

TENET HEALTHCARE CORP
Form DEF 14A
March 31, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under Rule 14a-12

Tenet Healthcare Corporation

(Name of Registrant as Specified in Its Charter)

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- x No fee required.
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 - (3) Filing Party:

(4) Date Filed:

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2016 Proxy Statement

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

of Tenet Healthcare Corporation

May 12, 2016

8:00 a.m. Central time

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MESSAGE FROM OUR CHAIRMAN AND CEO

Dear Fellow Shareholders:

I'm pleased to have the opportunity to provide you with an update on how we are delivering on our strategic and financial goals and positioning Tenet for continued growth in the years ahead. In 2015, we achieved a 17% improvement in Adjusted EBITDA and met or exceeded our Outlook in each quarter of the year. We also generated \$405 million in Adjusted Free Cash Flow – our strongest performance in more than a decade – and expect additional improvement in 2016 and 2017.

In our hospital business, we are taking significant steps to sharpen our portfolio and enhance our market leadership positions. In several markets, we formed joint ventures with prominent not-for-profit health systems. With these strategic actions, we are working toward achieving the scale we believe is necessary to succeed in an integrated value-based delivery system. Our strategy also includes exiting specific markets where we don't believe we have a path to build a scalable position in a way that will enhance value for our shareholders.

Outside of our portfolio activities, we are focused on strengthening our existing hospitals and becoming more efficient operators. In 2015, we drove growth in high-acuity, high-margin service lines as we prioritized investment in these areas. Our hospital operators also did a terrific job managing costs, and in 2016, we expect to achieve additional savings through our supply chain and operational efficiency initiatives.

Conifer Health Solutions, our healthcare services subsidiary, has continued to solidify its leadership position in the fast-growing revenue cycle management and value-based care services sectors. Conifer expanded its business with existing clients and added prominent new clients in 2015. The company generated solid financial results in line with our expectations. We expect the market for Conifer's services will keep growing as value-based arrangements and financial pressures increase the need for health systems to improve their revenue cycle performance. As these industry trends continue, we are focused on delivering on client expectations and investing in the capabilities needed to maintain leadership in the field.

Our most transformative move took place in June, when we joined with Welsh, Carson, Anderson & Stowe to create the nation's largest ambulatory services platform under the United Surgical Partners International (USPI) brand. As a result, we established a new, separately reported ambulatory segment which complements our acute care and Conifer businesses. This transaction was a large step forward in our effort to position Tenet as a leader in the movement toward lower cost, more convenient care settings – a strategy we began to develop several years ago with the launch of our outpatient division.

We remain excited about USPI's growth prospects given our combined capabilities in short stay surgeries, urgent care, imaging and satellite emergency departments, as well as our strong partner network of 50 health systems and thousands of physicians. We're just now beginning to realize the benefits as our ambulatory segment

delivered fourth quarter 2015 results that significantly exceeded our expectations.

With our three core businesses in place, we believe we are uniquely positioned in an ever-changing healthcare market to meet the needs of health systems seeking a strategic partner to build their ambulatory or inpatient networks, improve their revenue cycle processes, or enhance their capabilities to offer value-based care. Between our three segments, Tenet is now operating in some form of relationship with many of the nation's leading not-for-profit health systems. Taken as a whole, these customers and partners comprise more than 10% of the US hospital industry.

I am pleased with our many enterprise-wide accomplishments in 2015. Our strategy is based on our belief that continued success will come from alignment of our business with the dramatic shifts taking place in healthcare. To that end, we continue to adapt our capital priorities to remain flexible and are allocating resources to the areas we believe will enhance shareholder value creation in this evolving landscape. We intend to use our growing amounts of free cash flow to fund targeted acquisitions in the ambulatory sector, where we see considerable opportunities to enhance our portfolio at attractive economics. We also will invest in company-wide initiatives to drive organic growth in each of our operating segments. Finally, we intend to deploy excess capital in a balanced approach including share repurchases and the retirement of high-cost debt. We believe we can accomplish these objectives and reduce our financial leverage over time, primarily by driving improvements in our operating results.

Our success is a reflection of the hard work of our more than 130,000 talented employees in more than forty states and the United Kingdom. I am ever grateful for their dedication toward making Tenet a leader in the healthcare industry.

I am confident we are taking the right steps to position Tenet for the years ahead and that we've entered 2016 with a strong platform for growth. We greatly value your support, and I hope you share in my

excitement about our future.

Sincerely,

Trevor Fetter

Chairman and

Chief Executive Officer

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MESSAGE FROM OUR LEAD DIRECTOR

Dear Fellow Shareholders:

Tenet made great progress this past year. This included acquisitions and divestitures to improve the company's long-term strategic positioning and financial success, as well as enhancements to our board composition and leadership. We also increased the board's direct engagement with shareholders.

Tenet's board is committed to strong corporate governance practices that provide effective, independent board oversight. With this in mind, we have made a number of appointments to refresh our board and ensure we have the right mix of skills and experience to position the company for long-term success.

In March 2015, Tammy Romo, executive vice president and chief financial officer of Southwest Airlines Co., joined our board as an independent director. Ms. Romo brings valuable insights as a public company CFO in a highly-regulated services industry. This appointment closely followed the addition of Freda Lewis-Hall, executive vice president and Chief Medical Officer of Pfizer, who has significant medical and healthcare expertise. We also appointed two new independent directors in January 2016: Randy Simpson and Matthew Ripperger, who are partners and co-heads of healthcare for Glenview Capital Management. Mr. Simpson and Mr. Ripperger have significant financial acumen and healthcare experience and bring the perspective of Tenet's largest shareholder into the boardroom. We look forward to the continuing contributions from these four individuals and to advancing our efforts to enhance the composition of our board over the next few years.

In May 2015, we rotated the chairs for four of our five board committees and substantially changed the membership of our committees. Our goal was to inject independent, fresh perspectives into the boardroom to strengthen its oversight capabilities across various committees, which was further enhanced by the addition of our new independent directors. At the same time, the board and I also reached the decision that I would become lead independent director and Trevor Fetter, Tenet's CEO, would be appointed chairman of the board. My duties as lead director are nearly identical to my prior role under Tenet's corporate governance principles.

Finally, we increased our direct engagement with shareholders in 2015. Independent members of the board met with shareholders representing, in aggregate, approximately 46% of our outstanding common stock in order to solicit input on a wide range of topics, including corporate governance, board leadership and refreshment, and executive compensation. This direct dialogue between members of our board and our shareholders has been valuable, and we intend to continue these efforts in 2016. Hearing directly from shareholders helps us to understand varying perspectives and serves as a guide for our board in undertaking actions that are responsive to different viewpoints. Importantly, we used the input that we gathered from our shareholder engagement activities to make changes to our executive compensation programs in 2016, which you can read more about in the Compensation Discussion & Analysis section of the 2016 Proxy Statement.

Our board looks forward to continuing to work with our shareholders to represent your views and enhance long-term value creation.

Edward A. Kangas

Lead Director

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TENET HEALTHCARE CORPORATION

1445 Ross Avenue, Suite 1400

Dallas, Texas 75202

(469) 893-2200

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

to be held on Thursday, May 12, 2016

March 31, 2016

To Our Shareholders:

Our Annual Meeting of Shareholders will be held on Thursday, May 12, 2016, at 8:00 a.m. Central time at Tenet Corporate Headquarters, 1445 Ross Avenue, Suite 1400, Dallas, Texas, for the following purposes:

1. To elect the 12 directors named in the accompanying Proxy Statement, each to serve until the next annual meeting of shareholders or until his or her successor is duly elected and qualified, whichever is later, or until the director's earlier resignation or removal;
2. To vote, on an advisory basis, to approve the company's executive compensation;
3. To approve the Sixth Amended and Restated Tenet Healthcare 2008 Stock Incentive Plan;
4. To approve the Tenet Healthcare Corporation Eleventh Amended and Restated 1995 Employee Stock Purchase Plan;
5. To ratify the selection of Deloitte & Touche LLP as independent registered public accountants for the year ending December 31, 2016; and
6. To transact any other business that properly comes before the meeting or any adjournment or postponement. Only shareholders of record of our common stock at the close of business on March 14, 2016 are entitled to vote at the Annual Meeting.

It is important that your shares be represented and voted at the Annual Meeting. You may vote your shares via the Internet, by telephone or by completing and returning a proxy card. Specific voting instructions are set forth in the General Information Regarding the Annual Meeting and Voting section of the accompanying Proxy Statement and on both the Notice of Internet Availability of Proxy Materials and proxy card. You may revoke a proxy at any time prior to its exercise at the Annual Meeting by following the instructions in the General Information Regarding the Annual Meeting and Voting section of the Proxy Statement. If you attend the Annual Meeting, you may, if you wish, withdraw your proxy and vote in person.

*/s/ Paul A. Castanon
Vice President, Deputy General Counsel
and Corporate Secretary*

Important Notice Regarding the Availability of Proxy Materials

for the Shareholder Meeting To Be Held on May 12, 2016

The accompanying Proxy Statement and proxy card, as well as our Annual Report on Form 10-K for the year ended December 31, 2015, are available at www.proxyvote.com.

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PROXY STATEMENT SUMMARY

Below are highlights of certain information in this Proxy Statement. As it is only a summary, please refer to the complete Proxy Statement and our Annual Report on Form 10-K for the year ended December 31, 2015 before you vote.

2016 ANNUAL MEETING OF SHAREHOLDERS

Date and Time:

Thursday, May 12, 2016, at 8:00 a.m. Central Time

Place:

Tenet Corporate Headquarters

1445 Ross Avenue, Suite 1400

Dallas, Texas 75202

Record Date:

March 14, 2016

Information:

This Proxy Statement, the proxy card and our Annual Report on Form 10-K are available at www.proxyvote.com

VOTING MATTERS AND BOARD RECOMMENDATIONS

MANAGEMENT PROPOSALS	BOARD'S RECOMMENDATION	PAGE
Election of 12 Director Nominees (Proposal 1)	FOR all Director Nominees	8
Advisory Approval of Company's Executive Compensation (Proposal 2)	FOR	63
	FOR	64

Approval of the Sixth Amended and Restated Tenet
Healthcare 2008 Stock
Incentive Plan (Proposal 3)

Approval of the Tenet Healthcare Corporation Eleventh
Amended and Restated

FOR

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1995 Employee Stock Purchase Plan (Proposal 4)

Ratification of the Selection of Deloitte & Touche LLP
as Independent Registered

FOR

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Public Accountants for 2016 (Proposal 5)

STRATEGIC OVERVIEW

Tenet Healthcare's strategic position continues to improve through our unique combination of complementary and connected businesses. For the past several years, we have been focused on several key strategies to strengthen our position in the rapidly changing healthcare environment by: being a value-based provider; offering high-quality care at a competitive price relative to other providers; building leading, relevant positions in our hospital markets; and investing in faster-growing, higher-margin, strong free cash flow-generating businesses such as our ambulatory care segment, United Surgical Partners International (USPI), and our services segment, Conifer Health Solutions (Conifer).

In 2015, we created a stronger portfolio of businesses, better aligned with the trends driving healthcare, and offering significant strategic opportunities for growth. Some of our accomplishments include:

Delivering on our hospital acquisition and divestiture plan by completing several transactions to strengthen our acute care portfolio

Forming the country's leading ambulatory services platform (USPI) with expanding capabilities across the ambulatory sector

Growing Conifer's client base and investing in key services and operations

Forming innovative partnerships with leading not-for-profit health systems across the entire Tenet enterprise. We continued to create value for shareholders through the first half of 2015, but our share price performed poorly in the second half due to unforeseen macroeconomic, capital markets, and healthcare industry headwinds that otherwise offset the company's strong operational and financial performance. We continue to set and intend to deliver on financial and strategic goals that will improve our performance and position Tenet for long-term success.

Table of Contents**PROXY STATEMENT SUMMARY****2015 FINANCIAL HIGHLIGHTS**

In 2015, we targeted revenue and EBITDA growth, margin improvement and free cash flow generation as the key financial drivers of shareholder value creation. We achieved our eleventh consecutive year of Adjusted EBITDA growth, and had our strongest performance in Adjusted Free Cash Flow in more than a decade.

\$18.6B	\$2.276B	12.2%	\$405M
Revenue	Adjusted EBITDA	Adjusted EBITDA Margin	Adjusted Free Cash Flow
(Up 12%)	(Up 17%)	(Up 40 Basis Points)	(Up \$460M)

See Appendix C for definitions of Adjusted EBITDA and Adjusted Free Cash Flow and reconciliations of these non-GAAP financial measures.

CAPITAL ALLOCATION

We regularly review our priorities for capital. In 2015, we adapted our capital allocation plan in light of market volatility, the \$1 billion in anticipated net cash proceeds from the hospital divestitures we announced in 2015, and our expectations of improved free cash flow generation over the next two years. Guided by the following priorities, we intend to take a balanced approach to capital deployment with the aim of remaining flexible in a changing market environment while enhancing shareholder value creation:

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PROXY STATEMENT SUMMARY

LONG-TERM PERFORMANCE HIGHLIGHTS

For the past decade, we have driven continuous improvement in our financial results, with Net Revenue and Adjusted EBITDA more than doubling from 2011 to 2015. These results have been driven by strong operational results, including the benefit of organic growth and acquisitions, as shown by our significant growth in Total Admissions and Outpatient Visits over that same period.

BOARD AND CORPORATE GOVERNANCE HIGHLIGHTS

Our Board of Directors

The Board's Nominating and Corporate Governance Committee (Governance Committee) regularly reviews the composition of the Board. The Governance Committee's goal is to ensure an effective, engaged and accessible Board comprised of directors with diversified skills and substantial industry and/or other professional experience in areas relevant to Tenet. The Governance Committee also is focused on board refreshment and achieving a board structure that includes an appropriate balance of longer-tenured and more recently appointed directors who bring fresh perspectives and new insights into the boardroom.

To further ensure that we maintain an effective and engaged Board, the Governance Committee regularly conducts comprehensive self-evaluations and performance assessments for all directors. These evaluations inform our Board's refreshment practices, which include the identification of new directors, the review of our Board and committee leadership structures and rotation of committee memberships.

The Governance Committee from time to time retains a third party independent advisor to facilitate the Board self-evaluation process, which the Board believes promotes a robust and candid process. The most recent evaluation was conducted in late 2015 and presented to our Board in January 2016. The Board believes the self-evaluation process assists in maintaining a high performing Board with the right mix of directors to properly oversee management and its execution of the company's strategy.

The most recent changes to Board leadership and roles reflect our evaluation process at work and the continuing evolution of the composition of our Board:

In May 2015, our independent directors appointed Edward A. Kangas to serve as our lead independent director (Lead Director). Mr. Kangas had previously served as non-executive Chairman of the Board since July 2003. At this time, Trevor Fetter, our Chief Executive Officer, became Chairman of the Board. In connection with the appointment of the Lead Director, and in accordance with our Corporate Governance Principles, the Board specified that Mr. Kangas' role, duties and responsibilities would be substantially

identical to those he exercised in his former non-executive Chairman role.

The Board took action to rotate committee assignments in May 2015 with the objective of rotating the most lengthy-tenured committee members to different committees. The Board believes that periodic rotation of committee memberships brings fresh perspectives and input to its committees and provides our Board members an opportunity to be exposed to different aspects of our business and operations. In connection with the rotation of committee assignments, the Board also named new Chairs of four of our five committees.

In January 2016, our Board appointed Randolph C. Simpson and Matthew J. Ripperger, partners and co-heads of healthcare for Glenview Capital Management, to our Board. Messrs. Simpson and Ripperger provide extensive insight to the Board as long-term investors of the company and based on their tenure and experience as financial analysts and investors in the healthcare sector. Glenview Capital Management, the company's largest shareholder, has held an investment position in the company since 2012. The addition of these two directors follows the appointments to our Board of Tammy Romo, executive vice president and chief financial officer of Southwest Airlines Co., in March 2015, and Freda Lewis-Hall, executive vice president and chief medical officer of Pfizer, Inc., in December 2014.

Table of Contents**PROXY STATEMENT SUMMARY****Director Nominees**

NAME	DIRECTOR			COMMITTEE MEMBERSHIP	OTHER PUBLIC COMPANY BOARDS
	INDEPENDENT	SINCE	OCCUPATION		
Trevor Fetter <i>Chairman</i>	No	September 2003	Chairman & CEO, Tenet Healthcare	Executive	1
Brenda J. Gaines	Yes	March 2005	Retired President & CEO, Diners Club North America	Audit (Chair); Human Resources; Executive	2
Karen M. Garrison	Yes	March 2005	Retired President, Pitney Bowes Business Services	Nominating and Corporate Governance; Quality, Compliance and Ethics	2
Edward A. Kangas <i>Lead Director</i>	Yes	April 2003	Retired Chairman & CEO, Deloitte Touche Tohmatsu	Health IT; Nominating and Corporate Governance (Chair); Quality, Compliance and Ethics;	3
J. Robert Kerrey	Yes	November 2012 <i>(prior service as director from March 2001 to March 2012)</i>	Managing Director, Allen & Company;	Nominating and Corporate Governance; Quality, Executive (Chair)	2

			Former Governor and U.S.	Compliance and Ethics	
			Senator from Nebraska		
Freda C. Lewis-Hall, M.D.	Yes	December 2014	EVP & Chief Medical Officer, Pfizer	Nominating and Corporate Governance; Quality, Compliance and Ethics	0
Richard R. Pettingill	Yes	March 2004	Retired President & CEO, Allina Hospitals and Clinics	Human Resources; Health IT; Quality, Compliance and Ethics (Chair); Executive	2
Matthew J. Ripperger	Yes	January 2016	Partner, Glenview	Human Resources; Health IT	0
Ronald A. Rittenmeyer	Yes	June 2010	Retired President & CEO, Expert Global Solutions; Former Chairman, President & CEO Electronic Data Systems	Audit, Human Resources (Chair); Health IT; Executive	2
Tammy Romo	Yes	March 2015	EVP & CFO, Southwest Airlines	Audit; Nominating and Corporate Governance	0
Randolph C. Simpson	Yes	January 2016	Partner, Glenview	Nominating and Corporate Governance; Quality, Compliance and Ethics	0

				Compliance and Ethics	
				Committee	
James A. Unruh	Yes	June 2004	Principal, Alerion Capital;	Audit; Human Resources;	1
			Retired Chairman,	Health IT (Chair);	
			President & CEO, Unisys Corporation	Executive	

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PROXY STATEMENT SUMMARY

Overview of 2016 Director Nominees

Board Practice Highlights for 2015

Average Board meeting attendance of 97% during 2015

Independent directors met in executive session 15 times in 2015

Board, with assistance of independent advisor, conducted a comprehensive self-evaluation and director performance assessment

All directors in compliance with stock ownership and retention requirements

Independent directors participated in broad-based investor outreach program to solicit input on the company's corporate governance and executive compensation practices

Four audit committee financial experts serving on Audit Committee

Corporate Governance Practices

Tenet Healthcare is committed to sound corporate governance practices. Our corporate governance practices are intended to protect the long-term interests of shareholders and promote Board and management accountability. We continually review our corporate governance profile to ensure alignment with evolving market best practices. For further information on our corporate governance practices, please see Corporate Governance and Board Practices beginning on page 17.

ü Annual election of directors

ü Comprehensive self-evaluation and performance assessments for all directors

ü No supermajority vote requirements

ü Majority vote standard and director resignation policy in uncontested elections

ü Lead Director with clearly defined and robust responsibilities

ü Board members routinely interact with government regulators and engage in meetings with shareholders

ü Commitment to Board refreshment practices, including committee Chair rotation

ü Board oversight of political contributions

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PROXY STATEMENT SUMMARY

EXECUTIVE COMPENSATION PROGRAM HIGHLIGHTS

Active Shareholder Engagement Program

At our 2015 annual meeting of shareholders, Tenet Healthcare received support from approximately 82% of votes cast (excluding abstentions) for our executive compensation program, compared to 88% support in 2014 and 97% in 2013. In response to the decline in voting support, our independent directors, together with management, met with institutional investors and governance groups to solicit feedback on the company's business strategy and performance, our Board and governance practices, executive compensation program and other matters. Our shareholder outreach program included active participation by directors, including our Lead Director, in order to ensure that shareholder perspectives would be heard directly by the Board and incorporated into Board discussions. In total, we engaged with investors representing approximately 49% of our outstanding shares during the Fall and Winter months of 2015.

Feedback from these discussions was reported to our Human Resources Committee and Governance Committee, as well as to the full Board. Shareholders were generally supportive of the company's corporate governance practices, including the appointments of our CEO as Chairman of the Board and Mr. Kangas as Lead Director. Many focused on the Board's commitment to self-evaluation and refreshment, and noted the new director appointments made in 2014 and 2015 as being positive examples of the Board's ability to recruit directors with specific skills relevant to the business. However, our shareholders suggested that the Human Resources Committee reassess the design of our long-term incentive compensation plans, including the adoption of longer-term performance periods, the use of performance metrics that are linked more directly to the achievement of objectives specified in our long-term business plans, and expanded disclosure of the Human Resources Committee's rationale for adopting specified performance metrics.

Based on the input received from our shareholders, the Human Resources Committee made a number of significant changes to our 2016 executive compensation program, as described beginning on page 33 under "2016 Executive Compensation Program Changes."

Compensation Philosophy and Practices

Tenet Healthcare's executive compensation program is designed to promote prudent pay practices that support pay-for-performance principles and do not encourage undue risk-taking. Our Human Resources Committee reviews our compensation programs annually to ensure they are consistent with our philosophy and objectives. These objectives take into account both our current business strategy that is delivering operational and financial performance, as well as metrics related to the creation of long-term shareholder value.

The design of our practices is intended to incentivize the company's management to meet our strategic objectives and position the company for both short- and long-term success:

Substantially all Named Executive Officer compensation is at risk or contingent upon our meeting predetermined financial, operating, quality and service goals that are key drivers of shareholder value

We use a mix of financial and operational performance goals and set different goals for the annual and long-term incentive programs to mitigate against the risk that Named Executive Officers focus on short-term financial rewards at the expense of our long-term growth

We require that all executive officers own a significant amount of stock in the company to ensure their interests are aligned with shareholders

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PROXY STATEMENT SUMMARY

2015 Compensation Program

In 2015, we used the following elements to compensate our executives:

	Key Elements of Our Program	CEO Target Pay Mix
Base Salary	Fixed compensation component payable in cash	
Annual Incentive Plan	Performance-based cash compensation Performance measured against a balanced scorecard of cost, growth, quality, service and people metrics	
Long-Term Incentive Plan	Performance-based RSUs (50%) Performance based on achievement of Adjusted EBITDA performance metric Time-based RSUs (50%)	

Compensation Governance

Tenet Healthcare is committed to strong compensation program governance practices that reflect market best practices and the input of our shareholders. These practices include:

ü Commitment to pay-for-performance philosophy, with substantially all executive compensation at risk	ü Compensation programs designed to mitigate risk and continuous active monitoring of compensation-related risk
ü Balanced mix of financial and operational performance goals	ü Anti-hedging and anti-pledging policies
ü Clawback provisions applicable to incentive compensation	ü No single trigger change-of-control benefits

ü Significant director stock ownership requirements and retention requirements (6x base salary for CEO)

ü No excise tax gross-ups

ü No employment agreements

ü Robust target-setting process resulting in rigorous performance targets

ü Limited perquisites

ü Independent compensation consultant

Please see the Compensation Discussion and Analysis beginning on page 29 for a detailed description of our executive compensation program, including recent changes that have been implemented to better align pay to the company's business strategies.

Table of Contents**PROPOSAL 1 ELECTION OF DIRECTORS****Nominees for Election to the Board of Directors**

Tenet's Board of Directors is elected annually by shareholders. Our nominees for the election of directors include 11 independent directors and our Chief Executive Officer and Chairman. At the recommendation of our Governance Committee, our Board has selected the nominees listed below to serve as directors until the next annual meeting, or until their successors are elected or appointed. Each of the nominees listed below, other than Messrs. Ripperger and Simpson, each of whom were appointed to the Board in January 2016, was last elected by the company's shareholders at the 2015 Annual Meeting of Shareholders.

