

Universal Health Services, Inc.

Key Takeaways

A shareholder proposal asking the board to adopt a recapitalization plan to eliminate the company's multiple-class capital structure warrants support as it would provide shareholders of the company with equal voting rights on all matters.

ISS QuickScore

GOVERNANCE

10

Scores indicate decile rank relative to index or region. A decile score of 1 indicates lower governance risk, while a 10 indicates higher governance risk.

Meeting Type: Annual
Meeting Date: 20 May 2015
Record Date: 26 March 2015
Meeting ID: 965026

New York Stock Exchange: UHS
Index: S&P 500
Sector: Health Care Facilities
GICS: 35102020

Primary Contact

Bimal Patel
Bimal.P.Patel@issgovernance.com

Agenda & Recommendations

Policy: United States

Incorporated: Delaware, USA

Item	Code	Proposal	Board Rec.	ISS Rec.
MANAGEMENT PROPOSALS				
1	M0503	Amend Stock Option Plan	FOR	FOR
2	M0509	Amend Restricted Stock Plan	FOR	FOR
3	M0535	Amend Executive Incentive Bonus Plan	FOR	FOR
4	M0101	Ratify PricewaterhouseCoopers LLP as Auditors	FOR	FOR
SHAREHOLDER PROPOSALS				
5	S0316	Approve Recapitalization Plan for all Stock to Have One-vote per Share	AGAINST	FOR

Shading indicates that ISS recommendation differs from Board recommendation

► Items deserving attention due to contentious issues or controversy

ISS-Company Dialogue

Dates	Topic	Initiated By	Notes
May 1, 2015	Draft Review	ISS (with Issuer)	The company was given the opportunity to review a draft of this analysis for fact-checking purposes.

Note: ISS engages in ongoing dialogue with issuers in order to ask for additional information or clarification, but not to engage on behalf of its clients. Any draft review which may occur as part of this process is done for purposes of data verification only. All ISS recommendations are based solely upon publicly disclosed information.

Report Contents

Financial Highlights	3	Vote Results	8
Corporate Governance Profile	4	Meeting Agenda and Proposals	11
Board Profile	5	Equity Ownership Profile	25
Compensation Profile	6	Additional Information	26
Governance QuickScore	8		

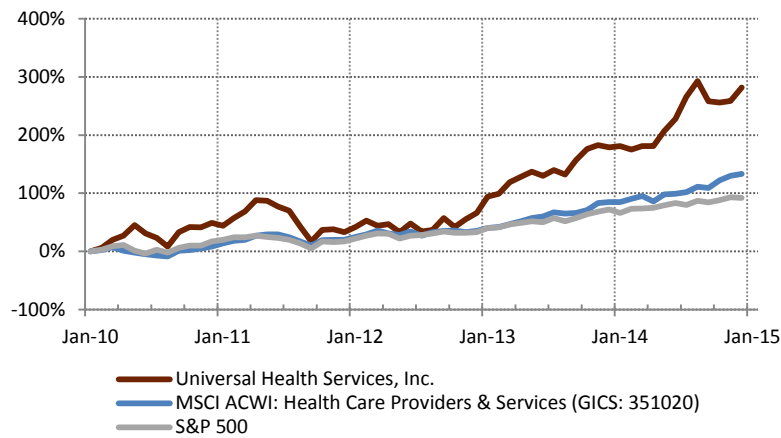
Material Company Updates

Item	Summary
Company's Capital Structure and Voting Items	<p>The company has four classes of common stock. With respect to the election of directors, holders of Class A common stock and Class C common stock are entitled to elect five directors, and the holders of Class B common stock and Class D common stock are entitled to elect two directors. Given the board's classified structure, neither of the Class B/Class D directors are standing for election this year. As this analysis is specific to the voting of Class B and Class D common stock, there is no Elect Directors proposal on this agenda.</p> <p>In addition, the company has triennial say-on-pay votes. The last say-on-pay vote was held in 2014, and the next will occur in 2017. All four classes of stock are entitled to vote on the say-on-pay proposal when it occurs. Given the lack of both say-on-pay and election of directors proposals on this agenda, the CEO's Components of Pay table and ISS' quantitative pay-for-performance charts are included immediately following the Vote Results table below.</p>
Controlled Company Status	<p>The company qualifies as a controlled company under NYSE rules because the family of CEO Alan B. Miller beneficially owns more than 95 percent of the shares of Class A and Class C common stock. As of March 26, 2015, the shares of Class A and Class C common stock constituted 7.3 percent of the aggregate outstanding shares of common stock but controls 86.1 percent of the total voting power. The company is exempted from having a majority independent board and fully independent compensation, nominating and governance committees pursuant to the exemptions afforded to controlled companies under these rules. However, the company's board is currently composed of a majority of independent directors and all of its three key committees are fully independent.</p> <p>Notably, as of March 26, 2015, the shares of Class B and Class D common stock constituted 92.7 percent of the outstanding shares of common stock but controls only 13.9 percent of the total voting power.</p>
Ongoing Government Investigations	<p><i>False Claims Act Investigation</i></p> <p>Since February 2013, the company, UHS of Delaware, Inc., and at least 19 company-owned behavioral health facilities have been under investigation by the Office of Inspector General (OIG) and the U.S. Department of Justice (DOJ). Seven of the facilities have been added to the investigation within the past year. Four of the company's facilities, and the company itself, are under investigation by the DOJ's Criminal Frauds Section. According to the company, the DOJ has advised it that the civil aspect of the investigations is a False Claims Act investigation focused on billings submitted to government payers in relation to services provided at those facilities.</p> <p>In April 2014, the Centers for Medicare and Medicaid Services ("CMS") instituted a Medicare payment suspension at one of the facilities under investigation and the Florida Agency for Health Care Administration subsequently issued a Medicaid payment suspension for the facility. In March 2015, CMS notified the company that the payment suspension will be continued for another 180 days.</p> <p><i>Psychiatric Solutions Investigations</i></p> <p>DOJ investigations are ongoing which relate to two facilities owned by Psychiatric Solutions, Inc. (PSI), which the company acquired in 2010. Both investigations pertain to the operations of the facility while under PSI's ownership prior to the company's acquisition of PSI.</p>

Financial Highlights

Company Description: Universal Health Services, Inc., through its subsidiaries, owns and operates acute care hospitals, behavioral health centers, surgical hospitals, ambulatory surgery centers, and radiation oncology centers.

