

## **TENET HEALTHCARE CORPORATION CORPORATE GOVERNANCE PRINCIPLES**

The Board of Directors of Tenet Healthcare Corporation, acting on the recommendation of its Nominating and Corporate Governance Committee, has developed and adopted a set of corporate governance principles to promote a common set of expectations as to how the Board and its committees should perform their functions. These principles will be published on Tenet's corporate website and reviewed by the Board annually or more often as the Board deems appropriate.

**1. Role of Board and Management.** Tenet's business is conducted by its employees, managers and officers, under the direction of its Chief Executive Officer to enhance Tenet's long-term value for its shareholders. The Board is elected by the shareholders to oversee management and to monitor whether the long-term interests of the shareholders are being served. Both the Board and management recognize that the long-term interests of shareholders are advanced by responsibly addressing the concerns of other stakeholders and interested parties including patients, employees, physicians who practice at hospitals owned by Tenet's subsidiaries, lenders, bondholders, communities in which Tenet and its subsidiaries' hospitals do business, legislators, regulators and other government officials and the public at large.

**2. Board Committees.** The Board has established the following Committees to assist it in discharging its responsibilities: (i) Audit, (ii) Compensation, (iii) Nominating and Corporate Governance, (iv) Quality, Compliance and Ethics, and (v) Executive. Each Committee except the Executive Committee has a charter setting forth the key responsibilities of the Committee. Each Committee's charter is published on Tenet's corporate website and establishes independence standards for its members and is reviewed at least annually. Each Committee has a Chairperson who is nominated by the Nominating and Corporate Governance Committee and elected by the Board each year. Each Committee Chairperson reports the highlights of the meetings of his/her Committee to the full Board following each Committee meeting.

**3. Functions of the Board and its Committees.** Members of the Board and each Committee meet in person for regularly scheduled meetings and hold as many additional telephonic and in-person meetings as necessary to fulfill their responsibilities. At the Board and Committee meetings, Tenet's directors review, discuss, evaluate and ask questions of management and Board and Committee advisors concerning reports by management on Tenet's business strategy and long-term goals; financial and operating performance; financial condition; prospects, including competitive challenges and opportunities; and compliance and litigation. On at least an annual basis, the Board reviews its role and the roles of its Committees in the risk oversight of the Company. The Board and Committees also:

- Review, approve and monitor major corporate actions;
- Select the CEO and oversee the selection of Tenet's other executive officers;
- Evaluate and compensate Tenet's executive officers;

- Evaluate and approve a CEO succession plan;
- Assess major risks facing Tenet and review options for their mitigation;
- Monitor the integrity of Tenet’s accounting, financial reporting and finance processes and systems of internal controls; and
- Review and monitor the processes in place for maintaining Tenet’s ethical conduct, the quality of care provided at hospitals owned by Tenet’s subsidiaries and compliance with laws and regulations.

**4. Size of Board and Selection Process.** The Nominating and Corporate Governance Committee is responsible for recommending, and the Board is responsible for selecting, the individuals to stand for election at each annual meeting. The Nominating and Corporate Governance Committee is also responsible for recommending, and the Board is responsible for selecting, the individuals to fill vacancies on the Board. Shareholders also may propose nominees for election to the Board in accordance with Tenet’s Bylaws, which may be found on Tenet’s website. Tenet’s Bylaws require that Tenet have between 8 and 15 directors with the exact number set by the Board.

The Nominating and Corporate Governance Committee and the Board consider, among other things, the following attributes and criteria when selecting new nominees for election to the Board and determining which of Tenet’s existing directors will stand for re-election to the Board: experience, skills, expertise, diversity, personal and professional integrity, character, business judgment, time availability in light of other commitments, dedication, conflicts of interest and such other factors as the Board considers appropriate in the context of its needs.

**5. Director Qualifications and Expectations.** Incumbent directors are not automatically re-nominated to stand for election. Each year, the Nominating and Corporate Governance Committee and Board will carefully consider each director’s qualifications and contributions to the Board and make an informed decision as to which directors will stand for election.

Tenet’s directors receive, and are expected to review, Board and Committee materials from management and the Board’s and Committees’ independent advisors in advance of all meetings. Directors are expected to attend all meetings of the Board and all meetings of the Committees on which they serve, and they are required to attend at least 75% of all regularly scheduled Board and Committee meetings.

