

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES
EXCHANGE ACT OF 1934

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 §240.14a-12

COMMUNITY HEALTH SYSTEMS, INC.

COMMUNITY HEALTH SYSTEMS, INC.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required
 - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
1. Title of each class of securities to which transaction applies:

Common Stock

ASU'D p

3 % of TSGDXH ERD Op 0 H









[Redacted content]

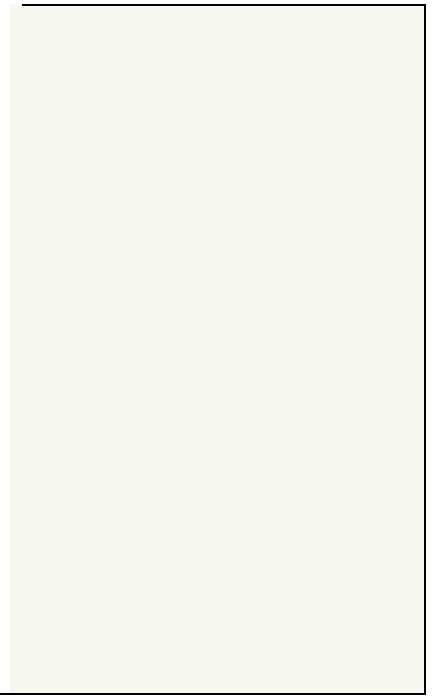
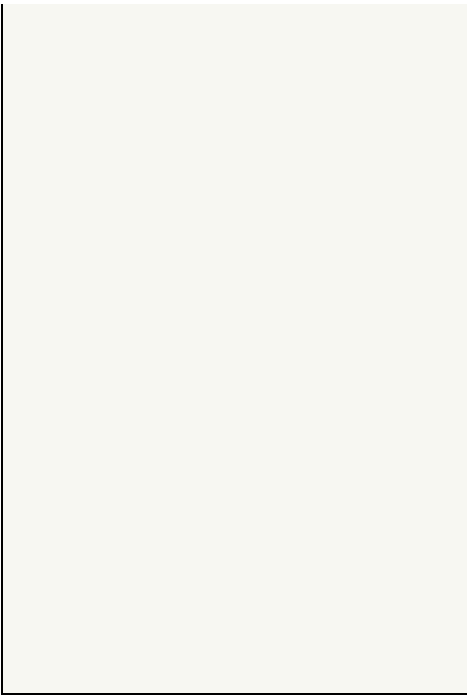


Our consolidated performance results during 2020 and 2019 are reflected in the chart below.

Performance Results			
For the Years Ended December 31, 2020 and 2019 (dollars in millions, except per share and stock price amounts)			
Key Metrics	2020 Results	2019 Results	% Increase/ (Decrease)
Net Operating Revenues	\$11,789	\$13,210	(10.8)%
Net income (loss) attributable to Community Health Systems Inc. stockholders	\$511	\$(675)	175.7%
Net income (loss) attributable to Community Health Systems Inc. stockholders as a % of net operating revenues	4.3%	(5.1)%	
Adjusted EBITDA (1)	\$1,809	\$1,628	11.1%
Adjusted EBITDA as a % of net operating revenues (1)	15.3%	12.3%	
Cash Flows from Operations	\$2,178	\$385	465.7%
Earnings (loss) per Diluted Share, as reported	\$4.39	\$(5.93)	174.0%
Earnings (loss) per Diluted Share, excluding Adjustments (1)	\$0.45	\$(0.89)	150.6%
Stock Price as of December 31	\$7.43	\$2.90	156.2%
()	()	□	