STOCK PRICE PERFORMANCE



TOTAL SHAREHOLDER RETURNS

	1 Yr	3 Yr	5 Yr
Company TSR (%)	37.33	42.90	30.29
GICS 3510 TSR (%)	19.19	25.65	16.69
S&P500 TSR (%)	13.69	20.41	15.45

Source: Compustat. As of last day of company FY end month: 12/31/2014

COMPANY SNAPSHOT

Market Cap (M)	11,545.7
Closing Price	117.34
Annual Dividend	0.35
52-Week High	121.95
52-Week Low	73.06
Shares Outstanding (M)*	91.79
Average daily trading volume (prior mo)**	689.57

As of March 26, 2015 (All currency in USD)

*Class B common stock

**Trading Volume in thousands of shares

FINANCIAL & OPERATIONAL PERFORMANCE

All currency in USD	Historical Performance (FY ending)					Compared to Peers (Compustat FY*) – 2014				
	12/2010	12/2011	12/2012	12/2013	12/2014	BKD	CYH	THC	LPNT	SEM
Earnings						Brookdale Senior Living Inc.	Community Health Systems, Inc.	Tenet Healthcare Corporation	LifePoint Hospitals, Inc.	Select Medical Holdings Corporation
Revenue (M)	5,567	7,496	6,923	7,283	8,062	3,832	18,639	16,615	4,483	3,065
Net Income (M)	230	398	443	511	545	-149	92	12	126	121
EBITDA (M)	782	1,188	1,223	1,352	1,472	609	2,782	1,952	661	353
EPS (USD)	2.37	4.09	4.57	5.21	5.52	-1.01	1.34	0.35	2.81	0.91
EPS Y/Y Growth (%)	-11	73	12	14	6	-3,267	-12	N/A	2	11
Profitability										
Net Margin (%)	8	9	11	12	12	-9	2	1	5	7
EBITDA Margin (%)	14	16	18	19	18	16	15	12	15	12
Return on Equity (%)	12	17	16	16	15	-5	4	5	6	16
Return on Assets (%)	3	5	5	6	6	-1	1	0	2	4
ROIC (%)	4	6	7	8	8	-2	1	0	3	5
Leverage										
Debt/Assets	52	48	46	40	37	60	62	65	41	54
Debt/Equity	198	159	138	102	88	217	423	1,814	103	213
Cash Flows										
Operating (M)	501	718	815	884	1,036	243	1,615	687	412	171
Investing (M)	-2,194	-286	-790	-383	-833	-315	-4,351	-1,322	-473	-101
Financing (M)	1,713	-421	-43	-507	-187	118	2,872	715	-386	-71
Net Change (M)	20	12	-18	-6	15	46	136	80	-446	-1
Valuation & Performance										
Price/Earnings	18.30	9.50	10.60	15.60	20.20	N/A	40.20	144.80	25.60	15.80
Annual TSR (%)	43.16	-10.10	26.05	68.56	37.33	34.92	37.31	20.30	36.09	27.74

Source: Compustat. *Note: Compustat standardizes financial data and fiscal year designations to allow for accurate comparison across companies and industries. Compustat data may differ from companies' disclosed financials. See www.issgovernance.com/policy-gateway/company-financials-faq/ for more information. Peers used in Financial Highlights represent closest industry peers drawn from those peers used in ISS' pay-for-performance analysis.

Corporate Governance Profile

BOARD & COMMITTEE SUMMARY

	Independence	Members	Meetings
Full Board	57%	7	6
Audit	100%	4	11
Compensation	100%	3	2
Nominating	100%	3	2

Chairman classification	Insider
Separate chair/CEO	No
Independent lead director	Yes
Voting standard	Plurality
Plurality carveout for contested elections	N/A
Resignation policy	No
Total director ownership (000 shares)	19,564
Total director ownership (%)	85.3
Percentage of directors owning stock	100%
Number of directors attending < 75% of meetings	0
Number of directors on excessive number of outside boards	0
Average director age	62 years
Average director tenure	19 years
Percentage of women on board	14%

SHAREHOLDER RIGHTS SUMMARY

Controlled company	Yes
Classified board	Yes
Dual-class stock	Yes
Vote standard for mergers/acquisitions	85%
Vote standard for charter/bylaw amendment	85%
Shareholder right to call special meetings	No
Material restrictions on right to call special meetings	N/A
Shareholder right to act by written consent	No
Cumulative voting	No
Board authorized to issue blank-check preferred stock	No
Poison pill	No

Board Profile

Director Independence & Affiliations

EXECUTIVE DIRECTORS

On Ballot	Name	Affiliation	Independence Classification		Attend <75%	Gender	Age	Tenure	Term Ends	Outside		Key Committees				
			Company	ISS						Boards	CEO	Audit	Comp	Nom	Gov	
	Alan B. Miller	CEO/Chair	Non-Independent	Insider		M	77	37	2017	1						
	Marc D. Miller		Non-Independent	Insider		M	44	9	2018	1						

NON-EXECUTIVE DIRECTORS

On Ballot	Name	Affiliation	Independence Classification		Attend <75%	Gender	Age	Tenure	Term Ends	Outside		Key Committees				
			Company	ISS						Boards	CEO	Audit	Comp	Nom	Gov	
	John H. Herrell	Lead Director	Independent	Independent Outsider		M	74	22	2018	0		C	F	M	M	M
	Lawrence S. Gibbs		Independent	Independent Outsider		M	43	4	2017	0		M	M	M	M	M
	Robert H. Hotz		Independent	Independent Outsider		M	70	24	2016	1		M	C	C	C	C
	Eileen C. McDonnell		Independent	Independent Outsider		F	52	2	2018	0		M				
	Anthony Pantaleoni	Other	N/D	Affiliated Outsider		M	75	33	2016	0						

Shaded cells indicate that the company has not attested to the independence of the director, while ISS has classified the director as affiliated. M = Member | C = Chair | F = Financial Expert

Director Notes

Alan B. Miller	1) Alan B. Miller is the founder of the company. 2) A. Miller beneficially owns more than 50 percent of the company's voting stock. 3) A. Miller is the father of Marc D. Miller, president of the company. (Source: DEF14A, 4/9/15, pp. 8, 13, 14, 37, 66.)
Marc D. Miller	Marc D. Miller is the son of Alan B. Miller, chairman of the board, CEO of the company, and beneficial owner of more than 50 percent of the company's voting stock. (Source: DEF14A, 4/9/15, pp. 8, 13, 14, 15, 66.)
▶ Anthony Pantaleoni	1) The board has not determined that Anthony Pantaleoni is independent under NYSE listing standards. 2) The law firm of Norton Rose Fulbright US LLP serves as outside corporate counsel of the company and provides personal legal services to Alan B. Miller, chairman of the board and CEO of the company. Anthony Pantaleoni is of counsel to and was a partner of that firm. 3) Pantaleoni is also the trustee of certain trusts for the benefit of Miller and his family. (Source: DEF14A, 4/9/15, pp. 15, 66, 67, 69.)

Director Employment, Compensation & Ownership

Name	Primary Employment	Outside Boards	Total Compensation*	Shares Held	60-day Options	Total	Voting Power (%)
Alan B. Miller	CEO, Chairman - Universal Health Services, Inc.	Universal Health Realty Income Trust	**	12,458,897	1,475,000	13,933,897	82.80
John H. Herrell	Retired		319,740	14,137	3,750	17,887	<1
Lawrence S. Gibbs	Financial Services		312,240	1,393	3,750	5,143	<1
Robert H. Hotz	Financial Services	The Pep Boys - Manny, Moe & Jack	323,240	40,411	15,000	55,411	<1
Eileen C. McDonnell	Financial Services		310,240	1,000	3,750	4,750	<1
Marc D. Miller	President - Universal Health Services, Inc.	Universal Health Realty Income Trust	**	3,931,173	157,500	4,088,673	2.50
Anthony Pantaleoni	Retired		297,740	1,442,993	15,000	1,457,993	<1

*Local market currency

**For executive director data, please refer to Executive Pay Overview.

Additional Notes

With respect to the election of directors, holders of Class A common stock vote as a class with the holders of Class C common stock, and holders of Class B common stock vote as a class with holders of Class D common stock, with holders of all classes of common stock entitled to one vote per share. Note that this analysis is specific to the voting of Class B and Class D common stock.

