

Introducing the UH Employee Incentive Plan

Be the Difference.

At UH, we're making work more rewarding

Your skills, talents and teamwork are key to UH's ability to deliver on our commitment to the patients we serve – and to achieving outstanding operating margin, community benefit and patient satisfaction.

Whether you are on the front lines of patient care, providing the support services that keep our hospitals running, or helping to execute our business strategy in a changing health care environment, you are delivering the UH difference every day.

To recognize your contributions, we are introducing an Employee Incentive Plan (EIP).

With the new EIP, UH is leading the way in our industry. We are one of a small group of health care systems to provide rewards to all employees that are directly tied to specific performance goals – giving you an opportunity to earn more. When UH does well, we will all do well together.

Here are highlights of the new EIP, which replaces the current System Performance Award (SPA) and offers you greater opportunities to share in our success. Look for more information on UH's performance throughout the fall. Your manager will share your individual 2011 reward early next year.

"The new EIP responds to your feedback in the 2010 Best Places to Work survey. We heard loud and clear that you are committed to UH's success – and you want to share in the success you help create."

Tom Zenty, Chief Executive Officer

This overview is intended to provide highlights of the new Employee Incentive Plan. Should there be any conflict between this overview and the actual terms and provisions of the plan documents and contracts, the terms of the plan documents and contracts will govern in all cases. You will not gain any new rights or benefits because of a misstatement or omission in this overview. None of this information should be interpreted as a guarantee of employment. University Hospitals reserves the right to amend, change, or terminate any compensation plan at any time. November 2011

- ▶ Who's Eligible
- ▶ How the EIP Award Works
- ▶ How UH's Performance is Measured

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Who's Eligible

You are eligible to participate in the EIP if you are a regular full-time or part-time employee and you meet these requirements:

- Hired before the first pay period of July
- Not already participating in an incentive program, such as the Management Incentive Plan (MIP)
- Work 800 hours or more during the year.

Temporary employees, contractors, consultants and UH physicians are not eligible to participate in the EIP.

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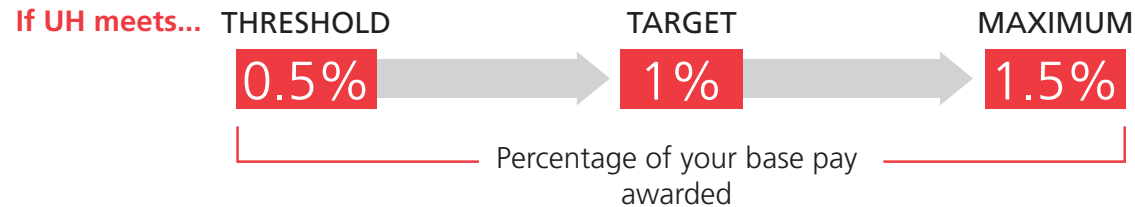
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How the EIP Award Works

UH must achieve a minimum level of financial performance to pay EIP awards. Your actual award is determined using performance measures for your entity (corporate performance will be used for Corporate and UHPS employees). The award is paid as a percentage of your base pay, with a minimum payment of \$200.

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When Awards Are Paid

Awards are earned annually. Payouts will typically occur near the end of the first quarter.

An Example – If We Meet the 2011 Target

Assume UH's 2011 performance meets our "target." This means all eligible UH employees receive an EIP award of 1% of base pay.

Employee whose annual base pay is:	Receives EIP award of:
\$18,000	\$200 (minimum payout)
\$48,000	\$480
\$55,000	\$550



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How UH's Performance Is Measured

We will measure performance in two ways. Each counts equally toward your award.

1

OUR FINANCES

Community Benefit and
Operating Margin

2

OUR MISSION

Patient Satisfaction

Please speak to your leader for more details about EIP, including specific information about goals and objectives as it relates to you and your department.

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- ▶ **How UH's Performance is Measured**

Key Terms

- **Community Benefit** – Caring for the community is at the core of University Hospitals' mission. UH plays an important role in northeast Ohio by supporting a wide range of programs that help our community, including community health initiatives, research and education and charity care.
- **Operating Margin** – This key measure of financial performance looks at how much UH makes after paying costs like salaries and equipment. A healthy operating margin is needed to support our mission of delivering quality patient care – and for UH to grow and provide greater career opportunities for each of us.
- **Patient Satisfaction** – This measure's the patient's view of the UH experience, from the quality of our care and facilities to the personal interactions with our staff. We want each patient to feel that he or she received caring, personalized service.

