, limited liability company or other entity in which such Person, a Subsidiary of such Person or such Person and one or more Subsidiaries of such Person, directly or indirectly, has either (i) a majority ownership in the equity thereof, (ii) the power, under ordinary circumstances, to elect, or to direct the election of, a majority of the board of directors or other governing body of such entity or (iii) the title or function of general partner, or the right to designate the Person having such title or function.

“Stub Taxable Period” is defined in Section 3.3(a) hereof.

“Tax” or “Taxes” means any federal, state, local or foreign income, gross receipts, property, sales, use, license, excise, franchise, employment, payroll, withholding, alternative or add on minimum, ad valorem, transfer or excise tax, or any other tax, custom, duty, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest or penalty, imposed by any Taxing Authority.

“Taxing Authority” means any governmental authority (whether United States or non-United States, and including, any state, municipality, political subdivision or governmental agency) responsible for the imposition of any Tax.

“Tax Benefit” means the reduction in Tax that should result from any item of loss, deduction (including from depreciation or amortization), or credit (or any other item), whether or not an actual reduction in Tax occurs, including any interest with respect thereto or interest that would have been payable but for such item, net of any Tax on such interest. For purposes of calculating the amount of any Tax Benefit, the maximum statutory rate (or rates, in the case of an item that affects more than one Tax) applicable to each item of income, gain, loss, deduction, or credit (or any other item) shall be used.

“Tax Detriment” means the increase in Tax that should result from any item of income or gain (or any other item), whether or not an actual increase in Tax occurs, including any interest with respect thereto, net of any Tax savings attributable to such interest. For purposes of calculating the amount of any Tax Detriment, the maximum statutory rate (or rates, in the case of an item that affects more than one Tax) applicable to each item of income, gain, loss, deduction, or credit (or any other item) shall be used.

“Tax Dispute” is defined in Section 5.6 hereof.

“Tax Package” is defined in Section 3.3(b) hereof.

“Tax Returns” means all reports or returns (including information returns and amended returns) required to be filed or that may be filed for any period with any Taxing Authority in connection with any Tax or Taxes (whether domestic or foreign).

Section 1.2. References; Interpretation. References in this Agreement to any gender include references to all genders, and references to the singular include references to the plural and vice versa. The words “include,” “includes” and “including” when used in this Agreement

shall be deemed to be followed by the phrase “without limitation.” Unless the context otherwise requires, references in this Agreement to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, such Agreement. Unless the context otherwise requires, the words “hereof,” “hereby” and “herein” and words of similar meaning when used in this Agreement refer to this Agreement in its entirety and not to any particular Article, Section or provision of this Agreement.

ARTICLE II ALLOCATION OF TAX LIABILITIES

Section 2.1. Payment of Taxes.

(a) Income Taxes. With respect to any Income Tax Return required to be filed after the Distribution Date, the Party responsible for the filing thereof pursuant to Sections 3.1 and 3.2 shall pay to the relevant Taxing Authority all Taxes due or payable in connection with filing such Income Tax Return and shall be entitled to any refunds (including, for the avoidance of doubt, any similar credit or offset against Taxes) in connection therewith. Notwithstanding the foregoing, (i) CHS shall be liable for, and shall be entitled to any refunds of, Taxes with respect to any Covered Spinco State Income Tax Return and (ii) with respect to any state or local Income Tax Return of Spinco or any Spinco Subsidiary for any taxable period that includes but does not end on the Distribution Date, CHS shall be liable for, and shall be entitled to any refunds of, Taxes relating to the portion of the taxable period ending on the Distribution Date and Spinco shall be liable for, and shall be entitled to any refunds of, Taxes relating to the portion of the taxable period beginning after the Distribution Date. For the purpose of (ii) above, Taxes shall be apportioned between the two portions of such taxable period in accordance with the Closing of the Books Method.

(b) Adjusted Income Taxes. Notwithstanding Section 2.1(a), in the event of any subsequent adjustment to the amount of any Income Taxes relating to a taxable period beginning before the Distribution Date, Spinco shall be liable for its share of any increase in Taxes and shall be entitled to its share of any refunds (Spinco’s share of any increase in Taxes or refunds, “Spinco’s Share”), and CHS shall be liable for all other increases in Taxes and shall be entitled to all other refunds. Spinco’s Share shall be determined in the reasonable discretion of CHS in accordance with the following principles:

(i) In the case of any Income Tax Return that relates solely to the Spinco Business, Spinco’s Share shall include any increase in Taxes or refunds attributable to such Income Tax Return; and

(ii) In the case of any Income Tax Return that relates to both the Spinco Business and the CHS Business, Spinco’s Share shall be determined by comparing the amount of Taxes that would be owed on (x) Tax items relating to the Spinco Business and (y) Tax items not specifically related to either the Spinco Business or the CHS Business (including, without limitation, corporate overhead) allocable to Spinco based on a methodology reasonably determined by CHS, with and without the adjustments relating to the items listed in (x) and (y) above.

(c) Other Taxes. Except as otherwise specifically provided in any of the Agreements contemplated by the Distribution Agreement, and subject to Section 2.1(f), Spinco shall be liable for, and shall be entitled to any refunds of, all Other Taxes (excluding any such Taxes covered by Section 4.4(g)) which Spinco or any Spinco Subsidiary is required to pay, or is entitled to receive, after the Distribution Date under applicable law. CHS shall be liable for, and shall be entitled to any refunds of, all Other Taxes (excluding any such Taxes covered by Section 4.4(g)) which CHS or any CHS Subsidiary is required to pay, or is entitled to receive, after the Distribution Date under applicable law.

(d) Distribution Taxes. Notwithstanding anything in this Section 2.1 to the contrary, and except as provided in Article IV, CHS shall be liable for, and shall be entitled to any refunds of, any Income Taxes imposed or incurred as a result of (i) the Distribution failing to qualify under Section 355 of the Code, (ii) the stock of Spinco distributed in the Distribution failing to be treated as qualified property pursuant to Section 355(d) or 355(e) of the Code or (iii) CHS otherwise recognizing any income or gain in connection with the Distribution (including, for the avoidance of doubt, the internal restructuring and other transactions undertaken in connection with the Distribution).

(e) State Combinations. Notwithstanding anything in this Section 2.1 to the contrary, CHS shall be liable for any incremental state Income Taxes, and shall be entitled to receive the benefit of any reduction in state Income Taxes, resulting from a Final Determination after the Distribution Date requiring CHS or any of its Subsidiaries that file on a separate basis to file a combined, consolidated, or unitary group Tax Return for a taxable period beginning before the Distribution Date.

(f) Transfer Taxes. Notwithstanding anything herein to the contrary, CHS shall bear any and all stamp, duty, transfer, sales and use or similar Taxes incurred in connection with the Distribution or the internal restructuring and other transactions undertaken in connection with the Distribution.

Section 2.2. Indemnity.

(a) Subject to Article IV, CHS shall indemnify Spinco from all liability for Taxes for which CHS is responsible pursuant to Section 2.1, and (ii) any Taxes for periods ending on or before the Distribution Date, except to the extent such Taxes are allocated to Spinco pursuant to Section 2.1.

(b) Spinco shall indemnify CHS from all liability for Taxes for which Spinco is responsible pursuant to Section 2.1.

(c) Unless otherwise agreed in writing, the indemnifying Party shall pay to the indemnified Party the amount required to be paid pursuant to Section 2.2(a) or (b) above within thirty (30) days of being notified of the amount due by the indemnified Party, provided, however,

that in no event shall the indemnifying party be required to make payment any earlier than two Business Days prior to the date payment of such amount is required to be made to the applicable Taxing Authority. The notice by the indemnified Party requesting such payment shall be accompanied by the calculations and other information used to determine the indemnifying Party's obligations hereunder. Such payment shall be paid by the indemnifying Party to the indemnified Party by wire transfer of immediately available funds to an account designated by the indemnified Party by written notice to the indemnifying Party prior to the due date of such payment.

(d) If an adjustment to Income Taxes pursuant to a Final Determination in a Proceeding results in an adjustment described in Section 2.1(b), the indemnifying Party shall pay to the indemnified Party the amount computed pursuant to Section 2.1(b) within fifteen (15) days of the Final Determination, unless otherwise agreed in writing.

Section 2.3. Contests.

(a) Subject to Article IV, the right to control the conduct of any Proceeding shall belong to the Party (the "Controlling Party") responsible, pursuant to Sections 3.1 and 3.2, for the filing of the Tax Return to which such Proceeding relates; provided, however, that any Income Tax Proceeding commencing before the Distribution Date shall be controlled by CHS. If the Party not controlling a Proceeding could have an indemnification obligation (an "Indemnifying Party") for an adjustment to Tax pursuant to such Proceeding, such Indemnifying Party shall be entitled to participate in (but not control) such Proceeding at its own cost and expense. Such participation rights shall be similar to those set forth in Section 4.4(a); provided, however, the Party controlling a Proceeding covered by this Section 2.3 shall obtain consent from the Indemnifying Party only with respect to an item or matter that materially and disproportionately adversely affects such Indemnifying Party in a manner that does not similarly affect the Controlling Party, and any such consent shall not to be unreasonably withheld and shall be obtained prior to settling or agreeing to finalize any determination which may result in an indemnification obligation.

(b) After the Distribution Date, each Party shall promptly notify the other Party in writing upon receipt of written notice of the commencement of any Proceeding or of any demand or claim upon it, which, if determined adversely, would be grounds for indemnification from such other Party pursuant to Section 2.2 or could reasonably be expected to have an adverse Tax effect on the other Party. Each Party shall, on a timely basis, keep the other Party informed of all developments in the Proceeding and provide such other Party with copies of all pleadings, briefs, orders, and other correspondence pertaining thereto.

Section 2.4. Treatment of Payments: After Tax Basis.

(a) CHS and Spinco agree to treat any indemnification payments (other than payments of interest pursuant to Section 2.4(e)) pursuant to this Agreement as either a capital contribution or a distribution, as the case may be, between CHS and Spinco occurring immediately prior to the Distribution. If the receipt or accrual of any such payment (other than payments of interest pursuant to Section 2.4(e)) results in taxable income to the indemnified

Party, such payment shall be increased so that, after the payment of any Taxes with respect to the payment, the indemnified Party shall have realized the same net amount it would have realized had the payment not resulted in taxable income.

(b) To the extent that any liability for Taxes, that is subject to indemnification under Section 2.2, gives rise to a deduction, credit or other Tax Benefit to the indemnified Party, the amount of any payment made under Section 2.2 shall be decreased by taking into account any actual reduction in Taxes of the indemnified Party resulting from such Tax Benefit. If a reduction in Taxes of the indemnified Party occurs in a taxable period following the period in which the indemnification payment is made, the indemnified Party shall promptly repay the indemnifying Party the amount of such reduction when actually realized.

(c) Notwithstanding Sections 2.1 and 2.2, if as a result of a Final Determination, any adjustment shall be made to any Tax Return relating, in whole or in part, to Tax for which any member of the CHS Group is responsible, and if such adjustment results in both (x) a Tax Detriment to any member of the CHS Group for any taxable period and (y) a Tax Benefit to any member of the Spinco Group for any Post-Distribution Period, then Spinco shall pay to CHS an amount equal to the lesser of (i) the excess of the Tax Benefit for each taxable period over the portion of such Tax Benefit attributable to Spinco's Share for such period determined pursuant to Section 2.1(b), and (ii) the Corresponding Portion of the Tax Detriment.

(d) Notwithstanding Sections 2.1 and 2.2, if as a result of a Final Determination, any adjustment shall be made to any Tax Return relating, in whole or in part, to Tax for which any member of the Spinco Group is responsible, and if such adjustment results in both (x) a Tax Detriment to any member of the Spinco Group for any Post-Distribution Period and (y) a Tax Benefit to any member of the CHS Group for any taxable period, then CHS shall pay to Spinco an amount equal to the lesser of the Tax Benefit for such taxable period and the Corresponding Portion of the Tax Detriment.

(e) Payments made pursuant to this Agreement that are not made within the period prescribed in this Agreement or, if no period is prescribed, within thirty (30) days after demand for payment is made (the "Payment Period") shall bear interest for the period from and including the date immediately following the last date of the Payment Period through and including the date of payment at a rate of simple interest per annum equal to the Prime Rate. Such interest will be payable at the same time as the payment to which it relates and shall be calculated on the basis of a year of 365 days and the actual number of days for which due.

Section 2.5. Deductions Attributable to Equity Awards. Solely the member of the CHS Group or Spinco Group for which the relevant individual is currently employed or, if such individual is not currently employed by a member of either group, was most recently employed, at the time of the vesting, exercise, disqualifying disposition, payment or other relevant taxable event, as appropriate, in respect of equity awards and other incentive compensation of such individual described in Section 5.01 of the Employee Matters Agreement, shall be entitled to claim any income Tax deduction in respect of such equity awards and other incentive compensation on its respective Tax Return associated with such event. To the extent any Tax deduction that is described in the first sentence of this Section 2.4 and claimed by any member of

the CHS Group is disallowed to any and all members of the CHS Group and a Taxing Authority makes a Final Determination that a member of the Spinco Group is entitled to such deduction, CHS shall notify Spinco of the receipt of such Final Determination, promptly after receipt thereof, and Spinco shall pay to CHS the lesser of the amount of its Tax Benefit and the amount of the corresponding Tax Detriment in accordance with Section 2.3. To the extent any Tax deduction that is described in the first sentence of this Section 2.4 and claimed by any member of the Spinco Group is disallowed to any and all members of the Spinco Group and a Taxing Authority makes a Final Determination that a member of the CHS Group is entitled to such deduction, Spinco shall notify CHS of the receipt of such Final Determination, promptly after receipt thereof, and CHS shall pay to Spinco the lesser of the amount of its Tax Benefit and the amount of the corresponding Tax Detriment in accordance with Section 2.3.

**ARTICLE III
PREPARATION AND FILING OF TAX RETURNS**

Section 3.1. CHS's Responsibility for the Preparation and Filing of Tax Returns.

(a) CHS shall prepare or cause to be prepared (i) all Consolidated Returns, (ii) all other Tax Returns that it is legally obligated to file after the Distribution Date according to the laws of the relevant taxing jurisdiction and (iii) all Covered Spinco State Income Tax Returns; provided, however, that Spinco shall have the right to review and comment with respect to items on such Tax Returns if and to the extent such items directly relate to Taxes for which Spinco would be liable under Section 2.1, (a return that includes such an item, an "Indemnifiable Return"), such comment not to be unreasonably rejected. CHS shall provide to Spinco for its review a copy of any Indemnifiable Return at least forty-five (45) days prior to the due date thereof (including extensions), and Spinco shall provide comments to CHS within thirty (30) days after its receipt thereof. CHS shall file or cause to be filed all Tax Returns referred to in (i) and (ii) above and shall submit all Tax Returns referred to in (iii) above to Spinco for filing pursuant to Section 3.2 at least five (5) days prior to the due date thereof (including extensions).

(b) To the extent that Spinco or any Spinco Subsidiary is included in any Consolidated Return for a taxable period that includes the Distribution Date, CHS shall include in such Consolidated Return the results of Spinco and the Spinco Subsidiaries on the basis of the closing of the books method as provided in Treas. Reg. Section 1.1502-76(b)(2)(i).

(c) If Spinco reasonably so requests, CHS, at Spinco's expense, shall file for and pursue any refund to which Spinco is entitled under this Agreement.

Section 3.2. Spinco's Responsibility for the Preparation and Filing of Tax Returns. Spinco shall prepare or cause to be prepared all Tax Returns that it is legally obligated to file after the Distribution Date according to the laws of the relevant taxing jurisdiction, other than Covered Spinco State Income Tax Returns; provided, however, that CHS shall have the right to review and comment with respect to items on such Tax Returns if and to the extent such items directly relate to Taxes for which CHS would be liable under Section 2.1, such comment not to be unreasonably rejected. Spinco shall file or cause to be filed all Tax Returns that it is legally obligated to file after the Distribution Date according to the laws of the relevant taxing

jurisdiction (including, for the avoidance of doubt, all Covered Spinco State Income Tax Returns prepared by CHS pursuant to Section 3.1(a)). If CHS reasonably so requests, Spinco, at CHS's expense, shall file for and pursue any refund to which CHS is entitled under this Agreement.