Compensation Profile

EXECUTIVE PAY OVERVIEW

Executive	Title	Base Salary	Change in Pension, Deferred Comp, All Other Comp	Bonus & Non-equity Incentives	Restricted Stock	Option Grant	Total
A. Miller	Chairman of the Board and Chief Executive Officer	1,538	1,446	3,844	1,500	13,110	21,437
M. Miller	President and Director	667	113	1,083	0	2,000	3,863
S. Filton	Senior Vice President, Chief Financial Officer and Secretary	546	50	683	0	1,555	2,835
D. Osteen	Senior Vice President and President, Behavioral Health Division	601	44	413	0	1,555	2,613
M. Pember	Senior Vice President and President, Acute Care Division	582	18	618	0	1,111	2,329
Median CEO Pay	ISS Selected Peer Group	1,051	271	1,553	4,279	0	9,215
	Company Defined Peers	1,100	1,074	2,831	4,480	0	12,196

Source: ISS. Pay in \$thousands. Total pay is sum of all reported pay elements, using ISS' Black-Scholes estimate for option grant-date values. Note: Median total pay will not equal sum of pay elements medians. Company Defined Peers are as disclosed. More information on ISS' peer group methodology at www.issgovernance.com/policy-gateway/us-compensation-policy-guidance/.

OPTION VALUATION ASSUMPTIONS

For CEO's last FY Grant	Company	ISS
Volatility (%)*	35.00	30.54
Dividend Yield (%)*	0.40	0.44
Term (yrs)*	3.40	5.00
Risk-free Rate (%)*	1.00	1.70
Grant date fair value per option*	17.23	22.22
Grant Date Fair Value (\$ in 000)**	10,098	13,110

*Source: Standard & Poor's Xpressfeed;

**Source: DEF14A (company value); ISS (ISS value); Difference between ISS and company grant date fair value is 29.82%

CEO TALLY SHEET

CEO	A. Miller
CEO tenure at FYE:	37 years
Present value of all accumulated pension:	\$2,000,767
Value of CEO stock owned (excluding options):	\$1,461,926,928
Potential Termination Payments	
Involuntary termination without cause:	\$41,119,018
Termination after a change in control:	Not disclosed

Source: DEF14A

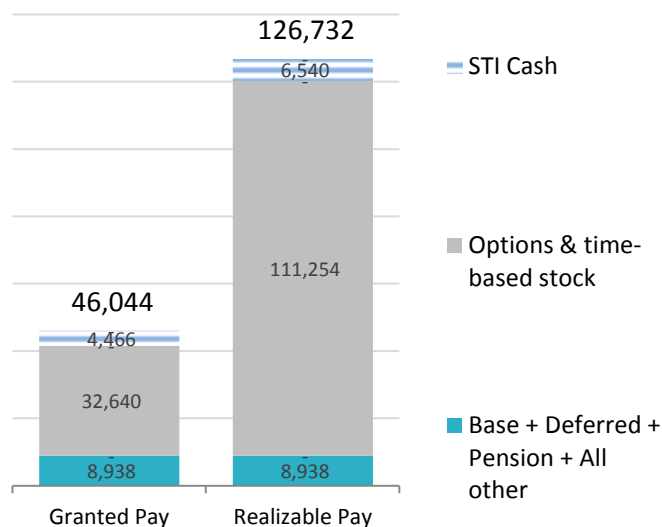
CEO PAY MULTIPLES

Compared to	Multiple
2nd highest active executive	5.55
Average active NEO	7.37
ISS peer median	2.33
Company peer median	1.76

Source: ISS

3-YEAR GRANTED VS. REALIZABLE CEO PAY

3 year TSR: 42.90%



Source: DEF14A and ISS (\$ in thousands)

Granted pay equals the sum of, for all of the three prior fiscal years: (1) Salary, Change in Pension Value/Deferred Compensation and All Other Compensation as reported in the Summary Compensation Table (SCT), (2) paid Bonus, (3) target short-term cash incentives, (4) the target value of long-term cash incentives granted, and (5) the grant-date fair value of equity awards granted.

Realizable pay equals the sum of (1) and (2) above, (3) the sum of short-term cash incentives earned, (4) the earned (or target if not yet earned) value of any long-term cash awarded during the period, and (5) the fair value of all equity awarded (or earned, for performance shares where the performance period has ended) during the prior three fiscal years, all valued as of the most recent FY end date (end of the measurement period).



With the exception of exercised options, which are valued at intrinsic value at the date of exercise, all options are valued with the Black-Scholes model using assumptions as of the valuation date (grant date for grant pay, and most recent FY end date for realizable pay). More information at




www.issgovernance.com/policy-gateway/us-compensation-policy-guidance/

ISS QuickScore

As of May 5, 2015




ISS GOVERNANCE QUICKSCORE PILLARS


Board	9
Subcategory & Impact:	
 Board Composition	
Composition of Committees	
Board Practices	
 Board Policies	
Related Party Transactions	
Controversies	


Compensation	9
Subcategory & Impact:	
 Pay For Performance	
 Non-Performance Based Pay	
Use Of Equity	
 Equity Pay Risk Mitigation	
Communications & Disclosure	
Termination	
Controversies	

ISS Governance QuickScore is derived from publicly disclosed data on the company's governance practices. Scores indicate decile rank relevant to index or region. While company practices that raise concerns in ISS Governance QuickScore are in many cases factors that weigh against the company in analyzing certain proposals, ISS recommendations are based on situational proposals and the related qualitative aspects of our review at a point in time

Scores on the proxy research report are "As of" the date indicated. QuickScore data and scores are dynamic and updated on a daily basis and available year round. Scores are calculated at each pillar by summing the factor scores in that pillar. Not all factors and not all subcategories have equal weight, and not all factors or subcategories apply to all markets. For more information on ISS Governance QuickScore, visit <http://www.issgovernance.com/governance-solutions/investment-tools-data/quickscore/>. For questions, please contact: Quickscore@issgovernance.com.

Shareholder Rights	10
Subcategory & Impact:	
 One Share - One Vote	
 Takeover Defenses	
 Meeting and Voting Related Issues	

Audit	2
Subcategory & Impact:	
External Auditor	
 Audit & Accounting Controversies	
Other Issues	

 The total number of points in this subcategory is at the top of the possible range.

 The total number of points in this subcategory is at the bottom of the possible range.

No Star or Flag: The total number of points in this subcategory is in the middle of the possible range.

Vote Results

ANNUAL MEETING 21 MAY 2014

Proposal	Board Rec	ISS Rec	Disclosed Result	Support Including Abstains (%) ¹	Support Excluding Abstains (%) ²
1 Elect Director Lawrence S. Gibbs	For	For	Majority	94.3	94.3
2 Advisory Vote to Ratify Named Executive Officers' Compensation	For	For	Pass	99.6	99.6
3 Ratify Auditors	For	For	Pass	100.0	100.0

Shaded results reflect a majority of votes cast FOR shareholder proposal or AGAINST management proposal or director election

¹Support Including Abstains is defined as %FOR/(For + Against + Abstain), as expressed as a percentage.

²Support Excluding Abstains is defined as %FOR/(For + Against), as expressed as a percentage, provided if different from For + Against + Abstain.