On January 18, 2016, the company entered into a Support Agreement ("Support Agreement") with Glenview Capital Management, LLC ("Glenview") and other entities affiliated with Glenview. Pursuant to the Support Agreement, and concurrently with the execution of the Support Agreement, the company increased the size of the Board to 12 directors such that there would be two vacancies on the Board and appointed Messrs. Ripperger and Simpson to fill the newly created vacancies. Messrs. Ripperger and Simpson were then nominated by the Board for election as directors at the 2016 annual meeting of shareholders. The company's Current Report on Form 8-K, filed on January 19, 2016 with the Securities and Exchange Commission (the "SEC"), contains a summary of the Support Agreement, which is qualified in its entirety by reference to the Support Agreement, filed as Exhibit 10.1 to that Form 8-K.

The Board recommends that you vote **FOR** the election of each of the following nominees. Director ages are as of March 14, 2016.

Trevor Fetter, 56 *Director Since: September 2003*

Chairman and CEO

Committee	Career Highlights
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Membership:	Mr. Fetter was named Tenet's president in November 2002, and was appointed chief executive officer in September 2003 and chairman in May 2015. From March 2000 to November 2002, Mr. Fetter was chairman and chief executive officer of Broadlane, Inc. From October 1995 to February 2000, he served in several senior management positions at Tenet, including chief financial officer. Mr. Fetter began his career with Merrill Lynch Capital Markets, where he concentrated on corporate finance and advisory services for the entertainment and healthcare industries. In 1988, he joined Metro-Goldwyn-Mayer, Inc., where he had a broad range of corporate and operating responsibilities, rising to executive vice president and chief financial officer. Mr. Fetter holds a bachelor's degree in economics from Stanford University and an M.B.A. from Harvard Business School.
Executive	

Skills and Qualifications

Healthcare industry experience: Has 20 years of senior leadership experience in the healthcare industry at Tenet and Broadlane

Accounting and financial expertise: Served as CFO in the healthcare and entertainment sectors at Tenet and Metro-Goldwyn-Mayer; early in his career at Merrill Lynch Capital Markets, he concentrated on corporate finance and advisory services

Other Public Company Directorships

Current: The Hartford Financial Services Group, Inc.

Others in Past 5 Years: None

Edward Kangas, 71 *Director Since: April 2003*

Lead Director

Committee Membership:

Executive (Chair);
Health IT;
Nominating
and Corporate
Governance
(Chair); Quality,
Compliance
and Ethics

Career Highlights

Mr. Kangas served as global chairman and chief executive officer of Deloitte Touche Tohmatsu, an international public accounting and consulting firm, from 1989 until his retirement in 2000. He also served as the managing partner of Deloitte & Touche (USA) from 1989 to 1994. He was elected managing partner and chief executive officer of Touche Ross in 1985, a position he held through 1989. Mr. Kangas began his career as a staff accountant at Touche Ross in 1967, where he became a partner in 1975. Mr. Kangas holds a bachelor's degree in business administration and an M.B.A. from the University of Kansas.

Skills and Qualifications

Accounting and financial expertise: Served as chairman and chief executive officer of Deloitte Touche Tohmatsu, an international public accounting and consulting firm, gaining significant experience in the public accounting field and in advising large public corporations on a range of financial reporting and compliance matters

Other Public Company Directorships

Current: Hovnanian Enterprises, Inc.; Intelsat S.A.; and United Technologies Corporation

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PROPOSAL 1 ELECTION OF DIRECTORS

Brenda J. Gaines, 66 *Director Since: March 2005*

Career Highlights

Committee Membership: Ms. Gaines served as president and chief executive officer of Diners Club North America, a financial services company and a division of Citigroup Inc., from 2002 until her retirement in March 2004. She also served as president of Diners Club, the nation's oldest credit card company, from 1999 to 2002 and held a number of senior management positions within Citigroup from 1988 to 1999. From 1983 to 1987, she worked in various management positions for the City of Chicago, including Commissioner of Housing and Deputy Chief of Staff to the Mayor. Ms. Gaines received her bachelor's degree from the University of Illinois at Champaign-Urbana and her master's degree in public administration from Roosevelt University in Chicago.

Audit (Chair);
Human Resources;
Executive

Skills and Qualifications

Accounting and financial expertise: Possesses a broad range of experience in the consumer credit industry (Citigroup, Federal National Mortgage Association, CNA Financial), and provides the Board with a valuable perspective on patient billing systems and accounts receivable collections

Other Public Company Directorships

Current: AGL Resources Inc. and Federal National Mortgage Association (Fannie Mae)

Others in Past 5 Years: NICOR Inc. and Office Depot, Inc.

Karen M. Garrison, 67 *Director Since: March 2005*

Career Highlights

Committee Membership: Ms. Garrison served as president of Pitney Bowes Business Services, a business services company and a division of Pitney Bowes Inc., from 1999 until her retirement in 2004. From 1978 to 1999, she

Nominating and Corporate Governance; Quality, Compliance and Ethics held a number of senior management positions at Pitney Bowes and Dictaphone Corporation (then a subsidiary of Pitney Bowes), including vice president of operations and vice president of finance and chief financial officer. Ms. Garrison received her bachelor of science degree in accounting from Rollins College and her M.B.A. from the Florida Institute of Technology.

Skills and Qualifications

Accounting and financial expertise: Previously served as the president of a major business unit of Pitney Bowes Inc. (Pitney Bowes Business Services), an S&P 500 corporation, and holds an advanced degree in business administration

Technology and manufacturing sectors: Has extensive experience in business reorganizations and restructurings, as well as crisis management, having led a team of Pitney Bowes executives in managing the dislocation of personnel and business services following the September 11, 2001 terrorist attacks against the United States

Other Public Company Directorships

Current: Kaman Corporation and SP Plus Corporation

Others in Past 5 Years: None

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PROPOSAL 1 ELECTION OF DIRECTORS

J. Robert Kerrey, 72 *Director Since: November 2012*

(prior service as a director from March 2001 to March 2012)

**Committee
Membership:**

Career Highlights

Nominating and
Corporate
Governance;
Quality,
Compliance and
Ethics

Mr. Kerrey is a former governor and U.S. Senator from Nebraska. He has served as managing director at Allen & Company, an investment banking firm, since January 2014. He also has served as executive chairman of The Minerva Institute for Research and Scholarship, a non-profit institute that aims to offer exceptional educational experiences to students and advance faculty research, since January 2013. Between January 2011 and February 2013, Mr. Kerrey was President Emeritus of The New School University in New York City, and from 2001 to 2010, he served as president of The New School University. From July 2011 to March 2012, he served as the chairman of M & F Worldwide Education Holdings, a provider of business and home office, technology, data management and education products and services. From January 1989 to December 2000, he served as a U.S. Senator for the State of Nebraska. Before his election to the U.S. Senate, Mr. Kerrey was Governor of the State of Nebraska from January 1982 to December 1987. Prior to entering public service, he founded and operated a chain of restaurants and health clubs. A former member of the elite Navy SEAL Team, Mr. Kerrey is a highly decorated Vietnam veteran who was awarded the Congressional Medal of Honor – America’s highest military honor. Mr. Kerrey holds a degree in pharmacy from the University of Nebraska.

Skills and Qualifications

Accounting and financial: Has extensive experience in finance and public policy derived from his service at the investment banking firm Allen & Company and as a member of the U.S. Senate and as a state Governor; also served as the president of a major university and held senior executive positions with a number of corporations and foundations operating in the private education sector

Public sector: Has 18 years of experience in the public sector as a former U.S. Senator and Governor of Nebraska, experience that the Board deems particularly relevant given the highly regulated nature of the healthcare sector

Other Public Company Directorships

Current: None

Others in Past 5 Years: Chart Acquisition Corp.; U.S. Rare Earths, Inc.; Genworth Financial, Inc.; Jones Apparel Group, Inc.; and Scientific Games Corporation

Freda C. Lewis-Hall, M.D., 61 *Director Since: December 2014*

Career Highlights

Committee Membership: Dr. Lewis-Hall is the executive vice president and chief medical officer of Pfizer Inc., a global biopharmaceutical company, leading the division responsible for ensuring the safe, effective and appropriate use of Pfizer's products. Prior to joining the biopharmaceutical industry, she served as vice chairperson and associate professor of the Department of Psychiatry at Howard University College of Medicine and an advisor to the National Institute of Mental Health. Dr. Lewis-Hall earned her undergraduate degree at The Johns Hopkins University and her medical degree from Howard University College of Medicine.

Nominating and Corporate Governance; Quality, Compliance and Ethics

Skills and Qualifications

Healthcare industry experience: Served as a pharmaceutical executive for nearly 20 years (Pfizer, Vertex Pharmaceuticals, Bristol-Myers Squibb Company, Pharmacia Corporation, and Eli Lilly and Company); former practicing psychiatrist and is well-known for her work on the effects of mental illness on families and communities, and on issues of health care disparities

Other Public Company Directorships

Current: None

Others in Past 5 Years: None

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PROPOSAL 1 ELECTION OF DIRECTORS

Richard R. Pettingill, 67 *Director Since: March 2004*

Career Highlights

***Committee
Membership:***

Executive; Health
IT; Human
Resources;
Quality,
Compliance
and Ethics (Chair)

Mr. Pettingill served as president and chief executive officer of Allina Hospitals and Clinics, a network of healthcare providers in Minneapolis, Minnesota, from 2002 until his retirement in 2009. While in this role, he also served on the board of directors of the Minnesota Hospital Association and the Minnesota Business Partnership. Prior to joining Allina Hospitals and Clinics, Mr. Pettingill served as executive vice president and chief operating officer of Kaiser Foundation Health Plans and Hospitals from 1996 to 2002. From 1991 to 1995, he served as president and chief executive officer of Camino Healthcare. Mr. Pettingill received a bachelor's degree from San Diego State University and a master's degree in health care administration from San Jose State University. He was a 2010 Fellow in the Advanced Leadership Initiative program at Harvard University.

Skills and Qualifications

Healthcare industry experience: Has more than 40 years of experience in executive leadership roles in the healthcare industry (Allina Hospitals and Clinics, Kaiser Foundation Health Plans and Hospitals, and Camino Healthcare) and completed academic work on public health policy issues as a 2010 Senior Fellow in the Advanced Leadership Initiative program at Harvard University

Other Public Company Directorships

Current: Accuray Incorporated and Hanger, Inc.

Others in Past 5 Years: MAKO Surgical Corp.

Matthew J. Ripperger, 44 *Director Since: January 2016*

Career Highlights

**Committee
Membership:**

Health IT; Human
Resources

Mr. Ripperger joined Glenview Capital Management, a hedge fund, in February 2008 and was named a partner and co-head of Healthcare in December 2013. Prior to joining Glenview, he was a managing director at Citigroup, where he spent four years following healthcare facilities and providers. Before Citigroup, Mr. Ripperger researched small and mid-cap healthcare service companies at JP Morgan, where he was a vice president. Prior to JP Morgan, he worked as a senior analyst at UBS for two years. Mr. Ripperger received his bachelor of arts degree from Columbia University in 1994.

Skills and Qualifications

Accounting and financial / Healthcare expertise: Has broad-based accounting and finance background derived from his career in investment banking and equity analysis, focusing especially on the healthcare sector, as well expertise in mergers and acquisitions and other significant transactions

Other Public Company Directorships

Current: None

Others in Past 5 Years: None

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PROPOSAL 1 ELECTION OF DIRECTORS

Ronald A. Rittenmeyer, 68 *Director Since: June 2010*

Career Highlights

Committee

Membership:

Audit; Executive;
Health IT; Human
Resources (Chair)

Mr. Rittenmeyer served as the chairman, president and chief executive officer of Expert Global Solutions, Inc., a provider of business process outsourcing services, from 2011 until his retirement in 2014. From 2005 to 2008, Mr. Rittenmeyer held a number of senior management positions with Electronic Data Systems Corporation (EDS), including chairman and chief executive officer from 2007 to 2008, president from 2006 to 2008, chief operating officer from 2005 to 2007 and executive vice president, global service delivery, from 2005 to 2006. Prior to that, he was a managing director of the Cypress Group, a private equity firm, serving from 2004 to 2005. He served as chairman, chief executive officer and president of Safety-Kleen Corp. from 2001 to 2004. Among his other leadership roles, Mr. Rittenmeyer served as chief executive officer and president of AmeriServe Food Distribution Inc. from 2000 to 2001, chairman, chief executive officer and president of RailTex, Inc. from 1998 to 2000, president and chief operating officer of Ryder TRS, Inc. from 1997 to 1998, president and chief operating officer of Merisel, Inc. from 1995 to 1996 and chief operating officer of Burlington Northern Railroad Co. from 1994 to 1995. Mr. Rittenmeyer received his bachelor in science degree in commerce and economics from Wilkes University and his M.B.A. from Rockhurst University.

Skills and Qualifications

Accounting and financial expertise: Served as chairman, president and chief executive officer of Expert Global Solutions, Inc., is a former chairman, president and chief executive officer of EDS, and holds an advanced degree in business administration

Technology and manufacturing sectors: Served as the chief executive officer of EDS, a major information technology outsourcing corporation, and brings knowledge and experience in the information technology industry that is particularly valuable in the healthcare sector, which is undertaking significant capital investments in new information technology systems to meet the requirements of federal health laws

Other Public Company Directorships

Current: American International Group, Inc. (AIG); IMS Health Holdings, Inc.

Others in Past 5 Years: None

Tammy Romo, 53 *Director Since: March 2015*

Career Highlights

***Committee
Membership:***

Audit; Nominating
and Corporate
Governance

Ms. Romo is executive vice president and chief financial officer of Southwest Airlines Co., a major passenger airline, where she is responsible for strategic planning and overall finance activities, including reporting, accounting, investor relations, treasury, tax and financial planning and analysis. Ms. Romo also oversees supply chain management. Ms. Romo previously served in a number of financial management and leadership positions at Southwest Airlines, including senior vice president of planning, vice president and controller, vice president and treasurer, and senior director of investor relations. Before joining Southwest Airlines in 1991, Ms. Romo was an audit manager at Coopers & Lybrand, LLP. She received a B.B.A. in accounting from the University of Texas at Austin, and she is a Certified Public Accountant in the State of Texas.

Skills and Qualifications

Accounting and financial expertise: Serves as SVP of Finance & CFO of Southwest Airlines Co., where she is responsible for the airline's strategic planning and overall finance activities including reporting, accounting, investor relations, treasury, tax and financial planning and analysis

Other Public Company Directorships

Current: None

Others in Past 5 Years: None

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PROPOSAL 1 ELECTION OF DIRECTORS

Randolph C. Simpson, 46 *Director Since: January 2016*

Career Highlights

Committee Membership: Mr. Simpson joined Glenview Capital Management, a hedge fund, in September 2005 and was named a partner in April 2011. He is the co-head of Glenview's Healthcare team and oversees the Consumer team. Prior to joining Glenview, Mr. Simpson was an equity research analyst at Goldman Sachs from 2003 until 2005. Prior to his work at Goldman Sachs, Mr. Simpson spent three years in the M&A group at Credit Suisse First Boston as a generalist. Mr. Simpson received his M.B.A. in finance and accounting from the University of Chicago in 2000, where he graduated Beta Gamma Sigma. Mr. Simpson also earned a J.D. from Georgetown University Law Center in 1994 and a bachelor of arts in quantitative economics with high honors from the University of California, San Diego in 1991.

Nominating and Corporate Governance; Quality, Compliance and Ethics

Skills and Qualifications

Accounting and financial / Legal / Healthcare expertise: Has broad-based accounting and finance background derived from his career in investment banking and equity analysis, focusing especially on the healthcare sector, as well expertise in mergers and acquisitions and other significant transactions, regulatory and legal matters

Other Public Company Directorships

Current: None

Others in Past 5 Years: None

James A. Unruh, 74 *Director Since: June 2004*

Career Highlights

Committee Membership: Mr. Unruh has served as principal of Alerion Capital Group LLC, a private equity firm, since 1998. Prior to founding Alerion, Mr. Unruh was the chairman, president and chief executive officer of Unisys Corporation from 1990 until 1997. Before being named chief executive officer, Mr. Unruh held a number of senior management positions at Unisys and its predecessor corporation, Burroughs Corporation. Mr. Unruh received his bachelor's degree in business administration from the University of Jamestown and his M.B.A. from the University of Denver.

Audit; Executive; Health IT (Chair); Human Resources

Skills and Qualifications

Accounting and financial expertise: Has extensive experience in accounting and financial matters in public and private companies as a former chairman, president and chief executive officer of Unisys Corporation; has also served as CFO of three public companies (Burroughs, Fairchild Camera and Instrument Corporation, and Memorex Corporation); currently serves as a principal of a private equity firm (Alerion Capital Group)

Other Professional Experience and Community Involvement

Chairman, Board of Trustees, University of Jamestown

Other Public Company Directorships

Current: CSG Systems International Inc.

Others in Past 5 Years: CenturyLink, Inc.; Prudential Financial, Inc.; and Qwest Communications International

Director Nomination Process

Under our Corporate Governance Principles, the Governance Committee is responsible for nominating, and the Board is responsible for selecting, individuals to fill vacancies on the Board and to stand for election at each annual meeting. The Governance Committee considers candidates at the recommendation of existing Board members, our management team and our shareholders. The Governance Committee also engages professional search firms and other consultants from time to time to assist it in identifying, evaluating and conducting due diligence on potential candidates. Shareholders may propose nominees for election in accordance with the terms of our bylaws or recommend candidates to the Board for consideration by writing to the Governance Committee in care of the Corporate Secretary at our offices in Dallas, Texas, or by e-mail to boardofdirectors@tenethealth.com. The Governance Committee evaluates nominees recommended by the shareholders using the same criteria as it uses to evaluate all other candidates.

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PROPOSAL 1 ELECTION OF DIRECTORS

Assessment of Board Composition and Criteria for Board Membership

The Governance Committee evaluates the composition of the Board on an ongoing basis and considers potential nominees to the Board as appropriate. As part of this process, the Governance Committee reviews the composition of the Board as a whole, including the balance of business backgrounds, qualifications, skillsets and other qualities represented on the Board to ensure the right balance to effectively oversee management. In light of our current structure and operations, and in consideration of the evaluation of the Board's composition, the Governance Committee believes the following criteria best represent the qualities required for service on the company's Board:

- ü Professionalism, dedication, business judgment, integrity and commitment to our core ethical and other values

- ü Current or past service as the chief executive officer, chief financial officer, chief operating officer or other senior officer of a public or private company, chief executive officer of a business unit of a major corporation, or similar leadership position in a major governmental, professional or non-profit organization

- ü Expertise in financial and accounting matters, familiarity with the regulatory and corporate governance requirements applicable to public companies, and/or expertise in other areas enhancing the Board's performance

- ü Experience in the healthcare industry or other relevant industry experience

- ü Government, regulatory and public relations experience

- ü Ability and willingness to commit adequate time to Board and committee matters

- ü Degree to which the individual's skills complement those of other directors and potential directors
- ü Diversity of viewpoint, background, experience and other demographics
- ü Familiarity with the communities in which we do business

The Governance Committee also reviews updated biographical information for each incumbent director on an annual basis, including information relating to changes in professional status, independence, other professional commitments and public company directorships, as well as input derived from the Board's annual self-evaluation process with respect to each individual director's performance on the Board.

Board Evaluations

The Governance Committee conducts comprehensive self-evaluations and performance assessments to determine whether the Board, its committees and individual directors are functioning well in view of their responsibilities and the company's business. Beginning with the evaluations conducted in December 2014, we established a process of retaining a third party, independent advisor to assist the Board and make the process more candid and transparent. Most recently, the evaluation was conducted in December 2015, and the results were presented to our full Board in January 2016. As part of the most recent evaluation process, the Lead Director engaged a partner of the company's external corporate counsel to meet privately with each member of the Board to solicit feedback on the Board's performance, its processes and the performance of its individual members. Counsel presented the collected feedback of the Board members, which the Board members reviewed and discussed in executive session. Based on the feedback received, the Board determined that, at the time, no changes were necessary in the Board's leadership or committee structure, including Chair assignments. The Board also determined that its processes and committees were functioning properly. As part of its review, the Board noted in particular that none of its members was over-boarded or had otherwise experienced a change in professional status.

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PROPOSAL 1 ELECTION OF DIRECTORS

Directors Qualifications and Experience

Based on the review and evaluation process described above, the Governance Committee concluded that our 12 director nominees possess a diversity of experience, skills and other characteristics best suited to meet the needs of the Board and the company in light of our current business and operating environment. The following table highlights core skills and experiences of our current nominees. Each nominee possesses skills and experiences in addition to the ones highlighted below (as noted in the director biographies outlined above).

LETTER	GAINES	GARRISON	KANGAS	KERREY	LEWIS-HALL	PETTINGILL	RIPPERGER	RITTENMEYER
ü	ü	ü	ü	ü	ü	ü		ü
ü					ü	ü	ü	
ü	ü	ü	ü	ü			ü	ü
				ü				
		ü						ü
ü	ü	ü	ü	ü		ü		ü

Personal Qualities and Diversity. The Governance Committee believes that effective boards require teamwork. In addition, the Governance Committee believes that it is critical to identify candidates with demonstrated commitment to professionalism and integrity. Based on the Board’s annual self-evaluation process and after taking into account the Board’s recent deliberations regarding the qualities of the Board’s two most recently appointed directors, the Governance Committee determined that each nominee embodies these personal characteristics. In particular, the Governance Committee noted that each nominee has demonstrated an ability to work effectively with other directors and management, provide candid and direct feedback, and work constructively to bridge diverse viewpoints and reach a consensus. Our Board includes a balanced regional representation of our country, including nominees from each region in which we conduct business. Additionally, our Board currently includes diverse individuals of differing ages, races and genders.

Special Considerations Regarding Service on Other Boards. Under our Corporate Governance Principles, nominees must seek approval prior to serving on another public company’s board. In addition, the Governance Committee limits the number of public boards on which a nominee may serve to three in addition to our Board (two in the case of directors currently serving as chief executive officers or in equivalent positions of public companies). The Chair of the Governance Committee may waive the three board limit for a non-CEO director upon a showing that additional board service would not impair the director’s service on our Board. In evaluating a waiver request, factors considered include the board committees the director serves on at Tenet and at other public companies and whether the other company has a non-calendar year fiscal period which would not overlap with Tenet’s. None of the company’s current directors

serves on more than three other public company boards. The Governance Committee also reviews the public companies on which nominees serve to identify any special issues that might require further analysis. The Board also takes into account the impact of a Board member's business and professional commitments, including service on other public company boards, in connection with its evaluation of individual director performance as part of the Board's annual self-evaluation process.

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PROPOSAL 1 ELECTION OF DIRECTORS

Director Independence

Under our Corporate Governance Principles, at least two-thirds of the Board must 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 NYSE. The Board reviews each director's independence at least annually and has made the affirmative determination that each of directors Gaines, Garrison, Kangas, Kerrey, Lewis-Hall, Pettingill, Ripperger, Rittenmeyer, Romo, Simpson and Unruh has no material relationship with the company and is independent. All members of our Board during the past ten years have been independent directors with the exception of one employee director, Trevor Fetter, our Chief Executive Officer.

In making its independence determinations, the Board broadly considers all relevant facts and circumstances and, in particular, looks closely at the organizations with which each director has an affiliation. If a director or member of the director's immediate family has a material relationship with the company, the Board reviews the interest to determine if it would preclude an independence determination. For Messrs. Ripperger and Simpson, as part of its independence review, the Board has considered affiliation with Glenview Capital Management, one of our more than 5% shareholders.

The Audit, Human Resources, and Nominating and Corporate Governance Committees are composed exclusively of independent directors as required by the NYSE. Also, all directors serving on the Audit Committee meet the more stringent independence standards for audit committee members required by the SEC. In addition, the Human Resources Committee is composed exclusively of outside directors within the meaning of Section 162(m) of the Internal Revenue Code and non-employee directors within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended. All directors serving on the Human Resources Committee meet the more stringent independence standards for compensation committee members required by the NYSE.