Section 3.3. Manner of Preparation.

(a) To the extent permitted by law, any taxable period of Spinco or any Spinco Subsidiary for any state or local Income Tax purposes that would otherwise include but not end on the Distribution Date shall be bifurcated into two separate taxable periods, one ending on the Distribution Date and the other beginning on the day following the Distribution Date (each a "Stub Taxable Period"), and a separate Income Tax Return for each Stub Taxable Period shall be prepared and filed by the Party responsible for such preparation and filing pursuant to Sections 3.1 and 3.2.

(b) To the extent any Tax Return required to be prepared by CHS pursuant to Section 3.1 contains items relating to the Spinco Business or any Tax Return required to be prepared by Spinco pursuant to Section 3.2 contains items relating to the CHS Business, the Party not responsible for preparing such Tax Return (the "Included Party") shall, at its own cost and expense, prepare and deliver to the Party responsible for preparing such Tax Return (the "Preparing Party") a true and correct accounting of all relevant Tax Items relating to the Included Party (or any of its Subsidiaries) for the taxable period covered by such Tax Return (a "Tax Package"). Such Tax Package shall be provided in a timely manner consistent with the past practices of the Parties and their Affiliates. In the event an Included Party does not fulfill its obligations pursuant to this Section 3.3(b), the Preparing Party shall be entitled, at the sole cost and expense of the Included Party, to prepare or cause to be prepared the information required to be included in the Tax Package for purposes of preparing any such Tax Return.

(c) All Tax Returns for taxable periods beginning before the Distribution Date that are required to be filed after the Distribution Date shall be prepared in a manner consistent with past practices (e.g., accounting methods and accelerating deductions through bonus depreciation or otherwise) and the Preparing Party shall, at the Included Party's request, share with the Included Party any part of such Tax Returns relating to the Included Party (or any of its Subsidiaries) after the filing thereof.

(d) All Income Tax Returns filed on or after the Distribution Date shall be prepared in a manner that is consistent with the Ruling and the Opinion, or any other rulings obtained from other Taxing Authorities in connection with the Distribution (in the absence of a Final Determination to the contrary) and shall be filed on a timely basis (including pursuant to extensions) by the Party responsible for such filing pursuant to Sections 3.1 and 3.2. In the absence of a Final Determination to the contrary or a change in law, all Income Tax Returns of Spinco and its Subsidiaries for taxable periods beginning before the Distribution Date shall be prepared consistent with the Tax Returns of the Affiliated Group.

(e) Except to the extent required by law, Spinco shall not amend any Income Tax Return relating to a taxable period (or portion thereof) ending on or before to the Distribution Date without the written consent of CHS, not to be unreasonably withheld.

Section 3.4. Carrybacks. To the extent permitted by law, Spinco and its Subsidiaries shall elect to forego a carryback of any net operating losses, capital losses or credits for any taxable period ending after the Distribution Date to a taxable period, or portion thereof, ending on or before the Distribution Date. Notwithstanding anything herein to the contrary, Spinco and its Subsidiaries shall not have any right to receive the benefit of any carryback of Tax attributes created in a taxable period beginning after the Distribution Date into a Consolidated Return.

Section 3.5. Retention of Records; Access.

(a) CHS and Spinco shall, and shall cause each of their Subsidiaries to, retain adequate records, documents, accounting data and other information (including computer data) necessary for the preparation and filing of all Tax Returns required to be filed by CHS or Spinco and for any Proceeding relating to such Tax Returns or to any Taxes payable by CHS or Spinco (collectively, "Tax Records").

(b) CHS and Spinco shall, and shall cause each of their Subsidiaries to, provide reasonable access to (i) all Tax Records, and (ii) its personnel and premises, for the purpose of the preparation, review or audit of such Tax Returns, or in connection with any Proceeding, as reasonably requested by either CHS or Spinco.

(c) The obligations set forth above in Sections 3.5(a) and 3.5(b) shall continue for as long as such Tax Records are material to the administration of any matter under applicable Tax law. After such time, a Party wishing to destroy Tax Records shall provide thirty (30) days prior written notice to the other Party describing, in reasonable detail, the Tax Records to be destroyed; if such other Party objects, such other Party shall be allowed to take possession of the Tax Records.

Section 3.6. Confidentiality; Ownership of Information; Privileged Information. The provisions of Article VII of the Distribution Agreement relating to confidentiality of information, ownership of information, privileged information and related matters shall apply with equal force to any records and information prepared and/or shared by and among the Parties in carrying out the intent of this Agreement.

**ARTICLE IV
DISTRIBUTION AND RELATED TAX MATTERS**

Notwithstanding anything herein to the contrary, the provisions of this Article IV shall govern all matters among the parties hereto related to an Indemnified Liability.

Section 4.1. Compliance with the Ruling and the Opinion. CHS and Spinco hereby confirm and agree to comply with any and all covenants, agreements and representations in the Ruling and the Opinion applicable to CHS and Spinco, respectively. CHS hereby covenants that Spinco has received true and complete copies of all IRS submissions, representation letters, and other documentation related to the Ruling and the Opinion through the Distribution Date.

Section 4.2. Opinion Requirement for Major Transactions Undertaken by Spinco During the Restricted Period. Other than pursuant to the transactions contemplated by the Distribution Agreement, Spinco agrees that during the Restricted Period it will not (i) merge or consolidate with or into any other corporation, (ii) liquidate or partially liquidate (within the meaning of such terms as defined in Section 346 and Section 302, respectively, of the Code), (iii) sell or transfer all or substantially all of its assets (within the meaning of Rev. Proc. 77-37, 1977-2 C.B. 568) in a single transaction or series of related transactions, or sell or transfer any portion of Spinco's assets that would violate the "continuity of business enterprise" requirement of Treas. Reg. Section 1.368-1(d), (iv) redeem or otherwise repurchase any of its capital stock other than pursuant to open market stock repurchase programs meeting the requirements of section 4.05(1)(b) of Rev. Proc. 96-30, 1996-1 C.B. 696, (v) cease the active conduct of its trade or business within the meaning of Section 355(b) of the Code, which for purposes of the Distribution shall be considered the health care and hospital management and operations related to Affinity Medical Center, located in Massillon, Ohio, (vi) enter into any negotiations, agreements or arrangements with respect to transactions or events (including any transactions described in Sections 4.2(i)-(iv)) (and, for this purpose, including any redemptions made pursuant to open market stock repurchase programs), stock issuances (pursuant to the exercise of options or otherwise), option grants, capital contributions or acquisitions, entering into any partnership or joint venture arrangements, or a series of such transactions or events, but excluding the Distribution) that may cause the Distribution to be treated as part of a plan pursuant to which one or more persons acquire directly or indirectly stock of Spinco representing a "50 percent or greater interest" therein within the meaning of Section 355(d)(4) of the Code, or (vii) take any other action, or permit any Spinco Subsidiary to take any such action, where the taking of such action could reasonably be expected to cause the Distribution to fail to qualify under Section 355 of the Code or cause the stock of Spinco distributed in the Distribution to fail to be treated as qualified property pursuant to Section 355(e) of the Code (the acts listed in (i)-(vii) collectively, the "Prohibited Acts"). Notwithstanding the foregoing, Spinco may take any of the Prohibited Acts, subject to Section 4.3, if (x) Spinco first obtains (at its expense) an opinion in form and substance reasonably acceptable to CHS of a nationally recognized law firm or a "big four" accounting firm reasonably acceptable to CHS, which opinion may be based on usual and customary factual representations (reasonably acceptable to CHS) or (y) at Spinco's request, CHS (at the expense of Spinco) obtains a supplemental ruling from the IRS, that such Prohibited Act or Acts, and any transaction related thereto, will not (a) affect any of the conclusions set forth in the Opinion or the Ruling, including (i) the qualification of the Distribution and certain internal transactions preceding the Distribution under Sections 355 and 368 of the Code and (ii) the nonrecognition of gain to CHS in the Distribution, or (b) cause the stock of Spinco distributed in the Distribution to fail to be treated as qualified property pursuant to Sections 355(d) or 355(e) of the Code. Spinco may also take any of the Prohibited Acts, subject to Section 4.3, with the consent of CHS in its sole and absolute discretion. During the Restricted Period, Spinco shall provide all information reasonably requested by CHS relating to any transaction involving an acquisition (directly or indirectly) of Spinco stock within the meaning of Section 355(e) of the Code.

Section 4.3. Indemnification by Spinco. If, after the Distribution, Spinco or any of its Affiliates takes any action or enters into any agreement to take any action, including any of the Prohibited Acts as defined in Section 4.2 of this Agreement, or if there is a breach by Spinco of

Section 4.1 hereof, or if there is any direct or indirect acquisition of Spingo stock, and as a result (i) the Distribution shall fail to qualify under Section 355 of the Code, (ii) the stock of Spingo distributed in the Distribution shall fail to be treated as qualified property pursuant to Section 355(d) or 355(e) of the Code or (iii) CHS otherwise recognizes any gain in connection with the Distribution (including, for the avoidance of doubt, the related internal transactions described in the Ruling), then Spingo shall indemnify and hold harmless CHS against any and all Taxes imposed upon or incurred by CHS (and any Taxes of CHS shareholders to the extent CHS is liable with respect to such Taxes, whether to a Taxing Authority, to a shareholder or to any other person) as a result, unless such Taxes would, in any event, have been imposed upon or incurred by CHS without regard to such actions, breaches or events, as determined at such time. CHS shall be indemnified and held harmless under this Section 4.3 without regard to whether an opinion or supplemental ruling pertaining to the action pursuant to Section 4.2 was obtained, and without regard to whether CHS gave its consent to such action pursuant to Section 4.2 or otherwise.

Section 4.4. Procedural Matters.

(a) Notice. If either Spingo or CHS receives any written notice of deficiency, claim or adjustment or any other written communication from a Taxing Authority that may result in an Indemnified Liability, the Party receiving such notice or communication shall promptly give written notice thereof to the other Party, provided that any delay by CHS in so notifying Spingo shall not relieve Spingo of any liability to CHS hereunder except to the extent Spingo is materially and adversely prejudiced by such delay. CHS undertakes and agrees that from and after such time as CHS obtains knowledge that any representative of a Taxing Authority has begun to investigate or inquire into the Distribution (whether or not such investigation or inquiry is a formal or informal investigation or inquiry), CHS shall (i) notify Spingo thereof, provided that any delay by CHS in so notifying Spingo shall not relieve Spingo of any liability to CHS hereunder except to the extent Spingo is materially and adversely prejudiced by such delay, (ii) consult with Spingo from time to time as to the conduct of such investigation or inquiry, (iii) provide Spingo with copies of all correspondence between CHS or its representatives and such Taxing Authority or any representative thereof pertaining to such investigation or inquiry, (iv) cooperate with Spingo to permit a representative (reasonably satisfactory to CHS) of Spingo to be present at, and participate in (but not control), all meetings with such Taxing Authority or any representative thereof pertaining to such investigation or inquiry, provided, that any costs relating to Spingo's representation at such meetings shall be borne by Spingo, and (v) obtain Spingo's consent, such consent not to be unreasonably withheld, to any final agreement or resolution on any or all related issues, prior to settling or agreeing to finalize any determination which may result in any economic consequence to Spingo.

(b) Tax Proceedings Controlled by CHS. With respect to any Proceeding that may result in an Indemnified Liability, CHS shall assume and direct the defense or settlement of such Proceeding, provided that Spingo shall be entitled to participate in such Proceeding at its own cost and expense; provided, however, that CHS shall not settle, compromise or concede any such Proceeding without Spingo's consent, not to be unreasonably withheld.

(c) Tax Proceedings Controlled by Spinco. If Spinco withholds consent to the settlement, compromise or concession of any Proceeding that is the subject of Section 4.4(b), Spinco may, upon confirmation in writing to CHS that the liability asserted in such Proceeding would, if imposed upon or incurred by CHS or its Subsidiaries, be an Indemnified Liability, assume and direct the defense or settlement of the Proceeding, subject to the participation and consultation of CHS, provided that, if CHS reasonably determines that Spinco has failed to prosecute the Proceeding in a reasonable and diligent manner, CHS may (at Spinco's expense and subject to the provisions in Section 4.4(d)) reassume and direct the defense or settlement of the Proceeding. The following provisions shall apply to any Proceeding control of which is assumed by Spinco pursuant to the preceding sentence.

(i) Upon request, during the course of the Proceeding, Spinco shall from time to time furnish CHS with evidence reasonably satisfactory to CHS of its ability to pay the full amount of the Indemnified Liability. If at any time during such Proceeding, CHS reasonably determines, after due investigation, that Spinco may not be able to pay the full amount of the Indemnified Liability, if required, then Spinco shall be required to furnish a guarantee or performance bond satisfactory to CHS in an amount equal to the amount of the Indemnified Liability asserted by the Taxing Authority. If Spinco fails to furnish such guarantee or bond, CHS may reassume control of the Proceedings in accordance with Section 4.4(d).

(ii) Spinco shall pay all expenses directly related to the Indemnified Liability, including but not limited to reasonable fees for attorneys, accountants, expert witnesses or other consultants retained by it.

(iii) CHS shall, at Spinco's sole cost (including but not limited to any reasonable out-of-pocket-costs incurred by CHS), take such action as Spinco may reasonably request (including but not limited to the execution of powers of attorney for one or more persons designated by Spinco) in contesting the Indemnified Liability. Spinco shall, on a timely basis, keep CHS informed of all developments in the Proceeding and provide CHS with copies of all pleadings, briefs, orders, and other written papers pertaining thereto.

(iv) Subject to satisfaction of the conditions herein set forth, Spinco may direct CHS to settle the Indemnified Liability on such terms and for such amount as Spinco may direct. CHS may condition such settlement on receipt, prior to the settlement, from Spinco of the indemnity payment with respect to the Indemnified Liability less any amounts to be paid directly by Spinco to the Taxing Authority. Spinco may direct CHS, at Spinco's expense, to pay an asserted deficiency for the Indemnified Liability out of funds provided by Spinco, and to file a claim for refund. If Spinco withholds consent to the settlement, compromise or concession of any Proceeding that is the subject of Section 4.4(b) and does not assume control of such Proceeding pursuant to this Section 4.4(c) within thirty (30) days following the request by CHS for such consent, such Proceeding shall be controlled and directed exclusively by CHS.

(d) Resumption by CHS of Control of Tax Proceedings. With respect to any Proceeding control of which is assumed by Spinco pursuant to Section 4.4(c), should (i) Spinco fail within thirty (30) days following request therefor to furnish to CHS evidence of its ability to pay the full amount of the Indemnified Liability, (ii) CHS reasonably believe after due investigation that Spinco may not be able to pay the full amount of the Indemnified Liability, if required, and Spinco fails to furnish a guarantee or performance bond satisfactory to CHS in an amount equal to the amount of the Indemnified Liability then being asserted by the Taxing Authority, or (iii) CHS reasonably determine that Spinco has failed to prosecute the Proceeding in a reasonable and diligent manner, then CHS may reassume control of the Proceeding and may settle such Proceeding in its discretion.

(e) Time and Manner of Payment. Unless otherwise agreed in writing, Spinco shall pay to CHS the amount with respect to an Indemnified Liability determined pursuant to a Final Determination (less any amount paid directly by Spinco to the Taxing Authority or made available to CHS under Section 4.4(d)) at least two Business Days prior to the date payment of the Indemnified Liability is required to be made to the Taxing Authority. Such payment shall be paid by Spinco to CHS by wire transfer of immediately available funds to an account designated by CHS by written notice to Spinco prior to the due date of such payment.