Executive Compensation Analysis

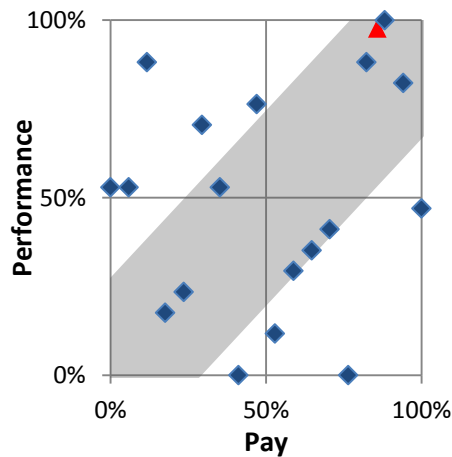
COMPONENTS OF PAY

(\$ in thousands)	CEO			CEO Peer Median	Other NEOS	
	A. Miller	A. Miller	A. Miller			
	2014	Change	2013	2012	2014	2014
Base salary	1,538	2.5%	1,500	1,428	1,051	2,396
Deferred comp & pension	49		80	35	0	159
All other comp	1,397	-1.3%	1,415	1,497	122	66
Bonus	0		0	0	0	0
Non-equity incentives	3,844	66.4%	2,310	386	1,443	2,798
Restricted stock	1,500		0	2,000	4,426	0
Option grant	13,110	45.3%	9,021	7,009	0	6,222
Total	21,437	49.6%	14,326	12,355	9,215	11,640
% of Net Income	3.9%					2.1%
% of Revenue	0.3%					0.1%

Pay for Performance Evaluation

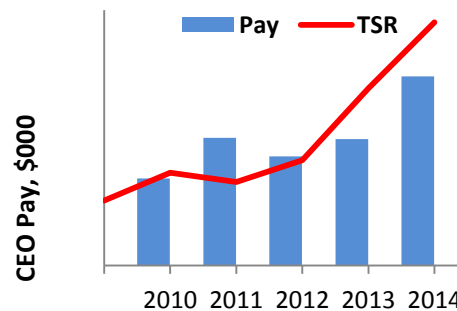
RELATIVE ALIGNMENT

The chart plots percentiles of the annualized 3-year performance and pay rankings for the company (▲) and ISS' derived peers (◆). The gray bar indicates pay and performance alignment.



ABSOLUTE ALIGNMENT

CEO granted pay trends versus value of a \$100 investment made on the first day of the five-year period.

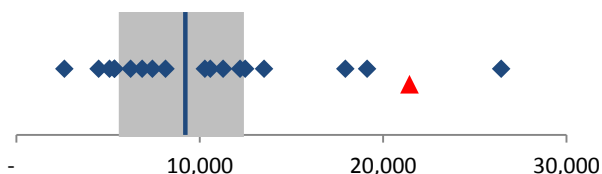


	2010	2011	2012	2013	2014
Pay(\$000)	9,851	14,460	12,355	14,326	21,437
Indexed TSR	143.16	128.70	162.22	273.44	375.52
CEO	Miller	Miller	Miller	Miller	Miller

PAY MAGNITUDE

Pay in \$thousands. The gray band represents 25th to 75th percentile of CEO pay of ISS' selected peer group, and the blue line represents the 50th percentile.

The company's total CEO pay is 2.32 times the median of its peers.



PAY-FOR-PERFORMANCE QUANTITATIVE SCREEN

Measure	Result	Level
Relative degree of alignment	-15	Better than 36% of Companies*
Multiple of peer group median	2.32	Better than 6% of Companies
Absolute alignment	19	Better than 78% of Companies
Initial Quantitative Screen	Low Concern	

*Constituents of Russell 3000 Index.

For more information on ISS' quantitative pay-for-performance measures, visit <http://issgovernance.com/policy/USCompensation>

Peer Groups

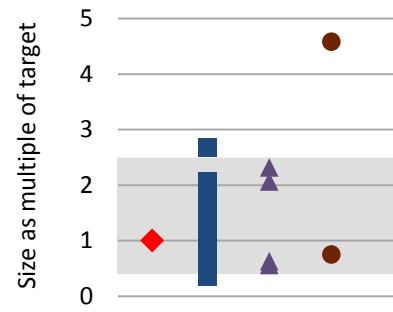
ISS AND COMPANY DISCLOSED PEER GROUPS

ISS- Selected Peers (14)	Brookdale Senior Living Inc.	Catamaran Corporation
	Centene Corporation	DaVita HealthCare Partners Inc.
	Health Net, Inc.	Henry Schein, Inc.
	Laboratory Corporation of America Holdings	Magellan Health, Inc.
	Molina Healthcare, Inc.	Omnicare, Inc.
	Quest Diagnostics Incorporated	Select Medical Holdings Corporation
	Team Health Holdings, Inc.	WellCare Health Plans, Inc.
	Community Health Systems, Inc.	Kindred Healthcare, Inc.
	LifePoint Hospitals, Inc.	Tenet Healthcare Corporation
	HCA Holdings, Inc.	Vanguard Health Systems, Inc.
	Shared Peers (4)	
	Company-Disclosed Peers (2)	

The shaded area represents the overlap group of companies that are in both ISS' comparison group and the company's disclosed CEO compensation benchmarking peer group. Excludes company peers for which financial data is not available. For more information on the ISS peer group methodology, visit www.issgovernance.com/policy/USCompensation

PEER GROUP SIZE ANALYSIS

Size (by revenue) of the ISS, company and overlap peer groups. Gray indicates 0.4- 2.5 times the company's revenue.



- ◆ Universal Health Services, Inc.
- ISS Only
- ▲ Shared
- Company Only

Meeting Agenda & Proposals

Item 1. Amend Stock Option Plan

FOR

VOTE RECOMMENDATION

Based on the Equity Plan Score Card evaluation (EPSC), a vote FOR this proposal is warranted.

Vote Requirement: Majority of votes cast (abstentions count against; broker non-votes not counted)

Proposal

Plan Name	2005 Stock Incentive Plan
Most recent prior share request	2011
New share request	6,500,000 shares of Class B common stock
Shares rolled over from prior plan(s)	None
Shares remaining under prior plan(s)	723,615
Evergreen provision	No
Shares outstanding*	99,077,333 shares
Market value**	\$9,463,866,848
Material amendments	Extend the term of the plan for an additional 10 years

*As of Record Date, and includes Class A common stock, Class B common stock, Class C common stock, and Class D common stock.

**As of Record Date using 200-day average closing price as of Dec. 1, 2014.

EPSC Analysis

ISS' analysis considers multiple positive and negative factors to evaluate equity incentive plan proposals within three pillars: Estimated Cost, Plan Features, and Equity Grant Practices.

Pillars and factors are weighted according to their relative importance, with a maximum of 100 potential points; a score of 53.0 points generally results in a favorable recommendation. In some cases overriding factors may affect the recommendation, also as indicated below. For more details, please see the [EPSC FAQs](#).

SUMMARY EVALUATION

EPSC Model: S&P500

Evaluation Component	Company Score	Maximum Score	Key Factors Affecting Company Score
Plan Costs	36.5	45	
Plan Features	20.0	20	No automatic single-trigger vesting upon CIC
Grant Practices	14.1	35	Estimated duration less than five years
Total Score	70.6	100	
Overriding Factors	None		
<i>ISS Recommendation: FOR</i>			

For the following analysis, ✓ has a positive impact, ✗ has a negative impact, and ↔ is neutral.

