



**Community Health Systems, Inc.**





CYH NYSE

Healthcare Facilities

Market Capitalization USD:

**\$1,551.06 mm**

**CONCERN LEVEL: HIGH**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap. 
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group. 
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket. 

**CEO: Wayne T. Smith**

**Age: 66**

**CEO Since: 1997**

	2009	2010	2011
<b>Base Salary</b>	\$1,300,000	\$1,365,000	\$1,400,000
<b>Discretionary Bonus</b>	\$0	\$0	\$0
<b>Annual Cash Incentive</b>	\$3,900,000	\$4,095,000	\$3,945,200
<b>Benefits and Perquisites</b>	\$203,009	\$116,704	\$141,435
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$5,403,009</b>	<b>\$5,576,704</b>	<b>\$5,486,635</b>
<b>Increase in Post-Retirement Benefits</b>	\$7,584,981	\$8,185,365	\$8,026,359
<b>Stock Option Awards</b>	\$303,000	\$418,500	\$479,500
<b>Stock Awards</b>	\$4,545,000	\$6,780,000	\$7,592,000
<b>TOTAL COMPENSATION</b>	<b>\$17,835,990</b>	<b>\$20,960,569</b>	<b>\$21,584,494</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$3,750,644	\$4,854,121	\$5,406,755
<b>Value Realized on Exercise of Stock Option</b>	\$3,268,650	\$5,176,651	\$0
<b>Value Realized on Vesting of Stock</b>	\$4,669,600	\$5,417,367	\$7,184,155
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$7,938,250</b>	<b>\$10,594,018</b>	<b>\$7,184,155</b>

Proxy Date: 5 Apr 2012

Annual Meeting Date: 15 May 2012

Equity Reserves:

Stock Option Run Rate: 1.55%

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## Performance Comparison

■ S&P500 ■ Industry ■ CYH



## Peer Comparisons (TRBC) =Healthcare Facilities

### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
<b>CYH</b>	<b>Community Health Systems, Inc.</b>	<b>\$17,835,990</b>	<b>\$20,960,569</b>	<b>\$21,584,494</b>	<b>\$1,551,060,259</b>
UHS	Universal Health Services, Inc.	\$12,006,675	\$9,850,965	\$12,500,281	\$3,324,335,278
SNH	Senior Housing Properties Trust	\$163,693	\$256,653	\$254,656	\$3,303,667,257
MD	MEDNAX, Inc.	\$8,035,314	\$6,526,486	\$12,433,119	\$3,054,801,524
OCR	Omnicare, Inc.	\$25,234,045	\$32,833,583		\$2,948,465,659
AH	Accretive Health, Inc.		\$10,316,988	\$3,863,258	\$2,070,139,974
HMSY	HMS Holdings Corp.	\$2,156,883	\$1,486,478		\$2,066,675,479

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

### Pay Peer Group

Business Peers; HCA Holdings, Inc., UnitedHealth Group Incorporated, Tenet Healthcare Corporation, WellPoint, Inc., Universal Health Services, Inc., Aetna Inc., Health Management Associates, Inc., Humana Inc., Coventry Health Care, Inc., CIGNA Corporation  
 General industry Peers; Raytheon Company, Smithfield Foods, Inc., International Paper Company, Danaher Corporation, Coca-Cola Enterprises Inc. Sara Lee Corporation, J.C. Penney Company, Inc., Genuine Parts Company, Whirlpool Corporation, Ball Corporation, Tesoro Corporation, V.F. Corporation, Xerox Corporation, The Hertz Corporation, The Chubb Corporation, The Sherwin-Williams Company, PPG Industries, Inc., Fortune Brands, Inc. Weyerhaeuser Company, The Pepsi Bottling Group, Inc., ConAgra Foods, Inc., Jacobs Engineering Group Inc.

### Performance Peer Group

NA

## COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
H. Mitchell Watson	Chairman	74	Male	8	Outside
John A. Clerico	Member	70	Male	9	Outside
Julia B. North	Member	64	Female	8	Outside