(f) Refund of Amounts Paid by Spinco. Should CHS or any other member of the Affiliated Group receive a refund in respect of amounts paid by Spinco to any Taxing Authority on CHS's behalf or paid by Spinco to CHS for payment to a Taxing Authority with respect to an Indemnified Liability, or should any such amounts that would otherwise be refundable to CHS be applied or credited by the Taxing Authority to obligations of CHS unrelated to an Indemnified Liability, then CHS shall, promptly following receipt (or notification of credit), remit such refund (including any statutory interest that is included in such refund or credited amount) to Spinco.

(g) Cooperation. Subject to the provisions of Section 3.6, CHS and Spinco shall reasonably cooperate with one another in a timely manner in any Proceeding involving any matter that may result in an Indemnified Liability. CHS and Spinco agree that such cooperation shall include, without limitation, making available to the other Party, during normal business hours, all books, records and information, officers and employees (without substantial interruption of employment) necessary or useful in connection with any such judicial or administrative Proceeding. The Party requesting or otherwise entitled to any books, records, information, officers or employees pursuant to this Section 4.4(h) shall bear all reasonable out-of-pocket costs and expenses (except reimbursement of salaries, employee benefits and general overhead) incurred in connection with providing such books, records, information, officers or employees.

(h) Supplemental Rulings. CHS shall provide Spinco a copy of and an opportunity to comment upon any supplemental ruling sought from the IRS with respect to the Ruling and no supplemental ruling request shall be made without Spinco's consent if such supplemental ruling would materially expand Spinco's indemnification obligations under Section 4.3.

Section 4.5. Protective Section 336(e) Election. If CHS determines, in its sole discretion, that a protective election under Section 336(e) of the Code (a “Section 336(e) Election”) shall be made with respect to the Distribution, Spinco shall (and shall cause the relevant member of the Spinco Group to) join with CHS or the relevant member of the CHS Group in the making of such election and shall take any action reasonably requested by CHS or that is otherwise necessary to give effect to such election (including making any other related election). If a Section 336(e) Election is made with respect to the Distribution, then this Agreement shall be amended in such a manner as is determined by CHS in good faith to take into account such Section 336(e) Election (including by requiring that, in the event the Distribution fails to qualify under Section 355 of the Code and CHS is not entitled to indemnification for the Tax-related losses pursuant to this Agreement arising from such failure, Spinco shall pay over to CHS any Tax Benefits actually realized in cash by the Spinco Group or any member of the Spinco Group arising from the step-up in Tax basis resulting from the Section 336(e) Election); provided, such amounts payable shall be reduced by all reasonable costs incurred by Spinco to amend any Tax Returns or other governmental filings related to such Section 336(e) Election.

**ARTICLE V.
MISCELLANEOUS**

Section 5.1. Notices. All Notices under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, or by certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice):

If to CHS:

Community Health Systems, Inc.
4000 Meridian Boulevard
Franklin, Tennessee 37067
Attn: General Counsel
Copy to: Vice President of Tax

If to Spinco:

Quorum Health Corporation
1573 Mallory Lane
Suite 100
Brentwood, TN 37027
Attn: General Counsel
Copy to: Vice President of Tax

Either Party may, by Notice to the other Party, change the address to which such Notices are to be given.

Section 5.2. Amendment and Waiver. This Agreement may not be altered or amended, nor may any rights hereunder be waived, except by an instrument in writing executed by the Party or Parties to be charged with such amendment or waiver. No waiver of any terms, provision or condition of or failure to exercise or delay in exercising any rights or remedies under this Agreement, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, provision, condition, right or remedy or as a waiver of any other term, provision or condition of this Agreement.

Section 5.3. Entire Agreement. This Agreement constitutes the entire understanding of the Parties hereto with respect to the subject matter hereof, superseding all negotiations, prior discussions and prior agreements and understandings relating to such subject matter.

Section 5.4. Assignment; Successors and Assigns. Neither of the Parties may assign its rights or delegate any of its duties under this Agreement without the prior written consent of each other Party. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties hereto and their respective successors and permitted assigns.

Section 5.5. Severability. In the event that any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, and the Parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 5.6. Dispute Resolution. The Parties desire that collaboration will continue between them. Accordingly, they will try, and they will cause their respective Group members to try, to resolve in good faith all disagreements regarding their respective rights and obligations under this Agreement, including any amendments hereto. In furtherance thereof, in the event of any dispute or disagreement (a "Tax Dispute") between any member of the CHS Group and any member of the Spinco Group as to the interpretation of any provision of this Agreement or the performance of obligations hereunder, the Tax departments of the respective Parties shall negotiate in good faith to resolve the Tax Dispute. If such good faith negotiations do not resolve the Tax Dispute, then the matter, upon written request of either Party, will be referred for resolution in accordance with Article VIII of the Separation and Distribution Agreement. Nothing in this Section 5.6 will prevent either Party from seeking injunctive relief if any delay resulting from the efforts to resolve the Tax Dispute could result in serious and irreparable injury to either Party. Notwithstanding anything to the contrary in this Agreement, the Separation and Distribution Agreement or any Ancillary Agreement, CHS and Spinco are the only members of their respective Group entitled to commence a dispute resolution procedure under this Agreement, and each of CHS and Spinco will cause its respective Group members not to commence any dispute resolution procedure other than through such party as provided in this Section 5.6.

Section 5.7. Governing Law; Jurisdiction. This Agreement shall be construed in accordance with, and governed by, the laws of the State of Delaware, without regard to the

conflicts of law rules of such state. If any dispute arises out of or in connection with this Agreement, except as expressly contemplated by another provision of this Agreement, each of the Parties (a) consents to submit itself to the personal jurisdiction of the courts of the State of Tennessee or any federal court with subject matter jurisdiction located in the Middle District of Tennessee (and any appeals court therefrom) in the event any dispute arises out of this Agreement or any transaction contemplated hereby, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (c) agrees that it will not bring any action relating to this Agreement or any transaction contemplated hereby in any court other than such courts.

Section 5.8. Waiver of Jury Trial. EACH OF THE PARTIES HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 5.8.

Section 5.9. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute but one and the same Agreement.

Section 5.10. Third Party Beneficiaries. This Agreement is solely for the benefit of the Parties and should not be deemed to confer upon third-parties any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

Section 5.11. Force Majeure. No Party (or any Person acting on its behalf) shall have any liability or responsibility for failure to fulfill any obligation (other than a payment obligation) under this Agreement, so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event: (a) notify the other Party of the nature and extent of any such Force Majeure condition and (b) use reasonable best efforts to remove any such causes and resume performance under this Agreement as soon as reasonably practicable.

Section 5.12. Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

COMMUNITY HEALTH SYSTEMS, INC.

QUORUM HEALTH CORPORATION

By: /s/ W. Larry Cash
Name: W. Larry Cash
Title: President of Financial Services
and Chief Financial Officer

By: /s/ Michael J. Culotta
Name: Michael J. Culotta
Title: Executive Vice President and
Chief Financial Officer

Signature Page to Tax Matters Agreement

EMPLOYEE MATTERS AGREEMENT
BY AND BETWEEN
COMMUNITY HEALTH SYSTEMS, INC.
AND
QUORUM HEALTH CORPORATION
DATED AS OF APRIL 29, 2016

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Employee Benefit Plans Addendum

EMPLOYEE MATTERS AGREEMENT

This EMPLOYEE MATTERS AGREEMENT dated as of April 29, 2016 and effective as of the Effective Time (as defined below) is by and between COMMUNITY HEALTH SYSTEMS, INC., a Delaware corporation (“CHS”), and QUORUM HEALTH CORPORATION, a Delaware corporation (“QHC”).

R E C I T A L S:

WHEREAS, the CHS Board (as defined below) has determined that it is appropriate and advisable to separate (i) thirty-eight (38) of CHS’s hospitals and related business operations and (ii) Quorum Health Resources, LLC, a hospital management and consulting services business, from CHS’s other hospitals and businesses;

WHEREAS, to effectuate the foregoing, CHS and QHC have entered into a Separation and Distribution Agreement (as defined below) which provides for, among other things, the contribution from CHS to QHC of certain Assets (as defined below), the assumption by QHC of certain liabilities from CHS, the distribution by CHS of QHC Common Stock (as defined below) to CHS shareholders, and the execution and delivery of certain other agreements to facilitate and provide for the foregoing, in each case subject to the terms and conditions set forth therein;

WHEREAS, the Employees (as defined below) of the QHC Business (as defined below) have been employed by the CHS Group (as defined below) and are to be Employees of the QHC Group (as defined below) after the Separation (as defined below); and

WHEREAS, this Agreement describes the principal employment, compensation, equity award and employee benefit plan arrangements between the Parties (as defined below).

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the Parties hereby agree as follows:

AGREEMENT

ARTICLE I

DEFINITIONS

Section 1.01 Defined Terms. The following capitalized terms as used in this Agreement shall have the meaning set forth below unless otherwise specified herein:

“Adjusted CHS Award” means an Adjusted CHS Option, Adjusted CHS Restricted Stock Award, or Adjusted CHS RSU Award.

“Adjusted CHS Option” means an option to purchase one or more CHS Common Shares adjusted in accordance with Section 5.01.

“Adjusted CHS Restricted Stock Award” means a CHS Restricted Stock Award adjusted in accordance with Section 5.01.

“Adjusted CHS RSU Award” means a restricted stock unit award granted pursuant to a CHS Stock Program or the Directors’ Fees Deferral Plan adjusted in accordance with Section 5.01.

“Adjusted QHC Stock Value” means the quotient obtained by dividing (i) the QHC Stock Value by (ii) the Distribution Ratio.

“Affiliate” has the meaning set forth in the Separation and Distribution Agreement.

“Agreement” means this Employee Matters Agreement and each of the Schedules hereto.

“Ancillary Agreements” has the meaning set forth in the Separation and Distribution Agreement.

“Assets” has the meaning set forth in the Separation and Distribution Agreement.

“Benefit Plan” means any (i) “employee benefit plan,” as defined in ERISA Section 3(3) (whether or not such plan is subject to ERISA); and (ii) employment, compensation, severance, salary continuation, bonus, incentive, retirement, thrift, savings, pension, termination benefit (including termination notice requirements), termination indemnity, other indemnification, supplemental unemployment benefit, severance pay, profit sharing, deferred compensation, stock ownership, stock purchase, stock option, stock appreciation right, restricted stock, “phantom” stock, performance share, restricted stock unit, other stock-based incentive, change in control, paid time off, perquisite, fringe benefit, vacation, disability, life, or other insurance, death benefit, hospitalization, medical, or other compensatory or benefit plan, program, fund, agreement, arrangement, or policy of any kind (whether written or oral, qualified or nonqualified, funded or unfunded, foreign or domestic, currently effective or terminated), and any trust, escrow or similar agreement related thereto, whether or not funded, excluding any plan, program, fund, agreement, arrangement, or policy that is mandated by and maintained solely pursuant to applicable Law; provided, however, the term “Benefit Plan” does not include any government-sponsored benefits, such as workers’ compensation, government-sponsored retirement plans, unemployment or any similar plans, programs or policies or any Individual Agreement.

“Change of Control” has the meaning set forth in the Separation and Distribution Agreement.

“CHS” has the meaning set forth in the first sentence of this Agreement.

“CHS Benefit Plan” means a Benefit Plan sponsored by, maintained by, or contributed to by the CHS Group.

“CHS Board” means the CHS board of directors.

“CHS Common Shares” has the meaning set forth in the Separation and Distribution Agreement.

“CHS Compensation Committee” means the compensation committee of the CHS Board.

“CHS DCP” means the CHS/Community Health Systems, Inc. Deferred Compensation Plan.

“CHS Former Employee” means a Former Employee who is not a QHC Former Employee.

“CHS GHP” means the Community Health Systems Group Health Plan.

“CHS Group” means CHS and the CHS Subsidiaries.

“CHS Health and Welfare Plans” means a Health and Welfare Plans sponsored by, maintained by, or contributed to by the CHS Group; provided, however, that such term shall not include any of the plans listed on Schedule 2.03(a) hereto.

“CHS Nonqualified Plans” means, collectively, the CHS DCP, CHS NQDCP, CHS SSP, and HMA TAWP.

“CHS Nonqualified Trusts” means, collectively, the CHS/Community Health Systems, Inc. Deferred Compensation Plan Trust, the Trust Under the CHS NQDCP, the Trust Under the CHS 401(k) Supplemental Savings Plan, and the Rabbi Trust Established Under the Health Management Associates, Inc. Tax Advantaged Wealth Plan.

“CHS NQDCP” means the CHS NQDCP.

“CHS Option” means an option to purchase one or more CHS Common Shares granted under a CHS Stock Program and outstanding immediately prior to the Distribution Date (whether or not then exercisable).

“CHS Pre-Distribution Stock Value” means the volume-weighted average closing price of a CHS Common Share, as reported on the NYSE, traded regular way over the five (5) trading days ending on the Distribution Date.

“CHS Post-Distribution Stock Value” means the opening per-share price, as reported on the NYSE, of a CHS Common Share on the first trading day following the Distribution Date.

“CHSPSC” means CHSPSC, LLC, a Delaware limited liability company.

“CHS Restricted Stock Award” means a restricted stock award granted pursuant to a CHS Stock Program and outstanding immediately prior to the Distribution Date.

“CHS Retained Employee” means any Employee other than a QHC Employee.

“CHS Retirement Committee” means the CHS/Community Health Systems, Inc. Retirement Committee.

“CHS RIP” means the CHS/Community Health Systems, Inc. Retirement Income Plan.

“CHS RIP Trust” means the CHS/Community Health Systems, Inc. Retirement Income Plan Trust.

“CHS RSU Award” means a restricted stock unit award granted pursuant to a CHS Stock Program or the Directors’ Fees Deferral Plan and outstanding immediately prior to the Distribution Date.

“CHS RSU Award Multiplier” means the sum of one plus the quotient obtained by dividing (i) the Adjusted QHC Stock Value by (ii) the difference between (A) the CHS Pre-Distribution Stock Value and (B) the Adjusted QHC Stock Value (rounded (general rule) to the third decimal place).

“CHS Savings Plans” means, collectively, the CHS/Community Health Systems, Inc. Retirement Savings Plan, the CHS/Community Health Systems Inc. Standard 401(k) Plan, and the Health Management Associates, Inc. Retirement Savings Plan.

“CHS SERP” means the CHS/Community Health Systems, Inc. Supplemental Executive Retirement Plan.

“CHS SSP” means the CHS 401(k) Supplemental Savings Plan.

“CHS Stock Programs” means, collectively, the Community Health Systems, Inc. 2000 Stock Option and Award Plan, as amended and restated as of March 20, 2013, the Community Health Systems, Inc. 2009 Stock Option and Award Plan, as amended and restated as of March 19, 2014, and any incentive compensation program or arrangement that governs the terms of equity-based incentive awards assumed by the CHS Group in connection with a corporate transaction and that is maintained by the CHS Group immediately prior to the Distribution Date (excluding any plan maintained solely by QHC or any QHC Subsidiary), and any sub-plans established under those programs.

“CHS Stock Value” means value of the CHS Common Shares that are subject to CHS Options immediately before the Distribution for purposes of Section 409A of the Code, and shall be determined to be the sum of the fair market value of the CHS Common Shares prior to the Distribution (determined in the manner set forth by the Committee) and the Adjusted QHC Stock Value.

“CHS Subsidiary” means any Subsidiary of CHS prior to, at or after the Effective Time (including, prior to the Effective Time, QHC and the QHC Subsidiaries).

“COBRA” means coverage required by Code Section 4980B or ERISA Section 601 et. seq.

“Code” means the U.S. Internal Revenue Code of 1986, as amended.

“Conveyance and Assumption Instruments” has the meaning set forth in the Separation and Distribution Agreement.