I - Plan Cost

Plan Cost Score: 36.5 of 45

Impact	Shareholder Value Transfer (SVT) Summary	Plan SVT	ISS Benchmark SVT*
↔	New + Available shares	3.3%	4.5%
↔	New + Available + Outstanding grants	6.6%	7.4%

*Maximum points accrue for company SVT = 65% of ISS Benchmark SVT

II - Plan Features

Plan Features Score: 20.0 of 20

Impact	Factor	Plan Data
✓	Automatic CIC single-trigger vesting	No
✓	Liberal share recycling – Options	No
✓	Broad discretion to accelerate vesting	No
✓	Vesting requirement of at least one year	Yes
	- Options	None or not all awards

III – Grant Practices

Grant Practices Score: 14.1 of 35

Impact	Factors	Company Data
✗	3-year average burn rate <i>ISS Benchmark: 2.82%*</i>	3.04%
✓	Estimated plan duration	2 years
✗	CEO equity % with performance conditions	0%
	CEO most recent grant vesting (approx. years)	
↔	- Options/SARs	4
↔	- Restricted shares/RSUs	4
↔	- Performance equity	Not applicable
✗	Clawback policy (includes equity)	No
✗	Post vesting/exercise holding requirement	
	- Options	Not Disclosed
	- Restricted/RSUs	Not Disclosed

* Index/Industry mean + 1 standard deviation; maximum points accrue for company burn rate = 50% of ISS Benchmark Burn Rate

IV – Overriding Features and Practices Considered

Feature/Practice	Company/Plan
Negative Overriding Factors:	
Provision to reprice w/o shareholder approval	Prohibits
Cash buyout w/o shareholder approval	Prohibits
Liberal CIC vesting risk	No
Equity-related pay-for-performance disconnect	No
Equity-related problematic pay practice(s)*	No
Positive Overriding Factors:	
162(m) approval only and Committee independence**	N/A

*(may include provisions for tax gross-ups, reload options, etc.);

**per ISS definition

V – Multiple Plan Analysis

There are multiple pay plans on this ballot (see Item 2 below). When the EPSC applies to more than one plan on ballot, the plans are assessed on an aggregate basis considering the worst-case scenario for the Plan Cost and Plan Features pillars (Grant Practices are evaluated at the company level so the same for all plans). If the aggregate EPSC score is below the passing threshold (53 points), the individual plan that allows the company the highest cost value while achieving a passing score will receive a favorable recommendation (barring any overriding factors), and the other(s) will not. The aggregate plan analysis is provided below:

EPSC Model: S&P500

Evaluation Component	Company Data	Impact on EPSC	Company Score	Maximum Score
I. Plan Costs			36.5	45
A+B (ISS Benchmark: 4.5%)	3.3%			
A+B+C (ISS Benchmark: 7.4%)	6.6%			
II. Plan Features			20.0	20
Automatic CIC single-trigger vesting	No	✓		
Liberal share recycling - Options	No	✓		
Liberal share recycling – Full value awards	No	✓		
Broad discretion to accelerate vesting	No	✓		
Vesting requirement of at least one year	Yes	✓		
III. Grant Practices (same for both Plans)			14.1	35
Total Score			70.6	100
Overriding Factors	None			
ISS Recommendation: FOR Item 1; FOR Item 2				

DISCUSSION

No overriding factors have an impact on this proposal.

Supplemental Information

Shareholder Value Transfer (SVT)

Evergreen funding:	No
Fungible share counting (FV multiplier):	None
200-day average closing price as of December 1, 2014	\$95.52
4-digit GICS	3510 (Health Care Equipment & Services)

SVT Calculation (2005 Stock Incentive Plan)	Company	ISS Valuation	SVT
New shares requested (A)	6,500,000	\$252,395,000	2.67%
Available shares remaining (B)	723,615	\$56,668,313	0.60%
Unvested/Unexercised granted shares (C)	9,869,745	\$318,282,856	3.36%
New + Available (A+B)	7,223,615	\$309,063,313	3.27%
New + Available + Outstanding (A+B+C)	17,093,360	\$627,346,169	6.63%

Company Burn Rate (Historical Grants)

Index/ Industry group:	S&P500/ 3510(Health Care Equipment & Services)
3-year stock volatility:	25.30%
Volatility multiplier:	1 Full Value Award = 2.50 Option Shares

Fiscal Year	2014	2013	2012
Options/SARs (O):	2,845,500	2,889,750	2,966,850
Full value awards (FV):	26,189	10,000	54,127
O + FV:	2,871,689	2,899,750	3,020,977
Adjusted O + FV (after multiplier):	2,910,972	2,914,750	3,102,167
Wtd. common shares outstanding:	98,826,000	98,033,000	96,821,000
Unadjusted burn rate:	2.91%	2.96%	3.12%
	<i>3-year average unadjusted burn rate: 2.99%</i>		
Adjusted burn rate:	2.95%	2.97%	3.20%
	<i>3-year average adjusted burn rate: 3.04%</i>		

Share Dilution

Shares outstanding (1): 99,077,333	Warrants & convertibles (2): 0		
Shares reserved under plans (3): 17,093,360	Fully diluted shares (1+2+3): 116,170,693		
	Shares	Dilution (Basic)*	Dilution (Full)*
New shares requested:	6,500,000	6.56%	5.60%
Existing shares available for grant:	723,615	0.73%	0.62%
Granted unexercised/Unvested shares:	9,869,745	9.96%	8.50%
Total share allocation:	17,093,360	17.25%	14.71%

*Assuming maximum dilution

Peer Comparisons* - Dilution/Burn Rate/ NEO Concentration Ratios

	<i>Dilution (Full)</i>	<i>3-yr Avg. Adjusted Burn Rate</i>	<i>Grants to CEO (2014)</i>	<i>Grants to NEOs (2014)</i>
<i>Company:</i>	14.71%	3.04%	21.21%	30.96%
<i>GICS median:</i>	13.73%	2.68%	15.06%	32.19%
<i>GICS average:</i>	13.93%	3.07%	16.48%	32.99%
<i>GICS 75th percentile:</i>	16.60%	3.89%	21.62%	42.16%

*4-digit GICS peers; Note that performance units are settled in cash upon vesting; hence, no common stock would be issued to executives.

Additional Plan Features

Award types authorized (minimum ISOs (100%), NSOs (100%) and SARs option exercise price):

<i>Eligible participants:</i>	All employees, officers, non-employee directors, and consultants
<i>Plan administrator:</i>	Compensation Committee
<i>Plan expiration date:</i>	May 20, 2025
<i>Award-type limits:</i>	None
<i>Individual award limits:</i>	In any calendar year: Options/SARs - 1,000,0000 shares
<i>Terms/vesting provisions:</i>	All stock options must be exercised within 10 years from the grant date. Awards have a minimum vesting period of one year.
<i>Loans to participants:</i>	The plan does not allow the company to extend loans to participants.
<i>Performance criteria disclosed:</i>	No
<i>Treatment in a CIC:</i>	The vesting of awards would be at the discretion of the plan administrator; the company does not grant performance awards under the plan.

Item 2. Amend Restricted Stock Plan

FOR

VOTE RECOMMENDATION

Based on the Equity Plan Score Card evaluation (EPSC), a vote FOR this proposal is warranted.