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Tenet Healthcare is committed to maintaining corporate governance policies and practices that protect the long-term interests of shareholders and promote Board and management accountability. Our Board recognizes that this requires us to continually review and refine our corporate governance practices, in order to ensure continued alignment with evolving market practices and the best interests of our company and all our shareholders. Some of our key corporate governance policies and practices include:

Shareholder Rights	ü Annual election of directors
	ü Majority vote standard in uncontested elections
	ü Director resignation policy
	ü No supermajority vote requirements
	ü No poison pill
Board Composition and Practices	ü All directors are independent other than the CEO
	ü Highly diverse and experienced Board
	ü Lead Director with clearly defined and robust responsibilities
	ü Comprehensive self-evaluation and performance assessments for all directors
	ü Commitment to Board refreshment practices, including committee Chair rotation
	ü Director overboarding policy
	ü Board conducts annual evaluation and succession plan review for the CEO
	ü Board members routinely interact with government regulators and engage in meetings with shareholders
ü Board oversight of political contributions	

Our Board of Directors has also adopted a set of Corporate Governance Principles that provide the framework for our existing governance practices. These Corporate Governance Principles more fully address such matters as director independence, director qualifications and responsibilities, director compensation, director and officer stock ownership and retention guidelines, and Board and individual director performance evaluations. To learn more about our current corporate governance structures, please see our Corporate Governance Principles, which may be found in the Corporate Governance section under the For Investors tab on our website at www.tenethealth.com.

Board Leadership Structure

Our Board has a practice of reviewing and assessing the best Board leadership structure, on an annual basis, to meet Tenet Healthcare's evolving needs. The review is undertaken in connection with the Board's annual self-evaluation process and is focused on maintaining the same level of management oversight and a clearly defined leadership structure of independent directors, whether under an independent Chairman or Lead Director. As part of its review, the Board considers the current state of operations at the company, market data and peer company leadership structures, the impact of the leadership structure on other elements of business strategy, and the scope of each potential role to ensure strong independent leadership in the boardroom. Upon the most recent review, the Board determined to

transition to a combined CEO and Chairman structure, with the independent Directors appointing Mr. Kangas to serve as lead independent director and empowering him with substantially the same roles and responsibilities he previously had serving as our non-executive Chairman.

Role of Lead Director of the Board

Mr. Kangas, as Lead Director of the Board, coordinates the activities of the Board and exercises a robust set of duties. Among other things, he:

Leads all meetings at which the Chairman is not present

Chairs executive sessions of the Board

Serves as the liaison between the Chairman and independent directors

Reviews and approves information sent to the Board

Reviews and approves Board meeting agendas and schedules

Calls meetings of independent directors if necessary

Table of Contents**CORPORATE GOVERNANCE AND BOARD PRACTICES**

Is available for consultation and direct communication with stockholders, including representing the Board in meetings with investors, legislators, regulators and other government officials

Serves a role (in conjunction with the Nominating and Governance Committee) in the Board performance evaluation process

In line with the company's sound governance practices, the Board will continue to regularly review and assess the leadership structure to confirm that it best suits the evolving needs and circumstances of the company.

Board and Committee Organization and Responsibilities**Board Meetings and Attendance**

We are governed by our Board of Directors. Members of our Board are kept informed of our business through discussions with our Chief Executive Officer and other senior officers, by reviewing materials provided to them and by participating in meetings of the Board and its committees. Significant business decisions are generally considered by the Board as a whole. The Board met 12 times during 2015. The Board regularly meets in executive sessions. Mr. Fetter is considered an employee director and all other directors are considered non-employee directors. Each incumbent director who served during 2015 participated in at least 75% of the aggregate meetings of the Board and the committees on which he or she served, during the period he or she served as a director and committee member. All Board members are encouraged to attend our annual meeting of shareholders. Nine of the 10 directors then-serving attended last year's annual meeting.

Committees

The Board has delegated certain responsibilities to the following standing committees: Audit Committee; Human Resources Committee; Health IT Committee; Nominating and Corporate Governance Committee; Quality, Compliance and Ethics Committee; and Executive Committee. The following table identifies the members of each of our committees.

DIRECTOR	AUDIT	HUMAN RESOURCES	HEALTH IT	NOMINATING & CORPORATE GOVERNANCE	QUALITY, COMPLIANCE AND ETHICS	EXECUTIVE
Trevor Fetter						ü
Brenda J. Gaines	Chair	ü				ü
Karen M. Garrison				ü	ü	

Edward A. Kangas		ü	Chair	ü	Chair
J. Robert Kerrey			ü	ü	
Freda C. Lewis-Hall, M.D.			ü	ü	
Richard R. Pettingill		ü	ü	Chair	ü
Matthew J. Ripperger		ü	ü		
Ronald A. Rittenmeyer	ü	Chair	ü		ü
Tammy Romo	ü		ü		
Randolph C. Simpson			ü	ü	
James A. Unruh	ü	ü	Chair		ü

Each of the Board’s committees, except the Executive Committee, operates under a written charter that is reviewed and approved annually by the respective committee. The charters are available for viewing in the Corporate Governance section under the For Investors tab on our website at www.tenethealth.com. The Board and each committee may from time to time retain independent advisors and consultants, at the company’s cost, to assist the directors in carrying out their responsibilities.

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CORPORATE GOVERNANCE AND BOARD PRACTICES

The Audit Committee

Meetings Held in 2015: 8

Membership: Brenda J. Gaines (Chair), Ronald A. Rittenmeyer, Tammy Romo, James A. Unruh (*All Independent*)

Primary Responsibilities	Key Skills and Experience
<p>Assist Board in oversight of (1) accounting, reporting and financial practices, including the integrity of financial statements, (2) compliance with legal and regulatory requirements with respect to applicable accounting and auditing matters, (3) independent registered public accountants qualifications, independence and performance, and (4) internal audit function</p>	<p>Expertise in auditing, accounting and tax-related matters</p> <p>Preparation or oversight of financial statements</p>
<p>Establish and maintain policies and procedures for the receipt, retention and treatment of complaints and concerns regarding accounting, internal accounting controls and auditing matters</p>	<p>Extensive knowledge of compliance and relevant regulatory issues</p>
<p>Authority to select, retain and review the independent registered public accountants qualifications, independence and performance</p>	

The Human Resources Committee

Meetings Held in 2015: 8

Membership: Ronald A. Rittenmeyer (Chair), Brenda J. Gaines, Richard R. Pettingill, Matthew J. Ripperger, James A. Unruh
(*All Independent*)

Primary Responsibilities	Key Skills and Experience

- Establish general compensation policies for the company that:
- i Support overall business strategies and objectives
 - i Enhance efforts to attract and retain skilled employees
 - i Link compensation with business objectives and organizational performance
 - i Provide competitive compensation opportunities for key executives
- Oversee the administration of executive compensation programs with responsibility for establishing and interpreting the company's compensation policies and approving compensation paid to executive officers
- Make all compensation decisions regarding non-employee directors, the Named Executive Officers and other members of the senior management team
- Review the performance of the Chief Executive Officer
- Discuss and evaluate, in consultation with the Chief Executive Officer, the performance of other executives
- Oversee the administration of employee benefit plans and the qualified retirement plans
- Provide perspectives to management regarding the company's talent management programs and processes, which may include performance management, succession planning, leadership development, diversity, recruiting, retention and employee training
- Executive compensation best practices
- Human capital management
- Expertise in evaluating executive performance and determining appropriate compensation programs

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CORPORATE GOVERNANCE AND BOARD PRACTICES

The Health IT Committee

Meetings Held in 2015: 4

Membership: James A. Unruh (Chair), Edward A. Kangas, Richard R. Pettingill, Matthew J. Ripperger, Ronald A. Rittenmeyer
(All Independent)

Primary Responsibilities

Key Skills and Experience

Assist the Board in the oversight of the company's strategies related to information technology and data assets

Expertise in healthcare information technology space

Provide reports and recommendations to the Board regarding scope, direction, quality investment levels and execution of the company's strategies related to information technology and data assets, and oversee the execution of such strategies formulated by management

Extensive knowledge of information technology trends

Provide guidance on information technology and data assets as it may pertain to market entry, strategic transactions, research and development, and key competitor and partnership strategies

Review the company's policies and practices relating to cybersecurity

The Nominating and Corporate Governance Committee

Meetings Held in 2015: 4

Membership: Edward A. Kangas (Chair), Karen M. Garrison, J. Robert Kerrey, Freda C. Lewis-Hall, M.D., Tammy Romo, Randolph C. Simpson *(All Independent)*

Primary Responsibilities

Key Skills and Experience

Identify and evaluate existing and potential corporate governance issues, and make recommendations to the Board concerning our Corporate Governance Principles and other corporate governance matters

Corporate governance expertise

Board succession planning

Review and recommend individuals qualified to become Board members and recommend to the Board candidates to stand for election or re-election to the Board

Public company Board service and experience overseeing large organizations

Consider amendments to the company's Articles of Incorporation and Bylaws with respect to corporate governance and make recommendations to the Board concerning such proposed amendments

Review and make recommendations to the Board regarding Board size, composition and structure

Review proposed related-party transactions and determine whether such transactions are appropriate for the Board to consider

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CORPORATE GOVERNANCE AND BOARD PRACTICES

The Quality, Compliance and Ethics Committee

Meetings Held in 2015: 4

Membership: Richard R. Pettingill (Chair), Karen M. Garrison, Edward A. Kangas, J. Robert Kerrey, Freda C. Lewis-Hall, M.D., Randolph C. Simpson (*All Independent*)

Primary Responsibilities	Key Skills and Experience
Oversee the information, procedures and reporting systems, and the company's compliance program	Experience in establishing and ensuring adherence to quality controls
Assist the Board in oversight of policies and procedures on ethics, quality assurance and legal compliance	Expertise in compliance-related policies and procedures
Review and approve Standards of Conduct	Knowledge of and commitment to ethical business practices
Receive and review periodic reports from Ethics and Compliance Department on efforts to educate employees about, and promote their adherence to, Standards of Conduct	
Receive and review periodic reports from Quality Management Department as to efforts to advance quality healthcare	
Oversee performance under the Quality, Compliance and Ethics charter	

The Executive Committee

Meetings Held in 2015: 0

Membership: Edward A. Kangas (Chair), Trevor Fetter, Brenda J. Gaines, Richard R. Pettingill, Ronald A. Rittenmeyer, James A. Unruh

Primary Responsibilities	Key Skills and Experience

<p>Exercise all of the powers of the Board in the management of business and affairs when the Board is not in session, but may not:</p> <ul style="list-style-type: none"> i Fill vacancies on the Board i Change the membership of, or fill vacancies in, any committee of the Board i Adopt, amend or repeal bylaws i Declare dividends 	<p>Executive leadership experience</p> <p>Public board service</p> <p>Service as a board committee chair</p>
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Human Resources Committee Interlocks and Insider Participation

During 2015, directors Kangas (Chair until May 8, 2015), Rittenmeyer (Chair beginning May 8, 2015), Gaines, Kerrey (until May 8, 2015), Pettingill and Unruh (beginning May 8, 2015) served on the Human Resources Committee. No member of the Human Resources Committee was at any time during 2015 or at any other time an officer or employee of the company, and no member had any relationship with the company requiring disclosure as a related-party transaction under Certain Relationships and Related Person Transactions on page 23 of this Proxy Statement. None of our executive officers has served on a board of directors or compensation committee of any other entity that has or has had one or more executive officers who served as a member of our Board of Directors or Human Resources Committee during 2015.

Role of Board and its Committees in Risk Oversight

The Board oversees our risk profile and management's risk management processes, both as a whole Board and through its committees. Our Audit Committee is primarily responsible for overseeing risk management processes relating to our accounting practices, corporate finance and general business operations, including the management of counterparty credit and performance risk. Among other responsibilities, the Audit Committee:

- Receives quarterly reports from management on business and operational risks, internal audit reports relating to the integrity of our internal financial reporting controls and procedures, and reports from our Ethics Action Line relating to allegations of financial fraud or other infractions, as described below.

- Meets regularly with our Chief Executive Officer, Chief Financial Officer, Controller, General Counsel and Chief Compliance Officer, as well as our external and internal auditors, to discuss potential risks and other contingencies relating to our business.

- Meets on a quarterly basis to review these topics with selected chief executive officers and financial officers of our major operating units and regions.

- Reviews material risk issues in connection with its review of our quarterly and annual filings with the SEC.

Reports and discusses the outcome of its meetings to the full Board, including any material risks identified by the Committee that require discussion or action by the full Board.

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CORPORATE GOVERNANCE AND BOARD PRACTICES

Our Quality, Compliance and Ethics Committee is primarily responsible for overseeing regulatory and compliance risk and also reports regularly to the full Board. In particular, the Committee:

Oversees our information, procedures and reporting systems to provide reasonable assurance that: (1) our operations comply with applicable laws and regulations, particularly those related to healthcare providers; (2) we, including our directors and employees, act in accordance with appropriate ethical standards; and (3) our subsidiaries' hospitals and other facilities deliver quality medical care to their patients.

Oversees our Compliance Program, which is intended to foster compliance with federal and state laws and regulations applicable to healthcare providers, and receives periodic reports from our Chief Compliance Officer (who reports directly to the Committee), our Ethics and Compliance Department, and our internal and external legal, regulatory and other officers and advisors.

Meets regularly in joint session with our Audit Committee to discuss material regulatory and compliance risks and reports such risks to the full Board when appropriate for further discussion or action.

Our Health IT Committee, together with the Audit Committee and the full Board, oversees the company's cybersecurity program. The Health IT Committee meets regularly with the company's Chief Information Officer and other members of management to discuss cybersecurity strategy, priorities and risk-based decision making. The Audit Committee also conducts periodic reviews of the company's cybersecurity program, and the full Board is regularly briefed on cybersecurity matters and plays an active role in the oversight of the company's security profile, particularly as it relates to enterprise risk management.

Special Role of Human Resources Committee in Risk Oversight

Our Human Resources Committee is responsible for assessing our compensation policies and practices relative to all our employees, including non-executive officers, to determine if the risks arising from these policies and practices are reasonably likely to have a material adverse effect on our company. In performing its duties, the Committee meets at least annually with our management and the Committee's independent compensation consultant to review and discuss potential risks relating to our employee compensation plans and programs. The Human Resources Committee reports to the Board on a regular basis any risks associated with our compensation plans and programs, including recommended actions to mitigate such risks.

The Committee has determined that there are no risks arising from our compensation policies and practices that are reasonably likely to have a material adverse effect on our company. This finding is based upon the Committee's ongoing review of our compensation programs and practices, the mechanisms in our compensation plans and programs intended to reduce the risk of conduct reasonably likely to have a material adverse effect on our company, and an overall risk assessment of such programs. Among other things, the Committee has reviewed our pay philosophy, balance of cash and equity compensation, balance of long-term and short-term performance periods of our

plans and programs, and the use of our balanced approach to annual incentive compensation (which rewards employees based on a broad range of financial and operational metrics and company initiatives as opposed to a single target). The Committee has also considered our equity grant administration policy, stock ownership guidelines, clawback incentive pay policies, as well as our internal financial reporting and regulatory compliance procedures.

Policies on Ethics and Conduct

Standards of Conduct

We maintain a values-based ethics program that is designed to monitor and raise awareness of ethical issues among employees and to stress the importance of understanding and complying with our Standards of Conduct. All of our employees, including our Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer, are required to abide by our Standards of Conduct to ensure that our business is conducted in a consistently legal and ethical manner. The members of our Board of Directors and many of our contractors are also required to abide by our Standards of Conduct.

The Standards of Conduct reflect our basic values and form the foundation of a comprehensive process that includes compliance with all corporate policies, procedures and practices. Our Standards of Conduct cover such areas as quality patient care, compliance with all applicable laws and regulations, appropriate use of our assets, protection of patient information and avoidance of conflicts of interest. As part of the program, we provide annual ethics and compliance training sessions to every employee, as well as our Board of Directors and certain physicians and contractors. All employees are required to report incidents that they believe in good faith may be in violation of the Standards of Conduct, and are encouraged to contact our 24-hour toll-free Ethics Action Line when they have questions about the Standards of Conduct or any ethics concerns. Incidents of alleged financial improprieties reported to the Ethics Action Line or the Ethics and Compliance Department are communicated to the Audit Committee of our Board of Directors. All reports to the Ethics Action Line are kept confidential to the extent

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CORPORATE GOVERNANCE AND BOARD PRACTICES

allowed by law, and employees have the option to remain anonymous. In cases reported to the Ethics Action Line that involve a possible violation of the law or regulatory policies and procedures, the matter is referred to the Ethics and Compliance Department for investigation. Retaliation against employees in connection with reporting ethical concerns is considered a serious violation of our Standards of Conduct, and, if it occurs, it will result in discipline, up to and including termination of employment.

The full text of our Standards of Conduct is published in the [Ethics and Compliance](#) section under the [About](#) tab on our website at www.tenethealth.com. In addition, amendments to the Standards of Conduct and any grant of a waiver from a provision of the Standards of Conduct requiring disclosure under applicable SEC rules will be disclosed at the same location as the Standards of Conduct on our website at www.tenethealth.com.

Quality, Compliance and Ethics Program Charter

We also operate an ethics and compliance program through a Quality, Compliance and Ethics Program Charter, which has been approved by our Quality, Compliance and Ethics Committee. The charter requires all company employees and many of our contractors to:

Follow our Standards of Conduct

Participate in annual ethics training and specialized compliance training tailored to the individual's job duties

Work with our hospital, regional, corporate and business unit compliance teams to resolve issues of concern

Contact the Tenet Ethics Action Line at 1-800-8ETHICS if issues are not resolved
Our Quality, Compliance and Ethics Charter may be found in the [Ethics and Compliance](#) section under the [About](#) tab on our website at www.tenethealth.com.

Certain Relationships and Related Person Transactions

Our written Standards of Conduct require all employees, including our executive officers, and members of our Board of Directors to report conflicts of interest and also those situations in which there may be the appearance of a conflict of interest. The full text of our Standards of Conduct is published on our website at www.tenethealth.com, and a description of our policies on ethics and conduct can be found above. In the event that a related-party transaction involving Tenet or its subsidiaries is identified, our policy is to require that any such transaction be reviewed and approved by the Board's Nominating and Corporate Governance Committee, which is comprised entirely of independent directors. Under SEC rules, a related party is a director, executive officer, nominee for director, or 5% shareholder of Tenet since the beginning of the previous fiscal year, and their immediate family members.

Communications with the Board of Directors by Shareholders and Other Interested Parties

Shareholders may communicate with the Board of Directors by e-mail to *boardofdirectors@tenethealth.com* or by writing to the Board in care of the Corporate Secretary at our office in Dallas, Texas. Shareholder communications will be reviewed internally to determine 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.

Other interested parties may make their concerns known to our non-employee directors by following the procedures for reporting concerns to the Audit Committee set forth in our Corporate Governance Principles, which are available on our website at *www.tenethealth.com*.

Table of Contents**DIRECTOR COMPENSATION**

Our non-employee directors, which include all our directors except Mr. Fetter, each receive a \$95,000 annual retainer fee. The non-employee directors also receive \$2,000 per committee meeting attended and for Board meetings receive:

no fee for the first seven meetings each year; and

for additional meetings, \$3,000 per in-person meeting and \$1,500 per telephonic meeting attended.

Each non-employee director serving as the Chair of a committee receives an annual fee of \$15,000, except that the Chairs of the Audit Committee and the Human Resources Committee receive an annual chair fee of \$25,000 and \$20,000, respectively, given the demands and responsibilities placed on those committees. Our Lead Director receives an annual fee of \$200,000 in addition to other Board and committee compensation, which is comprised of \$150,000 in cash and restricted stock units valued at \$50,000. All annual fees are prorated for partial-year service. All directors are reimbursed for travel expenses and other out-of-pocket costs incurred while attending meetings.

Our non-employee director compensation also includes an annual award of restricted stock units equal in value to \$175,000, which award is prorated for partial service in the initial year of service. The 2015 awards are shown in the Stock Awards column in the table below.

2015 Director Compensation Table

NAME	FEES EARNED OR PAID IN CASH		TOTAL
	(\$)	STOCK AWARDS (\$) ⁽¹⁾⁽²⁾	
Brenda Gaines	154,000	175,015	329,015
Karen Garrison	142,500	175,015	317,515
Edward Kangas	321,500	225,014	546,514
J. Robert Kerrey	129,500	175,015	304,515
Freda Lewis-Hall	131,000	175,015	306,015
Richard Pettingill	156,500	175,015	331,515
Ronald Rittenmeyer	166,500	175,015	341,515
James Unruh	167,000	175,015	342,015
Tammy Romo	103,264	266,148 ⁽³⁾	369,412

⁽¹⁾ Amounts shown in this column reflect the grant date fair value, computed in accordance with FASB ASC Topic 718, of awards granted under our stock incentive plans, as described under Compensation Plans Applicable to

Directors Stock Incentive Plans below.

- (2) The 2015 stock awards shown in this column reflect annual grants to each director valued at \$175,000 on the date of grant. We calculated the grant date fair value of these restricted stock units based on the NYSE closing price per share of our common stock on such date, adjusted for a 23.2% discount for illiquidity to reflect the mandatory post-vest holding period applicable to the 2015 annual director restricted stock unit awards. On May 8, 2015, based on the NYSE closing price of \$48.26 per share of our common stock (adjusted as described in the preceding sentence), each non-employee director was granted 4,722 restricted stock units under the program. On the same date, Mr. Kangas was granted an additional 1,349 restricted stock units valued at \$50,000 for a portion of his annual Lead Director fee. All such awards are consistent with our policies for director grants and are described in further detail below under Compensation Plans Applicable to Directors.
- (3) In addition to the annual grant applicable to the 2015-2016 board service year described in Note 2 above, on March 26, 2015, Ms. Romo was granted an initial stock award of 1,311 restricted stock units and a prorated annual director grant of 526 restricted stock units applicable to the 2014-2015 board service year. These grants were based on the NYSE closing price of \$49.61 per share of our common stock on March 26, 2015. Neither of these grants are subject to the mandatory post-vesting holding period described in footnote 2 above. Assumptions used in the calculation of these amounts are discussed in Note 8 to our consolidated financial statements for the year ended December 31, 2015 included in our Annual Report on Form 10-K.

Compensation Plans Applicable to Directors

Stock Incentive Plans

Each non-employee director receives an annual grant under our 2008 Stock Incentive Plan of restricted stock units that is meant to compensate the director for service on the Board beginning on the date of that year's annual shareholders meeting and ending on the date of the following year's annual shareholders meeting. These grants are typically made on the first business day following the annual shareholders meeting and vest immediately on the grant date. Beginning with the 2015 annual grants, a mandatory post-vest holding period of three years was applied to the annual restricted stock unit awards and such awards will be settled in shares of our common stock on the third anniversary of the date of grant (unless a non-employee director elects, under the Special RSU Deferral Plan described below, to defer settlement of the units). For 2015, the annual grants were made on May 8, 2015 and had a grant date fair value of \$175,000. In addition, on that date our Lead Director received an additional grant of restricted stock units with a grant date fair value of \$50,000 as a portion of the annual Lead Director fee.

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DIRECTOR COMPENSATION

On the last Thursday of any month in which a new non-employee director is elected to the Board, the director receives an automatic grant of that number of restricted stock units equal to \$65,000 divided by the NYSE closing price per share of our common stock on the date of the grant. These one-time grants vest immediately on the grant date and are settled in shares of our common stock within 60 days of the director's termination of service on the Board. In addition, newly appointed directors receive a prorated annual restricted stock unit grant for the portion of the board service year that they serve.

In the event of a change of control of the company as defined in Section 409A of the Internal Revenue Code (Section 409A), the restricted stock units would be settled within 60 days of the change of control. In the event of a change of control of the company that does not comply with Section 409A, the restricted stock units would be converted to cash and paid within 60 days of the earlier of the third anniversary of the date of grant or termination of service on the Board, in the case of the annual grants (including the grant related to the annual Chairman fee), and within 60 days of the termination of service on the Board, in the case of the new director grants.