“Directors’ Fees Deferral Plan” means the Community Health Systems, Inc. Director’s Fees Deferral Plan adopted as of December 14, 2004 Amended and Restated as of December 10, 2008, as amended.

“Distribution” has the meaning set forth in the Separation and Distribution Agreement.

“Distribution Date” has the meaning set forth in the Separation and Distribution Agreement.

“Distribution Ratio” means the number of shares of CHS Common Stock in respect of which one QHC Common Share is distributed in the Distribution.

“Effective Time” means 12:01 a.m. Eastern Time on the Distribution Date.

“Employee” means an employee on the payroll of CHS, a CHS Subsidiary, QHC or a QHC Subsidiary (not including any Former Employee), including any employee absent from work on account of vacation, jury duty, funeral leave, personal leave, sickness, short-term disability, long-term disability or workers’ compensation leave (in each case, unless treated as a separated employee for employment purposes), military leave, family leave, pay continuation leave, or other approved leave of absence or for whom an obligation to recall, rehire or otherwise return to employment exists under a contractual obligation or Law.

“Employee Agreement” means an employment contract between a member of the CHS Group and an Employee, including, without limitation, the standard-form employee agreement customarily signed by certain Employees of the CHS Group.

“Employee Recoupment Asset” means an employer’s right to repayment from an employee in respect of a sign-on bonus payment, relocation expense payment, tuition payment, reimbursement, loan, or other similar item, including any agreement related thereto; provided, however, that Employee Recoupment Assets shall not include an employer’s right to recover the amount and/or value of any compensatory payment or award received by an employee, and/or gains realized by such employee in connection with such awards, pursuant to any “clawback” or similar policy of such employer related to the misconduct of such employee.

“Employment Tax” means withholding, payroll, social security, workers’ compensation, unemployment, disability and any similar tax imposed by any Tax Authority or social security authority, and any interest, penalties, additions to tax, or additional amounts with respect to the foregoing imposed on any taxpayer or consolidated, combined, or unitary group of taxpayers. With respect to any Employment Tax, the term “Tax Authority” means the governmental entity or political subdivision thereof that imposes such Employment Tax, and the agency (if any) charged with the collection of such Employment Tax for such entity or subdivision.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

“Force Majeure” has the meaning set forth in the Separation and Distribution Agreement.

“Former Employee” means any individual whose employment with the CHS Group or the QHC Group terminated on or prior to the Distribution Date for whom no obligation to recall, rehire or otherwise return to employment exists under a contractual obligation or Law.

“Governmental Authority” has the meaning set forth in the Separation and Distribution Agreement.

“Group” means the CHS Group or the QHC Group, as the context requires.

“Health and Welfare Plans” means any Benefit Plans established or maintained to provide, for Employees or Former Employees or their beneficiaries, through the purchase of insurance or otherwise, medical, dental, prescription, vision, short-term disability, long-term disability, death benefits, life insurance, accidental death and dismemberment insurance, business travel accident insurance, employee assistance program, group legal services, wellness, cafeteria (including premium payment, health care flexible spending account, and dependent care flexible spending account components), travel reimbursement, transportation, vacation benefits, apprenticeship or other training programs, day care centers, or prepaid legal services benefits, including any “employee welfare benefit plan” (as defined in ERISA Section 3(1)) that is not a severance plan.

“HMA TAWP” means the Health Management Associates, Inc. Tax Advantaged Wealth Plan.

“Incurred Claim” means a Liability related to services or benefits provided under a Benefit Plan, and shall be deemed to be incurred: (i) with respect to medical, dental, vision, and prescription drug benefits, upon the rendering of services giving rise to such Liability; (ii) with respect to death benefits, life insurance, accidental death and dismemberment insurance, and business travel accident insurance, upon the occurrence of the event giving rise to such Liability; (iii) with respect to disability benefits, upon the date of disability, as determined by the disability benefit insurance carrier or claim administrator, giving rise to such Liability; (iv) with respect to a period of continuous hospitalization, upon the date of admission to the hospital; and (v) with respect to tuition reimbursement or adoption assistance, upon completion of the requirements for such reimbursement or assistance, whichever is applicable.

“Individual Agreement” shall mean any individual (i) offer letter or employment contract, (ii) retention, severance or change of control agreement, (iii) proprietary information and/or inventions agreement or (iv) any agreement containing restrictive covenants (including confidentiality, intellectual property assignment, license, waiver and disclosure provisions, non-competition and non-solicitation provisions) between a member of the CHS Group or QHC

Group and a QHC Employee or any QHC Former Employee, or between a member of the CHS Group or QHC Group and a CHS Employee or any CHS Former Employee, as applicable, as in effect immediately prior to the Effective Time.

“Law” has the meaning set forth in the Separation and Distribution Agreement.

“Liabilities” has the meaning set forth in the Separation and Distribution Agreement.

“Notice” means any written notice, request, demand or other communication specifically referencing this Agreement and given in accordance with Section 6.08.

“Parties” means the parties to this Agreement.

“Person” has the meaning set forth in the Separation and Distribution Agreement.

“Post-Distribution QHC Employee” means a QHC Employee whose intended transfer from the CHS Group to the QHC Group in connection with the Distribution is to occur after the Distribution Date.

“Proceeding” has the meaning set forth in the Separation and Distribution Agreement.

“QDRO” means a qualified domestic relations order within the meaning of ERISA Section 206(d) and Code Section 414(p).

“QHC” has the meaning set forth in the first sentence of this Agreement.

“QHC Annual Bonus Plan” has the meaning set forth in Section 5.02(b)(i).

“QHC Award” means a QHC Restricted Stock Award issued pursuant to Section 5.01.

“QHC Benefit Plan” means, following the Distribution, each Benefit Plan sponsored by, maintained by, or contributed to by the QHC Group.

“QHC Board” means the QHC board of directors.

“QHC Business” has the meaning set forth in the Separation and Distribution Agreement.

“QHCCS” means QHCCS, LLC, a Delaware limited liability company.

“QHC Common Stock” has the meaning set forth in the Separation and Distribution Agreement.

“QHC DCP” means the Quorum Health Nonqualified Deferred Compensation Plan.

“QHC DCP Trust” means the Rabbi Trust Established Under the Quorum Health Nonqualified Deferred Compensation Plan.

“QHC Employee” means any Employee who is (i) employed by the QHC Group as of immediately prior to the Distribution Date, (ii) designated prior to the Distribution Date by CHS as an individual whose employment is to transfer (referred to internally by the Parties as “map”) to the QHC Group, or (iii) designated as a QHC Employee by joint agreement of the Parties (in all cases, other than an Employee who is designated by CHS prior to the Distribution Date as intended not to transfer to the QHC Group).

“QHC Former Employee” means a Former Employee who either (i) was designated by CHS as an Employee whose employment was to transfer (“map”) to the QHC Group or (ii) if no such designation was made, was primarily employed or engaged in the QHC Business immediately prior to such individual’s termination of employment.

“QHC Group” means QHC and the QHC Subsidiaries.

“QHC Health and Welfare Plans” means, following the Distribution, Health and Welfare Plans sponsored by, maintained by, or contributed to by the QHC Group.

“QHC ISP” means the Quorum Health Corporation 2016 Stock Award Plan.

“QHC Restricted Stock Award” means a restricted stock award granted by QHC in accordance with Section 5.01.

“QHC Savings Plans” means, following the Distribution, retirement plans sponsored by, maintained by, or contributed to by the QHC Group that are intended to be qualified under Code Section 401(a) that also provide for a cash-or-deferred arrangement or contain a qualified Roth contribution arrangement.

“QHC SERP” means the Quorum Health Supplemental Executive Retirement Plan.

“QHC Stock Value” means the volume weighted average of the closing price of QHC Common Stock, as reported on the NYSE, traded on a when-issued basis over the five (5) trading days ending on the Distribution Date.

“QHC Subsidiary” has the meaning set forth in the Separation and Distribution Agreement.

“Rehired Employee” means (i) a Transferred Employee who terminates employment with the QHC Group after the Distribution Date and is subsequently rehired by the CHS Group during the Transition Period (including an individual whose employment is transferred pursuant to the procedures contemplated by Section 2.04(b)); (ii) a CHS Retained Employee who terminates employment with the CHS Group after the Distribution Date and is subsequently hired by the QHC Group during the Transition Period (including an individual whose employment is transferred pursuant to the procedures contemplated by Section 2.04(b)); or (iii) a Former Employee who commences employment with the CHS Group or the QHC Group during the Transition Period.

“Securities Act” means the Securities Act of 1933, as amended.

“Separation” has the meaning set forth in the Separation and Distribution Agreement.

“Separation and Distribution Agreement” means the Separation and Distribution Agreement by and between the Parties, dated as of April 29, 2016.

“Subsidiary” has the meaning set forth in the Separation and Distribution Agreement.

“Third Party” has the meaning set forth in the Separation and Distribution Agreement.

“Third Party Claim” has the meaning set forth in the Separation and Distribution Agreement.

“Transition Services Agreements” has the meaning set forth in the Separation and Distribution Agreement.

“Transfer Date” means, with respect to each (i) QHC Employee (other than a Post-Distribution QHC Employee), the Distribution Date; and (ii) Post-Distribution QHC Employee, the date on which such person first becomes employed by the QHC Group following the Distribution Date.

“Transferred Employee” has the meaning set forth in Section 2.02(a)(i).

“Transferred Flexible Spending Account Balances” has the meaning set forth in Section 4.01(d)(ii).

“Transition Period” means the period beginning on the Distribution Date and ending on the date that is the 24-month anniversary of the Distribution Date. Notwithstanding the foregoing, for purposes of the CHS Savings Plans and the QHC Savings Plans, “Transition Period” means the period beginning on the Distribution Date and ending on December 31, 2017.

“Transition Services Agreement” has the meaning set forth in the Separation and Distribution Agreement.

“WCH Cash Balance Pension Plan” means the Watsonville Community Hospital Cash Balance Pension Plan.

ARTICLE II

GENERAL PRINCIPLES

Section 2.01 Allocation of Employment Related Liabilities.

(a) *QHC Liabilities.* Effective as of the Effective Time, and except as expressly provided in this Agreement, QHC hereby assumes (or retains) and agrees to pay, perform, fulfill, and discharge, or to cause the applicable QHC Subsidiaries to assume (or retain) and agree to pay, perform, fulfill and discharge, all Liabilities to the extent relating to, arising out of, or resulting from:

(i) the employment (or termination of employment) of any QHC Employee by the CHS Group up to the applicable Transfer Date and by the QHC Group on and after the applicable Transfer Date (including, in each case, all Liabilities relating to, arising out of, or resulting from Employment Taxes, any CHS Benefit Plan or any QHC Benefit Plan);

(ii) the employment (or termination of employment) of any QHC Former Employee (including, in each case, all Liabilities relating to, arising out of, or resulting from Employment Taxes, any CHS Benefit Plan or any QHC Benefit Plan); and

(iii) obligations, Liabilities, and responsibilities expressly assumed or retained by QHC or the applicable QHC Subsidiaries pursuant to this Agreement.

(b) *CHS Liabilities.* Effective as of the Effective Time, and except as expressly provided in this Agreement, CHS hereby retains (or assumes) and agrees to pay, perform, fulfill, and discharge, or to cause the applicable CHS Subsidiaries to assume (or retain) and agree to pay, perform, fulfill and discharge, all Liabilities to the extent relating to, arising out of, or resulting from:

(i) the employment (or termination of employment) of any CHS Retained Employee by the CHS Group prior to, on, or after the Distribution Date (including all Liabilities to the extent relating to, arising out of, or resulting from Employment Taxes or any CHS Benefit Plan);

(ii) the employment (or termination of employment) of any CHS Former Employee (including all Liabilities to the extent relating to, arising out of, or resulting from Employment Taxes or any CHS Benefit Plan); and

(iii) obligations, Liabilities, and responsibilities expressly retained or assumed by CHS or the applicable CHS Subsidiaries pursuant to this Agreement.

(c) *Unaddressed Liabilities.* To the extent that this Agreement does not address particular Liabilities under any Benefit Plan or with respect to any Employees and the Parties later determine that they should be allocated in connection with the Separation, the Parties shall agree in good faith on the allocation, taking into account the handling of comparable Liabilities under this Agreement.

Section 2.02 Employment with QHC.

(a) *Employment Transfers.* The Parties intend for QHC Employees to transfer to the QHC Group and shall use commercially reasonable efforts and cooperate with each other to effectuate this intent. The Parties shall cooperate in good faith to identify clearly the Employees designated for transfer to the QHC Group.

(i) Except as otherwise mutually agreed upon by the Parties, as of each QHC Employee's Transfer Date, the QHC Group shall: (A) continue to employ (on a basis consistent with Section 2.02(b)) each QHC Employee employed in a jurisdiction where employment continues automatically by operation of Law (and such individual does not object, where such right exists under applicable Law); and (B) offer to employ (on a basis consistent with Section 2.02(b)) each QHC Employee employed in a jurisdiction where employment does not continue automatically by operation of Law. Each QHC Employee who accepts an offer of employment with the QHC Group, or who continues employment with the QHC Group following his or her Transfer Date automatically by operation of Law (and does not object where such right exists under applicable Law), as the case may be, including each Post-Distribution QHC Employee who so accepts an offer or so continues employment, will be referred to in this Agreement as a "Transferred Employee."

(ii) Within ninety (90) days following the intended Transfer Date, the CHS Group may terminate the employment of any QHC Employee who does not become a Transferred Employee as of his or her intended Transfer Date. QHC will be responsible for, and will indemnify the CHS Group from and against, any Liabilities incurred (including any severance payments made): (A) in connection with the termination of a QHC Employee pursuant to this Section 2.02(a)(ii); and (B) arising from or in connection with a refusal by any QHC Employee to become a Transferred Employee.

(b) *Compensation and Benefits.*

(i) With the exception of the CHS Stock Programs or as otherwise expressly provided in this Agreement or in local Conveyance and Assumption Instruments, no QHC Employee or QHC Former Employee shall participate in any CHS Benefit Plan after December 31, 2015.

(ii) Except as expressly provided in this Agreement, the QHC Group shall provide to each Transferred Employee as of his or her Transfer Date (A) base salary at the same rate as provided to that Transferred Employee immediately prior to the Transfer Date, (B) cash incentive compensation opportunities that are substantially similar to those offered under the corresponding CHS Benefit Plan(s) immediately prior to the Transfer Date, and (C) benefits under the other QHC Benefit Plans that are substantially similar, as of January 1, 2016, to benefits provided under the corresponding CHS Benefit Plans as of December 31, 2015; provided, however, that the QHC Benefit Plans shall not be required to include benefits substantially similar to the benefits provided under the CHS Stock Programs prior to the Distribution Date. Nothing in the preceding sentence shall prevent the QHC Group from modifying the compensation and benefits of a Transferred Employee after such Transferred Employee's Transfer Date.

(c) *Service Credit*. Except as otherwise expressly provided in this Agreement or to the extent it would result in a duplication of benefits, (i) QHC and each QHC Benefit Plan shall give each QHC Employee, including an Employee who becomes a QHC Employee during the Transition Period, credit for all service with the CHS Group and shall calculate such service as it would be calculated by CHS or under the corresponding CHS Benefit Plan, and (ii) CHS and each CHS Benefit Plan shall give each Rehired Employee employed by CHS credit for service with the QHC Group (as contemplated under Section 2.04) and shall calculate such service as it would be calculated by QHC or under the corresponding QHC Benefit Plan as of the rehire date.

Section 2.03 Establishment of QHC Plans.