Directors who serve as CEOs or in equivalent positions of public companies may not serve on the boards of more than two public companies in addition to Tenet’s Board, and other directors may not serve on the boards of more than three public companies in addition to Tenet’s Board. At the request of a director, the Chair of the Nominating and Corporate Governance Committee may waive the three board limit for a non-CEO director in a particular situation, upon a showing that additional board service would not impair the director’s service on the Tenet Board.

No two Tenet directors may serve together on the board of any public company other than Tenet. Directors are expected to offer their resignation in the event of any significant change in their principal job responsibilities.

**6. Independence of Directors.** Two-thirds of the Board will consist of “independent” directors. The Board will not consider a director to be independent unless the Board affirmatively determines that the director has no material relationship with Tenet, and the director otherwise qualifies as independent under the corporate governance standards of the New York Stock Exchange.

**7. Independence of Committee Members.** The members of the Audit, Compensation and Nominating and Corporate Governance Committees shall meet the independence standards of the NYSE. In addition, the members of the Audit Committee shall meet the SEC independence standards for audit committee members.

**8. Non-Executive Chairman or Lead Director.** The Board will designate an independent, non-employee director as Chairman of the Board or, in the event that the Board desires to elect a member of management or a non-independent director to the Board and to appoint such individual as Chairman of the Board, the independent directors of the Board will designate an independent, non-employee director as Lead Director. The Lead Director will have a term of at least one year. The duties of the Lead Director will include, but not be limited to, (i) presiding at all meetings of the Board at which the Chairman is not present, (ii) chairing executive sessions of the Board, (iii) serving as the liaison between the independent directors and the Chairman, (iv) approving the information sent to the Board and meeting agendas and schedules, (v) having the authority to call meetings of the independent directors and (vi) representing the Board in meetings with investors, legislators, regulators and other government officials. The Lead Director, in conjunction with the Nominating and Corporate Governance Committee, also will take a role in the Board performance evaluation process.

**9. Executive Sessions.** Following every regularly scheduled Board meeting and at least once each fiscal quarter, the independent directors of the Board will meet in executive session without management present and, in the event there is an executive Chairman, the Lead Director will preside at such meetings. The independent directors may meet in executive session at such other times as determined by the Chairman and/or Lead Director. The Committees of the Board shall meet in executive session as prescribed in each Committee’s charter. Each Committee of Tenet’s Board regularly meets in executive session.

**10. Board Performance Evaluation.** The Nominating and Corporate Governance Committee will conduct an annual performance evaluation to determine whether the Board, its Committees and individual directors are functioning well in view of their responsibilities and Tenet’s business. The results of the evaluation will be reviewed by the Chairman and/or the Lead Director who will report the results to the Board. As part of the annual performance evaluation process, each Committee will compare its performance with the requirements of its charter.

**11. Ethics and Conflicts of Interest.** The Board expects the directors, as well as all officers and other employees, to act ethically at all times and to acknowledge their

adherence to the policies comprising Tenet's *Standards of Conduct*. If an actual or potential conflict of interest arises for a director, the director shall promptly inform the Chairman of the Board and/or the Lead Director. If a significant conflict exists and cannot be resolved, the director should resign. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests. The Quality, Compliance and Ethics Committee shall resolve any conflict of interest question involving directors or executive officers.

**12. Reporting Concerns to the Audit Committee.** Anyone who has a concern about Tenet's conduct, or about its accounting, internal accounting controls or auditing matters, may communicate that concern to the Audit Committee by calling Tenet's Ethics Action Line at 1-800-8-ETHICS (1-800-838-4427). Such communications may be confidential or anonymous. All such concerns will be forwarded to the Audit Committee for its review and will be simultaneously reviewed and addressed under the direction of Tenet's Chief Compliance Officer. The Audit Committee may direct special treatment, including the retention of outside advisors, for any concern addressed to it. Tenet's *Standards of Conduct* prohibit any employee from retaliating or taking any adverse action against anyone for raising or helping to resolve an ethical concern.

**13. Shareholder Communications with the Board.** Shareholders may communicate with the Board by e-mail to *boardofdirectors@tenethealth.com* or by writing to the Board c/o Corporate Secretary at Tenet's Dallas headquarters. Shareholder communications will be reviewed internally if the shareholder's concern can best be addressed by referral to a Tenet department such as Investor Relations or Corporate Communications. All other communications will be referred to the Corporate Secretary, who will determine if the communication should be brought to the attention of the full Board, the Chairman of the Board or a particular Board committee or Board member.