Special RSU Deferral Plan

We adopted the Special RSU Deferral Plan to permit directors to elect to defer the settlement of their annual restricted stock unit grants under the 2008 Stock Incentive Plan for a period of five years as provided under the terms of the award agreement. In the event of a change of control of the company, the restricted stock units will be settled on the subsequent deferral date irrespective of whether the underlying award agreement would provide for earlier settlement by reason of such change in control. As of March 14, 2016, Richard Pettingill was our only director that had elected to defer settlement of certain restricted stock unit grants pursuant to the terms of the Special RSU Deferral Plan.

Deferred Compensation Plan

Under our 2006 Deferred Compensation Plan (the 2006 DCP), directors and eligible employees may defer all or a portion of their compensation paid during a given calendar year. For directors, compensation is defined as cash compensation from retainers, meeting fees and committee fees. J. Robert Kerrey was the only company director that participated in the 2006 DCP in 2015. A more complete description of the 2006 DCP can be found under Deferred Compensation Plans beginning on page 56.

Director Stock Ownership and Retention Requirements

The Board has adopted stock ownership and retention requirements that require each non-employee director with more than one year of service on the Board to own shares of our stock. In addition, each non-employee director is required to own shares of our stock with a value equal to five times the annual director retainer within five years after the date on which the director joins the Board. As of March 14, 2016, all of our non-employee directors were in compliance with the requirements.

Directors who have not satisfied their ownership requirements must retain 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 requirements are met. For this purpose, 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. A detailed discussion of these requirements can be found beginning on page 48.

Table of Contents**SECURITIES OWNERSHIP****Securities Ownership of Management**

The table below indicates the shares, options and other securities beneficially owned by our directors, each of our Named Executive Officers and our directors and executive officers as a group, as of March 14, 2016. No director or current executive officer has pledged any shares of our common stock.

NAME	SHARES BENEFICIALLY OWNED ⁽¹⁾		PERCENT OF CLASS AS OF MARCH 14, 2016
	SHARES OF COMMON STOCK ⁽²⁾	OPTIONS EXERCISABLE ON OR BEFORE MAY 13, 2016	
Audrey Andrews	29,114	-0-	*
Daniel J. Cancelmi	144,849	54,688	*
Trevor Fetter	893,735 ⁽³⁾	1,094,158	2.0%
Brenda J. Gaines	67,900 ⁽⁴⁾	-0-	*
Karen M. Garrison	71,876 ⁽⁵⁾	-0-	*
Edward A. Kangas	60,827 ⁽⁶⁾	-0-	*
J. Robert Kerrey	14,788 ⁽⁷⁾	-0-	*
Freda C. Lewis-Hall	7,330 ⁽⁸⁾	-0-	*
Richard R. Pettingill	97,617 ⁽⁹⁾	-0-	*
Keith B. Pitts	114,743	-0-	*
Britt T. Reynolds	96,169	56,500	*
Matthew J. Ripperger	9,000 ⁽¹⁰⁾	-0-	*
Ronald A. Rittenmeyer	23,150 ⁽¹¹⁾	-0-	*
Tammy Romo	6,559 ⁽¹²⁾	-0-	*
Randolph C. Simpson	-0- ⁽¹⁰⁾	-0-	*
James A. Unruh	65,308 ⁽¹³⁾	-0-	*
Executive officers and directors as a group (16 persons) ⁽¹⁴⁾	1,702,965	1,205,346	2.9%

* Less than 1%.

⁽¹⁾ Except as indicated, each individual named has sole control as to investment and voting power with respect to the securities owned. Where applicable, the number of shares in this table and throughout this Proxy Statement have been adjusted for the reverse stock split effective October 11, 2012.

- (2) As noted in the footnotes below, some amounts in this column include stock units representing the value of the owner's deferred compensation invested in stock units at his or her election under the terms of one or both of our deferred compensation plans. These units are settled in shares of our common stock upon termination of service. In addition, as noted below, the totals in this column for each non-employee director include restricted stock units granted under the terms of our stock incentive plans. These restricted stock units are settled in shares of our common stock either upon termination of service or upon the third anniversary of the date of grant (unless deferred under the Special RSU Deferral Plan).
- (3) Includes 2,550 shares held by Mr. Fetter's spouse and 4,699 stock units representing the value of Mr. Fetter's deferred compensation invested in stock units at his election under the terms of our deferred compensation plans.
- (4) Includes 408 shares held in trust and 24,836 restricted stock units granted under our stock incentive plans.
- (5) Includes 24,836 restricted stock units granted under our stock incentive plans.
- (6) Includes 25,787 restricted stock units granted under our stock incentive plans.
- (7) Includes 12,173 restricted stock units granted under our stock incentive plans.
- (8) Represents 7,330 restricted stock units granted under our stock incentive plans.
- (9) Includes 22,730 stock units representing the value of Mr. Pettingill's deferred compensation invested in stock units at his election under the terms of our deferred compensation plans and 42,581 restricted stock units granted under our stock incentive plans.
- (10) Mr. Ripperger and Mr. Simpson are senior executives of Glenview Capital Management, LLC and serve on the Board as Glenview's representatives. On January 28, 2016, Messrs. Ripperger and Simpson each received (i) a prorated annual equity grant of 2,807 restricted stock units and (ii) a one-time initial equity grant of 2,542 restricted stock units, in each case under our 2008 Stock Incentive Plan. The annual equity grant will be settled in shares on the third anniversary of the grant date, and the initial equity grant will be settled in shares within 60 days of the termination of the director's service on the Board. Pursuant to the Glenview Director Compensation Policy, Messrs. Ripperger and Simpson have each agreed to pay and/or otherwise distribute to Glenview the right to any and all compensation received in connection with their service as directors on our Board, and, as such, neither Mr. Ripperger nor Mr. Simpson has any right to any compensation received in connection with their service on the Board, and the shares delivered upon settlement of these equity grants will be issuable directly to Glenview. Therefore, these equity grants are reflected as part of Glenview's beneficial ownership in the Securities Ownership of Certain Shareholders below.



Table of Contents**SECURITIES OWNERSHIP**

(11) Includes 15,691 restricted stock units granted under our stock incentive plans.

(12) Represents 6,559 restricted stock units granted under our stock incentive plans.

(13) Includes 314 stock units representing the value of Mr. Unruh's deferred compensation invested in stock units at his election under the terms of our deferred compensation plans and 22,247 restricted stock units granted under our stock incentive plans.

(14) Includes Mr. Reynolds who has since resigned as the company's President of Hospital Operations.

Securities Ownership of Certain Shareholders

Based on reports filed with the SEC, each of the following entities owns more than 5% of our outstanding common stock. We know of no other entity or person that beneficially owns more than 5% of our outstanding common stock.

NAME AND ADDRESS	NUMBER OF SHARES BENEFICIALLY OWNED	PERCENT OF CLAS
		AS OF MARCH 14, 2016
Glenview Capital Management, LLC		
767 Fifth Avenue, 44 th Floor	17,900,928 ⁽¹⁾	18.0%
New York, NY 10153		
BlackRock, Inc.		
40 East 52 nd Street	8,774,888 ⁽²⁾	8.8%
New York, NY 10022		
Harris Associates L.P.		
111 S. Wacker Drive, Suite 4600	8,346,668 ⁽³⁾	8.4%
Chicago IL 60606		
The Vanguard Group, Inc.	8,156,633 ⁽⁴⁾	8.2%

100 Vanguard Blvd.

Malvern, PA 19355

Waddell & Reed Financial, Inc.

6300 Lamar Avenue

7,267,400⁽⁵⁾

7.3%

Overland Park, KS 66202

- (1) Based on a Schedule 13D/A filed with the SEC on February 1, 2016 by Glenview Capital Management, LLC, and its named subsidiaries and affiliates (collectively, "Glenview"), and Lawrence M. Robbins, as of January 28, 2016. Glenview Capital Management, LLC serves as an investment manager to various Glenview funds and Mr. Robbins is the Chief Executive Officer of Glenview Capital Management. Glenview and Mr. Robbins reported shared voting and investment power with respect to all of the shares indicated above. The 17,900,928 shares includes 10,698 shares issuable by the company upon settlement of the restricted stock units granted to Mr. Ripperger and Mr. Simpson on January 28, 2016. The annual equity grants (a total of 5,614 shares) will be settled in shares on the third anniversary of the grant date, and each initial equity grant (a total of 5,084 shares) will be settled in shares within 60 days of the termination of the director's service on the Board. As described in footnote 10 to the Securities Ownership of Management table above, the income derived in connection with these directors' service on the company's Board belongs, in economic terms, to certain investment funds managed by Glenview Capital Management and the shares delivered upon settlement of these equity grants will be issuable directly to Glenview Capital Management.
- (2) Based on a Schedule 13G/A filed with the SEC on January 27, 2016 by BlackRock, Inc. on behalf of itself and its named subsidiaries and affiliates (collectively, "BlackRock"), as of December 31, 2015. BlackRock reported sole voting power with respect to 8,068,952 of the shares indicated above and sole investment power with respect to all of the shares indicated above.
- (3) Based on a Schedule 13G/A filed with the SEC on February 10, 2016 by Harris Associates L.P. ("Harris"), along with its general partner Harris Associates, Inc. ("HAI"), as of December 31, 2015. Harris and HAI reported sole voting and investment power with respect to 7,512,859 of the shares indicated above.
- (4) Based on a Schedule 13G/A filed with the SEC on February 10, 2016 by The Vanguard Group, Inc., on behalf of itself and its named subsidiaries and affiliates (collectively, "Vanguard"), as of December 31, 2015. Vanguard reported sole voting power with respect to 161,626 of the shares indicated above, shared voting power with respect to 5,400 of the shares indicated above, sole investment power with respect to 7,995,557 of the shares indicated above and shared investment power with respect to 161,076 of the shares indicated above.
- (5) Based on a Schedule 13G filed with the SEC on February 12, 2016 by Ivy Investment Management Company ("IICO"), Waddell & Reed Investment Management Company ("WRIMCO"), Waddell & Reed, Inc. ("WRI"), Waddell & Reed Financial Services, Inc. ("WRFSI") and Waddell & Reed Financial, Inc. ("WDR," and collectively with IICO, WRIMCO, WRI and WRFSI, "Waddell"), as of December 31, 2015. The securities reported on therein are beneficially owned by one or more open-end investment companies or other managed accounts which are advised or sub-advised by IICO, an investment advisory subsidiary of WDR or WRIMCO, an investment advisory subsidiary of WRI. WRI is a broker-dealer and underwriting subsidiary of WRFSI, a parent holding company. In turn, WRFSI is a subsidiary of WDR, a publicly traded company. The investment advisory contracts grant IICO

and WRIMCO all investment and/or voting power over securities owned by such advisory clients. The investment sub-advisory contracts grant IICO and WRIMCO investment power over securities owned by such sub-advisory clients and, in most cases, voting power. Any investment restriction of a sub-advisory contract does not restrict investment discretion or power in a material manner. Waddell reported sole voting and investment power with respect to the shares indicated above as follows: WDR: 7,267,400; WRFSI: 2,898,600; WRI: 2,898,600; WRIMCO: 2,898,600; and IICO: 4,368,800.

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HUMAN RESOURCES COMMITTEE REPORT

Our Human Resources Committee has reviewed and discussed with management the Compensation Discussion and Analysis below. Based on this review and these discussions, the Human Resources Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be incorporated by reference in the company's Annual Report on Form 10-K for the year ended December 31, 2015 and included in this Proxy Statement.

Members of the Human Resources Committee

Ronald A. Rittenmeyer, Chair

Brenda J. Gaines

Richard R. Pettingill

Matthew J. Ripperger

James A. Unruh

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS**

This Compensation Discussion and Analysis (CD&A) describes the components of our executive compensation packages, the way in which the Human Resources Committee makes decisions about each component, the philosophy behind each component and the way these decisions and philosophies were applied to each Named Executive Officer (NEO) for 2015. Our NEOs for 2015 were:

NAMED EXECUTIVE OFFICER	TITLE
Trevor Fetter	Chief Executive Officer
Daniel Cancelmi	Chief Financial Officer
Keith Pitts	Vice Chairman
Britt Reynolds	Former President of Hospital Operations*
Audrey Andrews	Senior Vice President and General Counsel

* As previously disclosed, Mr. Reynolds notified the company of his resignation as the company's President of Hospital Operations on March 16, 2016.

The CD&A and Executive Compensation Tables are organized as follows:

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COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

Business Overview and Strategic Achievements

Tenet Healthcare is a diversified healthcare services company that operates three complementary and connected business segments: Acute Care Hospitals, Ambulatory Care (which includes USPI), and Conifer Health Solutions. We have established leading positions in some of the most compelling components of healthcare, making us a valuable partner to not-for-profit health systems and strengthening our strategic and financial position as the industry continues to evolve. Our strategic priorities for each business segment are as follows:

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COMPENSATION DISCUSSION AND ANALYSIS

2015 was a year of substantial accomplishment for Tenet. We created a stronger portfolio of operations, better aligned with the trends driving healthcare, and offering significant strategic opportunities for growth. Between the months of June and December in particular, we had a number of significant developments across the Tenet enterprise, including the completion of several transactions that strengthened our business segments.

For several years, we have focused our investments on higher margin, faster-growing and stronger free cash flow-generating opportunities. The addition of USPI in 2015 was a critical element of that strategy. As illustrated in the pie charts below, our Ambulatory and Conifer segments accounted for more than 27 percent of our Adjusted EBITDA in 2015, up from approximately 15 percent in 2014, and we expect this percentage to increase again in 2016 based on our belief that our Ambulatory and Conifer segments will grow at a faster rate in 2016 than our Hospital Operations and Other segment.

See Appendix C for definitions and reconciliation of certain non-GAAP financial measures.

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COMPENSATION DISCUSSION AND ANALYSIS

Financial and Operational Performance Highlights

Our financial and operational performance continues to create value for our shareholders. For the past decade, we have driven continuous improvement in our financial results, with Net Revenue and Adjusted EBITDA more than doubling from 2011 to 2015. These results have been driven by strong operational results, including the benefit of organic growth and acquisitions, as shown by our significant growth in Total Admissions and Outpatient Visits over that same period. In 2015, we also reached an inflection point in our ability to generate Adjusted Free Cash Flow, delivering our strongest performance in more than a decade.

Active Shareholder Engagement Program

Our Board of Directors actively solicits input from investors and governance groups, and regularly reviews analyst reports and other communications. In addition, for a number of years the Board has met with at least one significant shareholder during its annual strategy retreat to engage in dialogue regarding the company's performance, strategy and practices.

Throughout 2015, we enhanced our shareholder engagement efforts, including through active director participation, to solicit investor perspectives on a broad range of topics. In the months following the 2015 annual meeting of shareholders, we reached out to shareholders representing approximately 55% of the outstanding shares of our common stock to offer a meeting with an independent director and members of our management team. In particular, the Board solicited feedback on the company's governance and executive compensation practices, including the company's recent change in Board leadership structure and the design of our compensation program. In total, during our Fall and Winter engagement we held discussions with shareholders representing in aggregate approximately 49% of our outstanding common stock. Two of our independent directors, Mr. Kangas, Lead Director, and Mr. Unruh, Chair of our Health Information Technology Committee and former Chair of our Audit Committee, participated in many of these meetings.

In early 2016, the Board reviewed the feedback communicated to us by our shareholders. The Board noted that investors assigned significant importance to a robust Board self-evaluation process, the selection of directors whose skillsets compliment the company's strategic objectives, and the appointment of a strong Lead Director with well-defined responsibilities. In addition, numerous shareholders requested that the company reassess the design of its long-term incentive compensation plans. Among other things, shareholders encouraged the company to adopt longer-term performance periods and performance metrics that link more directly to the achievement of the company's long-term business plans. Based on this input, and after considering the recent decline in the company's advisory vote on say-on-pay (with approximately 82% of votes cast approving our say-on-pay proposal in 2015), the Human Resources Committee undertook a re-evaluation of the structure and design of the company's executive compensation program, the results of which are described below.

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS****2016 Executive Compensation Program Changes**

In response to feedback received from investors and as part of the Committee's ongoing review and refinement of Tenet's executive compensation program in light of evolving best practices and the company's business strategy, the Human Resources Committee made changes to the executive compensation program for 2016, as outlined below:

COMPENSATION ELEMENT	ACTION TAKEN FOR 2016 PROGRAM
<p>Long-Term Incentive Plan</p> <p><i>Performance Period</i></p>	<p>The one-year performance period for performance-based RSUs was replaced with a cumulative three-year performance period.</p> <p>Performance-based RSUs will have a three-year cliff vesting period intended to better align executives with the long-term performance of the company.</p>
<p>Long-Term Incentive Plan</p> <p><i>Performance Metrics</i></p>	<p>The single performance metric (Adjusted EBITDA) for all performance-based RSUs has been replaced with a basket of four new equally-weighted metrics:</p> <ul style="list-style-type: none"> i Adjusted Earnings per Share, which is a measure of the company's per-share profitability, excluding certain gains and losses. Many analysts and investors use the ratio of a company's stock price to its earnings per share as a valuation tool and the Committee believes that greater earnings per share correlates with higher share prices. Likewise, Adjusted Earnings per Share incorporates interest expense and noncontrolling interest expense, which are meaningful uses of the company's cash. i Adjusted Free Cash Flow Less Cash Payments to Noncontrolling Interests, which measures the company's ability to sustainably generate cash that can be used for purposes such as acquisitions, purchasing equity interests in joint ventures or repurchasing debt. The Committee believes that free cash flow generation is an important determinant in long term shareholder value creation, since it allows the company to fund growth without raising additional debt and also to retire existing indebtedness.

i **Return on Invested Capital (ROIC)**, which measures capital efficiency and management's ability to generate economic returns on capital investments and acquisitions. The Committee believes that ROIC is an important metric to properly evaluate if the company is generating attractive financial returns.

i **Relative Total Shareholder Return (TSR)**, which will compare the company's share price appreciation with that of its direct publicly-traded competitors. The Committee recognizes that investors have the option to invest in other companies and it believes that incorporating Relative TSR as a performance measure will provide an even greater direct financial incentive for management to act in ways that they believe will result in superior returns for the company's shareholders.

The change in metrics will incentivize management to perform in the key areas that the Board and the Human Resources Committee believe will drive shareholder value going forward.

This change also provides for differentiation between the performance measures under our short- and long-term incentive plans.

Long-Term Incentive Plan

Clawback

Equity grants made in 2016 and going forward will be subject to clawback in the event that, within three years of the end of the performance period, the company materially restates its financial results with respect to the performance period and the recipient's fraud or misconduct caused or partially caused the need for the restatement.

This new requirement is in addition to the clawback policy that is already embedded in our annual incentive plan.

Annual Incentive Plan

Performance Metrics

The EBITDA metric of our annual bonus plan will be defined as Adjusted EBITDA minus net income attributable to noncontrolling interests, and the free cash flow metric will be Adjusted Free Cash Flow minus cash distributions paid to noncontrolling interests.

The company's strategy to pursue joint venture partnerships, including USPI, resulted in an increase in Tenet's net income attributable to noncontrolling interest in 2016 and a related increase in cash distributions paid to noncontrolling interests in 2016. The revised EBITDA and free cash flow metrics used in the Annual Incentive Plan are designed to reflect this change and are intended to serve as more accurate measurements of performance driven by Tenet's management team

relative to the benefits received by the company's shareholders.

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COMPENSATION DISCUSSION AND ANALYSIS

In addition to these structural changes, the Human Resources Committee also evaluated total pay levels in light of the decline in the company's stock price during the second half of 2015 and the first few months of 2016. As a result of this review, the Committee reduced the grant value of long-term incentive compensation awards made in March 2016 to Mr. Fetter and the other NEOs (in the aggregate) by 19% and 13%, respectively, as compared with the 2015 awards.

The Board and the Human Resources Committee will continue to monitor management performance and whether the actions and changes described above are having the desired effect. The Committee intends to seek additional shareholder feedback on these matters in 2016 and will continue to consider additional changes, as appropriate.

Components of 2015 Compensation and Alignment with Performance

Our executive compensation program is designed to promote prudent pay practices that support pay-for-performance principles and do not encourage undue risk-taking. Our Human Resources Committee reviews our compensation program annually to ensure it is consistent with these objectives.

The following table outlines the components of our NEO's 2015 compensation:

ELEMENT	FORM	KEY CHARACTERISTICS & LINKS TO SHAREHOLDER VALUE	
Base Salary	Fixed Cash	Fixed compensation component payable in cash	
		Set based on peer group and market survey data, as well as individual performance, experience and tenure	
		Performance-based cash compensation payable based on company's achievement of financial and other quantified performance goals set by the Committee	
Incentive Plan	Performance-Based Cash	Performance measured against a Balanced Scorecard which includes the following broad categories (which we call "pillars"):	
		<table border="0"> <tr> <td data-bbox="624 1799 810 1944" rowspan="2">Cost: 65%</td> <td data-bbox="815 1799 1166 1835">Adjusted EBITDA (55%)</td> </tr> <tr> <td data-bbox="815 1871 1246 1906">Adjusted Free Cash Flow (10%)</td> </tr> </table>	Cost: 65%
Cost: 65%	Adjusted EBITDA (55%)		
	Adjusted Free Cash Flow (10%)		

Growth: 10%	Inpatient Admissions (5%) Outpatient Visits (5%)
Quality: 10%	Quality Composite Index (10%)
Service: 10%	Inpatient Satisfaction (5%) Physician Net Promoter Score® (5%)
People: 5%	Employee Turnover (5%)

Long-Term Incentive Plan		Focuses management on creating long-term shareholder value
	Performance-Based RSUs (50%)	Based on achievement of Adjusted EBITDA performance goals One-year performance period; three-year vesting schedule
	Time-Based RSUs (50%)	Aligns economic interests of executives and shareholders Three-year vesting schedule

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS**

Substantially all NEO compensation is at risk (i.e., contingent upon our meeting performance goals and/or increasing shareholder value). Specifically, for 2015, 89.5% of the Chief Executive Officer's target compensation and, on average, 81.5% of other NEO's target compensation was tied to company performance, including stock price.

Compensation Design and Target-Setting Process

A significant portion of the compensation of our NEOs is subject to the company achieving targeted levels of financial and operating performance under both our short and long-term plans. These predetermined performance levels are typically derived from or correlate to the performance goals in the company's annual business plan, which is reviewed and approved by the Board of Directors prior to the beginning of each fiscal year. Our Human Resources Committee also establishes operational targets intended to incentivize our officers to improve patient care and other quality metrics, which we believe are critical to achieving success as a healthcare provider.

Near the end of each year, the Committee begins its incentive target-setting process and undertakes a comprehensive review of the design of both the short and long-term incentive programs for the upcoming fiscal year. The goal is to establish targets that the Committee believes will motivate our executives to deliver the performance that drives shareholder value creation in both the short and longer term. An overview of our target-setting process for 2015 is outlined below.

NOVEMBER	DECEMBER	FEBRUARY-MARCH
<p>The Committee reviews competitive pay benchmarking data and market practices and trends. The Committee discusses compensation plan design options and provides feedback to management on proposals for the Annual Incentive Plan (AIP) and long-term incentive plan.</p>	<p>The Board approves the upcoming year's business plan.</p> <p>The Committee reviews the goals and objectives in the company's annual business plan, and considers how proposed target levels for the AIP metrics will correlate to the earnings outlook that management believes it will disclose to investors for the following year.</p> <p>The Committee approves the AIP structure, including weightings and the thresholds/targets/maximums for all metrics (other</p>	<p>The Committee approves Free Cash Flow targets for the AIP.</p> <p>The Committee approves the target AIP opportunity for each NEO and the design and grant amounts for the long-term incentive plan as part of the overall compensation package for each NEO.</p>

than Free Cash Flow).

The levels of NEO bonuses under our performance-based AIP are determined by the company's achievement of pre-specified financial, operating, quality and service performance targets focused on a balanced mix of value-driving metrics.

Cost and growth (financial) metric targets are challenging yet attainable goals, set in consideration of the annual business plan and the earnings outlook disclosed to investors.