(a) *Generally*. Except as otherwise provided in Section 3.04 with respect to the QHC DCP, prior to January 1, 2016, QHC or an Affiliate shall adopt Benefit Plans (and related trusts, if applicable, as determined by the Parties) with terms substantially similar to those of the corresponding CHS Benefit Plans, including in particular those listed in Schedule 2.03(a); provided, however, that QHC may limit participation in any QHC Benefit Plan to QHC Employees and, if applicable, QHC Former Employees who participated in a corresponding CHS Benefit Plan as of December 31, 2015, as well as Employees of CHSPSC as of December 31, 2015, who will become Employees of QHCCS after January 1, 2016, but prior to the Distribution Date. Notwithstanding the foregoing, QHC Employees who were participants in the CHS SERP shall not accrue additional benefits under the QHC SERP unless and until such additional accrued benefits are approved by the QHC Board in its sole discretion following the Distribution Date.

(b) *Plan Information and Operation*. CHS shall provide QHC with information describing each CHS Benefit Plan election made by a QHC Employee or QHC Former Employee that may have application following December 31, 2015. Except as otherwise required under the Code or applicable Law, QHC shall determine, in its sole discretion, whether to administer the QHC Benefit Plans using those elections or to require QHC Employees to submit new elections with respect to the QHC Benefit Plans. Except as provided in this Agreement, the Distribution and the transfer of any Employee's employment to the QHC Group shall not cause a distribution from or payment of benefits under any CHS Benefit Plan. Each Party shall, upon reasonable request, provide the other Party and the other Party's respective Affiliates, agents, and vendors all information reasonably necessary to the other Party's operation or administration of its Benefit Plans.

(c) *Employee Benefit Plans Addendum*. In addition to the provisions of this Section 2.03, Article III, and Article IV, the Parties also agree to the terms of the attached Employee Benefit Plans Addendum, which further describes the Benefit Plan arrangements between CHS and QHC.

Section 2.04 Post-Distribution Employment Transfers.

(a) *No-Hire.* The Parties agree that, during the Transition Period, neither Party nor any of such Party's Affiliates shall hire an Employee of the other Party and its Affiliates without the express written consent of each Party's head of human resources (or such individual's delegate) in accordance with Section 2.04(b); provided, however, that from and after the one (1) year anniversary of the Distribution Date and for the remainder of the Transition Period, the foregoing shall not prohibit either Party from hiring an Employee of the other Party or its Affiliates that responds to general solicitations made by the hiring Party to the public or the industry generally through advertising or electronic listings which are not targeted at employees of the other Party or its Affiliates so long as such person has ceased to be an Employee of the other Party or its Affiliates for a period of at least sixty (60) days prior to date of hire by the hiring Party. This Section 2.04(a) shall only apply to management employees of the CHS Group or QHC Group, that also qualify as exempt employees under the federal Fair Labor Standards Act and as a Supervisor under Section 2(11) of the National Labor Relations Act.

(b) *Transition Period; Transfers by Mutual Agreement.* The Parties recognize that, during the Transition Period, they may determine it to be in their mutual best interests to transfer an individual classified as a CHS Retained Employee to the QHC Group or to transfer an individual classified as a Transferred Employee to the CHS Group. With the express written consent of each Party's head of human resources (or such individual's delegate), such CHS Retained Employee's or Transferred Employee's, as applicable, employment will be terminated by the CHS Group or the QHC Group, as applicable, and such Employee will be immediately hired by the other Party (such terminations and hires are referred to in this Section 2.04(b) as "transfers"). CHS Retained Employees (with such status being determined as of immediately following the Distribution Date) who are subsequently transferred to the QHC Group pursuant to this Section 2.04(b) shall be treated as CHS Retained Employees for all purposes hereof during their time as Employees of the CHS Group until their actual transfer to the QHC Group, upon and following which the Parties shall use commercially reasonable efforts to provide that they are treated as Transferred Employees for all purposes hereof. Transferred Employees (with such status being determined as of immediately following the applicable Transfer Date) who are subsequently transferred to the CHS Group pursuant to this Section 2.04(b) shall be treated as Transferred Employees for all purposes hereof during their time as Employees of the QHC Group until their actual transfer to the CHS Group, upon and following which the Parties shall use commercially reasonable efforts to provide that they are treated as CHS Retained Employees for all purposes hereof. Without limiting the generality of the foregoing, except as provided in Section 2.02(c), each Rehired Employee whose employment is transferred pursuant to this Section 2.04(b) shall be deemed for all purposes to have been continuously employed by the applicable entity hiring such Employee for all prior periods of time that such Employee was employed by either the CHS Group or the QHC Group. Nothing in this paragraph requires (i) the hiring Party to make whole any Rehired Employee if such Employee leaves behind unvested equity awards or other benefits that were granted after the Distribution Date, or (ii) the former employer to waive vesting requirements with respect to any unvested equity awards or other benefits held by any Rehired Employee that were granted after the Distribution Date.

(c) *Rehired Employees.* Each Rehired Employee whose rehire does not occur in connection with a transfer pursuant to Section 2.04(b) shall be subject to the hiring Party's

general rules and Benefit Plan terms applicable to rehires. Such Rehired Employee shall be deemed, for purposes of applying such rules, including break-in-service and service crediting rules, except as provided in Section 2.02(c), to have been employed by the applicable entity hiring him or her for all prior periods of time that he or she was employed by either the CHS Group or the QHC Group.

Section 2.05 Individual Agreements.

(a) *Assignment by CHS*. To the extent necessary, CHS shall assign, or cause an applicable member of the CHS Group to assign, to QHC or another member of the QHC Group, as designated by QHC, all Individual Agreements between such member of the CHS Group and any QHC Employee or QHC Former Employee, with such assignment to be effective as of the Effective Time; provided, however, that to the extent that assignment of any such Individual Agreement is not permitted by the terms of such agreement or by applicable Law, effective as of the Effective Time, each member of the QHC Group shall be considered to be a successor to each member of the CHS Group for purposes of, and a third-party beneficiary with respect to, such Individual Agreement, such that each member of the QHC Group shall enjoy all of the rights and benefits under such agreement (including rights and benefits as a third-party beneficiary and the right to enforce any such agreement), with respect to the business operations of the QHC Group; provided, further, that in no event shall CHS be permitted to enforce any Individual Agreement (including any agreement containing non-competition or non-solicitation covenants) against a QHC Employee or QHC Former Employee for action taken in such individual's capacity as a QHC Employee or QHC Former Employee unless the Parties mutually agree that such action is commercially reasonable under the circumstances as they exist at such time.

(b) *Assumption by QHC*. Effective as of the Effective Time, QHC will assume and honor, or will cause a member of the QHC Group to assume and honor, any Individual Agreement to which any QHC Employee or QHC Former Employee is a party with any member of the CHS Group, and all obligations and responsibilities of the applicable member of the CHS Group thereunder; provided, however, that CHS and the CHS Group shall retain all rights or obligations under each Employee Agreement or applicable Law to the extent that such rights or obligations are unrelated to the QHC Business.

ARTICLE III

QUALIFIED AND NON-QUALIFIED RETIREMENT PLANS

Section 3.01 WCH Cash Balance Pension Plan.

(a) *Establishment of WCH Cash Balance Pension Plan*. Effective as of December 28, 2015, QHC or an Affiliate shall establish the WCH Cash Balance Pension Plan, which shall be substantially similar to, and shall include a benefit formula that is the same as the benefit formula in effect under, the WCH Cash Balance Pension Plan portion of the CHS RIP as of December 27, 2015. As soon as practicable after December 28, 2015, and upon receipt by CHS of (i) a copy of the WCH Cash Balance Pension Plan; and (ii) copies of certified resolutions of the QHC Board or an Affiliate evidencing adoption of the WCH Cash Balance Pension Plan

and any related trust(s) and the assumption by the WCH Cash Balance Pension Plan of the Liabilities described in Section 3.01(b), CHS shall direct the trustee of the CHS RIP Trust to transfer from the portion of the CHS RIP Trust that holds assets of the WCH Cash Balance Pension Plan portion of the CHS RIP to the WCH Cash Balance Pension Plan Trust the amounts described in Section 3.01(b).

(b) *ERISA Section 4044 Transfer*. As soon as practicable following December 28, 2015, QHC or an Affiliate shall cause the WCH Cash Balance Pension Plan to accept Assets and assume all Liabilities under the WCH Cash Balance Pension Plan portion of the CHS RIP and the CHS RIP shall transfer all such Assets and be relieved of such Liabilities. The amount of Assets to be transferred from the CHS RIP to the WCH Cash Balance Pension Plan in such transfer (or transfers) shall be determined as of the December 28, 2015, in accordance with, and shall comply with, Code Section 414(l) and, to the extent deemed applicable by the Parties, ERISA Section 4044. Assumptions used to determine the value (or amount) of the Assets to be transferred shall be the safe harbor assumptions specified for valuing benefits in trusteed plans under U.S. Department of Labor Regulations Section 4044.51-57 and, to the extent not so specified, shall be based on the assumptions used in the annual valuation report most recently prepared prior to the transfer by the actuary for the CHS RIP. The transfer amount described above shall be credited or debited, as applicable, with a pro rata share of the actual investment earnings or losses allocable to the transfer amount for the period between December 28, 2015, and an assessment date set by CHS that is as close as practicable, taking into account the timing and reporting of valuation of assets in the CHS RIP Trust, to the date upon which Assets equal in value to the transfer amount are actually transferred from the CHS RIP to the WCH Cash Balance Pension Plan.

(c) *WCH Cash Balance Pension Plan Provisions*. The WCH Cash Balance Pension Plan shall provide that:

(i) all eligible Employees, current participants, and past participants covered under the WCH Cash Balance Pension Plan portion of the CHS RIP shall (A) be eligible to participate in the WCH Cash Balance Pension Plan as of December 28, 2015, to the extent they were eligible to participate in the CHS RIP as of December 27, 2015, and (B) receive credit for vesting, eligibility and benefit service for all service credited for those purposes under the CHS RIP as of December 28, 2015, as if that service had been rendered to QHC or an Affiliate;

(ii) the compensation paid by the CHS Group to a participant in the WCH Cash Balance Pension Plan portion of the CHS RIP that is recognized under the CHS RIP as of December 28, 2015, shall be credited and recognized for all applicable purposes under the WCH Cash Balance Pension Plan as though it were compensation from the QHC Group;

(iii) the accrued benefit of each participant under the WCH Cash Balance Pension Plan portion of the CHS RIP as of December 28, 2015, shall be payable under the WCH Cash Balance Pension Plan at the time and in a form that would have been permitted under the CHS RIP as in effect as of December 28, 2015, with employment by the CHS Group prior to December 28, 2015, treated as employment by the QHC Group under the WCH Cash Balance Pension Plan for purposes of determining eligibility for optional forms of benefit, early retirement benefits, or other benefit forms; and

(iv) the WCH Cash Balance Pension Plan shall assume and honor the terms of all QDROs in effect under the WCH Cash Balance Pension Plan portion of the CHS RIP as of December 28, 2015.

(d) *Determination Letter Request.* QHC or an Affiliate shall submit an application to the Internal Revenue Service as soon as practicable (but no later than the last day of the remedial amendment period as defined in applicable Code provisions) for a determination letter regarding the qualification of the WCH Cash Balance Pension Plan and the tax status of its related trust and shall make any amendments reasonably requested by the Internal Revenue Service to receive a favorable determination letter regarding the WCH Cash Balance Pension Plan.

(e) *CHS RIP after December 27, 2015.* After December 27, 2015, no Employees of the QHC Group shall accrue any benefits under the CHS RIP. Without limiting the generality of the foregoing, QHC Employees shall cease to be active participants in the CHS RIP effective immediately prior to December 28, 2015.

(f) *Plan Fiduciaries.* For all periods after December 27, 2015, the Parties agree that the applicable fiduciaries of each of the CHS RIP and the WCH Cash Balance Pension Plan, respectively, shall have the authority with respect to the CHS RIP and the WCH Cash Balance Pension Plan, respectively, to determine the plan investments and such other matters as are within the scope of their duties under ERISA Section 404.

(g) *No Loss of Unvested Benefits; No Distributions.* No QHC Employee will lose unvested benefits under the CHS RIP or the WCH Cash Balance Pension Plan and no QHC Employee shall be entitled to a distribution of his or her benefit under the CHS RIP as a result of the transactions contemplated in this Agreement.

Section 3.02 Retirement Savings Plans.

(a) *Establishment of QHC Savings Plans.* Effective as of January 1, 2016, QHC or an Affiliate shall establish the QHC Savings Plans. The terms of the QHC Savings Plans shall be substantially similar, with respect to the applicable QHC Employees and QHC Former Employees, to the terms of the applicable CHS Savings Plans as of the December 31, 2015 (except as described in Section 3.02(f)). On or prior to January 1, 2016, QHC shall provide CHS with (i) a copy of the QHC Savings Plans and (ii) a copy of certified resolutions of the QHC Board (or its authorized committee or other delegate) evidencing adoption of the QHC Savings Plans and the related trusts and the assumption by the QHC Savings Plans of the Liabilities described in Section 3.02(b).

(b) *Transfer of Account Balances.* As soon as practicable after the establishment of the QHC Savings Plans, CHS or an Affiliate shall cause the trustees of the CHS Savings Plans to transfer from the trusts that form applicable parts of the CHS Savings Plans to the trusts that form applicable parts of the QHC Savings Plans amounts equal to the account

balances of the QHC Employees and QHC Former Employees (including account balances in respect of beneficiaries and alternate payees established in relation to such individuals) under the CHS Savings Plans, determined as of the date of the transfer. Such transfers shall be made in cash, promissory notes evidencing outstanding loans and other Assets or any combination thereof in cash or in kind, as instructed by the CHS Retirement Committee. QHC shall cause the transferred amounts to be allocated among the QHC Employees' and QHC Former Employees' (and beneficiaries' and/or alternate payees', as applicable) QHC Savings Plans accounts and to such investment funds in the same manner in which those amounts were allocated under the CHS Savings Plans. Any Asset and Liability transfers pursuant to this Section 3.02 shall comply in all respects with Code Sections 414(l) and 411(d)(6).

(c) *2015 Plan Year Employer Matching Contributions.* QHC will be responsible for, and will indemnify the CHS Group from and against, any Liabilities incurred in connection with any unfunded employer matching contributions accrued as of December 31, 2015, under the CHS Savings Plans with respect to QHC Employees and QHC Former Employees.

(d) *QHC Savings Plans Provisions.* The QHC Savings Plans shall provide that:

(i) QHC Employees and QHC Former Employees shall (A) be eligible to participate in one of the QHC Savings Plans as of January 1, 2016, to the extent they were eligible to participate in one of the CHS Savings Plans as of December 31, 2015, and (B) receive credit for vesting purposes for all service credited for that purpose under the CHS Savings Plans as if that service had been rendered to QHC; and

(ii) the account balance of each Transferred Employee and QHC Former Employee under the applicable CHS Savings Plan as of the date of the transfer of Assets from the applicable CHS Savings Plans (including any outstanding promissory notes) shall be credited to such individual's account balance under one of the QHC Savings Plans.

(e) *Determination Letter Request.* QHC or an Affiliate shall submit applications to the Internal Revenue Service as soon as practicable (but no later than the last day of the remedial amendment period as defined in applicable Code provisions) for determinations regarding the qualification of the QHC Savings Plans and the tax-exempt status of the related trusts and shall make any amendments reasonably requested by the Internal Revenue Service to receive favorable determination letters regarding the QHC Savings Plans.

(f) *CHS Savings Plans after December 31, 2015.* After December 31, 2015, (i) the CHS Savings Plans shall continue to be responsible for Liabilities in respect of CHS Retained Employees and CHS Former Employees, and (ii) no Employees of the QHC Group (other than Post-Distribution QHC Employees) or QHC Former Employees shall accrue any benefits under the CHS Savings Plans. With the exception of Employees of CHSPSC as of December 31, 2015, who will become Employees of QHCCS after January 1, 2016, but prior to the Distribution Date, QHC Employees shall cease to be active participants in the CHS Savings Plans effective immediately prior to January 1, 2016.