Vote Requirement: Majority of votes cast (abstentions count against; broker non-votes not counted)

Proposal

Plan Name	2010 Employees' Restricted Stock Purchase Plan
Most recent prior share request	N/A
New share request	None
Shares rolled over from prior plan(s)	None
Shares remaining under prior plan(s)	723,615
Evergreen provision	No
Shares outstanding*	99,077,333 shares
Market value**	\$9,463,866,848
Material amendments	(1) Reduce the total number of Class B common shares reserved under the plan from 4,000,000 to 600,000, with the cancellation of 3.4 million unissued shares that were previously remaining available under the plan; (2) reduce the maximum number of shares that may be awarded to any employee during any calendar year from 800,000 to 100,000; (3) adopt a minimum one-year vesting condition for all awards; (4) adopt new provisions with respect to the assumption and/or vesting of awards in the event of a change in control; (5) provide that all awards would be subject to executive claw back policies that may be adopted by the company and to the claw back requirements of the Dodd-Frank Act; and (6) extend the term of the plan by ten more years to 2025.

*As of Record Date, and includes Class A common stock, Class B common stock, Class C common stock, and Class D common stock.

**As of Record Date using 200-day average closing price as of Dec. 1, 2014.

EPSC Analysis

ISS' analysis considers multiple positive and negative factors to evaluate equity incentive plan proposals within three pillars: Estimated Cost, Plan Features, and Equity Grant Practices.

Pillars and factors are weighted according to their relative importance, with a maximum of 100 potential points; a score of 53.0 points generally results in a favorable recommendation. In some cases overriding factors may affect the recommendation, also as indicated below. For more details, please see the [EPSC FAQs](#).

SUMMARY EVALUATION

EPSC Model: S&P500

Evaluation Component	Company Score	Maximum Score	Key Factors Affecting Company Score
Plan Costs	45.0	45	Plan cost optimal
Plan Features	20.0	20	No automatic single-trigger vesting upon CIC
Grant Practices	14.1	35	Estimated duration less than five years
Total Score	79.1	100	
Overriding Factors	None		
ISS Recommendation: FOR			

For the following analysis, ✓ has a positive impact, ✗ has a negative impact, and ↔ is neutral.

I - Plan Cost

Plan Cost Score: 45.0 of 45

Impact	Shareholder Value Transfer (SVT) Summary	Plan SVT	ISS Benchmark SVT*
✓	New + Available shares	0.6%	4.5%
✓	New + Available + Outstanding grants	4.0%	7.4%

*Maximum points accrue for company SVT = 65% of ISS Benchmark SVT

II - Plan Features

Plan Features Score: 20.0 of 20

Impact	Factor	Plan Data
✓	Automatic CIC single-trigger vesting	No
✓	Liberal share recycling – Full value awards	No
✓	Broad discretion to accelerate vesting	No
✓	Vesting requirement of at least one year	Yes
	- Full value awards	None or not all awards

III – Grant Practices

Grant Practices Score: 14.1 of 35

Impact	Factors	Company Data
✗	3-year average burn rate <i>ISS Benchmark: 2.82%*</i>	3.04%
✓	Estimated plan duration	Less than 1 year
✗	CEO equity % with performance conditions	0%
	CEO most recent grant vesting (approx. years)	
↔	- Options/SARs	4
↔	- Restricted shares/RSSUs	4
↔	- Performance equity	Not applicable
✗	Clawback policy (includes equity)	No
✗	Post vesting/exercise holding requirement	
	- Options	Not Disclosed
	- Restricted/RSSUs	Not Disclosed

* Index/Industry mean + 1 standard deviation; maximum points accrue for company burn rate = 50% of ISS Benchmark Burn Rate

IV – Overriding Features and Practices Considered

Feature/Practice	Company/Plan
Negative Overriding Factors:	
Liberal CIC vesting risk	No
Equity-related pay-for-performance disconnect	No
Equity-related problematic pay practice(s)*	No
Positive Overriding Factors:	
162(m) approval only and Committee independence**	N/A

*(may include provisions for tax gross-ups, reload options, etc.);

**per ISS definition

V – Multiple Plan Analysis

There are multiple pay plans on this ballot (see Item 1 above). When the EPSC applies to more than one plan on ballot, the plans are assessed on an aggregate basis considering the worst-case scenario for the Plan Cost and Plan Features pillars (Grant Practices are evaluated at the company level so the same for all plans). If the aggregate EPSC score is below the passing threshold (53 points), the individual plan that allows the company the highest cost value while achieving a passing score will receive a favorable recommendation (barring any overriding factors), and the other(s) will not. The aggregate plan analysis is provided below:

EPSC Model: S&P500

Evaluation Component	Company Data	Impact on EPSC	Company Score	Maximum Score
I. Plan Costs			36.5	45
A+B (ISS Benchmark: 4.5%)	3.3%			
A+B+C (ISS Benchmark: 7.4%)	6.6%	↔		
II. Plan Features			20.0	20
Automatic CIC single-trigger vesting	No	✓		
Liberal share recycling - Options	No	✓		
Liberal share recycling – Full value awards	No	✓		
Broad discretion to accelerate vesting	No	✓		
Vesting requirement of at least one year	Yes	✓		
III. Grant Practices (same for both Plans)			14.1	35
Total Score			70.6	100
Overriding Factors	None			
ISS Recommendation: For Item 1; FOR Item 2				

DISCUSSION

No overriding factors have an impact on this proposal.

Supplemental Information

Shareholder Value Transfer (SVT)

Evergreen funding:	No
Fungible share counting (FV multiplier):	None
200-day average closing price as of December 1, 2014	\$95.52
4-digit GICS	3510 (Health Care Equipment & Services)

SVT Calculation (2010 Employee Restricted Stock Purchase Plan)	Company	ISS Valuation	SVT
New shares requested (A)	0	\$0	0.00%
Available shares remaining (B)	723,615	\$56,668,313	0.60%
Unvested/Unexercised granted shares (C)	9,869,745	\$318,282,856	3.36%
New + Available (A+B)	723,615	\$56,668,313	0.60%
New + Available + Outstanding (A+B+C)	10,593,360	\$374,951,169	3.96%

Company Burn Rate (Historical Grants)

Index/ Industry group:	S&P500/ 3510(Health Care Equipment & Services)
3-year stock volatility:	25.30%
Volatility multiplier:	1 Full Value Award = 2.50 Option Shares

Fiscal Year	2014	2013	2012
Options/SARs (O):	2,845,500	2,889,750	2,966,850
Full value awards (FV):	26,189	10,000	54,127
O + FV:	2,871,689	2,899,750	3,020,977
Adjusted O + FV (after multiplier):	2,910,972	2,914,750	3,102,167
Wtd. common shares outstanding:	98,826,000	98,033,000	96,821,000
Unadjusted burn rate:	2.91%	2.96%	3.12%
<i>3-year average unadjusted burn rate: 2.99%</i>			
Adjusted burn rate:	2.95%	2.97%	3.20%
<i>3-year average adjusted burn rate: 3.04%</i>			

Share Dilution

Shares outstanding (1): 99,077,333	Warrants & convertibles (2): 0		
Shares reserved under plans (3): 10,593,360	Fully diluted shares (1+2+3): 109,670,693		
	Shares	Dilution (Basic)*	Dilution (Full)*
New shares requested:	0	0.00%	0.00%
Existing shares available for grant:	723,615	0.73%	0.66%
Granted unexercised/Unvested shares:	9,869,745	9.96%	9.00%
Total share allocation:	10,593,360	10.69%	9.66%

*Assuming maximum dilution

Peer Comparisons* - Dilution/Burn Rate/ NEO Concentration Ratios

	<i>Dilution (Full)</i>	<i>3-yr Avg. Adjusted Burn Rate</i>	<i>Grants to CEO (2014)</i>	<i>Grants to NEOs (2014)</i>
<i>Company:</i>	9.66%	3.04%	21.21%	30.96%
<i>GICS median:</i>	13.73%	2.68%	15.06%	32.19%
<i>GICS average:</i>	13.93%	3.07%	16.48%	32.99%
<i>GICS 75th percentile:</i>	16.60%	3.89%	21.62%	42.16%

*4-digit GICS peers; Note that performance units are settled in cash upon vesting; hence, no common stock would be issued to executives.