**14. Compensation of Board.** The Compensation Committee will conduct a review at least once every two years of the components and amount of Board compensation in relation to other similarly situated companies and make a report to the Board. Board compensation will be consistent with market practices and will be set at a level that does not call into question the Board's objectivity.

**15. Stock Ownership and Retention Requirements.** Each Tenet director with more than one year of service on the Board is required to own shares of Tenet's common stock. In addition, each director is required within five years of becoming a member of the Board, to own shares of Tenet's common stock with a market value equal to five times the director's annual retainer. Each of Tenet's senior officers is required to own shares of Tenet's common stock with a market value equal to a specific multiple of such senior officer's base salary as indicated in the table below. Each senior officer must meet the stock ownership requirements within five years from the date on which he or she becomes a senior officer. If, during or after such five-year period, a senior officer is promoted to a position that requires a higher stock ownership multiple than the position previously held, the senior officer will be granted an additional two-year period to meet the increased multiple.

<u>Executive Level</u>	<u>Market Value of Common Stock Owned as a Multiple of Base Salary</u>
Chief Executive Officer	6x
President	4x
Executive Vice President/Others above SVP	2x
Senior Vice President	1x

Shares counted toward the director and senior officer stock ownership requirements include: (i) shares of common stock held of record or in a brokerage account by the individual or his or her spouse; (ii) restricted stock or restricted stock units; (iii) stock units issued under deferred compensation plans; and (iv) any other security designated by Tenet’s Nominating and Governance Committee as counting toward the guidelines.

If a director or senior officer does not meet the applicable ownership requirements, he or she must retain and hold 100% of any “net shares” received upon the exercise of stock options and the vesting of restricted stock or restricted stock units until such time as the director or senior officer meets such requirements. For purposes of this section, “net shares” means the number of shares received upon exercise of stock options or upon vesting of restricted stock or restricted stock units less the number of shares sold or deducted to pay the exercise price (in the case of options), withholding taxes and any brokerage commissions.

**16. CEO Evaluation; Succession Plan.** At least annually, the Board will conduct an evaluation of the CEO and review a succession plan for the CEO.

**17. Contact with Management and Operations.** All directors are encouraged to contact the CEO and other members of management at any time to discuss any aspect of Tenet’s business. The Board will have frequent opportunities for directors to meet with the CEO and other members of management in Board and Committee meetings and in other formal and informal settings. Directors are expected to visit at least one Tenet hospital each year.

**18. Access to Independent Advisors.** The Board and its Committees have the authority and the funding to retain, at any time, independent outside financial, legal or other advisors. All such advisors are chosen by, and report directly to, the Board or the respective Committee.

**19. Director Retirement.** Directors will not be nominated for election to the Board after their 75th birthday.

**20. Majority Voting Policy.** Tenet’s Bylaws provide for majority voting in the uncontested election of directors and plurality voting in contested elections. In uncontested elections, directors are elected by a majority of the votes cast, which means that the number of shares voted “for” a director must exceed the number of shares voted “against” that director. The Nominating and Corporate Governance Committee has established procedures for any director who is not elected to tender his or her resignation. The Nominating and Corporate Governance Committee will recommend to the Board whether to accept or reject the resignation offer, or whether other action should be taken.

In determining whether to recommend that the Board accept any resignation offer, the Nominating and Corporate Governance Committee will be entitled to consider all factors believed relevant by the Committee's members. The Board will act on the Nominating and Corporate Governance Committee's recommendation within ninety (90) days following certification of the election results. In deciding whether to accept the resignation offer, the Board will consider the factors considered by the Nominating and Corporate Governance Committee and any additional information and factors that the Board believes to be relevant. Thereafter, the Board will promptly publicly disclose its decision regarding the director's resignation offer (including the reason(s) for rejecting the resignation offer, if applicable). If the Board accepts a director's resignation offer pursuant to this process, the Nominating and Corporate Governance Committee will recommend to the Board and the Board will thereafter determine whether to fill such vacancy or reduce the size of the Board. Any director who tenders his or her resignation pursuant to this provision will not participate in the proceedings of either the Nominating and Corporate Governance Committee or the Board with respect to his or her own resignation offer.

**21. Director Orientation.** New directors participate in an orientation process. That orientation process will include background materials on Tenet, its business, strategic plans and goals, prospects and risk profile, and meetings with senior management.

**22. Continuing Education.** Each director is expected to attend a continuing education program related to their responsibilities as a director at least once every two years.

**23. Amendment.** These corporate governance principles shall not be amended except upon the approval of a majority of Tenet's independent Board members or as otherwise required by law or regulation.