Quality, service and people (operational) metric targets are established with the aim of achieving performance benchmarks that we believe represent improvements in care quality and/or continued internal improvement on operating metrics (such as employee retention) that contribute to reductions in operating costs.

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS**

A substantial portion (50% in 2015) of the equity grants made to NEOs under our long-term incentive plan are subject to performance-based vesting requirements that require the company to achieve specified financial targets established by the Human Resources Committee, with the remaining awards subject to time-based vesting conditions.

The Committee historically has used Adjusted EBITDA as a key performance metric under both its long and short-term incentive plans. The Committee's selection of Adjusted EBITDA was based primarily on its assessment that this is the metric primarily used by financial analysts and investors to measure the performance of the company. The Committee also believed that the metric was appropriate to use during a period when both the healthcare industry and the company were undergoing rapid changes as a result of the adoption of the Affordable Care Act, and therefore other performance metrics might not have been representative of management performance.

In selecting Adjusted EBITDA again in 2015, the Committee noted that its ability to exercise negative discretion in approving final award payouts enabled it to fully or partially eliminate the impact of any acquisitions and divestitures completed during the period on Adjusted EBITDA to ensure a fair assessment of management's performance in achieving organic growth.

As discussed on page 33 under 2016 Executive Compensation Program Changes, the Committee has evaluated performance metrics for 2016 and changed the metrics, both under the short and long-term plans, to better align with strategic objectives in 2016. Under the AIP, the EBITDA metric of our annual bonus plan will be defined as Adjusted EBITDA minus net income attributable to noncontrolling interests, and the free cash flow metric will be Adjusted Free Cash Flow minus cash distributions paid to noncontrolling interests. The Committee believes these adjustments will more closely align management incentives to the financial results that our shareholders expect the company to achieve. For the long-term plan, the Committee decided to replace Adjusted EBITDA with a basket of four new performance measurements to focus executives on the specific metrics that the Committee believes are aligned with long term shareholder value creation. In addition, these metrics provide for differentiation among the metrics used under the short and long-term incentive plans, thereby ensuring that management focuses on the achievement of both short and long-term strategic objectives, as well as avoiding an undue emphasis on a single performance metric.

Sound Compensation Governance and Practices

We maintain a number of compensation governance best practices which support our compensation philosophy and alignment of pay and performance for our NEOs.

- ü Commitment to pay-for-performance philosophy, with substantially all executive compensation at risk
- ü Compensation programs designed to mitigate risk and active monitoring of compensation-related risk

ü Clawback policy for all annual incentive compensation and, beginning with 2016, all performance-based equity grants

ü Significant stock ownership and retention requirements for executives (6x base salary for CEO) and directors

ü Anti-hedging and anti-pledging policies

ü No single trigger change-of-control benefits

ü No excise tax gross-ups

ü No employment agreements

ü Limited perquisites

ü Independent compensation consultant to the Board of Directors

ü Regular outreach to shareholders to request feedback regarding corporate governance and executive compensation practices

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS****COMPENSATION, DISCUSSION AND ANALYSIS: IN DETAIL****Description and Analysis of Our Program and 2015 Compensation Decisions**

This section describes the components of our executive compensation program, the way in which the Human Resources Committee makes decisions about each component, the philosophy behind each component and how these decisions and philosophies were applied to each NEO in 2015. The following table shows the target component pay mix across all our NEOs and lists where we discuss each component in this section.

COMPENSATION ELEMENT	PERCENTAGE OF TOTAL TARGET COMPENSATION FOR CEO	AVERAGE PERCENTAGE OF TOTAL TARGET COMPENSATION FOR ALL OTHER NEOS	WHERE DISCUSSED
Base Salary	10.5%	18.5%	Page 37
Annual Incentive Plan	15.7%	17.7%	Page 37
Long-Term Equity Program, comprised of:	73.8%	63.8%	Page 42
Performance-based RSUs (50%)			
Time-based RSUs (50%)			

Base Salary

Base salary provides our NEOs with a fixed monthly income. The Human Resources Committee approves the base salary of each NEO based on its review of peer group and market survey data provided by our independent compensation consultant, blended as described on page 45 under Benchmarking Against Peer Companies. The following table summarizes the annualized base salaries approved by the Committee in 2015 and the increase from each NEO's annualized salary as of December 31, 2014:

NAMED EXECUTIVE OFFICER	2014 SALARY	2015 SALARY	INCREASE FROM 2014
Trevor Fetter	\$ 1,250,000	\$ 1,275,000	2.0%
Daniel Cancelmi	\$ 600,000	\$ 618,000	3.0%
Keith Pitts	\$ 700,000	\$ 925,000	32.1%
Britt Reynolds	\$ 700,000	\$ 721,000	3.0%

Audrey Andrews	\$ 475,000	\$ 489,250	3.0%
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The increases in base salary (outlined in the table above) for each of Messrs. Fetter, Cancelmi and Reynolds and Ms. Andrews, were driven by market competitive data and also corresponded to the annual salary adjustment received by the company's general employee population. Mr. Pitts also received an initial 3% increase, followed by an additional increase, effective as of July 1, 2015, to reflect the Committee's desire to raise his target level of compensation to approximately the 75th percentile of our peer group, in recognition of the broader role Mr. Pitts plays in the formation and execution of the company's long-term strategic plans. Mr. Pitts' development and leadership of the company's corporate development team and his successful negotiation and completion of a number of significant joint venture transactions, strategic acquisitions and divestitures throughout 2015 were viewed by the Committee as critical contributions and representative of Mr. Pitts' ability to help the company strategically align its assets and businesses with the future of healthcare delivery. In considering Mr. Pitts' 2016 compensation, the Committee chose to target the 50th percentile of our 2016 peer group for Mr. Pitts' total target direct compensation.

Performance-Based Annual Incentive Plan

The Human Resources Committee annually determines the payment of cash bonuses for NEOs under our Annual Incentive Plan (AIP), which is a broad-based management compensation program in which approximately 3,000 of our employees participate. Payment of a bonus is based on the company's achievement of performance goals established by the Committee. If the threshold performance goals are not met, no bonus is paid. The Committee has the discretion to reduce bonus payments for failure to comply with the company's standards of conduct or in response to other quality, safety or compliance events that put the company's reputation or financial results at risk. In addition, AIP awards to NEOs are subject to a clawback provision under which the Board of Directors may require reimbursement to the company of a cash bonus in the event of a material restatement of our financial results caused by the recipient's fraud or in other circumstances involving fraud or misconduct that causes substantial harm to the company even in the absence of a restatement of financial statements. In the following section, we describe how the Human Resources Committee determined the AIP bonuses for our NEOs for 2015.

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS***2015 Target Annual Incentive Award Levels for Named Executive Officers*

In 2015, the Human Resources Committee approved the following target bonus award levels for each NEO. The target award level represents the amount of potential cash bonus that might be paid to an officer if the company meets pre-established performance goals set by the Committee:

NAMED EXECUTIVE OFFICER	TARGET AWARD EXPRESSED
	AS A PERCENTAGE OF BASE SALARY
Trevor Fetter	150%
Daniel Cancelmi	100%
Keith Pitts	100%
Britt Reynolds	100%
Audrey Andrews	75%

The following table summarizes the factors taken into account by the Committee in setting the target incentive award levels.

NAMED EXECUTIVE OFFICER	DECISION AND BASIS FOR ACTION
Trevor Fetter	<p>No change in the target award level as a percentage of base salary for 2015, consistent with 2014 and 2013 levels</p> <p>The Committee made its determination based on its review of target annual cash incentive award levels provided by our peer group companies to their chief executive officers.</p> <p>As in past years, the Committee continued to assign the highest target award level to Mr. Fetter given the unique role that a company's CEO performs in overseeing all areas of a company's operations and strategies.</p>

The Committee also noted that the differential in target awards between the company's CEO and the other NEOs is consistent with market practice.

Daniel Cancelmi **Increased target award level from 95% to 100% of base salary**

The Committee made this determination based on its desire to recognize Mr. Cancelmi's successful performance as Chief Financial Officer since his transition into the role in 2012.

The Committee also considered the critical role he plays in developing the company's business plan and driving financial performance.

The Committee also took into account target annual cash incentive award levels paid by our peer group companies to their chief financial officers.

Keith Pitts **No change in the target award level as a percentage of base salary for 2015, consistent with 2014 and 2013 levels**

The Committee determined the target award level for Mr. Pitts in late 2013 when the company extended Mr. Pitts' employment offer to become the company's vice chairman, taking into account his significant prior experience in the healthcare sector, market data for officers performing similar functions at peer companies and Mr. Pitts' assumption of responsibility over the company's corporate development programs.

Britt Reynolds **No change in the target award level as a percentage of base salary for 2015**

Mr. Reynolds' target award level was based on his tenure and the critical role he played as the chief hospital operational officer in executing the business plan of the company's largest business segment.

Audrey Andrews **No change in the target award level as a percentage of base salary for 2015**

Ms. Andrews' target award level is based on her critical role as the company's chief legal officer and is aligned with levels paid by our peer group companies to their chief legal officers.

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS***2015 AIP Performance Metrics*

For 2015, the Committee selected metrics to measure management's performance with respect to the AIP under a Balanced Scorecard. The Balanced Scorecard measures the company's performance in the following broad categories, which we call pillars: Cost, Growth, Quality, Service and People. Points are awarded for each metric under the Balanced Scorecard based on the degree to which the pre-determined goals for that metric are achieved. The aggregate target number of points under the Balanced Scorecard is 100 and the maximum is 200.

PILLAR METRIC	WEIGHTING	MEASUREMENT	LINK TO PERFORMANCE
Cost	65%	Financial Objectives	Adjusted EBITDA (55%)
			Adjusted Free Cash Flow (10%) Inpatient Admissions (5%)
Growth	10%		Outpatient Visits (5%)
Quality	10%		Quality Composite Index (10%)
Service	10%	Operational Objectives	Inpatient Satisfaction (5%)
			Physician Net Promoter Score® (5%)
People	5%		Employee Turnover (5%)

Goal-Setting Process for the Balanced Scorecard

Financial Pillars. The Committee assigned the greatest weight within the Balanced Scorecard (75%) to management's performance on Cost and Growth metrics. It is the Committee's expectation that achievement of target-level performance under the Cost and Growth metrics requires management to perform at levels exceeding the prior year's performance, which is consistent with the Committee's objective of challenging management to deliver on performance that increases shareholder value. The Committee believes that achievement of above-target performance under the Cost and Growth metrics requires the company's management to achieve the stretch goals embedded in the company's annual business plan. To achieve this level of performance, management must not only meet the basic objectives of the business plan, but also execute at superior levels on all aspects of the plan.

As in prior years, the Committee chose Adjusted EBITDA as the key financial performance metric driving the majority of the Balanced Scorecard calculation, with Adjusted Free Cash Flow as the secondary financial metric. The target for Adjusted Free Cash Flow of \$250 million was set at a level substantially exceeding the prior year's performance of \$(55) million and which matched the company's business plan. The Committee set the target-level

Adjusted EBITDA goal at \$2.0 billion, which exceeded the company's Adjusted EBITDA in 2014 of \$1.952 billion, but was slightly lower than the \$2.1 billion Adjusted EBITDA goal embedded in the business plan. The Committee set the 2015 Adjusted EBITDA target in consideration of business goals, expectations, and other industry and market factors.

The AIP structure requires that the company achieve the threshold level of Adjusted EBITDA in order for any bonus to be paid in excess of 50% of target award levels, and it must achieve the target level of Adjusted EBITDA in order for any above-target payments to be earned. In further recognition of the value the Committee places on financial performance, an additional 25.0 points are added to the total Balanced Scorecard points earned in the event that the company achieves Adjusted EBITDA above the maximum payout level approved by the Committee (\$2.2 billion for 2015); however, in no event will the aggregate points earned under the Balanced Scorecard exceed 200 (i.e., 200% of target).

Operational Pillars. The remaining metrics of the Balanced Scorecard measure our management's achievement of healthcare and other operational performance goals. The Committee selected the metrics discussed below to incentivize management to focus on improving the quality of the healthcare we provide our patients and reducing healthcare costs. The Committee believes that these operational metrics are critical drivers of value as patients are increasingly adopting a consumer orientation in the selection of their healthcare provider and taking more ownership of their healthcare spend. In addition, achieving operational excellence benefits shareholders by enhancing the company's competitive position in the market.

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS**

The Committee established performance goals for each of these metrics based on achieving national performance benchmarks and/or continued internal improvement. Targets are designed to be challenging yet attainable, and take into consideration results from the prior year. The following table sets forth a description of each Quality, Service and People metric and how the targets were set by the Committee.

BALANCED SCORECARD METRICS

Quality	<p>Measures the company's performance on eight equally-weighted sub-measures that target the company's focus areas for clinical improvement in 2015. The measures within the index fall into one of four quality drivers identified by the company: Process, Safety, Outcomes and Value. Several of the measures also correspond with the evidence-based indicators used by the Centers for Medicare and Medicaid Services (CMS) to reward hospitals based on the quality of patient care they deliver.</p>
Quality Composite Index	<p>2015 target performance goal was set at the 60th percentile of Tenet's 2014 performance on the same index requiring internal improvement to reach the target.</p>
Service	<p>Measures inpatient satisfaction scores to patient survey questions that correlate to the national patient satisfaction tool used as part of CMS' value-based purchasing program.</p>
Inpatient Satisfaction	<p>2015 target performance goal was set at the 60th percentile of Tenet's 2014 performance on the same metric requiring internal improvement to reach the target.</p>
Service	<p>Measures physician engagement and loyalty (which the Committee believes is correlated to better patient care outcomes) by using the results of a physician survey conducted at various times each year.</p>
Physician Satisfaction Net Promoter Score®	<p>2015 target performance goal was set at the 60th percentile of Tenet's 2014 performance on the same metric requiring internal improvement to reach the target.</p>
People	<p>Measures the percentage of employees who terminate their employment with the company. High turnover among skilled healthcare workers requires the company to incur higher recruiting and training expenses, costs associated with contract or temporary labor, and other intangible costs associated with loss of productivity. Employees who are terminated for job performance or because of a divestiture are not included in this calculation, but reductions in force are included as turnover.</p>
Employee Turnover	

2015 target performance goal was set at the 50th percentile of Tenet's 2014 performance on the same metric, due to the expectation that turnover would be higher in light of the competition for talent within the industry and ongoing shortage of qualified healthcare workers.

2015 Performance Under the Balanced Scorecard

The following tables set forth the individual component metrics of the five Balanced Scorecard pillars, the target level of points allocated to each metric and the actual performance levels achieved by management in 2015, before the application of any negative discretion by the Human Resources Committee.

COST AND GROWTH (FINANCIAL) METRIC	THRESHOLD LEVEL	TARGET LEVEL	MAXIMUM LEVEL	ACTUAL PERFORMANCE	ACTUAL BALANCED SCORECARD POINTS EARNED	
					TARGET SCORECARD POINTS	ACTUAL BALANCED SCORECARD POINTS EARNED
Adjusted EBITDA ⁽¹⁾	\$1.925 billion	\$2.0 billion	\$2.2 billion	\$ 2.276 billion	55	135.0 ⁽²⁾
Adjusted free cash flow ⁽³⁾	\$(141) million	\$250 million	\$641 million	\$ 405 million	10	14.0
Inpatient admissions ⁽⁴⁾	703,051	732,345	754,316	743,320	5	7.5
Outpatient visits ⁽⁴⁾	7,119,226	7,564,173	7,860,840	7,947,515	5	10.0
TOTAL:					75	166.5

(1) Please see Appendix C for the definition and reconciliation of Adjusted EBITDA.

(2) 25.0 additional points added due to Adjusted EBITDA achievement exceeding the maximum payout level.

(3) Please see Appendix C for the definition and reconciliation of Adjusted free cash flow.

(4) Targets and results are adjusted by the Human Resources Committee to exclude charity and self-pay admissions/visits.

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COMPENSATION DISCUSSION AND ANALYSIS

NON-FINANCIAL METRIC	TARGET BALANCED SCORECARD POINTS	ACTUAL BALANCED SCORECARD POINTS EAF
Quality (Quality Composite Index)	10.0	20.0
Service (Inpatient Satisfaction)	5.0	5.0
Service (Physician Satisfaction)	5.0	4.5
People (Employee Turnover)	5.0	7.1
Total:	25.0	36.6

Negative Discretion Exercised by Committee and Actual Award Payments

Based on AIP performance targets set at the end of 2014, the company's 2015 performance resulted in formula-driven payouts that exceeded the AIP cap of 200% of target. The 2015 financial results were driven in large part by the successful execution by management of the USPI transaction, in addition to several other acquisitions and divestitures completed during the year. While acquisitions and divestitures are generally considered as part of the AIP design process, the particular 2015 transactions were not contemplated or substantially certain at the time the 2015 AIP targets were established. As a result, upon review of 2015 performance, the Committee believed it was appropriate to exercise negative discretion and lower payouts to all corporate AIP participants in order to better reflect the rigor of the target ranges set at the end of 2014 and ensure payouts were closely aligned with the company's performance excluding the impact of incremental earnings acquired during the performance period. Based on the Committee's analysis of the impact of the 2015 transactions and other factors, the Committee decided to reduce the 2015 corporate AIP overall funding level to 156.8% of target award level, down from the formula-driven result under the Balanced Scorecard of 203.1% of target (which would have been subject to the 200% cap).

In addition, while achievement under the Quality pillar of the 2015 Balanced Scorecard was met at the maximum level, at Mr. Fetter's recommendation, the Committee reduced by 15% to 50% the Quality scores used for purposes of calculating the individual awards of the NEOs, with the most significant reduction applied to Mr. Fetter's award. The Committee determined that the proposed reductions were appropriate because the company's performance on certain external quality and service measures outside the Balanced Scorecard metrics did not meet its expectations.

Based on management's achievement of the performance goals and the Committee's applied discretion with respect to the Cost and Quality metrics, the 2015 annual incentive award to each NEO is shown in the table below.

NAMED EXECUTIVE OFFICER	TARGET	FORMULA-DRIVEN	% DECREASE IN	ACTUAL
	AIP PAYOUT	AIP PAYOUT	AIP PAYOUT	AIP PAYOUT
Trevor Fetter	\$ 1,912,500	\$ 3,825,000	(26.6)%	\$ 2,807,550
Daniel Cancelmi	618,000	1,236,000	(23.1)%	950,484
Keith Pitts	925,000	1,850,000	(23.1)%	1,422,650
Britt Reynolds	721,000	1,442,000	(24.1)%	1,094,478

Audrey Andrews	366,938	733,876	(23.1)%	564,350
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The Committee believes the resulting AIP payouts appropriately recognized management for its leadership in driving significant performance achievements for Tenet this year, including creating a stronger and more diversified portfolio of businesses, managing overhead costs, and meeting or exceeding earnings and cash flow goals throughout the year.

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS****2015 Long-Term Incentive Compensation Program**

We designed our long-term incentive compensation programs to align the economic interests of our NEOs with those of our shareholders. Among other things, we believe these programs incentivize our NEOs to create long-term shareholder value and are an important retention tool.

The following table summarizes the long-term incentive awards granted to each of our NEOs in 2015:

NAMED EXECUTIVE OFFICER	NUMBER OF RESTRICTED STOCK UNITS	TARGET LONG-TERM INCENTIVE AWARD VALUE⁽¹⁾
Trevor Fetter	197,240	\$ 9,000,061
Daniel Cancelmi	48,214	\$ 2,200,005
Keith Pitts	76,704	\$ 3,500,004
Britt Reynolds	54,790	\$ 2,500,068
Audrey Andrews	28,492	\$ 1,300,090

⁽¹⁾ Target value is based on the NYSE closing price per share of our common stock on the date of grant (February 25, 2015: \$45.63) and values performance-based restricted stock units at target level.

The following table summarizes the awards in our 2015 long-term incentive compensation program, including the types of long-term awards that we granted, and the purpose, performance measured and vesting period of each type.

TYPE OF AWARD	PURPOSE	PERFORMANCE MEASURED	VESTING PERIOD
Performance-Vested Restricted Stock Units <i>(50% of the total award to each NEO)</i>	Encourages retention Focuses management on activities that increase long-term shareholder value consistent with financial forecasts	Adjusted EBITDA (as such term is defined above under Performance-Based Annual Incentive Plan)	Three years <i>(1/3 after each year contingent upon attainment of Adjusted EBITDA-based performance criteria in year one)</i>
Time-Vested Restricted	Encourages retention	Stock price performance	Three years

Stock Units (50% of the total award to each NEO)

(1/3 after each year)

Fosters shareholder alignment among the executive team

For a discussion of the changes that the Human Resources Committee has implemented for the 2016 long-term incentive compensation program, please see 2016 Executive Compensation Program Changes beginning on page 33.

Target-Setting and Vesting Terms

Performance-Based Restricted Stock Units. For the performance-based restricted stock units, the actual number of shares to be received by our NEOs ranges from 0% to 200% of the target share levels established by the Committee for each executive, depending on the degree to which the pre-specified performance goals are met. The performance goals for the performance-based restricted stock units were based on the company's 2015 Adjusted EBITDA.

2015 ADJUSTED EBITDA (IN BILLIONS)	POTENTIAL SHARE AMOUNT AS A PERCENTAGE OF TARGET
<\$1.925	0%
\$2.0	100%
>\$2.2	200%

Adjusted EBITDA is a primary metric that financial analysts and investors use to measure the company's financial performance. When selecting the appropriate performance metric applicable to the performance equity grants, the Committee believed that Adjusted EBITDA was the measure by which senior executives' long-term performance is judged by many investors and would best align management incentives with the goals of investors. In setting the specific performance goal levels, the Committee noted that the target-level goal of \$2.0 billion exceeded the company's Adjusted EBITDA in 2014 (\$1.952 billion) and was set to match the target-level goal under the 2015 AIP. In order to achieve the maximum payout, management would be required to achieve Adjusted EBITDA of at least \$2.2 billion, which was above the high end of the earnings outlook range that management disclosed to investors in early 2015.

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS**

As discussed in the preceding section on our AIP, our performance metrics were significantly impacted by the successful execution of the USPI transaction in addition to several other acquisitions and divestitures completed during the year, though the goals used to determine the 2015 payouts were set before these transactions were announced or completed. Accordingly, the company's 2015 financial performance and corresponding metrics resulted in formula-driven payouts for the long-term incentive awards at 200% of target, as noted in the table below. Taking these circumstances into account, the Committee exercised negative discretion to lower the total shares awarded to each NEO upon vesting of the performance-based RSUs in order to more accurately reflect the performance achieved excluding such transactions.

2015 ADJUSTED EBITDA ACTUAL RESULT	FORMULA-DRIVEN SHARE AMOUNT AS A PERCENTAGE OF TARGET	% DECREASE IN SHARE AMOUNT	ACTUAL SHARE AMOUNT AS A PERCENTAGE OF TARGET
\$2.276 billion	200%	(17.7)%	164.7%

Time-Based Restricted Stock Units. Time-based annual restricted stock unit awards vest in one-third increments on each of the first three anniversaries of the grant date. The Committee believes the three-year vesting schedule is consistent with general market practice for time-based awards.

Committee Rationale for Long-Term Incentive Awards

General. The differences in long-term compensation awarded to individual NEOs are primarily attributable to their differing roles and functions and experience in those roles. Other factors taken into account in determining each NEO's target long-term incentive award include: individual performance and overall work responsibilities at the company, tenure in role, peer company and survey data, the Committee's assessment of other elements of compensation provided to the NEOs and the incentive and retention value of past long-term incentive awards.

Long-Term Equity Awards to Mr. Fetter. The Committee considered several factors in determining the annual long-term equity award it granted to Mr. Fetter in 2015. While the Committee had reduced the value of Mr. Fetter's annual equity grant in 2014 (primarily to take into account a special recognition and retention award granted to Mr. Fetter in 2013), the Committee in 2015 desired to recognize Mr. Fetter's individual performance in leading the company through a time of rapid change and transformation. The Committee noted that, under Mr. Fetter's leadership, the company's Adjusted EBITDA has increased in each year of his tenure as Chief Executive Officer since 2004. In addition, the Committee took into account Mr. Fetter's compensation against market practice, as described below under **Benchmarking Against Peer Companies.**

Long-Term Equity Awards to Other NEOs. In connection with the annual awards, Mr. Fetter provided the Committee with his assessment of the performance of each of the other NEOs. Each of these four officers either joined the company or was promoted to his or her current role between January 2012 and October 2013, and in making annual award grants, the Committee particularly noted these individuals' progression in their roles and determined that

moderate increases in award levels were appropriate for each officer given individual performances and compensation against market practice.