Additional Plan Features

Award types authorized (minimum Restricted stock, performance units, and performance shares option exercise price):

Eligible participants: All employees, officers, and consultants

Plan administrator: Compensation Committee

Plan expiration date: March 18, 2025

Award-type limits: None

Individual award limits: During any calendar year: Restricted stock - 100,000 shares

Terms/vesting provisions: Minimum vesting period of one year

Loans to participants: The plan does not allow the company to extend loans to participants

Performance criteria disclosed: Yes

Treatment in a CIC: The vesting of time-based equity awards would be at the discretion of the plan administrator; the plan is silent on the vesting of performance awards.

Item 3. Amend Executive Incentive Bonus Plan

FOR

VOTE RECOMMENDATION

A vote FOR this proposal is warranted to enable the company to preserve the financial benefits of the Section 162(m) tax deduction.

BACKGROUND INFORMATION

Policies: [Incentive Bonus Plans and Tax Deductibility Proposals \(162\(m\) Proposals\)](#)

Vote Requirement: Majority of votes cast (abstentions count against; broker non-votes not counted)

Discussion

The company has submitted for shareholder re-approval the 2010 Executive Incentive Plan, a cash bonus plan, to avoid the tax deduction limitations imposed by Section 162(m) of the Internal Revenue Code.

IRS regulations disallow corporate tax deductions above a \$1 million threshold to certain highly paid executives, unless the payment qualifies as "performance-based." Specifically, Section 162(m) of the Internal Revenue Code (IRC) imposes an annual \$1 million limit on the deduction of non-performance-based compensation paid by a publicly traded company to a "covered executive," which includes the CEO and the four other highest compensated officers disclosed in the proxy statement, excluding the CFO.

Material features of the plan are as follows:

Eligible Participants:	Executive officers and members of senior management
Form of Awards:	Cash
Administrator:	Compensation Committee: Lawrence S. Gibbs (IO), John H. Herrell (IO), Robert H. Hotz (IO)
Performance Criteria:	The performance criteria are disclosed
Formula:	Achievement of pre-established target levels
Performance Period:	One year
Change-in-Control:	Not specified
Individual Award Limits:	\$5 million per calendar year
Prior Year Awards:	An aggregate of \$6,641,566
Projected Awards:	None specified

Analysis

Shareholders would benefit from the full tax deductibility of performance-based compensation under Section 162(m) related to the company's corporate tax obligation. As such, a vote FOR is warranted.

Item 4. Ratify PricewaterhouseCoopers LLP as Auditors

FOR

VOTE RECOMMENDATION

A vote FOR this proposal to ratify the company's auditor is warranted.

BACKGROUND INFORMATION

Policies: [Auditor Ratification](#)

Vote Requirement: Majority of votes cast (abstentions count against)

Discussion

The board recommends that PricewaterhouseCoopers LLP be approved as the company's independent accounting firm for the coming year.

Accountants	PricewaterhouseCoopers LLP
Auditor Tenure	8 years
Audit Fees	\$2,882,353
Audit-Related Fees	\$0
Tax Compliance/Preparation*	\$0
Other Fees	\$591,900
Percentage of total fees attributable to non-audit ("other") fees	17.04 %

*Only includes tax compliance/tax return preparation fees. If the proxy disclosure does not indicate the nature of the tax services and provides the fees associated with tax compliance/preparation, those fees will be categorized as "Other Fees."

The auditor's report contained in the annual report is unqualified, meaning that in the opinion of the auditor, the company's financial statements are fairly presented in accordance with generally accepted accounting principles.

Analysis

This request to ratify the auditor does not raise any exceptional issues, as the auditor is independent, non-audit fees are reasonable relative to audit and audit-related fees, and there is no reason to believe the auditor has rendered an inaccurate opinion or engaged in poor accounting practices.

Item 5. Approve Recapitalization Plan for all Stock to Have One-vote per Share

FOR

VOTE RECOMMENDATION

A vote FOR this proposal is warranted, as it would provide shareholders of the company with equal voting rights on all matters.

Vote Requirement: Majority of votes cast (abstentions count against; broker non-votes not counted)

Discussion

PROPOSAL

The Comptroller of the City of New York has submitted a precatory proposal seeking to eliminate the company's multiple-class structure and provide that all common stock has one vote per share. More specifically, the proposal reads:

"RESOLVED, that stockholders of Universal Health Services, Inc. ("UHS" or the "Company") request that the Board of Directors take the necessary steps (excluding those steps that must be taken by the Company's stockholders or other third parties) to adopt a recapitalization plan that would eliminate UHS's multiple-class capital structure and provide that each outstanding share of common stock has one vote on all matters."

SHAREHOLDER'S SUPPORTING STATEMENT

The proponent believes that multiple-class structures like the one in place at the company distort incentives and increase agency costs by misaligning economic incentives and voting power. The proponent cites a study that found that multiple-class structures with disparate voting rights were correlated with lower firm value.

The proponent believes that greater accountability would benefit the company, given some of the company's other governance practices, which can reduce accountability to public shareholders. The proponent cites several governance concerns, including the combined CEO/chairman, high average board tenure, and the ongoing government investigations of the company's behavioral health facilities.

BOARD'S RESPONSE

The board responds that the voting structure with differential class voting rights has been in place since the company's initial public offering (IPO) in 1981, and that all holders of the Class B common stock have purchased their shares having had access to consistent disclosure that the founding shareholders have held majority voting control since the IPO. The board notes that "a voting structure with differential class voting rights has been adopted by many other companies because it is generally recognized that founding stockholders bring a unique long-term perspective to company performance."

The board believes that many investors are attracted to the Class B common stock because of the long-term stability provided by the multiple-class structure. The board argues that the ownership structure has helped insulate the company from short-term pressures and allowed the board and senior management to focus on long-term shareholder returns. The board cites the company's long-term outperformance on shareholder returns as evidence that the multiple-class structure has helped promote stability and long-term value for shareholders.

The board also argues that the board and committee structure provides independence and good corporate governance practices. The board notes that although the company is exempt from NYSE requirements relating to board independence, and compensation and nominating/governance committees, it nonetheless has a majority of independent directors and compensation and nominating/governance committees with all independent directors.

Analysis

Universal Health Services' multiple classes and disparate voting structure have given the holders of the Class A and Class C common stock (which is 95-percent held by CEO Alan Miller and his family) control of 86.1 percent of the

total voting power even though they hold only 7.3 percent of the economic interest. The shares of Class B and Class D common stock, which constitute 92.7 percent of the economic interest, control only 13.9 percent of the total voting power. Further, Class A and Class C common stock control the board, electing 80 percent of the directors, while Class B and Class D common stock elects only 20 percent.