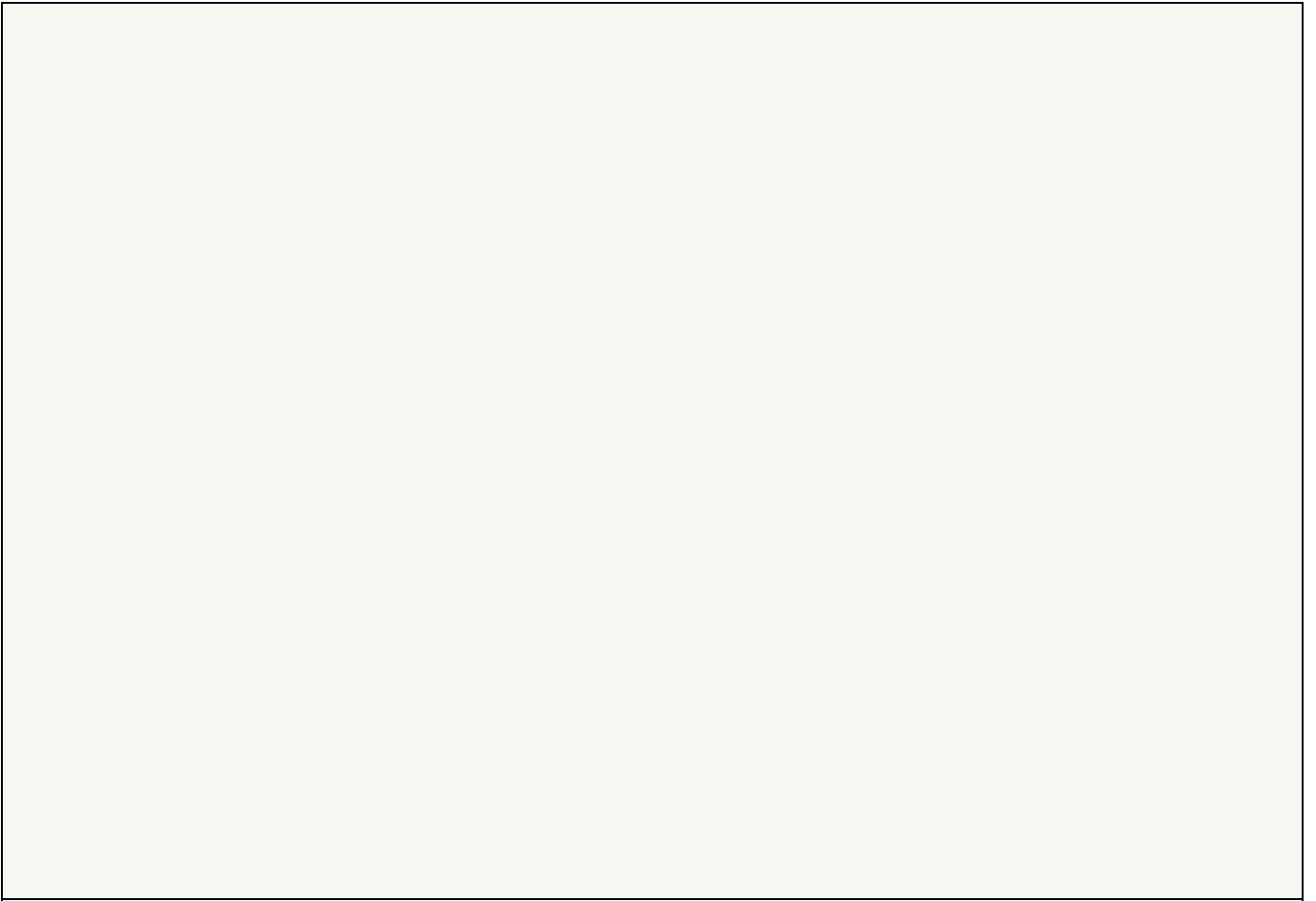
















ROAD MAP OF VOTING ITEMS

VOTING ITEM		

H

instructions from each broker, C

Meeting by using the internet or a toll free telephone number to vote your shares. If you hold shares through more than one broker, bank, trustee or other nominee, you will receive separate materials and voting instructions from each. You will need to separately follow the instructions received from each broker, bank, trustee or other nominee through which you hold shares in order to ensure that all of your shares are voted.

In addition to the voting methods set forth above, stockholders and holders of shares in "street name" may vote at the Meeting as set forth below under "Can I vote my shares at the Meeting?"

Can I vote my shares at the Meeting?

If you are a "stockholder of record," you may vote your shares via the web portal (

On the other

What vote is required to approve each proposal?

Proposal	Vote Required	Broker Discretionary Voting Allowed
Proposal 1 — Election of eleven (11) directors	Votes Cast for the Election of that Nominee Must Exceed Votes Cast Against the Election of that Nominee	No
Proposal 2 — Advisory vote on executive compensation	Majority of the Shares Entitled to Vote and Present in Person or Represented by Proxy	No
Proposal 3 — Approval of the amendment and restatement of the 2009 Plan, which was approved by the Board on March 17, 2021, subject to stockholder approval at this Meeting	Majority of the Shares Entitled to Vote and Present in Person or Represented by Proxy	No
Proposal 4 — Ratification of auditors for 2021	Majority of the Shares Entitled to Vote and Present in Person or Represented by Proxy	Yes

With respect to Proposal 1, you may vote FOR, AGAINST or ABSTAIN with respect to each nominee. If you ABSTAIN from voting on Proposal 1 with respect to any nominee, the abstention will not have any effect on the outcome of the vote with respect to such nominee.