As discussed on page 34 under 2016 Executive Compensation Program Changes, the Human Resources Committee reduced the grant value of target long-term incentive compensation awards made in March 2016 to Mr. Fetter and the other NEOs (in the aggregate) by 19% and 13%, respectively, as compared with the 2015 awards.

Equity Grant Timing and Stock Option Exercise Prices

Historically, we have made annual equity awards to the NEOs and other employees during the first quarter of the year in connection with annual executive compensation decisions. In accordance with the terms of our equity plans, the grant date of these awards is the date the Human Resources Committee approves the grant, which occurs at a meeting date which is generally scheduled more than one year in advance.

We occasionally may grant equity awards, including stock options (though no options were granted during 2015) to newly hired employees, employees who have been promoted to executive officer positions, or for special recognition or retention outside of the annual grant process. For equity grants awarded outside of the annual grant process cycle, the grant date generally is the last trading day of the month of hire or the approval of the promotion or retention award. None of our NEOs received any such special equity awards in 2015. The exercise price for all stock options is the NYSE closing price per share of our common stock on the date of grant or on the immediately preceding trading day if the date of grant is a non-trading day.

Human Resources Committee approval is required in all cases where the recipient of the equity grant is a NEO or other senior officer.

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COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Process

Role of the Human Resources Committee

The Human Resources Committee of our Board of Directors, which is comprised entirely of independent directors, makes all compensation decisions regarding our NEOs. The Committee considers input from (i) the other independent members of our Board of Directors, (ii) the company's shareholders and (iii) its independent compensation consultant. In the case of NEOs other than the Chief Executive Officer, the Committee considers input and recommendations from the Chief Executive Officer. The Committee's decisions regarding compensation of our NEOs are made outside the presence of these officers. The Committee is also responsible for approving our executive compensation program and general compensation policies, all new or materially amended broad-based compensation plans, and the performance measures used in our executive compensation programs.

In setting compensation levels and performance targets, the Human Resources Committee seeks to compensate our NEOs, as a group, at competitive compensation levels relative to our peer group when target-levels of performance goals are met. The Committee considers the market median to be a helpful benchmark in setting compensation levels for our NEOs. In 2015, the Committee determined to raise target total 2015 compensation for both Mr. Fetter and Mr. Pitts from the 50th to the 75th percentile, recognizing the need to retain key executives in a highly competitive market for talent. Mr. Fetter and Mr. Pitts made significant contributions to the company during 2015, including the successful negotiation and completion of a number of strategic acquisitions, divestitures and other transactions, to drive strong performance in light of macroeconomic challenges and industry trends. The remaining NEOs' 2015 compensation remained targeted at approximately the 50th percentile.

As discussed on page 34 under 2016 Executive Compensation Program Changes, one of the actions taken by the Committee with respect to 2016 compensation was to significantly reduce the total target value of long-term incentive compensation awards made to our NEOs in 2016. After factoring in these reductions, Mr. Fetter's 2016 total target direct compensation is now set at approximately the 25th percentile of our 2016 peer group, Mr. Pitts is at approximately the 50th percentile, and the other NEOs are each between the 25th and 50th percentiles.

Independent Compensation Consultant

The Human Resources Committee has retained an independent consultant, Frederic W. Cook & Co. (the Consultant), to provide data on market compensation practices and advise the Committee on executive compensation decisions generally as well as the design and structure of our executive compensation plans and policies. In 2015, the Consultant participated in or provided input with respect to all meetings of the Committee.

Subject to the approval of the Committee, the Consultant meets with members of management to:

review management's proposed compensation recommendations to the Committee;

discuss compensation trends and best practices;

review company compensation data, including management's calculations of the value of equity grants, hypothetical change of control payments and total wealth analysis for individual officers; and

review and provide input on meeting agendas and presentation materials that management proposes to submit for the consideration of the Committee.

Any material information provided to management by the Consultant is disclosed to the Committee.

To safeguard the independence of the Consultant:

the Committee retains the Consultant, determines the terms and conditions of the Consultant's engagement, and has the sole authority to approve the Consultant's fees and other retention terms or to terminate the engagement;

the Consultant reports directly to the Committee and has direct access to the Committee Chair during and between meetings; and

the Consultant provides no services to the company or management except as related to executing the Human Resources Committee Charter and with the knowledge and approval of the Committee Chair.

The Committee has assessed the independence of the Consultant pursuant to SEC and NYSE rules and concluded that no conflict of interest exists in connection with the Consultant's service as an independent advisor to the Human Resources Committee.

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS****Performance Review Process**

Each year, the Human Resources Committee reviews the performance of the Chief Executive Officer with the other independent members of the Board in executive session. This review is based on the performance evaluations of the Chief Executive Officer by each of the independent Board members as well as other data provided to the Committee, including the Chief Executive Officer's self-evaluation and the feedback provided by selected members of management. The Committee also receives an assessment by the Chief Executive Officer of the performance of each other NEO. To maintain the integrity of the review process, the contents of individual reviews and related discussions are kept confidential. If and to the extent that performance factors addressed in any individual review affect an individual NEO's compensation, those factors are discussed above.

Benchmarking Against Peer Companies

In setting compensation for our NEOs, the Human Resources Committee reviews comparative compensation data derived from the companies that comprise our peer group (as defined below) as well as market survey data provided to us by the Consultant.

In evaluating the compensation of our Chief Executive Officer, Chief Financial Officer and President of Hospital Operations, the Committee assigned the following weightings to each data source: peer group (75%) and survey data (25%). In the case of our Vice Chairman and our General Counsel, the following weightings were used: peer group (50%) and survey data (50%). The Committee believes it is appropriate to evaluate the compensation of the NEOs against a blend of peer group and market survey data given the small number of publicly held healthcare services companies comparable in size to our company and the fact that hospital companies comprise only a small portion of the publicly held healthcare service companies. We describe each of the data sources in more detail below.

Peer Group. The following companies comprised the peer group that we reviewed in making compensation determinations for 2015.

Aetna Inc.	Kindred Healthcare, Inc.
CIGNA Corporation	Laboratory Corporation of America Holdings
Community Health Systems, Inc.	LifePoint Health, Inc.
Davita Inc.	Omnicare, Inc.
HCA Holdings, Inc.	Quest Diagnostics Incorporated
Humana Inc.	Universal Health Services, Inc.

The Human Resources Committee developed the 2015 peer group in late 2014, taking into account the advice of the Consultant, based on a set of characteristics that include annual revenues ranging from approximately \$5 billion to \$50 billion with at least 10,000 employees (to recognize managerial scope and complexity) and operations that are classified under the Global Industry Classification System (GICS) code for healthcare facilities (which is our code), or under the GICS codes for healthcare services or managed care. Based on available data as of August 31, 2014 the actual revenue for the latest four quarters for the companies in the peer group ranged from \$3.9 billion to \$54.7

billion, with the median being \$9.9 billion, while Tenet reported net operating revenue of \$16.6 billion for the fiscal year ended December 31, 2014. The number of employees for the companies in the peer group ranged from 13,900 to 251,000, with the median being 50,300, while Tenet had approximately 108,000 employees as of December 31, 2014.

Each of the companies comprising the 2015 peer group was also included in the company's 2014 peer group. Health Management Associates, Inc. was removed from the 2015 peer group as it was acquired by Community Health Systems during 2014. The 2015 peer group included both hospital companies and non-hospital companies, reflecting the small number of publicly held hospital companies in the U.S. market and the relevance of other healthcare-related companies in terms of labor market competition. The hospital companies include Community Health Systems, HCA, LifePoint Health and Universal Health Services. The non-hospital companies in the peer group include:

health insurance companies (AETNA, CIGNA and Humana);

a provider of kidney dialysis and integrated health care delivery and management services (Davita);

a healthcare services company that operates hospitals, nursing centers, home health, hospice and non-medical home care locations (Kindred Healthcare);

clinical laboratory companies (LabCorp and Quest Diagnostics); and

a pharmaceutical services company (Omnicare).

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS**

Market Survey Data. For 2015 compensation decisions, the Committee reviewed additional compensation data from the following survey sources:

SURVEY	COVERED ORGANIZATIONS	TARGETED ANNUAL REVENUE OF COMPANIES COMPRISING DATA USED BY CONSULTANT
2014 Aon Hewitt Total Compensation Measurement survey	70 companies, all industries	\$10 billion to \$25 billion
2014 Mercer Executive Benchmark survey	62 companies, all industries	greater than \$10 billion
2014 Towers Watson U.S. Compensation Database survey	64 companies, all industries	\$10 billion to \$20 billion
2014 Towers Watson General Industry Top Management survey	18 companies, all industries	greater than \$5 billion
2014 Frederic W. Cook & Co. Survey of Long-Term Incentives	57 companies, all industries	\$15 billion

The Consultant compiles data from these survey sources relating to the compensation levels received for each position held by a NEO against the compensation levels received by executives holding similar positions at other companies. The Consultant uses the revenue criteria shown above in selecting the data it compiles from these sources and presents the data to the Committee in aggregated form. In benchmarking compensation levels against the survey data, the Committee considers only the aggregated survey data provided by the Consultant. The identity of the companies comprising the survey data is not disclosed to, or considered by, the Committee in its decision-making process. The Committee members do not consider the identity of the companies comprising the survey data to be material for this purpose.

Other Compensation, Benefits and Considerations**Perquisites**

Tenet operates aircraft that we believe provide for a more efficient use of our executives' time given the greater likelihood of direct flights and improved flight times than are available commercially. It also provides a more secure traveling environment where sensitive business issues may be discussed.

Under our aircraft usage policy, our Chief Executive Officer and certain other employees of the company approved by him from time to time are eligible to use the company's aircraft for limited personal use. We believe this is a reasonable perquisite to offer to our senior executive officers so long as there is a business necessity of maintaining company aircraft. To the extent any travel on our aircraft results in imputed income to a NEO, the company does not provide gross-up payments to cover the officer's personal income tax obligation due to such imputed income.

Under our aircraft usage policy, Mr. Fetter must reimburse us for any personal use of the corporate aircraft above 75 hours per year. In 2015, Mr. Fetter's personal use of the corporate aircraft totaled 47.6 hours. The incremental cost of

his use is disclosed in the Summary Compensation Table.

We do not provide our NEOs with any other significant perquisites.

Executive Severance Plan

In 2006, we adopted the Tenet Executive Severance Plan (ESP), which is applicable to our NEOs and certain other senior managers and officers of the company, including hospital chief executive officers. The terms of the ESP were approved by the Human Resources Committee after consultation with the Consultant at the time it was adopted.

The ESP provides cash severance and other benefits that vary by position level, consistent with market practice. In May 2012, our Human Resources Committee eliminated from the ESP all gross-ups of excise taxes upon a change of control to current and future participants.

The ESP is intended to continue the company's practice of strengthening retention and recruitment by offering competitive compensation packages consistent with industry standards. Each of the NEOs participates in the ESP. The severance periods for the company's NEOs under the ESP were determined by the Committee based on (1) past company practice, (2) competitive data provided by the Consultant regarding the severance periods in place for executives of similar sized companies and other healthcare peers, and (3) the Committee's analysis of the future financial impact of various severance compensation scenarios on each of these executives and on the company.

Provisions in the ESP and related severance agreements regarding non-competition, confidentiality, non-disparagement and non-solicitation as a condition of receipt of severance benefits under the ESP remain in effect for the period during which the severed executive is entitled to receive severance payments. There are no provisions regarding waiver of breach of any such agreements or provisions.

A more detailed description of the ESP is contained in Potential Payments Upon Termination or Change of Control beginning on page 57.

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COMPENSATION DISCUSSION AND ANALYSIS

Supplemental Executive Retirement Plan

The Supplemental Executive Retirement Plan (SERP) provides our NEOs (and certain other officers) with retirement benefits in the form of lifetime annuity payments. The benefit amount is based on the executive's years of service, age and earnings. Benefit amounts received under the SERP are reduced (offset) by any benefit received under the Tenet Executive Retirement Account described below.

Our SERP has been in place since 1984. It is similar to the types of defined benefit retirement plans that other large companies maintain for their senior executives, especially among our hospital company peers. Additional information regarding benefit calculations and other terms of the SERP is provided in the narrative discussion following the Pension Benefits Table on page 55.

In May 2014, the Committee adopted a policy to discontinue the admission of future new entrants into the SERP. The SERP will be continued for existing participants, including each of the current NEOs, but the Committee does not intend to include any additional new participants into the SERP. As of December 31, 2015, 20 current employees of the company (including the NEOs) participated in the SERP.

Executive Retirement Account

In 2007, we established the Tenet Executive Retirement Account (the ERA) in order to attract and retain certain members of company management, particularly those not eligible to participate in the SERP. The company makes an annual contribution to the ERA each year on behalf of each participant in an amount equal to a specified percentage of the participant's base salary. Such contributions accrue earnings credits. Upon a qualifying termination, participants are entitled to a retirement benefit equal to the vested balance of their ERA account. Upon becoming eligible to participate in the SERP, a participant's ERA account balance is frozen and such participant is no longer eligible to receive contributions or earnings credits under the ERA. Such individual, however, may continue to accrue years of vesting service under the ERA.

Mr. Cancelmi and Ms. Andrews began participating in the ERA prior to becoming eligible to participate in our SERP. Upon a qualifying termination of employment, Mr. Cancelmi and Ms. Andrews will receive their vested balances under the ERA and will also be entitled to receive their applicable benefit under the SERP, but such SERP benefit will be reduced (offset) by any benefit received under the ERA.

Deferred Compensation Plan

Our NEOs and other eligible management employees may defer under our 2006 Deferred Compensation Plan (the 2006 DCP) a portion of their base salary and annual incentive compensation that would otherwise be paid during a given calendar year. We make employer matching contributions to the 2006 DCP for employee participants in an amount equal to 50% of participant supplemental deferrals not to exceed 6% of compensation. The purpose of our deferred compensation plans is to enable highly paid employees to defer the taxable receipt of a portion of their income until such time as the employee is more likely to be in a lower tax bracket, usually at retirement, and to provide these employees with the matching contribution they would have received under our 401(k) Plan if Internal

Revenue Code limits did not apply.

Each of the NEOs is eligible to participate in the 2006 DCP. Additional details regarding our deferred compensation plans are set out under [Deferred Compensation Plans](#) beginning on page 56.

Employee Benefits

Our NEOs participate in the company's broad-based programs generally available to all employees, including our 401(k) retirement plan, health and dental and various other insurance plans, including disability and life insurance. Also, in connection with the SERP we provide additional life insurance and accidental death and dismemberment insurance as described under [Potential Payments Upon Termination or Change of Control - Death, Disability and Retirement](#) beginning on page 57. These benefits are consistent with providing a total pay program that is sufficiently competitive with our peer companies so as to attract and retain highly qualified personnel.

Tax Matters

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for compensation in excess of \$1,000,000 paid to any NEOs (other than the chief financial officer employed at the end of the year) in any single year, but exempts qualifying performance-based compensation from the deduction limit if certain requirements are met. The Human Resources Committee generally seeks to structure performance-based compensation in a manner intended to satisfy these requirements. Section 162(m)(6) of the Internal Revenue Code imposes a deductibility limit of \$500,000 for compensation paid to all of our employees, including our NEOs, if we are determined to be a covered health insurance provider within the meaning of Section 162(m)(6). The exception for performance-based compensation is not applicable to the \$500,000 deductibility limitation under Section 162(m)(6). Based on guidance from applicable government agencies, we currently believe that we are not subject to the deductibility limitations of Section 162(m)(6).

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS**

The Board and the Committee reserve the authority to award nondeductible compensation as they deem appropriate. Further, because of ambiguities and uncertainties as to the application and interpretation of Section 162(m) and related regulations, no assurance can be given that compensation intended by the Committee to satisfy the requirements for deductibility under Section 162(m) does in fact do so.

Compensation Governance Practices**Stock Ownership and Stock Retention Requirements**

Our Board of Directors has adopted stock ownership and stock retention requirements for our non-employee directors and all company officers with the title of Senior Vice President and above, to further align their financial interests with those of our shareholders. The ownership requirements must be met within five years from the date on which an individual becomes a director or 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.

Each senior officer is required to own shares of our stock with a value equal to the following multiples of his or her base salary:

	MARKET VALUE OF COMMON STOCK
EXECUTIVE LEVEL	OWNED AS A MULTIPLE OF BASE SALARY
Chief Executive Officer	6x
Vice Chairman, Chief Financial Officer and President of Hospital Operations	2x
Senior Vice President	1x

Shares counted toward the 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) unvested restricted stock or restricted stock units; and (iii) stock units credited under deferred compensation plans. Outstanding stock options do not count toward satisfaction of the ownership requirements.

If a director or senior officer does not meet the applicable ownership requirements, he or she must retain 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 requirements are met. For this purpose, 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.

As of March 14, 2016, all NEOs were in compliance with the requirements. All senior officers are required to certify that they are in compliance with these guidelines prior to executing a sale of the company's common stock.

Prohibition on Hedging or Pledging Our Stock

Our insider trading policy prohibits any NEO or any other officer or employee subject to its terms (approximately 80 people) from entering into short sales or derivative transactions to hedge their economic exposure to our stock. In addition, these officers and employees are prohibited from pledging our stock, including through holding our stock in margin accounts.

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EXECUTIVE COMPENSATION TABLES

Summary Compensation Table

The following table summarizes the compensation in the years ended December 31, 2015, 2014 and 2013 for our Chief Executive Officer, our Chief Financial Officer and our three most highly compensated other executive officers during 2015 (collectively, the NEOs). Additional information concerning our NEOs' compensation can be found in the Compensation Discussion and Analysis section of this Proxy Statement beginning on page 29.

2015 Summary Compensation Table

NAME AND PRINCIPAL POSITION	YEAR	SALARY (\$) ⁽¹⁾	BONUS (\$)	STOCK AWARDS (\$) ⁽²⁾	OPTION AWARDS (\$) ⁽³⁾	CHANGE IN PENSION VALUE AND NON-EQUITY INCENTIVE DEFERRED EARNING COMPENSATION			ALL OTHER COMPENSATION (\$) ⁽⁶⁾	TOTAL (\$)
						PLAN COMPENSATION (\$) ⁽⁴⁾	(\$) ⁽⁵⁾	(\$) ⁽⁶⁾		
Trevor Fetter Chief Executive Officer	2015	1,316,346	-0-	9,000,061	-0-	2,807,550	2,016,823	213,503	15,354,283	
	2014	1,250,000	-0-	8,000,000	-0-	3,857,428	4,612,782	229,897	17,950,107	
Daniel Cancelmi Chief Financial Officer	2015	636,231	-0-	2,200,005	-0-	950,484	824,015	25,956	4,636,691	
	2014	565,923	-0-	4,900,001	-0-	984,001	2,316,274	15,575	8,781,774	
Keith Pitts Vice Chairman	2015	828,577	-0-	3,500,004	-0-	1,422,650	696,404	541,645	6,989,280	
	2014	699,992	-0-	5,999,987	-0-	1,170,400	515,666	179,962	8,566,007	
Britt Reynolds Former President of Hospital Operations ⁽⁷⁾	2015	742,270	-0-	2,500,068	-0-	1,094,478	359,679	44,172	4,740,667	
	2014	690,616	-0-	3,800,020	-0-	1,356,167	648,483	41,268	6,536,554	
Audrey Andrews	2015	503,683	-0-	1,300,090	-0-	564,350	318,090	11,557	2,697,770	
	2014	459,616	-0-	2,900,014	-0-	595,650	976,419	11,218	4,942,917	

SVP and	2013	411,702	-0-	800,037	-0-	167,280	102,350	6,884	1,488,253
General Counsel									

- (1) Includes amounts deferred by the Named Executive Officers under the 2006 DCP. For further information, see the table and related discussion under **Nonqualified Deferred Compensation** beginning on page 56. Amounts shown in this column for 2015 are higher than the annualized base salary levels discussed on page 37 due to one additional pay cycle occurring in calendar year 2015.
- (2) Values in this column represent the grant date fair value of performance-based restricted stock unit awards and time-based restricted stock unit awards computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are discussed in Note 8 to our consolidated financial statements for the year ended December 31, 2015 included in our Annual Report on Form 10-K. For performance-based restricted stock unit awards, the value shown is based on the probable outcome of the conditions at grant date. Amounts payable under these awards can range from 0% to 200% of the target awards. Assuming the highest level of performance is achieved, the grant date fair values of the restricted stock units (including the performance-based awards) granted in 2015 would have been:

NAME	GRANT DATE	STOCK	STOCK AWARD AT HIGH
		AWARD AT GRANT DATE VALUE (\$)	LEVEL OF PERFORMANCE CONDITIONS (\$)
Trevor Fetter	2/25/15	9,000,061	13,500,091
Daniel Cancelmi	2/25/15	2,200,005	3,300,007
Keith Pitts	2/25/15	3,500,004	5,250,005
Britt Reynolds	2/25/15	2,500,068	3,750,102
Audrey Andrews	2/25/15	1,300,090	1,950,135

- (3) Values in this column represent the grant date fair value of stock option awards computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are discussed in Note 8 to our consolidated financial statements for the year ended December 31, 2015 included in our Annual Report on Form 10-K.
- (4) This column reflects cash awards under our AIP for fiscal year 2015.

Table of Contents**EXECUTIVE COMPENSATION TABLES**

(5) The amounts shown for each Named Executive Officer represent the change in the actuarial present value of accumulated benefits under our SERP as of December 31, 2015. In 2013, the changes in value were \$(593,719) and \$-0- for Mr. Fetter and Mr. Pitts, respectively. No Named Executive Officer received preferential or above-market earnings on deferred compensation.

(6) Amounts shown in this column for 2015 include the following:

	FETTER	CANCELMI	PITTS	REYNOLDS	ANDREWS
Premiums for long-term disability and survivor benefit life insurance under our SERP	\$ 3,830	\$ 3,710	\$ 3,984	\$ 3,650	\$ 3,540
Matching contributions under our 401(k) Retirement Savings Plan	7,950	7,950	7,950	7,950	7,950
Matching contributions under our 2006 DCP	16,183	14,296	-0-	32,531	-0-
Personal use of company aircraft*	185,540	-0-	30,642	41	67
Relocation expenses	-0-	-0-	394,858	-0-	-0-
Tax gross-up on reimbursement of relocation expenses	-0-	-0-	104,211	-0-	-0-
Total	\$ 213,503	\$ 25,956	\$ 541,645	\$ 44,172	\$ 11,557

* Amounts shown in this row represent the incremental costs in 2015 associated with the personal use of our aircraft. Incremental costs include fuel costs, landing and parking fees, customs and handling charges, per hour accruals for maintenance service plans, passenger catering and ground transportation, crew travel expenses and other trip-related variable costs (including fees for contract crew members and the use of our fractional jet interest). Because our aircraft are used primarily for business travel, incremental costs exclude fixed costs that do not change based on usage, such as pilots' salaries, aircraft purchase or lease costs, fractional jet interest management fees, home-base hangar costs and certain maintenance fees.

(7) As previously disclosed, Mr. Reynolds notified the company of his resignation as the company's President of Hospital operations on March 16, 2016.

Table of Contents**EXECUTIVE COMPENSATION TABLES****Grants of Plan-Based Awards During 2015**

The following table sets forth information concerning grants of equity awards made in 2015 under our stock incentive plans and grants of cash that potentially could have been earned in 2015 under our AIP.