(g) *Plan Fiduciaries.* For all periods after December 31, 2015, the Parties agree that the applicable fiduciaries of each of the CHS Savings Plans and the QHC Savings Plans, respectively, shall have the authority with respect to the CHS Savings Plans and the QHC Savings Plans, respectively, to determine the investment alternatives, the terms and conditions with respect to those investment alternatives and such other matters as are within the scope of their duties under ERISA Section 404.

(h) *No Loss of Unvested Benefits; No Distributions.* No QHC Employee will lose unvested benefits under the CHS Savings Plans or the QHC Savings Plans and no QHC Employee shall be entitled to a distribution of his or her benefit under the CHS Savings Plans as a result of the transactions contemplated in this Agreement.

(i) *Subsequent Transfers.* If, after December 31, 2015, a participant in one of the CHS Savings Plans becomes employed by the QHC Group or a participant in one of the QHC Savings Plans becomes employed by the CHS Group, any additional allocations shall occur under the CHS Savings Plans or the QHC Savings Plans, as applicable. If such participant's employment by the CHS Group or the QHC Group commences during the Transition Period, the CHS Savings Plans or the QHC Savings Plans, as applicable, shall permit the applicable participant to roll over a distribution of such participant's account (including any outstanding loans) from the QHC Savings Plans or the CHS Savings Plans, as applicable, all in accordance with the terms of the CHS Savings Plans and the QHC Savings Plans and/or plan administrative procedures, as applicable. Notwithstanding the preceding sentence, if agreement is reached prior to such participant transferring employment from CHS to QHC, or vice versa, the parties may agree to transfer such participant's entire account balance from one of the CHS Savings Plans or the QHC Savings Plans to one of the other QHC Savings Plans or CHS Savings Plans, in a plan-to-plan transfer on such terms as the parties may agree.

Section 3.03 Supplemental Executive Retirement Plan.

(a) *Establishment of QHC SERP.* Effective no later than the effective date of the Separation, QHC or an Affiliate shall establish the QHC SERP.

(b) *Assumption of SERP Liabilities and Transfer from CHS SERP.* Except as provided below, QHC or an Affiliate shall, and shall cause the QHC SERP to, assume all Liabilities for all obligations under the CHS SERP for the benefits of QHC Employees (the "Assumed SERP Liability"), and CHS and the CHS SERP shall be relieved of all Liabilities for those benefits. CHS shall retain the Liabilities for all obligations under the CHS SERP for the benefits for CHS Retained Employees and Former Employees.

(c) *QHC SERP Provisions.* The QHC SERP shall provide that:

(i) the Assumed SERP Liability shall be payable under the QHC SERP at the time and in a form that would have been permitted under the CHS SERP as in effect as of the effective date of the QHC SERP, with employment by the CHS Group prior to the effective date of the QHC SERP treated as employment by the QHC Group under the QHC SERP for purposes of determining eligibility for optional forms of benefit, early retirement benefits, or other benefit forms;

(ii) except as otherwise may be determined by QHC in its sole discretion, other than the Assumed SERP Liability, no additional benefits shall accrue under the QHC SERP;

(iii) the compensation paid by the CHS Group to a Transferred Employee that was recognized under the CHS SERP as of immediately prior to the effective date of the QHC SERP, shall be credited and recognized for all applicable purposes under the QHC SERP as though it were compensation from the QHC Group; and

(iv) the QHC SERP shall assume and honor the terms of all arrangements relating to beneficiaries and alternate payees in effect and honored under the CHS SERP as of immediately prior to the effective date of the QHC SERP with respect to QHC Employees.

(d) *CHS SERP after Effectiveness of QHC SERP.* Upon and following the effective date of the QHC SERP, QHC Employees shall not participate in or accrue any benefits under the CHS SERP. Without limiting the generality of the foregoing, each QHC Employee shall cease to participate in the CHS SERP effective immediately prior to the effective date of the QHC SERP. The CHS SERP shall continue to be responsible for Liabilities in respect of CHS Retained Employees and Former Employees and their beneficiaries and/or alternate payees.

Section 3.04 Deferred Compensation Plan.

(a) *Establishment of QHC DCP.* No later than January 1, 2017, QHC or an Affiliate shall establish the QHC DCP, with terms substantially similar to those of the CHS NQDCP at such time.

(b) *Assumption and Transfer of Liabilities of Eligible QHC Employees from the CHS Nonqualified Plans to the QHC DCP.* As soon as administratively practicable after December 31, 2016:

(i) QHC or an Affiliate shall, and shall cause the QHC DCP to assume all Liabilities for all obligations under the CHS Nonqualified Plans for the benefit of all QHC Employees who are eligible to participate in the QHC DCP as of January 1, 2017, and the beneficiaries and/or alternate payees of such eligible QHC Employees, as such Liabilities are determined as of December 31, 2016 (including any Liabilities in connection with any deferral elections applicable to any bonuses earned but not yet paid by December 31, 2016), plus earnings or losses thereon through the date of such assumption. After the date of such assumption of such Liabilities by the QHC DCP, CHS and the CHS Nonqualified Plans shall be relieved of all such Liabilities owing to the eligible QHC Employees whose benefits under the CHS Nonqualified Plans are assumed by the QHC DCP in the manner described herein.

(ii) The Parties shall cooperate to cause the accounts of all QHC Employees who are eligible to participate in the QHC DCP as of January 1, 2017, in the CHS Nonqualified Plans to be transferred to the QHC DCP. QHC, or an Affiliate, shall credit each such eligible QHC Employee's account in the QHC DCP with (1) the amount

deferred by such individual into the CHS Nonqualified Plans through December 31, 2016 (including any deferral election applicable to any bonus earned but not yet paid by December 31, 2016), plus (2) any employer contributions, whether vested or unvested, deemed to have been made in relation to the amount described in (1), including, in each case, any earnings thereon through the date of such transfer.

(c) *CHS Nonqualified Plans before January 1, 2017.*

(i) QHC Employees who either (A) have an existing balance under one or more of the CHS Nonqualified Plans as of December 31, 2015, or (B) are determined by CHS to be eligible to defer compensation earned after December 31, 2015, under one of the CHS Nonqualified Plans shall continue to participate in the applicable CHS Nonqualified Plans through December 31, 2016.

(ii) QHC shall honor any deferral elections under the CHS Nonqualified Plans with respect to compensation earned after December 31, 2015, and shall cause the amounts withheld from the compensation of QHC Employees pursuant to such elections to be transferred to CHS or the CHS Nonqualified Trusts, as instructed by CHS (including any deferral elections applicable to (A) any bonus earned in 2015 but not yet paid by December 31, 2015, and (B) any bonus earned in 2016 but not paid by December 31, 2016).

(d) *CHS Nonqualified Plans after December 31, 2016.* After December 31, 2016:

(i) With the exception of QHC Employees who experience a separation from service with the QHC Group on or before December 31, 2016, no QHC Employees shall participate in or accrue any benefits under any of the CHS Nonqualified Plans.

(ii) The CHS Nonqualified Plans shall continue to be responsible for Liabilities in respect of CHS Retained Employees, Former Employees, and QHC Employees who experience a separation from service with the QHC Group on or before December 31, 2016, and their beneficiaries and/or alternate payees.

(e) *Establishment of QHC DCP Trust.* As soon as administratively practicable after the effective date of the QHC DCP, QHC or an Affiliate shall establish the QHC DCP Trust, with terms and financing arrangements substantially similar to those of the CHS Nonqualified Trusts as of such time.

(f) *Transfer of Assets from the CHS Nonqualified Trusts.* As soon as administratively practicable after December 31, 2016, CHS shall, and shall cause each of the CHS Nonqualified Trusts to transfer Assets to the QHC DCP Trust in an amount approximately equal to the total Assets in each such CHS Nonqualified Trust multiplied by a fraction, the numerator of which is the total amount of the Liabilities in each of the CHS Nonqualified Plans supported by such trust are assumed by the QHC DCP pursuant to the provisions of Section 3.04(b), and the denominator of which is the total amount of Liabilities under each such CHS Nonqualified Plan as of the date of such transfer; in each case, disregarding any Liabilities attributable to any deferral election applicable to any bonus earned but not yet paid as of December 31, 2016).

ARTICLE IV

WELFARE AND FRINGE BENEFIT PLANS

Section 4.01 Health and Welfare Plans.

(a) *Establishment of QHC Health and Welfare Plans.* Effective as of January 1, 2016, QHC shall establish the QHC Health and Welfare Plans, with terms substantially similar to those of the corresponding CHS Health and Welfare Plans as of January 1, 2016, unless otherwise provided in this Article IV.

(b) *Waiver of Conditions; Benefit Maximums.* QHC shall use commercially reasonable efforts to cause the QHC Health and Welfare Plans to:

(i) with respect to initial enrollment, waive

(A) all limitations as to preexisting conditions, exclusions, and service conditions with respect to participation and coverage requirements applicable to any QHC Employee, other than limitations that were in effect with respect to the QHC Employee under the applicable CHS Health and Welfare Plan as of January 1, 2016, and

(B) any waiting period limitation or evidence of insurability requirement applicable to a QHC Employee other than limitations or requirements that were in effect with respect to such QHC Employee under the applicable CHS Health and Welfare Plans as of January 1, 2016; and

(ii) take into account with respect to aggregate annual, lifetime, or similar maximum benefits available under the QHC Health and Welfare Plans, a QHC Employee's prior claims experience under the CHS Health and Welfare Plans and any Benefit Plan that provides leave benefits.

(c) *Allocation of Health and Welfare Assets and Liabilities.*

(i) *General Principles.* Except as otherwise specifically provided in this Agreement, (A) CHS shall retain all Liabilities relating to Incurred Claims under the CHS Health and Welfare Plans, and shall also retain Assets (including, without limitation, Medicare reimbursements, pharmaceutical rebates, subrogation rights, rights of reimbursement, rights of offset, and similar items) associated with such Incurred Claims; and (B) QHC shall be responsible for all Liabilities relating to Incurred Claims under any QHC Health and Welfare Plan and shall also retain Assets (including, without limitation, Medicare reimbursements, pharmaceutical rebates, subrogation rights, rights of reimbursement, rights of offset, and similar items) associated with such Incurred Claims.

(ii) *Flexible Spending Accounts.*

(A) *2015 Plan Year.* The Parties shall use commercially reasonable efforts to ensure that, effective as of January 1, 2016, (1) any remaining positive health care and dependent care flexible spending accounts, determined as of the end of December 31, 2015, of QHC Employees (the "Transferred Flexible Spending Account Balances") under the applicable CHS Health and Welfare Plan shall be transferred to the corresponding QHC Health and Welfare Plan; and (2) the applicable QHC Employees shall be eligible for reimbursement from the QHC Health and Welfare Plan on the same basis and the same terms and conditions as under the corresponding CHS Health and Welfare Plan. As soon as practicable after December 31, 2015, and in any event within 30 business days after the amount of the Transferred Flexible Spending Account Balances is determined, CHS shall pay QHC the net aggregate amount of the Transferred Flexible Spending Account Balances. With respect to Transferred Employees whose Transfer Date occurs after January 1, 2016, the Parties shall cooperate in good faith to provide for transfers and/or reimbursement after the applicable Transfer Date with respect to the health care and dependent care flexible spending accounts of such Transferred Employees in accordance with procedures mutually agreed to by the Parties.

(B) *2016 Plan Year.* Prior to January 1, 2016, CHS or its Affiliate shall, as required by the flexible spending account administrator, cause an amount equal to two percent (2%) of the annual flexible spending account elections of the QHC Employees for the 2016 Plan Year (the "2016 FSA Prefunding Amount") to be transferred to the flexible spending account administrator. QHC shall reimburse CHS or its Affiliate, as applicable, for the 2016 FSA Prefunding Amount by March 31, 2016.

(C) *Offset.* The Parties may agree to offset the amounts described in Sections 4.01(c)(ii)(A) and (B) in determining the net amount due to either CHS or QHC.

(d) *CHS Health and Welfare Plans after December 31, 2015.* With the exception of Employees of CHSPSC as of December 31, 2015, who will become Employees of QHCCS after January 1, 2016, but prior to the Distribution Date, QHC Employees and, if applicable, QHC Former Employees shall cease to participate in the CHS Health and Welfare Plans effective immediately prior to January 1, 2016.

(e) *Group Health Plan.* The Parties acknowledge that CHS, through a CHS Subsidiary, has maintained the CHS GHP, which is composed of several benefit packages made available under the CHS GHP, and that certain benefit packages provided under the CHS GHP are designed to provide grandfathered health plan coverage within the meaning of Department of Labor Regulation Section 2550.715-1251(a)(1)(ii). As part of this Agreement, CHS agrees to direct the CHS Subsidiary to transfer the benefit packages related to the Transferred Employees to QHC or to its Affiliates, as directed by QHC, with the understanding that such benefit packages shall be maintained by QHC and/or its Affiliates as a continuation of the CHS GHP. To

the extent a benefit package is maintained as grandfathered health plan coverage, the plan or plans maintained by QHC and/or its Affiliates shall be administered and operated with the intent of maintaining its (or their) status as a grandfathered health plan and any provision in this Agreement or otherwise that conflicts with that intent shall be deemed amended to comport with that intent.

Section 4.02 Waiver of Cost-Sharing Amounts. For the period beginning on January 1, 2016 and ending on December 31, 2017, and in a manner consistent with the write-off policy, as of December 31, 2015, of CHS or its Affiliates for covered medical services and supplies provided by and billed by a CHS-affiliated hospital or a QHC-affiliated hospital, (a) QHC shall cause the members of the QHC Group to write-off and waive applicable co-payments, co-insurance, and deductibles that would otherwise apply to CHS Retained Employees (and their covered dependents) in connection with covered medical services or supplies provided by and billed by members of QHC Group; and (b) CHS shall cause the members of the CHS Group to write-off and waive applicable co-payments, co-insurance, and deductibles that would otherwise apply to QHC Employees (and their covered dependents) in connection with covered medical services or supplies provided by members of the CHS Group. The CHS Group and the QHC Group shall reflect the write-off and waiver of applicable co-payments, co-insurance, and deductibles in their group health plans.

Section 4.03 COBRA. CHS shall continue to be responsible for compliance with the health care continuation requirements of COBRA and the corresponding provisions of the CHS Health and Welfare Plans with respect to any CHS Retained Employees (and their covered dependents) and any CHS Former Employees (and their covered dependents). Effective as of January 1, 2016, QHC shall assume responsibility for compliance with the health care continuation requirements of COBRA and the corresponding provisions of the QHC Health and Welfare Plans with respect to any QHC Employees (and their covered dependents) and any QHC Former Employees (and their covered dependents). The Parties agree that the consummation of the transactions contemplated by the Separation and Distribution Agreement shall not constitute a COBRA qualifying event for any purpose of COBRA.

Section 4.04 Vacation, Holidays and Leaves of Absence. Effective as of the applicable Transfer Date, QHC shall assume all Liabilities of the CHS Group with respect to vacation, holiday, annual leave or other leave of absence, and required payments related thereto, for each QHC Employee. CHS shall retain all Liabilities with respect to vacation, holiday, annual leave or other leave of absence, and required payments related thereto, for each CHS Retained Employee.

Section 4.05 Severance and Unemployment Compensation. Effective as of the Distribution Date, QHC shall be responsible for any and all Liabilities to, or relating to, QHC Employees and QHC Former Employees in respect of severance and unemployment compensation, regardless of whether the event giving rise to the Liability occurred prior to, on, or following the Distribution Date. CHS shall be responsible for any and all Liabilities to, or relating to, CHS Retained Employees and CHS Former Employees in respect of severance and unemployment compensation, regardless of whether the event giving rise to the Liability occurred prior to, on, or following the Distribution Date.

Section 4.06 Workers' Compensation. With respect to claims for workers compensation in the United States, (a) claims of QHC Employees and QHC Former Employees arising before the Distribution Date shall be CHS Liabilities (as that term is defined in the Separation and Distribution Agreement), (b) claims of QHC Employees and QHC Former Employees arising on or after the Distribution Date shall be QHC Liabilities (as that term is defined in the Separation and Distribution Agreement); and claims of CHS Employees and CHS Former Employees arising either before or after the Distribution Date shall be CHS Liabilities.