ISS supports a one-share, one-vote policy. The practice of issuing different classes of common stock with disparate voting rights gives one class of shareholders disproportionate voting power in the company in relation to its equity position. This can serve to entrench management if the board and executives own a large percentage of voting power based on their ownership of super-voting stock. While companies sometimes defend the practice by claiming that it insulates managers from short-term pressures and allows them to make decisions that are best for the long-term, a study completed three years ago by ISS, for the IRRC Institute, found that companies with dual-class capital structures actually underperformed non-controlled companies, as well as companies which are controlled through ownership of a majority of a single class of shares, over three-year, five-year and ten-year measurement periods.

While recognizing that not all companies with dual-class structures are identical in terms of shareholder rights (or the lack thereof), we believe that shareholders should oppose dual-class capital structures on the grounds that they contribute to the entrenchment of management, and we do not believe that a dual-class structure can be justified as a legacy issue. We continue to support this proposal on the principle that long-term shareholder interests are best preserved through a unified capital structure.

CONCLUSION

ISS supports this non-binding request that the company take steps to develop a recapitalization plan whereby all of the company's outstanding stock would have one vote. In general, we believe that simplified capital structures where voting interests are proportional to economic interests are preferable to dual class structures where management or founding families own super-voting stock.

Equity Ownership Profile

Type	Votes per share	Issued
Class A Common Stock	1.00	6,595,708
Class B Common Stock	0.10	91,789,530
Class C Common Stock	100.00	664,000
Class D Common Stock	10.00	28,095

Ownership - Class A Common Stock	Number of Shares	% of Class
MILLER ALAN B	5,163,885	75.36
MILLER MARC DANIEL	532,194	7.77
SSgA Funds Management, Inc.	184,097	2.69
Canada Pension Plan Investment Board	111,000	1.62
Delaware Management Business Trust	71,600	1.05
PANTALEONI ANTHONY	24,508	0.36
BlackRock Advisors (UK) Ltd.	11,654	0.17
Lord, Abnett & Co. LLC	7,953	0.12
Quaestio Capital Management SGR SpA	1,280	0.02
HSBC Global Asset Management (UK) Ltd.	564	0.01
The Vanguard Group, Inc.	177	0.00

© 2015 Factset Research Systems, Inc. All Rights Reserved. As of: 26 Mar 2015

Ownership - Class B Common Stock	Number of Shares	% of Class
Wellington Management Co. LLP	7,141,713	7.82
The Vanguard Group, Inc.	6,896,579	7.55
MILLER ALAN B	6,633,324	7.26
T. Rowe Price Associates, Inc.	5,202,139	5.69
Fidelity Management & Research Co.	4,674,639	5.12
BlackRock Fund Advisors	4,209,901	4.61
SSgA Funds Management, Inc.	4,061,147	4.45
Invesco Advisers, Inc.	2,073,783	2.27
BlackRock Advisors LLC	1,680,783	1.84
Jennison Associates LLC	1,505,921	1.65
TIAA-CREF Investment Management LLC	1,094,865	1.20
Northern Trust Investments, Inc.	1,083,264	1.19
Westport Asset Management, Inc.	977,800	1.07
OppenheimerFunds, Inc.	972,004	1.06
Highline Capital Management LLC	909,700	1.00
Norges Bank Investment Management	869,061	0.95
Maverick Capital Ltd.	834,757	0.91
INTECH Investment Management LLC	785,500	0.86
BlackRock Investment Management LLC	774,802	0.85
Geode Capital Management LLC	738,343	0.81

© 2015 Factset Research Systems, Inc. All Rights Reserved. As of: 26 Mar 2015

Ownership - Class C Common Stock	Number of Shares	% of Class
MILLER ALAN B	661,688	99.65
PANTALEONI ANTHONY	2,192	0.33

© 2015 Factset Research Systems, Inc. All Rights Reserved. As of: 26 Mar 2015

Ownership - Class D Common Stock	Number of Shares	% of Class
The Empire Life Insurance Co. (Investment Portfolio)	402	1.39

© 2015 Factset Research Systems, Inc. All Rights Reserved. As of: 31 Dec 2014

Additional Information

Meeting Location	Company Offices Universal Corporate Center 367 South Gulph Road King of Prussia, Pennsylvania
Meeting Time	10:00 a.m.
Shareholder Proposal Deadline	December 11, 2015
Security IDs	913903100(CUSIP)

ISS' experienced research team provides comprehensive proxy analyses and complete vote recommendations for more than 34,000 meetings annually in over 115 markets worldwide. With a team of more than 165 analysts and 100 data professionals, fluent in 25 languages, ISS covers every holding within a client's portfolio in both developed and emerging markets.

Our Research Analysts are located in financial centers worldwide, offering local insight and global breadth. Research office locations include Brussels, London, Manila, Paris, San Francisco, Sydney, Singapore, Tokyo, Toronto, and Rockville, Maryland.

ISS has long been committed to engagement and transparency. There are several long-established channels for engaging with ISS, outlined at <http://www.issgovernance.com/contact/faqs-engagement-on-proxy-research/>. In addition to these long-established channels, investors and issuers and other market constituents can submit comments, concerns and feedback to the ISS Feedback Review Board through www.issgovernance.com/frb.



The issuer that is the subject of this analysis may have purchased self-assessment tools and publications from ISS Corporate Solutions, Inc. (formerly known as ISS Corporate Services, Inc. and referred to as "ICS"), a wholly-owned subsidiary of ISS, or ICS may have provided advisory or analytical services to the issuer in connection with the proxies described in this report. These tools and services may have utilized preliminary peer groups generated by ISS' institutional research group. No employee of ICS played a role in the preparation of this report. If you are an ISS institutional client, you may inquire about any issuer's use of products and services from ICS by emailing disclosure@issgovernance.com.

This proxy analysis and vote recommendation has not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. While ISS exercised due care in compiling this analysis, it makes no warranty, express or implied, regarding the accuracy, completeness or usefulness of this information and assumes no liability with respect to the consequences of relying on this information for investment or other purposes. In particular, the research and voting recommendations provided are not intended to constitute an offer, solicitation or advice to buy or sell securities nor are they intended to solicit votes or proxies.

ISS is an independent company owned by entities affiliated with Vestar Capital Partners ("Vestar"). ISS and Vestar have established policies and procedures to restrict the involvement of Vestar and any of Vestar's employees in the content of ISS' analyses. Neither Vestar nor their employees are informed of the contents of any of ISS' analyses or recommendations prior to their publication or dissemination.

The issuer that is the subject of this proxy analysis may be a client of ISS or ICS, or the parent of, or affiliated with, a client of ISS or ICS.

One or more of the proponents of a shareholder proposal at an upcoming meeting may be a client of ISS or ICS, or the parent of, or affiliated with, a client of ISS or ICS. None of the sponsors of any shareholder proposal(s) played a role in preparing this report.

ISS may in some circumstances afford issuers, whether or not they are clients of ICS, the right to review draft research analyses so that factual inaccuracies may be corrected before the report and recommendations are finalized. Control of research analyses and voting recommendations remains, at all times, with ISS.

ISS makes its proxy voting policy formation process and summary proxy voting policies readily available to issuers, investors and others on its public website: <http://www.issgovernance.com/policy>.

Copyright © 2015 Institutional Shareholder Services Inc. All Rights Reserved. This proxy analysis and the information herein may not be reproduced or disseminated in whole or in part without prior written permission from ISS.