NAME	AWARD TYPE ⁽¹⁾	GRANT DATE	ESTIMATED FUTURE PAYOUTS UNDER NON-EQUITY INCENTIVE PLAN AWARDS			ESTIMATED FUTURE PAYOUTS UNDER EQUITY INCENTIVE PLAN AWARDS			GRANT DATE ALL OTHER FAIR VALUE OF STOCK AWARDS NUMBER OF SHARES OF STOCK OR OPTION AWARDS	
			RESHORE (\$)	TARGET (\$)	MAXIMUM (\$)	RESHORE (#)	TARGET (#)	MAXIMUM (#)	UNITS (#)	VALUE (\$) ⁽²⁾
Trevor Fetter	AIP		-0-	1,912,500	3,825,000					
	PRSU	2/25/15				24,655	98,620	197,240		4,500,031
	AIP	2/25/15							98,620	4,500,031
Dan Cancelmi	AIP		-0-	618,000	1,236,000					
	PRSU	2/25/15				6,027	24,107	48,214		1,100,002
	RSU	2/25/15							24,107	1,100,002
Keith Pitts	AIP		-0-	925,000	1,850,000					
	PRSU	2/25/15				9,588	38,352	76,704		1,750,002
	RSU	2/25/15							38,352	1,750,002
Britt Reynolds	AIP		-0-	721,000	1,442,000					
	PRSU	2/25/15				6,849	27,395	54,790		1,250,034
	RSU	2/25/15							27,395	1,250,034
Audrey Andrews	AIP		-0-	366,938	733,875					
	PRSU	2/25/15				3,562	14,246	28,492		650,045
	RSU	2/25/15							14,246	650,045

⁽¹⁾ *AIP Awards.* Awards designated *AIP* are awards that our Named Executive Officers might have earned during 2015 under our Annual Incentive Plan, dependent upon our 2015 performance. Awards actually earned are shown in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table.

Restricted Stock Unit Awards. Awards designated *RSU* reflect time-vested restricted stock unit awards under our 2008 Stock Incentive Plan. The RSUs granted on February 25, 2015 vest ratably on each of the first three anniversaries of the grant date.

Performance-Based Restricted Stock Unit Awards. Awards designated PRSU reflect performance-based restricted stock unit awards under our 2008 Stock Incentive Plan. The following table summarizes the terms of the 2015 awards.

NYSE CLOSING				
NAME	GRANT DATE	PRICE ON GRANT DATE	POTENTIAL PAYOUT RANGE	VESTING PERIOD
Trevor Fetter	2/25/15	\$ 45.63	Actual shares to be received ranges from 0% to 200% of the target share level shown, depending on the degree to which specified performance goals are met.	Three years (one-third after each year depending on attainment of Adjusted EBITDA-based performance goals in year one). In February 2016, the Compensation Committee certified that based on the company's 2015 adjusted EBITDA, for each recipient the number of shares eligible for payout would be 164.7% of the target share level. These shares provisionally vested upon such certification and now vest in one-third increments on each of the first three anniversaries of the grant date.
Dan Cancelmi				
Keith Pitts				
Britt Reynolds				
Audrey Andrews				

- (2) We calculate the grant date fair value of restricted stock units based on the NYSE closing price per share of our common stock on the date of grant (February 25, 2015: \$45.63). For performance-based restricted stock units, the value shown is based on the probable outcome of the performance conditions at grant date. Assumptions used in the calculation of the amounts shown are discussed in Note 8 to the consolidated financial statements for the year ended December 31, 2015 included in our Annual Report on 10-K.

Table of Contents**EXECUTIVE COMPENSATION TABLES****Outstanding Equity Awards**

The following table sets forth information as of December 31, 2015 with respect to outstanding equity awards granted to each of the Named Executive Officers. Where applicable, the numbers of securities and values in this table and throughout this Proxy Statement have been adjusted for the reverse stock split effective October 11, 2012.

Outstanding Equity Awards at 2015 Fiscal Year-End Table

NAME	OPTION AWARDS ⁽¹⁾					STOCK AWARDS			
	GRANT DATE	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#)	NUMBER OF SECURITIES UNDERLYING EXERCISED OPTIONS (#)	EXERCISE PRICE (\$)	EXPIRATION DATE	NUMBER OF SHARES OR UNITS OF STOCK THAT HAVE NOT VESTED (#)	MARKET VALUE OF SHARES OR UNITS OF STOCK THAT HAVE NOT VESTED (\$) ⁽²⁾	UNEARNED SHARES OR UNITS OF OTHER RIGHTS THAT HAVE NOT VESTED (#) ⁽³⁾	UNEARNED MARKET VALUE OF SHARES OR UNITS OF OTHER RIGHTS THAT HAVE NOT VESTED (\$) ⁽²⁾
Trevor Fetter	3/1/07	182,000		26.40	3/1/17				
	3/6/08	416,750		19.76	3/6/18				
	2/25/10	52,532		20.12	2/25/20				
	2/25/10	52,532		20.12	2/25/20				
	2/29/12	109,250		22.60	3/1/22				
	2/29/12	109,250		22.60	3/1/22				
	2/28/13		171,844	39.31	2/28/18				
	2/28/13					31,799	963,510		
	2/28/13					31,799 ⁽⁴⁾	963,510		
	6/13/13					106,090 ⁽⁵⁾	3,214,527		
	6/13/13					106,090 ⁽⁶⁾	3,214,527	106,090	3,214,527
	2/26/14					60,142	1,822,303		
	2/26/14					120,284 ⁽⁴⁾	3,644,605		
	2/25/15					98,620	2,988,186		
	2/25/15					162,428 ⁽⁴⁾	4,921,568		

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Total values							\$ 21,732,736		\$ 3,214,527
Dan									
Cancelmi	4/30/12					25,000 ⁽⁷⁾	757,500		
	9/28/12	37,500		25.08	9/28/22				
	2/28/13		17,188	39.31	2/28/18				
	2/28/13					7,208	218,402		
	2/28/13					7,208 ⁽⁴⁾	218,402		
	2/26/14					14,284	432,805		
	2/26/14					28,568 ⁽⁴⁾	865,610		
	8/25/14					16,695 ⁽⁷⁾	505,859		
	8/25/14					23,323 ⁽⁸⁾	706,687	33,389	1,011,687
	2/25/15					24,107	730,442		
	2/25/15					39,705 ⁽⁴⁾	1,203,062		
Total values							\$ 5,638,769		\$ 1,011,687
Keith									
Pitts	10/1/13					20,144	610,363		
	2/26/14					22,553	683,356		
	2/26/14					45,106 ⁽⁴⁾	1,366,712		
	8/25/14					16,695 ⁽⁷⁾	505,859		
	8/25/14					23,323 ⁽⁸⁾	706,687	33,389	1,011,687
	2/25/15					38,352	1,162,066		
	2/25/15					63,166 ⁽⁴⁾	1,913,930		
Total Values							\$ 6,948,973		\$ 1,011,687

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EXECUTIVE COMPENSATION TABLES

NAME	OPTION AWARDS ⁽¹⁾					STOCK AWARDS			
	GRANT DATE	NUMBER OF UNEXERCISED OPTIONS (#)	NUMBER OF UNDERLYING SECURITIES UNEXERCISED (#)	EXERCISE PRICE (\$)	EXPIRATION DATE	NUMBER OF SHARES OF STOCK THAT HAVE NOT VESTED (#)	UNEARNED SHARES OF STOCK THAT HAVE NOT VESTED (#)	UNEARNED SHARES OF OTHER RIGHTS THAT HAVE NOT VESTED (#)	UNEARNED SHARES OF OTHER RIGHTS THAT HAVE NOT VESTED (#)
Britt									
Reynolds	2/29/12	28,250		22.60	3/1/22				
	2/29/12	28,250		22.60	3/1/22				
	2/28/13					8,904	269,791		
	2/28/13					8,904 ⁽⁴⁾	269,791		
	2/26/14					17,291	523,917		
	2/26/14					34,582 ⁽⁴⁾	1,047,835		
	8/25/14					8,348 ⁽⁷⁾	252,944		
	8/25/14					11,661 ⁽⁸⁾	353,328	16,695	505,859
	2/25/15					27,395	830,069		
	2/25/15					45,120 ⁽⁴⁾	1,367,136		
Total values							\$ 4,914,811		\$ 505,859
Audrey									
Andrews	2/28/13					3,392	102,778		
	2/28/13					3,392 ⁽⁴⁾	102,778		
	2/26/14					6,766	205,010		
	2/26/14					13,532 ⁽⁴⁾	410,020		
	8/25/14					11,130 ⁽⁷⁾	337,239		
	8/25/14					15,549 ⁽⁸⁾	471,135	22,259	674,448
	2/25/15					14,246	431,654		
	2/25/15					23,464 ⁽⁴⁾	710,959		
Total values							\$ 2,771,573		\$ 674,448

- (1) All options have a term of ten years and options listed in the Number of Securities Underlying Unexercised Options Unexercisable column vest on the third anniversary of the date of grant.
- (2) Based on the NYSE closing price of \$30.30 per share of our common stock on December 31, 2015.
- (3) The awards shown in this column are performance-based restricted stock units which remain subject to performance-based vesting conditions. Pursuant to applicable regulations, the numbers shown are based on achievement at the goal levels shown below:

NAME	GRANT	PERFORMANCE LEVEL ASSUMED
	DATE	(\$)
Trevor Fetter	6/13/13	Maximum
Daniel Cancelmi	8/25/14	Maximum
Keith Pitts	8/25/14	Maximum
Britt Reynolds	8/25/14	Maximum
Audrey Andrews	8/25/14	Maximum

- (4) The award shown represents performance-based restricted stock units that are no longer subject to performance-based conditions because the conditions have been satisfied. These awards now vest ratably on each of the first three anniversaries of the grant date.
- (5) One-half of these time-based restricted stock units vest on the third anniversary of the date of grant and one-half will vest on the sixth anniversary of the date of grant.
- (6) The award shown represents the portion of Mr. Fetter's June 13, 2013 grant of performance-based restricted stock units that are no longer subject to performance-based conditions because the conditions have been satisfied, with the award earned at 200% of target. This earned award remains subject to vesting conditions and will vest on the third anniversary of the date of grant.
- (7) These time-based restricted stock units vest on the fifth anniversary of the date of grant.
- (8) The award shown represents the portion of the NEO's August 25, 2014 grant of performance-based restricted stock units that are no longer subject to performance-based conditions because the conditions have been satisfied, with the award earned at 139.7% of target. This earned award remains subject to vesting conditions and will vest on the fifth anniversary of the date of grant.

Table of Contents**EXECUTIVE COMPENSATION TABLES****Option Exercises and Stock Vested**

The following table sets forth certain information regarding options and restricted stock unit awards exercised and vested, respectively, during 2015 for the Named Executive Officers.

2015 Option Exercises and Stock Vested Table

NAME	OPTION AWARDS		STOCK AWARDS	
	NUMBER OF SHARES ACQUIRED ON EXERCISE	VALUE REALIZED ON EXERCISE	NUMBER OF SHARES ACQUIRED ON VESTING	VALUE REALIZED ON VESTING
	(#) ⁽¹⁾	(\$) ⁽²⁾⁽³⁾	(#) ⁽¹⁾	(\$) ⁽³⁾⁽⁴⁾
Trevor Fetter	182,924	5,205,958	192,140	8,935,774
Dan Cancelmi	-0-	-0-	51,671	2,287,418
Keith Pitts	-0-	-0-	22,552	1,054,080
Britt Reynolds	-0-	-0-	53,743	2,499,712
Audrey Andrews	-0-	-0-	21,099	981,349

(1) Where applicable, the numbers of shares in this table and throughout this Proxy Statement have been adjusted for the reverse stock split effective October 11, 2012.

(2) Calculated by multiplying the number of shares exercised by the difference between the exercise price and the market price of common stock on the date of exercise.

(3) These amounts represent gain realized on prior-year equity compensation and are not considered 2015 compensation.

(4) Calculated by multiplying the number of shares vested by the market price of common stock on the vesting date. The values shown do not represent proceeds actually received by the Named Executive Officers, as shares were withheld to cover applicable taxes.

Pension Benefits

The following table sets forth information as of December 31, 2015 with respect to our SERP and ERA, which provide for payments or other benefits in connection with the retirement of the Named Executive Officers.

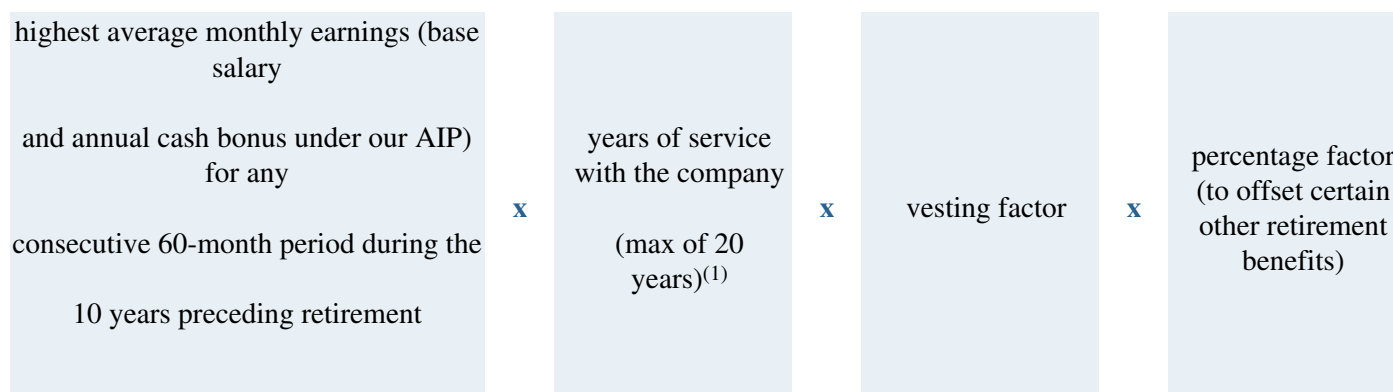
2015 Pension Benefits Table

NAME	PLAN NAME	NUMBER OF YEARS CREDITED SERVICE (#) ⁽¹⁾	PRESENT VALUE OF ACCUMULATED	PAYMENTS DURING
			BENEFIT (\$) ⁽²⁾⁽³⁾	FISCAL YEAR (\$)
Trevor Fetter	SERP	20	17,847,051	-0-
Dan Cancelmi	SERP	20	4,576,210 ⁽⁴⁾	-0-
	ERA	20	69,502	-0-
Keith Pitts	SERP	2	1,212,070	-0-
Britt Reynolds	SERP	4	1,429,885	-0-
Audrey Andrews	SERP	17	2,283,190 ⁽⁴⁾	-0-
	ERA	17	55,858	-0-

- (1) None of the Named Executive Officers has been credited with years of service in excess of his or her actual years of service with the company. However, to incentivize Mr. Pitts to join the company following the October 2013 acquisition of Vanguard and to encourage retention, we agreed that, following his completion of five years of service with Tenet, Mr. Pitts would be credited with his service at Vanguard for the purpose of determining benefits under our SERP.
- (2) Computed as of December 31, 2015, the same pension plan measurement date used for financial statement reporting purposes with respect to our consolidated financial statements for the year ended December 31, 2015, which are included in our Annual Report on Form 10-K filed with the SEC on February 22, 2016.
- (3) Determined using the benefit formula, age and service credits, and final average earnings as of December 31, 2015, using: (i) the assumption that retirement age is age 62, which is the earliest age at which a participant under the SERP may retire or terminate employment without a reduction in benefits; (ii) actuarial tables used in calculating life expectancies; and (iii) a discount rate of 4.75%.
- (4) The amount shown is the present value of the full accumulated benefit amount under the SERP; however, the amount received under the SERP upon retirement will be reduced (offset) by any benefit received under the ERA.

Table of Contents**EXECUTIVE COMPENSATION TABLES***Supplemental Executive Retirement Plan*

The SERP provides our Named Executive Officers (and certain other executives) with supplemental retirement benefits in the form of retirement payments for life, generally commencing on the first day of the month following the attainment of age 62, subject to the six-month delay applicable to key employees under Section 409A. At retirement, the monthly benefit paid to a participant will be a product of four factors:



⁽¹⁾ For first five years of participation in the SERP a participant is given partial credit for years of service performed prior to the participant's enrollment in the SERP. Upon achieving five years of SERP participation, a participant receives full credit for service years performed prior to SERP participation.

The monthly SERP benefit is reduced in the event of a participant's early retirement (age 55 with 10 years of service) or termination of employment prior to age 62, by 3.0% for each year that employment termination occurs before age 62 (max reduction of 21%). Monthly SERP benefits are further reduced by an additional 3% each year if benefits begin to be paid prior to age 62. Unreduced retirement benefits under the SERP are available for participants who terminate on or after age 62 or at age 60 with at least five years of service. Mr. Fetter is our only Named Executive Officer presently eligible for early retirement under the SERP.

In the event of a change of control, participants will be deemed fully vested in their SERP benefits without regard to their actual years of service, and their SERP benefits will be calculated based on all of their years of service with the company (i.e., the partial credit for service prior to enrollment in the SERP will not apply) and no early retirement or payment reduction will apply. SERP benefits payable in the event of a termination of employment within two years of a change of control event described in Section 409A will commence on the first day of the month following the participant's termination of employment, subject to the six-month delay applicable to key employees under Section 409A. Otherwise any SERP benefits payable following a change of control will be paid at normal retirement or early retirement as described above.

None of our Named Executive Officers has received credited service under the SERP for years not worked, however:

the ESP, which was adopted during 2006, would provide each Named Executive Officer with the accrual of age and service credit under the SERP during his or her severance period. The SERP and ESP have been amended to eliminate these accruals during the severance period for employees that became SERP participants after August 3, 2011, including Messrs. Pitts and Reynolds.

To incentivize Mr. Pitts to join the company following the October 2013 acquisition of Vanguard and to encourage retention, the Committee approved a limited exception to its policy to grant Mr. Pitts credit for his 14-year employment with Vanguard, which is now a wholly-owned subsidiary of the company, subject to his completion of five years of service with Tenet. If Mr. Pitts does not satisfy the five-year employment condition, he will forfeit his entitlement to all SERP benefits. In approving the conditional credit for Vanguard service, the Committee took into account:

the fact that the other company for which we would count Mr. Pitts' service time (Vanguard) now comprises a substantial portion of Tenet's business;

Mr. Pitts' unique ability to help complete the integration of Vanguard into our operations, which we believe is critical for our long-term success; and

Mr. Pitts' extensive background and experience in the acquisition and development area. During their employment, SERP participants are provided a life insurance and accidental death benefit for the designated beneficiary of each participant and a disability insurance policy for the benefit of each participant.

Executive Retirement Account

No Named Executive Officers currently accrue benefits under both the SERP and the ERA. The ERA is maintained primarily for members of company management who are not eligible to participate in the SERP. Mr. Cancelmi and Ms. Andrews began participating in the ERA prior to becoming eligible to participate in the SERP. While they were active participants in the ERA, the company made an annual contribution to the ERA each year on their behalf in an amount equal to a specified percentage of their respective base salaries. Such contributions accrued earnings credits. Upon a qualifying termination, participants in the ERA are entitled to a retirement benefit equal to the vested balance of their ERA account. Upon becoming participants in the SERP, Mr. Cancelmi's and Ms. Andrews' participation in the ERA and their account balances were frozen and no additional contributions or earnings credits will be made, though the account balances continue to accrue years of vesting service. Upon a qualifying termination of employment, Mr. Cancelmi and Ms. Andrews will receive their vested balances under the ERA and will also be entitled to receive their applicable benefit under the SERP, but such SERP benefit will be reduced (offset) by the benefit received under the ERA.

Table of Contents**EXECUTIVE COMPENSATION TABLES****Nonqualified Deferred Compensation**

The following table sets forth information as of December 31, 2015 with respect to our deferred compensation plans.

2015 Nonqualified Deferred Compensation Table

NAME	PLAN NAME ⁽¹⁾	EXECUTIVE CONTRIBUTIONS	REGISTRANT CONTRIBUTIONS	AGGREGATE EARNINGS	AGGREGATE WITHDRAWALS/ DISTRIBUTIONS	AGGREGATE BALANCE AT LAST FISCAL YEAR END
		IN LAST FISCAL YEAR (\$) ⁽²⁾	IN LAST FISCAL YEAR (\$) ⁽³⁾	IN LAST FISCAL YEAR (\$) ⁽⁴⁾	IN LAST FISCAL YEAR (\$)	(\$) ⁽⁵⁾
Trevor Fetter	2006 DCP	32,365	16,183	50,424	-0-	1,742,108
	2001 DCP	-0-	-0-	-0-	-0-	209,004
Dan Cancelmi	2006 DCP	28,591	14,296	5,796	-0-	173,938
Keith Pitts		-0-	-0-	-0-	-0-	-0-
Britt Reynolds	2006 DCP	65,061	32,531	7,827	-0-	219,025
Audrey Andrews		-0-	-0-	-0-	-0-	-0-

(1) More information about our two deferred compensation plans appears below under Deferred Compensation Plans.

(2) Included in the amounts represented in the Summary Compensation Table as Salary and Non-Equity Incentive Plan Compensation.

(3) Included in the amounts represented in the Summary Compensation Table as All Other Compensation.

(4) These amounts are not included in the Summary Compensation Table because plan earnings were not preferential or above-market.

(5) The fiscal year-end balance reported for the 2006 DCP includes the following amounts that were previously reported in the Summary Compensation Table as compensation for years 2006 through 2014: Mr. Fetter, \$1,167,510; Mr. Cancelmi, \$4,092; Mr. Pitts, \$-0-; Mr. Reynolds, \$64,642; and Ms. Andrews, \$-0-. The fiscal year-end balance reported for the 2001 DCP includes \$842 for Mr. Fetter that was previously reported in the Summary Compensation Table as compensation for years 2006 through 2014. The information in this footnote is provided to clarify the extent to which amounts payable as deferred compensation represent compensation reported

in our prior proxy statements, rather than additional currently earned compensation.

Deferred Compensation Plans

We maintain two deferred compensation plans: (i) the Fourth Amended and Restated Tenet 2006 Deferred Compensation Plan (2006 DCP), a Section 409A compliant plan for deferrals elected with respect to amounts otherwise payable in calendar years beginning on and after January 1, 2005; and (ii) the Ninth Amended and Restated Tenet 2001 Deferred Compensation Plan (2001 DCP), a grandfathered plan for deferrals elected with respect to amounts otherwise payable in calendar years beginning before January 1, 2005. No additional elective deferrals or employer contributions may be made to the 2001 DCP. All of our Named Executive Officers and non-employee directors are eligible to participate in the 2006 DCP; however, Mr. Pitts and Ms. Andrews do not currently participate in this plan.

Employee participants are permitted to elect up to six types of elective deferral contributions (Deferral Contributions) to the 2006 DCP:

- (i) base compensation deferrals of up to 75% of eligible compensation (base salary and certain other cash compensation, but excluding bonuses under the AIP);
- (ii) bonus deferrals of up to 100% of bonus under the AIP (94% if a bonus with match deferral is made as described below);
- (iii) base compensation with match deferrals of up to 6% of eligible compensation when the employee reaches certain statutory limits on contributions under our 401(k) Plan;
- (iv) bonus with match deferrals of 6% of bonus under the AIP;
- (v) if authorized, discretionary compensation deferrals; and
- (vi) if authorized, restricted stock unit deferrals, of up to 100% of the restricted stock units awarded under our stock incentive plans.

We make an employer matching contribution to the 2006 DCP equal to 50% of an employee's base compensation with match deferrals and/or bonus with match deferrals. In addition, we may elect to make a discretionary contribution to the 2006 DCP with respect to any participant. We did not elect to make any discretionary contributions to the 2006 DCP during 2015. All elective deferrals and employer contributions made to the 2006 DCP are fully vested when made and are credited to a separate bookkeeping account on behalf of each participant.

Table of Contents**EXECUTIVE COMPENSATION TABLES**

Amounts deferred under the 2006 DCP or 2001 DCP will generally be distributed, as directed by the participant, upon either termination of service or the occurrence of a specified date. Matching and discretionary contributions are distributed upon termination of service. Distributions may be made in cash or in shares of our common stock, and may be made in the form of a lump sum payment or annual installments over a one to 15 year period, as elected by the participant. Any amounts that are payable from the 2006 DCP upon a termination of employment are subject to the six-month delay applicable to key employees under Section 409A. Under certain circumstances, a participant may elect to receive an immediate lump sum distribution under the 2001 DCP subject to a 10% forfeiture, a 13-month delay or the occurrence of a change of control.