ARTICLE V

EQUITY, INCENTIVE, AND EXECUTIVE COMPENSATION PROGRAMS

Section 5.01 Equity Incentive Programs.

(a) *Adjustments*. The Parties shall use commercially reasonable efforts to take all actions necessary or appropriate so that each outstanding CHS Option, CHS Restricted Stock Award, or CHS RSU Award granted under a CHS Stock Program shall be adjusted as set forth in this Section 5.01.

(i) *CHS Options*. As determined by the CHS Compensation Committee pursuant to its authority under the applicable CHS Stock Program, each CHS Option, regardless of by whom held, whether vested or unvested, shall be converted on the Distribution Date into an Adjusted CHS Option and shall, except as otherwise provided in this Section 5.01, be subject to the same terms and conditions (including with respect to vesting) after the Distribution Date as applicable to such CHS Option immediately prior to the Distribution Date; provided, however, that from and after the Distribution Date:

(A) the number of CHS Common Shares subject to such Adjusted CHS Option shall be equal to the number of CHS Common Shares subject to such CHS Option immediately prior to the Distribution Date; and

(B) the per share exercise price of such Adjusted CHS Option, rounded up to the nearest cent, shall be equal to the price obtained by (1) reducing the per share exercise price of such CHS Option immediately prior to the Distribution Date by (2) the Adjusted QHC Stock Value;

provided, however, that the exercise price and the number of CHS Common Shares subject to such options, and the terms and conditions of exercise of such options shall be determined (or adjusted) in a manner consistent with the requirements of Code Section 409A, including the determination of the CHS Stock Value, CHS Post Distribution Stock Value and Adjusted QHC Stock Value as provided herein; provided, further, that, in the case of any CHS Option to which Code Section 421 applies by reason of its qualification under Code Section 422 as of immediately prior to the Distribution Date, the exercise price, the number of CHS Common Shares and shares of QHC Common Stock subject to such option, and the terms and conditions of exercise of such option shall be determined in a manner consistent with the requirements of Code Section 424(a).

(ii) *CHS Restricted Stock Awards.* Each holder of an outstanding CHS Restricted Stock Award immediately prior to the Distribution Date shall receive, as of the Distribution Date, a QHC Restricted Stock Award for such number of shares as determined by applying the Distribution Ratio in the same way as if the outstanding CHS Restricted Stock Award were comprised of fully vested CHS Common Shares as of the Distribution Date (rounded down to the nearest whole share). Except as set forth in this Section 5.01(a)(ii), the Adjusted CHS Restricted Stock Award and the QHC Restricted Stock Award issued in accordance with this Section 5.01(a)(ii) both shall be subject to substantially the same terms and conditions (including with respect to vesting, except to the extent that performance vesting requirements are adjusted as a result of the Distribution) immediately following the Distribution Date as applicable to the CHS Restricted Stock Award immediately prior to the Distribution Date.

(iii) *CHS RSU Awards.* Each CHS RSU Award, regardless of by whom held, whether vested or unvested, shall be converted on the Distribution Date into an Adjusted CHS RSU Award and shall, except as otherwise provided in this Section 5.01, be subject to the same terms and conditions (including with respect to vesting) after the Distribution Date as applicable to such CHS RSU Award immediately prior to the Distribution Date; provided, however, that from and after the Distribution Date, the number of CHS Common Shares subject to such Adjusted CHS RSU Award shall be equal to the number of CHS Common Shares subject to such CHS RSU Award immediately prior to the Distribution Date multiplied by the CHS RSU Award Multiplier, rounded down to the nearest whole share (except that the number of CHS Common Shares subject to such Adjusted CHS RSU Award granted pursuant to the Directors' Fees Deferral Plan should be rounded down to the third decimal place); provided further, that the Committee may further adjust the number of CHS Common Shares subject to any Adjusted CHS RSU Award in such manner as may be required by Code Section 409A.

(b) *Miscellaneous Award Terms.*

(i) After the Distribution Date, Adjusted CHS Awards, regardless of by whom held, shall be settled by CHS, and QHC Restricted Stock Awards, regardless of by whom held, shall be settled by QHC.

(ii) Except as otherwise provided in this Agreement (such as in Section 2.02 and the proviso to this subsection), with respect to grants adjusted pursuant to this Section 5.01, (A) employment with the CHS Group shall be treated as employment with QHC with respect to QHC Restricted Stock Awards held by CHS Retained Employees, and (B) employment with the QHC Group shall be treated as employment with CHS with respect to Adjusted CHS Awards held by QHC Employees, and (C) none of the Separation, the Distribution, or any employment transfer described in Section 2.04(b) shall constitute a termination of employment for any Employee for purposes of any Adjusted CHS Award or any QHC Restricted Stock Award; provided, however, two-thirds (2/3) of the number of shares of CHS Restricted Stock (and the shares of QHC Restricted Stock that are related thereto) subject to Adjusted CHS Restricted Stock Awards that were CHS Restricted Stock Awards granted by CHS on March 1, 2016 (the "2016 Grants") to any QHC Employee shall be automatically

canceled and forfeited immediately following the Distribution Date, and the remaining shares of CHS Restricted Stock (and the related QHC Restricted Stock) subject to the 2016 Grants and held by any QHC Employee shall vest on March 1, 2017, subject to the other conditions set forth in the applicable award agreements.

(iii) Following the Distribution Date, for any award adjusted under this Section 5.01, any reference to a “change in control,” “change of control” or similar definition in an award agreement, employment agreement or CHS Stock Program applicable to such award (A) with respect to Adjusted CHS Awards, shall be deemed to refer to a “change in control,” “change of control” or similar definition as set forth in the applicable award agreement, employment agreement or CHS Stock Program (a “CHS Change of Control”), and (B) with respect to QHC Awards, shall be deemed to refer to a “Change in Control” as defined in the QHC ISP (an “QHC Change of Control”). Without limiting the foregoing, with respect to provisions related to vesting of awards, a CHS Change of Control shall be treated as a QHC Change of Control under the QHC ISP for purposes of QHC Awards held by CHS Retained Employees, and a QHC Change of Control shall be treated as a CHS Change of Control under the CHS Stock Program for purposes of Adjusted CHS Awards held by QHC Employees.

(c) *Tax Reporting and Withholding.* Following the Distribution Date, (i) CHS will be responsible for all income, payroll and other tax remittance and reporting related to income of CHS Retained Employees, CHS Former Employees, and individuals who are or were CHS non-employee directors in respect of Adjusted CHS Awards and QHC Awards; and (ii) QHC will be responsible for all income, payroll and other tax remittance and reporting related to income of QHC Employees and QHC Former Employees in respect of Adjusted CHS Awards and QHC Awards. CHS or QHC, as applicable, shall facilitate performance by the other Party of its obligations hereunder by promptly remitting, in cash, the amount required to be withheld in conjunction with a transfer of shares (or lapse of restrictions applicable to such shares) pursuant to such Party’s equity plan, or cash, either (as mutually agreed by the Parties) directly to the applicable taxing authority or to the other Party for remittance to such taxing authority. The Parties will cooperate and communicate with each other and with third-party providers to effectuate withholding and remittance of taxes, the related cancellation or transfer of any shares in any “net share withholding” process in compliance with applicable Laws, as well as required tax reporting, in a timely, efficient and appropriate manner.

(d) *Registration and Other Regulatory Requirements.* QHC agrees to file Form S-1 and Form S-8 registration statements with respect to, and to cause to be registered pursuant to the Securities Act, the shares of QHC Common Stock authorized for issuance under the QHC ISP, as required pursuant to the Securities Act, before the date of issuance of any shares of QHC Common Stock pursuant to the QHC ISP. The Parties shall take such additional actions as are deemed necessary or advisable to effectuate the foregoing provisions of this Section 5.01. CHS agrees to facilitate the adoption and approval of the QHC ISP consistent with the requirements of Treasury Regulations Section 1.162-27(f)(4)(iii).

(e) *Discretion to Adjust.* Effective immediately prior to the Distribution, the CHS Compensation Committee may provide for different adjustments with respect to some or all equity incentive awards to the extent that the CHS Compensation Committee deems such

adjustments necessary and appropriate. Any adjustments made by the CHS Compensation Committee pursuant to the foregoing sentence shall be deemed incorporated by reference herein as if fully set forth below and shall be binding on the Parties.

(f) *Cooperation*. Each of the Parties shall establish an appropriate administration system in order to handle in an orderly manner the settlement of Adjusted CHS Awards and QHC Awards and provide to the other Party such information as such other Party may reasonably request in order to implement the provisions of this Article V. Without limiting the foregoing provisions of this Section 5.01(f), each of the Parties will work together to unify and consolidate all indicative data and payroll and employment information on regular timetables and make certain that each applicable entity's data and records in respect of such awards are correct and updated on a timely basis, including employment status and information required for tax withholding/remittance, compliance with trading windows and compliance with the requirements of the Exchange Act and other applicable Laws. The Parties hereby acknowledge that the provisions of this Article V are intended to achieve certain tax, legal and accounting objectives and, in the event such objectives are not achieved, the Parties agree to negotiate in good faith regarding such other actions that may be necessary or appropriate to achieve such objectives.

(g) *Plan Administrator*. Until at least sixty (60) days after the date at which all CHS Adjusted Awards held by QHC Employees are fully vested in accordance with their terms, QHC shall retain the same third-party stock plan administrator with respect to such QHC Awards as CHS.

Section 5.02 Annual Incentive Plans.

(a) *Annual Bonuses Generally*. The QHC Group shall be responsible for all annual bonus payments to Transferred Employees in respect of any plan year, the payment date for which occurs on or after the applicable Transferred Employee's Transfer Date.

(b) *QHC 2016 Performance Incentive Plan*.

(i) Effective as of April 1, 2016, QHC established the QHC 2016 Performance Incentive Plan (the "QHC Annual Bonus Plan"). Any Transferred Employee's eligibility to participate in the QHC Annual Bonus Plan shall be determined by QHC in accordance with such plan.

(ii) No Transferred Employee shall have any right to participate in the CHS 2004 Employee Performance Incentive Plan, or otherwise receive any bonus payment from CHS, with respect to the plan year thereof during which the Distribution Date falls. Each Transferred Employee's bonus opportunities for all periods ending after the Distribution Date shall be administered solely by QHC under the QHC Annual Bonus Plan following the Distribution Date, and QHC shall be solely responsible for paying all cash bonus payments due to such Transferred Employee with respect to each QHC Annual Bonus Plan year ending after the Distribution Date.

ARTICLE VI

MISCELLANEOUS

Section 6.01 Transfer of Records.

(a) *Sharing of Information.* Subject to and in compliance with any limitations imposed by applicable Law, CHS and QHC (acting directly or through members of the CHS Group or the QHC Group, respectively) shall provide to the other and their respective authorized agents and vendors all information necessary (including information for purposes of determining benefit eligibility, participation, vesting and calculation of benefits) on a timely basis under the circumstances for the parties to perform their respective duties under this Agreement. To the extent that such information is maintained by a third party vendor, each party shall use its commercially reasonable best efforts to require the third party vendor to provide the necessary information and assist in resolving discrepancies or obtaining missing data.

(b) *Transfer of Personnel Records and Authorization.* Subject to and in compliance with any limitation imposed by applicable Law and to the extent that it has not done so before the Effective Time, CHS shall transfer to QHC any and all employment records (including any Form I-9, Form W-2 or other Internal Revenue Service and relevant tax forms applicable in any non-U.S. jurisdiction) with respect to QHC Employees and QHC Former Employees and other records reasonably required by QHC to enable QHC properly to carry out its obligations under this Agreement. Subject to and in compliance with any limitation imposed by applicable Law and to the extent that it has not done so before the Effective Time, QHC shall transfer to CHS any and all employment records (including any Form I-9, Form W-2 or other Internal Revenue Service and relevant Tax forms applicable in any non-U.S. jurisdiction) with respect to CHS Employees and CHS Former Employees and other records reasonably required by CHS to enable CHS properly to carry out its obligations under this Agreement. The transfer of records generally shall occur as soon as administratively practicable at or after the Effective Time. Each Party will permit the other Party reasonable access to Employee records, to the extent reasonably necessary for such accessing Party to carry out its obligations hereunder.

(c) *Access to Records.* To the extent not inconsistent with this Agreement, the Separation and Distribution Agreement or any applicable privacy protection Laws or regulations, reasonable access to Employee-related and benefit plan-related records after the Effective Time will be provided to members of the CHS Group and members of the QHC Group pursuant to the terms and conditions of Article VII of the Separation and Distribution Agreement.

(d) *Maintenance of Records.* With respect to retaining, destroying, transferring, sharing, copying and permitting access to all Employee-related information, CHS and QHC shall comply with all applicable Laws, regulations and internal policies, and shall indemnify and hold harmless each other from and against any and all Liability, claims, actions, and damages that arise from a failure (by the indemnifying Party or its Subsidiaries or their respective agents) to so comply with all applicable Laws, regulations and internal policies applicable to such information.

(e) *Cooperation.* Each Party shall use commercially reasonable efforts to cooperate and work together to unify, consolidate and share (to the extent permissible under applicable privacy/data protection laws) all relevant documents, resolutions, government filings, data, payroll, employment and benefit plan information on regular timetables and cooperate as needed with respect to (i) any claims or reasonable inquiry under or audit of or litigation with respect to any employee benefit plan, policy or arrangement contemplated by this Agreement, (ii) efforts to seek a determination letter, private letter ruling or advisory opinion from the Internal Revenue Service or U.S. Department of Labor, or other comparable non-U.S. letter, ruling or opinion from any other Governmental Authority as applicable, in any such case on behalf of any employee benefit plan, policy or arrangement contemplated by this Agreement, (iii) any filings that are required to be made or supplemented to the Internal Revenue Service, U.S. Pension Benefit Guaranty Corporation, U.S. Department of Labor or any other Governmental Authority and (iv) any audits by a Governmental Authority or corrective actions in either case, relating to any Benefit Plan, labor or payroll practices, including but not limited to with respect to any Employment Taxes, and (v) reconciliation and administration of post-closing compensation, benefit, employment, and payroll issues; provided, however, that requests for cooperation must be reasonable and not interfere with daily business operations.

(f) *Confidentiality.* Notwithstanding anything in this Agreement to the contrary, all confidential records and data relating to Employees to be shared or transferred pursuant to this Agreement shall be subject to Section 7.08 of the Separation and Distribution Agreement and the requirements of applicable Law.

(g) *Interaction with Other Agreements.* To the extent not inconsistent with this Agreement or any applicable privacy protection Laws or regulations, the foregoing rights and obligations of this Section 6.01 shall be in addition to any similar or related rights and obligations that may be provided or applicable to members of the CHS Group or members of the QHC Group, as applicable, under the Separation and Distribution Agreement, Tax Matters Agreement and/or the Transition Services Agreements, if and as applicable.

Section 6.02 Employee Recoupment Assets. Effective as of the applicable Transfer Date, the CHS Group shall be entitled to all Employee Recoupment Assets in respect of CHS Retained Employees and CHS Former Employees, and the QHC Group shall be entitled to all Employee Recoupment Assets in respect of QHC Employees and QHC Former Employees. Without limiting the generality of the foregoing, the CHS Group hereby assigns to the QHC Group, effective as of the applicable Transfer Date, all rights and obligations relating to any Employee Recoupment Assets of the CHS Group in respect of any QHC Employee or QHC Former Employee. Notwithstanding the foregoing, the CHS Group shall retain for itself and not assign to the QHC Group any right to recover the amount and/or value of any compensatory payment or award received by any QHC Employee or QHC Former Employee that was previously an officer of CHS, and/or gains realized by such employee in connection with such awards, pursuant to any “clawback” or similar policy of the CHS Group related to the misconduct of such employee prior to the Effective Time.