Participants may request, on a daily basis, that any of the following investment crediting rates be applied to amounts credited to their 2001 DCP and 2006 DCP accounts: (i) an annual rate of interest equal to 120% of the applicable federal long-term (10-year) interest rate (which generated an annual return for 2015 of 3.05%); (ii) a rate of return based on one or more benchmark mutual funds, which are the same funds as those offered under our 401(k) Plan; or (iii) a rate of return based on the performance of our common stock, designated as stock units that are payable in shares of our common stock. Amounts that are deemed to be invested in stock units may not be transferred out of stock units and will be paid in shares of our common stock.

Potential Payments Upon Termination or Change of Control

The information below describes and quantifies certain compensation that would be paid under existing plans and arrangements if a Named Executive Officer's employment had terminated on December 31, 2015, given his or her compensation and service levels as of that date and, as applicable, based on the NYSE closing price of \$30.30 per share of our common stock on that date. These benefits are in addition to benefits available generally to our salaried employees, such as distributions under our 401(k) Plan, disability benefits and accrued vacation pay. A Named Executive Officer's benefits under our deferred compensation plans will generally be distributed in connection with his or her termination of employment or the occurrence of a specified date. Benefits under the SERP are generally paid on early or normal retirement.

Due to the number of factors that affect the nature and amount of any benefits paid upon the occurrence of any of the events discussed below, any actual amounts paid may be different. Factors that could affect these amounts include the timing of the event, the company's stock price and the executive's age.

Death, Disability and Retirement

Upon the death of a Named Executive Officer, his or her survivors would receive payments from our insurance carriers under life insurance and accidental death and dismemberment policies provided in connection with the SERP. We provide coverage under each policy in an amount up to two times a Named Executive Officer's salary, not to exceed \$550,000 per policy (i.e., we pay up to \$1,100,000), with excess coverage elected by the executive at his or her expense. As of December 31, 2015, the survivors of the Named Executive Officers would receive the following lump sum cash payments: Mr. Fetter, \$1,600,000; Mr. Cancelmi, \$3,455,000; Mr. Pitts, \$2,525,000; Mr. Reynolds, \$3,764,000; and Ms. Andrews, \$3,558,000. In addition, under the SERP, the surviving spouse of a deceased Named Executive Officer would receive monthly payments equal to 50% of the retirement benefits that would have been

payable to the executive.

Upon total and permanent disability, a Named Executive Officer would receive a cash payment from our insurance carrier, payable on a monthly basis until the executive reaches age 65, not to exceed \$25,000 per month.

Upon retirement, a Named Executive Officer would receive a pro-rata bonus earned under the AIP for the year that includes the date of retirement.

Pursuant to the terms of the award agreements under the 2008 Stock Incentive Plan, if a Named Executive Officer dies, becomes totally and permanently disabled or, in the case of stock options only, retires, unvested options and restricted stock units will vest in full. If the options or restricted stock units are subject to performance criteria, however, then vesting is subject to the satisfaction of such performance criteria, and, if termination occurs prior to the end of the performance period, the awards will be subject to pro-rata vesting and settlement if and when the performance criteria are satisfied, based on the period of time employed during the performance period.

Table of Contents**EXECUTIVE COMPENSATION TABLES**

The table set forth below reflects the estimated aggregate amount of payments and other benefits each Named Executive Officer would receive upon termination of employment due to death, disability or retirement assuming that terminations occurred as of December 31, 2015. As of December 31, 2015, Mr. Fetter was our only Named Executive Officer considered retirement-eligible for purposes of the SERP or accelerated equity vesting.

NAME	TERMINATION SCENARIO	SERP BENEFIT (\$) ⁽¹⁾	ACCELERATED EQUITY AWARDS (\$) ⁽²⁾	TOTAL (\$)
Trevor Fetter	Death	9,923,485	23,339,878	33,263,363
	Disability	14,909,441	23,339,878	38,249,319
	Retirement	17,292,584	-0-	17,292,584
Dan Cancelmi	Death	3,031,071	6,144,476	9,175,547
	Disability	3,832,464	6,144,476	9,976,940
	Retirement	-0-	-0-	-0-
Keith Pitts	Death	-0-	7,454,739	7,454,739
	Disability	1,007,439	7,454,739	8,462,178
	Retirement	-0-	-0-	-0-
Britt Reynolds	Death	-0-	5,167,665	5,167,665
	Disability	1,214,700	5,167,665	6,382,365
	Retirement	-0-	-0-	-0-
Audrey Andrews	Death	1,531,887	3,108,750	4,640,637
	Disability	1,922,163	3,108,750	5,030,913
	Retirement	-0-	-0-	-0-

(1) Represents the present value of the benefit payable under the SERP in each of the named scenarios based on each Named Executive Officer's years of service to the company as of the date of death, disability or retirement and using the executive's highest average monthly earnings (base salary and annual cash bonus under our AIP) over a 60-consecutive month period. Further, in the case of death and disability, the prior service credit percentage described under Supplemental Executive Retirement Plan on page 55 is 100%, the reduction for early commencement of death benefits is limited to 21% and disability benefits continue to accrue vesting credit until the executive attains normal retirement age. These amounts differ from the SERP benefit amounts shown in the Pension Benefits Table on page 54 because they reflect the SERP payment provisions under each scenario rather than the unreduced commencement of benefits at age 62.

(2) Unvested performance-based restricted stock unit awards are reported as vesting at target levels. Amounts reflected are based on the NYSE closing price of \$30.30 per share of our common stock on December 31, 2015 with respect to restricted stock units.

Non-Cause Termination/No Change of Control

Subject to the terms of the ESP and applicable equity plans and award agreements, and with respect to the ESP, further subject to signing a severance agreement containing restrictive covenants as well as a release, each of the Named Executive Officers is entitled to the following severance payments and other benefits if his or her employment is terminated without cause, or by the executive for good reason (a non-cause termination), outside the context of a change of control of the company:

Severance pay (base salary plus target bonus) during the severance period which is three years for Mr. Fetter, two and a half years for Mr. Cancelmi, Mr. Pitts and Mr. Reynolds, and one and a half years for Ms. Andrews;

Lump sum pro-rata bonus earned under the Annual Incentive Plan for the year that includes the date of termination;

Continued coverage during the severance period under medical, dental, vision, life and long-term care benefit programs; provided that the executive continues to pay his or her portion of the cost of such coverages as in effect upon termination; reduced to the extent that the Named Executive Officer receives comparable benefits through other employment during the severance period;

Outplacement services not to exceed \$25,000;

Pursuant to the terms of the ESP, the Named Executive Officers will forfeit any non-vested outstanding equity awards at termination to the extent the underlying equity award agreements do not otherwise provide for acceleration of vesting. Time-vested restricted stock unit awards and stock options vest upon a non-cause termination. Likewise, subject to satisfaction of the performance criteria,

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performance-based restricted stock unit awards and performance-based stock options vest upon a non-cause termination (with proration for any performance period not completed as of termination with respect to performance-based restricted stock unit awards);

Performance cash awards are subject to the same treatment as performance-based restricted stock unit awards with respect to any performance period not completed as of termination (any previously banked amounts shall also be payable); and

Age and service credit under the SERP during the severance period, for employees who became participants in the SERP prior to August 3, 2011.

The table set forth below reflects the estimated aggregate amount of payments and other benefits (not including reimbursable legal fees, if any, to obtain benefits under the ESP and certain reimbursable excise taxes, if any, incurred by the participant under Section 409A) each Named Executive Officer would receive upon a non-cause termination unrelated to any change of control assuming that terminations occurred as of December 31, 2015.

NAME	HEALTH AND WELFARE		NET PLACEMENT SERVICES (\$)	ADDITIONAL SERP BENEFIT (\$) ⁽³⁾	ACCELERATED EQUITY AWARDS (\$) ⁽⁴⁾	EXCISE TAX REIMBURSEMENTS (\$)	TOTAL (\$)
	SEVERANCE (\$) ⁽¹⁾	BENEFITS (\$) ⁽²⁾					
Trevor Fetter	9,562,500	43,879	25,000	3,452,774	23,339,878		36,424,031
Dan Cancelmi	3,090,000	35,816	25,000	1,473,498	6,144,476		10,768,791
Keith Pitts	4,625,000	41,382	25,000	-0-	7,454,739	Not offered	12,146,121
Britt Reynolds	3,605,000	36,816	25,000	-0-	5,167,665		8,834,481
Audrey Andrews	1,284,281	24,863	25,000	259,408	3,108,750		4,702,302

(1) Severance is paid on a bi-weekly basis at termination, subject to certain amounts being delayed for a six-month period in compliance with Section 409A. Severance pay will be reduced for any SERP benefits that become payable during the severance period. For employees who became participants in the SERP prior to August 3, 2011, at the end of the severance period, the Named Executive Officer's SERP benefits will be adjusted to reflect the additional age and service credit provided under the ESP during the severance period. The Named Executive Officer's severance pay will not be considered in calculating his or her final average earnings under the SERP.

(2) Represents the aggregate incremental cost of providing medical, dental, life insurance, and accidental death and dismemberment benefits to the executive at active employee rates. Incremental cost is comprised of our

contributions to the premium cost for these benefits and our cost of paying benefits under our self-funded plans.

- (3) Represents the present value of the additional benefit payable under the SERP which is attributable to the additional age and service credits that the Named Executive Officers accrue during their applicable severance periods, for employees who became participants in the SERP prior to August 3, 2011; however, the additional SERP benefit attributable to such age and service credits does not begin to be paid until the end of the severance period. The additional SERP benefit amounts do not include an amount of SERP benefits equal to that which would be payable in the event of retirement as shown in the Death, Disability and Retirement table on page 58; however, those benefits would also be payable by reason of a non-cause termination unrelated to a change of control of the company.
- (4) Unvested performance-based restricted stock unit awards are reported as vesting at target levels (as such levels are disclosed above in the Outstanding Equity Awards Table and footnote 3 thereto). Amounts reflected are based on the NYSE closing price of \$30.30 per share of our common stock on December 31, 2015 with respect to restricted stock units.

Non-Cause Termination/Change of Control

Subject to the terms of the ESP and applicable equity plans and award agreements, each of the Named Executive Officers is entitled to the following severance payments and other benefits if his or her employment is terminated without cause, or by the executive for good reason (a non-cause termination), during the period beginning six months prior to a change of control and ending 24 months following the occurrence of a change in control (the protection period):

The same benefits to which the executive would be entitled with respect to a non-cause termination outside the context of a change of control, provided that the severance period is three years for Messrs. Fetter, Cancelmi, Pitts and Reynolds and two years for Ms. Andrews. If the termination occurs within the six months prior to a change of control that results from the liquidation or dissolution of the company, however, then the severance period applicable to non-cause terminations outside the context of a change of control will apply; and

Equity awards under our stock incentive plans that have not vested and are not assumed or exchanged for substitute equity by the successor to the company will accelerate and become vested upon a change of control irrespective of whether the Named Executive Officer terminates employment. Equity awards under our stock incentive plans that have not vested and are assumed or substituted

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by the successor to the company will accelerate and become vested upon a non-cause termination in connection with a change of control; performance-based restricted stock units and performance-based stock options will vest subject to the satisfaction of performance criteria (with proration for any performance period not completed as of termination).

In 2012 the company amended the ESP to eliminate all reimbursements and gross-ups with respect to golden parachute excise taxes. Pursuant to the ESP, if any payment or other benefit to which an executive is entitled under the ESP or otherwise will become subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, then the executive's payments and benefits shall be either (i) provided to the executive in full, or (ii) provided to the executive as to such lesser extent which would result in no portion of such payments and benefits being subject to the excise tax, whichever of the amounts results in the receipt by the executive, on an after-tax basis, of the greatest amount of benefits.

The table set forth below reflects the estimated aggregate amount of payments and other benefits (not including reimbursable legal fees, if any, to obtain benefits under the ESP and certain reimbursable excise taxes, if any, incurred by the participant under Section 409A) each Named Executive Officer would receive upon a non-cause termination related to any change of control assuming that terminations occurred as of December 31, 2015.

NAME	CASH SEVERANCE (\$) ⁽¹⁾	HEALTH AND WELFARE BENEFITS (\$) ⁽²⁾	REPLACEMENT SERVICES (\$)	ADDITIONAL ACCELERATED ESP BENEFIT (\$) ⁽³⁾	EQUITY AWARDS (\$) ⁽⁴⁾	ESP CUTBACK FOR EXCISE TAX AVOIDANCE (\$) ⁽⁵⁾	EXCISE TAX REIMBURSEMENTS (\$)	TOTAL (\$)
Trevor Fetter	9,562,500	43,879	25,000	6,713,880	23,339,878	-0-		39,685,137
Dan Cancelmi	3,708,000	42,979	25,000	4,315,626	6,144,476	-0-		14,236,082
Keith Pitts	5,550,000	49,658	25,000	1,568,645	7,454,739	-0-	Not offered	14,648,043
Britt Reynolds	4,326,000	44,179	25,000	2,927,957	5,167,665	(1,934,324)		10,556,477
Audrey Andrews	1,712,375	33,151	25,000	4,922,184	3,108,750	-0-		9,801,460

⁽¹⁾ In the case of a non-cause termination that occurs during the six months preceding either a change of control described in Section 409A or a change of control that is not described in Section 409A, severance pay will be paid in the same manner as a termination that is not related to a change in control. In the case of a non-cause termination that occurs within two years following a change of control described in Section 409A, payment of severance pay under the ESP will be made to the Named Executive Officer in a lump sum at termination, subject

to any six-month delay required by Section 409A. In the case of a non-cause termination that occurs during the two years following a change of control that is not described in Section 409A, payment of severance pay under the ESP will be made to the Named Executive Officer in a lump sum at termination, to the extent permitted under Section 409A without penalty, and the remainder of such severance pay will be paid in the same manner as a termination that is not related to a change in control.

- (2) Represents the aggregate incremental cost of providing medical, dental, life insurance, and accidental death and dismemberment benefits to the executive at active employee rates. Incremental cost is comprised of our contributions to the premium cost for these benefits and our cost of paying benefits under our self-funded plans.
- (3) Represents the present value of the SERP benefit payable in the event of a non-cause termination related to a change of control of the company in excess of the present value of the SERP benefit payable in the event of a non-cause termination unrelated to a change in control, which is presented in the Additional SERP Benefit column of the table on page 59. The additional SERP benefit amounts would include age and service credits for the Named Executive Officers that would accrue during their applicable severance periods, for employees who became participants in the SERP prior to August 3, 2011, and would be based on: (i) the deemed full vesting of the Named Executive Officers in their SERP benefits without regard to their actual years of service; (ii) all of their years of service to the company and using the executive's highest average monthly earnings (base salary and annual cash bonus under our AIP) over a 60-month period; and (iii) the immediate commencement of SERP benefits without any reduction in benefits for early commencement.

In the event of a change of control of the company without termination of employment, the additional retirement benefits payable under the SERP to the Named Executive Officers would be as follows: Mr. Fetter, \$25,033,541; Mr. Cancelmi, 6,323,625; Mr. Pitts; \$541,476; Mr. Reynolds, \$1,551,167, and Ms. Andrews, \$3,525,752. These amounts have been calculated as described above in this footnote, but without the accrual of additional age and service credits during the severance period. These amounts differ from the additional SERP benefits payable by reason of a termination following a change of control because in a non-termination scenario (i) the benefit cutback provisions of the ESP for the avoidance of golden parachute excise taxes are not applicable and (ii) benefits under the SERP do not commence until retirement. These amounts do not include those benefits shown in the Pension Benefits table on page 54 and those benefits would also be payable upon retirement.

Present value calculations use the assumptions discussed in footnote 3 to the Pension Benefits Table.

- (4) Performance-based restricted stock unit awards are reported at target levels (as such levels are disclosed above in the Outstanding Equity Awards Table and footnote 3 thereto). Amounts reflected have been calculated using the NYSE closing price of \$30.30 per share of our common stock on December 31, 2015 with respect to restricted stock units.
- (5) Represents a reduction in otherwise payable ESP benefits in an amount sufficient to avoid an application of the golden parachute excise tax.

Table of Contents**EXECUTIVE COMPENSATION TABLES****Definitions:**

Cause under our deferred compensation plans, ESP, SERP, AIP and stock incentive plans is defined as (a) when used in connection with a qualifying termination triggering benefits outside the context of a change of control, an executive's: (i) dishonesty, (ii) fraud, (iii) willful misconduct, (iv) breach of fiduciary duty, (v) conflict of interest, (vi) commission of a felony, (vii) material failure or refusal to perform his job duties in accordance with company policies, (viii) a material violation of company policy that causes harm to the company or an affiliate, or (ix) other wrongful conduct of a similar nature and degree; (b) when used in connection with a qualifying termination triggering benefits in the context of a change of control: (i) any intentional act or misconduct materially injurious to the company or any affiliate, financial or otherwise, including, but not limited to, misappropriation or fraud, embezzlement or conversion by the executive of the company's or any affiliate's property in connection with the executive's employment with the company or an affiliate, (ii) any willful act or omission constituting a material breach by the executive of a fiduciary duty, (iii) a final, non-appealable order in a proceeding before a court of competent jurisdiction or a final order in an administrative proceeding finding that the executive committed any willful misconduct or criminal activity (excluding minor traffic violations or other minor offenses), which commission is materially inimical to the interests of the company or any affiliate, whether for his personal benefit or in connection with his duties for the company or an affiliate, (iv) the conviction (or plea of no contest) of the executive for any felony, (v) material failure or refusal to perform his job duties in accordance with company policies (other than resulting from the executive's disability as defined by company policies), or (vi) a material violation of company policy that causes material harm to the company or an affiliate.

A change of control under our deferred compensation plans, ESP, SERP, AIP and stock incentive plans will have occurred if: (i) any one person, or more than one person acting as a group, acquires, directly or indirectly, whether in a single transaction or a series of related transactions, more than 50% of the total fair market value or voting power of our stock (including stock held prior to such acquisition); (ii) any one person, or more than one person acting as a group, acquires, directly or indirectly, during a 12-month period ending on the date of the most recent acquisition by such person or persons, 35% or more of the total voting power of our stock (not considering stock owned by such person or group prior to such 12-month period); (iii) a majority of the members of the Board are replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of our Board prior to such election; (iv) a sale, exchange, lease, disposition or other transfer of all or substantially all of the assets of the company; or (v) there occurs a liquidation or dissolution of the company that is approved by a majority of the company's shareholders. This definition of change of control complies with Section 409A except for item (v) (i.e., items (i), (ii), (iii) and (iv) are described in Section 409A).

Good Reason under our ESP, SERP, AIP and stock incentive plans is defined as: (a) in the case of a voluntary termination of employment by an executive preceding or more than two years following a change of control: (i) a material diminution in the executive's job authority, responsibilities or duties; (ii) a material diminution of the executive's base salary; (iii) an involuntary and material change in the geographic location of the workplace at which the executive must perform services; or (iv) any other action or inaction that constitutes a material breach by the employer or a successor of the agreement under which the executive provides services; (b) in the case of a voluntary termination of employment by an executive upon or within two years following a change of control: (i) a material downward change in job functions, duties, or responsibilities which reduces the rank or position of the executive; (ii) a

reduction in the executive's annual base salary; (iii) a reduction in the aggregate value of the executive's annual base salary and AIP target bonus opportunity; (iv) a material reduction in the executive's retirement or supplemental retirement benefits; (v) an involuntary and material change in the geographic location of the workplace at which the executive must perform services; or (vi) any other action or inaction that constitutes a material breach by the employer or a successor of the agreement under which the executive provides services.

Table of Contents**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY****COMPENSATION PLANS**

We currently grant stock options, as well as restricted stock units, under our 2008 Stock Incentive Plan. All options were granted with an exercise price equal to the NYSE closing price per share of our common stock on the date of grant. Options normally are exercisable at the rate of one-third per year beginning one year from the date of grant and generally expire within a period of no more than 10 years from the date of grant. Most of our restricted stock unit grants vest over a three-year period, although certain special retention awards contain longer vesting periods.

The following table summarizes certain information with respect to our equity compensation plans pursuant to which rights remain outstanding as of December 31, 2015.

Equity Compensation Plan Information

PLAN CATEGORY	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS (A)	WEIGHTED- AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS (B) ⁽³⁾	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN COLUMN (A)) (C)
Equity compensation plans approved by security holders	1,606,842	\$ 22.87	2,445,843 ⁽¹⁾
Equity compensation plans not approved by security holders ⁽²⁾	84,613		-0-
Total	1,691,455		2,445,843

⁽¹⁾ Includes 70,363 shares remaining available for issuance pursuant to the Tenth Amended and Restated 1995 Employee Stock Purchase Plan and 2,375,480 shares remaining for issuance under the 2008 Stock Incentive Plan, assuming that all outstanding performance-based restricted stock units that had not already provisionally vested would settle at maximum levels.

All shares available under the 2008 Stock Incentive Plan may be used for option-based and all other awards authorized under the 2008 Stock Incentive Plan. As approved by our shareholders, option-based awards and stock appreciation rights reduce the number of shares available for issuance on a one-to-one basis. However, grants of all other awards, such as restricted stock units, reduce the number of shares available by 1.65 shares for each share subject to such awards.

On March 10, 2016, 879,248 restricted stock units were granted from available shares under the 2008 Stock Incentive Plan as part of our annual equity compensation process. As of March 14, 2016, 1,061,696 shares remained available for grant assuming that all outstanding performance-based restricted stock units that have not provisionally vested will settle at maximum levels.

- (2) Consists of deferred compensation invested in 84,613 stock units under our deferred compensation plans payable in common stock. The potential future dilutive effect of our deferred compensation plans due to future investment of deferrals into stock units cannot be estimated. A description of the material features of our deferred compensation plans is contained in *Deferred Compensation Plans* beginning on page 56.
- (3) The weighted average exercise price does not take into account the shares issuable upon the vesting of outstanding restricted stock units, which have no exercise price. In addition, no exercise price is applicable to the stock units under our deferred compensation plans.

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**PROPOSAL 2 ADVISORY VOTE TO APPROVE EXECUTIVE
COMPENSATION**

We are asking shareholders to vote on an advisory resolution to approve the company's executive compensation as reported in this Proxy Statement. As described in the Compensation Discussion and Analysis section of this Proxy Statement beginning on page 29, we have designed our executive compensation program to align the interests of our Named Executive Officers with shareholders. Our compensation programs are designed to reward our Named Executive Officers for the achievement of short-term and long-term performance goals.

We urge you to read the Compensation Discussion and Analysis, which describes in more detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives, as well as the 2015 Summary Compensation Table and other related compensation tables and narrative, appearing on pages 49 through 61, which provide detailed information on the compensation of our Named Executive Officers. The Human Resources Committee and the Board of Directors believe that the policies and procedures articulated in the Compensation Discussion and Analysis are effective in achieving the goals of our executive compensation program and that the compensation of our Named Executive Officers reported in this Proxy Statement reflects and supports these compensation policies and procedures.

In accordance with Section 14A of the Securities Exchange Act of 1934, adopted as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, we are asking shareholders to vote in favor of the following advisory resolution at the Annual Meeting:

RESOLVED, that the company's shareholders approve, on an advisory basis, the compensation of the Named Executive Officers disclosed in the Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables, notes and narrative in the Proxy Statement for the company's 2016 Annual Meeting of Shareholders.

This resolution, commonly referred to as a "say-on-pay" resolution, will be considered to have been approved by shareholders on an advisory basis if the votes cast for approval exceed the votes cast against approval. This advisory resolution is not binding on the Board of Directors. Although non-binding, the Board and the Human Resources Committee will review and consider the voting results when making future decisions regarding our executive compensation program. Unless marked to the contrary, proxies will be voted FOR the approval of the advisory resolution on the company's executive compensation.

The Board recommends that shareh