Section 6.03 Compliance. The agreements and covenants of the Parties hereunder shall at all times be subject to the requirements and limitations of applicable Law and collective bargaining agreements. Where an agreement or covenant of a Party hereunder cannot be effected

in compliance with applicable Law or an applicable collective bargaining agreement, the Parties agree to negotiate in good faith to modify such agreement or covenant to the least extent possible in keeping with the original agreement or covenant in order to comply with applicable Law or such applicable collective bargaining agreement. Each provision of this Agreement is subject to and qualified by this Section 6.03, whether or not such provision expressly states that it is subject to or limited by applicable Law or by applicable collective bargaining agreements. Each reference to the Code, ERISA, or the Securities Act or any other Law shall be deemed to include the rules, regulations, and guidance issued thereunder.

Section 6.04 Preservation of Rights. Unless expressly provided otherwise in this Agreement, nothing herein shall be construed as a limitation on the right of the CHS Group or the QHC Group to (a) amend or terminate any Benefit Plan or (b) terminate the employment of any Employee.

Section 6.05 Fiduciary Matters. CHS and QHC each acknowledges that actions required to be taken pursuant to this Agreement may be subject to fiduciary duties or standards of conduct under ERISA or other applicable Law, and no Party shall be deemed to be in violation of this Agreement if it fails to comply with any provisions hereof based upon its good-faith determination (which determination may include, but shall not be required to be, based on advice from counsel experienced in such matters) that to do so would violate such a fiduciary duty or standard. Each Party shall be responsible for taking such actions as are deemed necessary and appropriate to comply with its own fiduciary responsibilities and shall fully release and indemnify the other Party for any Liabilities caused by the failure to satisfy any such responsibility.

Section 6.06 Further Assurances. Each Party hereto shall take, or cause to be taken, any and all reasonable actions, including the execution, acknowledgment, filing and delivery of any and all documents and instruments that any other Party hereto may reasonably request in order to effect the intent and purpose of this Agreement and the transactions contemplated hereby.

Section 6.07 Not a Change in Control. The Parties acknowledge and agree that the transactions contemplated by the Separation and Distribution Agreement and this Agreement do not constitute a "change in control" or a "change of control" for purposes of any Benefit Plan or any agreement entered into in respect of a Benefit Plan.

Section 6.08 Notices. All Notices under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, or by certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a Notice):

If to CHS:

Community Health Systems, Inc.
4000 Meridian Boulevard
Franklin, Tennessee 37067
Attn: General Counsel

If to QHC:

Quorum Health Corporation
1573 Mallory Lane
Suite 100
Brentwood, TN 37027
Attn: General Counsel

Either Party may, by Notice to the other Party, change the address to which such Notices are to be given.

Section 6.09 Limitation on Enforcement; Third Party Beneficiaries. This Agreement is an agreement solely between the Parties. Nothing in this Agreement, whether express or implied, shall be construed to: (a) confer upon any current or former Employee of the CHS Group or the QHC Group, or any other person any rights or remedies, including, but not limited to any right to (i) employment or recall; (ii) continued employment or continued service for any specified period; or (iii) claim any particular compensation, benefit or aggregation of benefits, of any kind or nature; or (b) create, modify, or amend any Benefit Plan. The provisions of this Agreement are solely for the benefit of the Parties and their respective Subsidiaries, after giving effect to the Distribution, and their permitted successors and assigns, and are not intended to confer upon any Person except the Parties and their respective Subsidiaries, after giving effect to the Distribution, and their permitted successors and assigns, any rights or remedies hereunder. There are no other third-party beneficiaries of this Agreement and this Agreement shall not provide any other Third Party with any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement. The provisions of this Agreement are solely for the benefit of the Parties, and no current or former Employee, officer, director, independent contractor, consultant, or any other individual associated therewith shall be regarded for any purpose as a third-party beneficiary of this Agreement.

Section 6.10 Disputes. The Parties agree to use commercially reasonable efforts to resolve in an amicable manner any and all controversies, disputes and claims between them arising out of or related in any way to this Agreement. The Parties agree that any controversy, dispute or claim (whether arising in contract, tort or otherwise) arising out of or related in any way to this Agreement that cannot be amicably resolved informally will be resolved pursuant to the dispute resolution procedures set forth in Article VIII of the Separation and Distribution Agreement.

Section 6.11 Schedules. As of the Distribution Date, the Parties shall update any schedule to this Agreement, as necessary.

Section 6.12 Interpretation. Words in the singular shall be deemed to include the plural and vice versa and words of one gender shall be deemed to include the other genders as the context requires. The terms "hereof," "herein," and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Schedules and Exhibits hereto and thereto) and not to any particular provision of this Agreement.

Article, Section, Exhibit and Schedule references are to the Articles, Sections, Exhibits, and Schedules to this Agreement unless otherwise specified. Unless otherwise stated, all references to any agreement shall be deemed to include the exhibits, schedules and annexes to such agreement. The word "including" and words of similar import when used in this Agreement shall mean "including, without limitation," unless the context otherwise requires or unless otherwise specified. The word "or" shall not be exclusive. Unless otherwise specified in a particular case, the word "days" refers to calendar days. References herein to this Agreement shall be deemed to refer to this Agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified. References to the performance, discharge or fulfillment of any Liability in accordance with its terms shall have meaning only to the extent such Liability has terms. If the Liability does not have terms, the reference shall mean performance, discharge or fulfillment of such Liability.

Section 6.13 Counterparts; Entire Agreement; Conflicts; Corporate Power; Facsimile Signatures.

(a) *Counterparts.* This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

(b) *Entire Agreement, Conflicts.* This Agreement, the Separation and Distribution Agreement and the Ancillary Agreements (including the Conveyance and Assumption Instruments), and the exhibits, schedules and annexes hereto and thereto, contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein.

(c) *Corporate Power.* CHS represents on behalf of itself and, to the extent applicable, each CHS Subsidiary, and QHC represents on behalf of itself and, to the extent applicable, each QHC Subsidiary, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

(d) *Signatures and Delivery.* Each Party acknowledges that it and the other Party may execute this Agreement by manual, stamp or mechanical signature, and that delivery of an executed counterpart of a signature page to this Agreement (whether executed by manual, stamp or mechanical signature) by facsimile or by email in portable document format (PDF) shall be effective as delivery of such executed counterpart of this Agreement. Each Party expressly adopts and confirms a stamp or mechanical signature (regardless of whether delivered in person, by mail, by courier, by facsimile or by email in portable document format (PDF))

made in its respective name as if it were a manual signature delivered in person, agrees that it shall not assert that any such signature or delivery is not adequate to bind such Party to the same extent as if it were signed manually and delivered in person and agrees that, at the reasonable request of the other Party at any time, it shall as promptly as reasonably practicable cause each such Agreement to be manually executed (any such execution to be as of the date of the initial date thereof) and delivered in person, by mail or by courier.

Section 6.14 Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware, irrespective of the choice of Laws and principles of the State of Tennessee, as to all matters, including matters of validity, construction, effect, enforceability, performance and remedies.

Section 6.15 Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided, however, that neither Party may assign its rights or delegate its obligations under this Agreement without the express prior written consent of the other Party hereto. Notwithstanding the foregoing, no such consent shall be required for the assignment of a Party's rights and obligations under this Agreement in whole in connection with a Change of Control of a Party so long as the resulting, surviving or transferee Person assumes all the obligations of the relevant Party thereto by operation of Law or pursuant to an agreement in form and substance reasonably satisfactory to the other Party. Nothing herein is intended to, or shall be construed to prohibit either Party or any of its Subsidiaries from being party to or undertaking a Change of Control.

Section 6.16 Severability. In the event that any one or more of the terms or provisions of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement, or the application of such term or provision to Persons or circumstances or in jurisdictions other than those as to which it has been determined to be invalid, illegal or unenforceable, and the Parties shall use their commercially reasonable efforts to substitute one or more valid, legal and enforceable terms or provisions into this Agreement which, insofar as practicable, implement the purposes and intent of the Parties. Any term or provision of this Agreement held invalid or unenforceable only in part, degree or within certain jurisdictions shall remain in full force and effect to the extent not held invalid or unenforceable to the extent consistent with the intent of the parties as reflected by this Agreement. To the extent permitted by applicable Law, each party waives any term or provision of Law which renders any term or provision of this Agreement to be invalid, illegal or unenforceable in any respect.

Section 6.17 Force Majeure. Neither Party shall be deemed in default of this Agreement for failure to fulfill any obligation so long as and to the extent to which any delay or failure in the fulfillment of such obligations is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. In the event of any such excused delay, the time for performance shall be extended for a period equal to the time lost by reason of the delay. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (a) provide Notice to the other Party of the nature and extent of any such Force Majeure condition; and (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement as soon as reasonably practicable.

Section 6.18 No Set Off. Except as mutually agreed to in writing by the Parties, neither Party nor any of its Subsidiaries shall have any right of set off or other similar rights with respect to (a) any amounts received pursuant to this Agreement; or (b) any other amounts claimed to be owed to the other Party or any of its Subsidiaries arising out of this Agreement.

Section 6.19 Headings. The Article, Section and Paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 6.20 Survival of Covenants. Except as expressly set forth in this Agreement, the covenants and other agreements contained in this Agreement, and liability for the breach of any obligations contained herein, shall survive the Effective Time and shall remain in full force and effect thereafter.

Section 6.21 Waivers of Default. Waiver by either Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the waiving Party.

Section 6.22 Amendments. No provisions of this Agreement shall be deemed amended, supplemented or modified unless such amendment, supplement or modification is in writing and signed by an authorized representative of both Parties or their relevant Subsidiaries, as the case may be. No provisions of this Agreement shall be deemed waived unless such waiver is in writing and signed by the authorized representative of the Party or relevant Subsidiary against whom it is sought to be enforced.

Section 6.23 Limitations of Liability. Notwithstanding anything in this Agreement to the contrary, neither QHC or any member of the QHC Group, on the one hand, nor CHS or any member of the CHS Group, on the other hand, shall be liable under this Agreement to the other for any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than any such Liability with respect to a Third Party Claim).

Section 6.24 Mutual Drafting. This Agreement shall be deemed to be the joint work product of the Parties and any rule of construction that a document shall be interpreted or construed against a drafter of such document shall not be applicable.

* * * * *

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their authorized representatives.

COMMUNITY HEALTH SYSTEMS, INC.

QUORUM HEALTH CORPORATION

By: /s/ W. Larry Cash
Name: W. Larry Cash
Title: President of Financial
Services and Chief
Financial Officer

By: /s/ Michael J. Culotta
Name: Michael J. Culotta
Title: Executive Vice President and
Chief Financial Officer

Signature Page to Employee Matters Agreement



COMMUNITY HEALTH SYSTEMS COMPLETES SPIN-OFF OF QUORUM HEALTH CORPORATION

FRANKLIN, Tenn. (April 29, 2016) – Community Health Systems, Inc. (NYSE: CYH) (“CHS”) today announced that it has completed the previously announced spin-off of Quorum Health Corporation (“QHC”). As a result of the spin-off, QHC is now an independent public company and listed on the New York Stock Exchange (the “NYSE”) under the ticker symbol “QHC.”

Commenting on the spin-off, Wayne T. Smith, chairman and chief executive officer of Community Health Systems, Inc., said, “Today’s successful spin-off creates two healthcare companies that are positioned to create shareholder value and to pursue unique pathways for future success. At Community Health Systems, our smaller, refined portfolio creates immediate efficiencies and sharpens our focus on key, competitive markets where we can seek to capitalize on our greatest opportunities for sustainable growth. We are excited about QHC’s potential and extend our best wishes for success to QHC’s management team and board of directors.”

Commenting on the launch of QHC, Thomas D. Miller, president and chief executive officer of Quorum Health Corporation, said, “QHC launches with a clear vision to focus on improving the health care in every community where services are provided. At a time when rural hospitals are under siege, we will use our resources to help make these hospitals essential in their communities. We look forward with determination and enthusiasm to the opportunity ahead.”

As a result of the spin-off, QHC owns or leases a portfolio of 38 hospitals with an aggregate of 3,582 licensed beds. The hospitals are geographically diversified across 16 states, primarily located in cities or counties having populations of 50,000 or less. QHC also operates Quorum Health Resources, LLC, a leading hospital management advisory and consulting services business.

CHS remains one of the largest publicly traded hospital companies in the United States and a leading operator of general acute care hospitals in communities across the country. Immediately following the completion of the spin-off, CHS’ stockholders own all of the outstanding shares of common stock of QHC.

Under the terms of the spin-off, CHS stockholders who held CHS common stock as of April 22, 2016, the record date, received a distribution of one share of QHC common stock for every four shares of CHS common stock, plus cash in lieu of any fractional shares.

Since April 20, 2016, QHC shares have traded on a “when-issued” basis on the NYSE under the symbol “QHC WI”. “When-issued” trading of QHC shares ended at the close of the market on April 29, 2016. “Regular-way” trading in QHC’s common stock is expected to begin under the symbol “QHC” on May 2, 2016, the first trading day following the completion of the spin-off.

In connection with the spin-off, CHS received approximately \$1.2 billion of the net proceeds of certain financing arrangements entered into by QHC as part of the spinoff. CHS intends principally to use these proceeds to repay secured indebtedness, as well as certain expenses incurred in connection with the spin-off and such debt repayment transactions.

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About Community Health Systems, Inc.

CHS is one of the largest publicly-traded hospital companies in the United States and a leading operator of general acute care hospitals in communities across the country. After giving effect to the spin-off noted above, through its subsidiaries, CHS currently owns, leases or operates 160 affiliated hospitals in 22 states with an aggregate of nearly 27,000 licensed beds.

CHS' headquarters are located in Franklin, Tennessee, a suburb south of Nashville. Shares in CHS are traded on the NYSE under the symbol "CYH." More information about CHS can be found on its website at www.chs.net.

About Quorum Health Corporation

QHC is an operator and manager of general acute care hospitals and outpatient services in the United States. QHC owns or leases a diversified portfolio of 38 affiliated hospitals with an aggregate of approximately 3,582 licensed beds. QHC also operates Quorum Health Resources, LLC, a leading hospital management advisory and consulting business.

Forward-Looking Statements

Certain statements contained in this communication may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements regarding the expected timing of regular-way trading in QHC's common stock, the benefits of the spin-off transaction to either CHS or QHC, the market position of the business spun off, CHS' intended use of the net proceeds distributed from QHC, and transactions and other events and other statements that are not historical facts. Such statements are based on the views and assumptions of the management of CHS and QHC and are subject to significant risks and uncertainties. There can be no assurance that the future events will occur as anticipated, if at all, or that actual results will be as expected. Actual future events or results may differ materially from these statements. Such differences may result from a number of factors, including but not limited to: possible negative effects on CHS' or QHC's business operations, assets or financial results as a result of the spin-off; a failure to obtain necessary regulatory approvals; a deterioration in the business or prospects of CHS or QHC; adverse developments in CHS' or QHC's markets; adverse developments in the U.S. or global capital markets, credit markets or economies generally; risks associated with CHS' and QHC's indebtedness, leverage and debt service obligations; CHS' and QHC's ability to successfully make acquisitions or complete divestitures; changes to CHS' intended use of the net proceeds distributed from QHC; CHS' and QHC's ability to successfully integrate any acquired hospitals, or to recognize expected synergies from acquisitions or improved cash flows from divestitures; and changes in regulatory, social and political conditions. Additional risks and factors that may affect results are set forth in CHS' and QHC's filings with the Securities and Exchange Commission, including CHS' most recent Annual Report on Form 10-K, current reports on Form 8-K and quarterly reports on Form 10-Q and QHC's Registration Statement on Form 10, as amended. The forward-looking statements speak only as of the date of this communication. Neither CHS nor QHC undertakes any obligation to update these statements.

-MORE-

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Quorum Health Corporation

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