With respect to Proposals 2, 3 and 4, you may vote FOR, AGAINST or ABSTAIN. If you ABSTAIN from voting on any of Proposals 2, 3 or 4, your abstention will not have any effect on the outcome of the vote with respect to such proposal.

may be relevant to such independence determination. The Board also considers any relationships between the Company and other organizations on which our directors serve as directors or with respect to which such directors are otherwise affiliated. The Board has determined that our non-management directors satisfied all of the independence standards set forth in the Governance Guidelines and the applicable rules of the NYSE and SEC (including the specific standards applicable to members of our Audit and Compliance Committee and Compensation Committee) and did not otherwise have a material relationship with the Company (either directly or as an officer, director, partner, or significant shareholder of an organization that has a relationship with the Company). After such evaluations, our Board of Directors has affirmatively determined that each of the following non-management directors is independent under the Governance Guidelines and the applicable rules of the NYSE and the SEC:

John A. Clerico
Michael Dinkins
James S. Ely III
John A. Fry
Elizabeth T. Hirsch
Willy Itla

the Board (who comprise a super-majority of the Board) provide appropriate oversight, consultation, and involvement. The Governance and Nominating Committee regularly reviews the Board's leadership structure to assess whether to separate or combine the roles of Executive Chairman (or Chairman, as applicable) and Chief Executive Officer based on the Company's particular facts and circumstances at the time, and the Board retains flexibility to determine the appropriate leadership structure for the Company based on such facts and circumstances.

The Board of Directors is responsible for broad corporate policy and overseeing the overall performance of the Company. Members of the Board are kept informed of the Company's business by various documents sent to them before each meeting and oral reports made to them during these meetings by the Company's Executive Chairman, Chief Executive Officer and other corporate executives. All directors are advised of actions taken by the various committees of the Board of Directors and are invited to, and frequently do, attend meetings of Board committees on which they do not serve. Directors have access to the Company's books, records and reports, and members of management are available at all times to answer their questions.

The Governance and Nominating Committee, which consists entirely of independent directors, periodically examines the Board leadership structure, as well as other governance practices, and also conducts an annual assessment of the Board's and each committee's effectiveness. The Governance and Nominating Committee has determined that the present leadership structure is effective and appropriate.

As indicated above, the independent members of the Board meet in executive sessions that are presided over by the Lead Director, currently Julia B. North. The Lead Director serves as the principal liaison between the independent directors and the Chair and other members of management. The Lead Director also has the authority to call meetings of the independent directors and prepare agendas for such meetings. The Lead Director also takes an active role in approving and setting agendas and presentation topics, and approving the materials to be presented to the independent directors prior to its meetings. Upon request, the Lead Director is also available for consultation and assistance with regard to such matters.

Board independence is further achieved through the completely independent composition of the Board.

belie

considerations in connection therewith, see “Compensation Discussion and Analysis — Risk Assessment of Executive Compensation.”

Management provides regular updates throughout the year to the respective Board committees regarding the management of the risks each committee oversees, and each of these committees discusses those risks with the full Board at either regular meetings of the Board or at committee meetings in which all Board members participate. At least once every year, the Audit and Compliance Committee reviews the allocation of risk responsibility among the Board’s committees and implements any changes it deems appropriate. The Audit and Compliance Committee, together with the full Board of Directors, is actively involved in the oversight of risk issue identification and assessment at the Company and mitigation strategies employed by the Company with respect to each of these risks.

In addition to the reports from the committees, the Board receives presentations throughout the year from various department and business unit leaders that include discussions of possible risks. At each Board meeting, the Executive Chairman and the Chief Executive Officer address, in a director-only session, matters of particular importance or concern, including any areas of risk that require attention from the Board. Additionally, through dedicated sessions focusing entirely on corporate strategy, the full Board reviews in detail the Company’s short and long-term strategies, including consideration of risks facing the Company and their potential impact.

the m in tcilees-tseomsing ibentse. Thmeety tudnannq thetori iThmeer ie Cleiou, iExecuanheilt . sidre
wsothoBVEBhadDkmapvoadHto riskoversightas. Resctived. Also, you can find our ability to assess inter-re] ssBto eacrt e C

The Audit and Compliance Committee held eight (8) meetings during 2020. The other independent members of the Board of Directors were invited to and generally attended the meetings of the Audit and Compliance Committee. As set forth in its charter, the Audit and Compliance Committee's responsibility is to provide advice and counsel to management regarding, and to assist the Board of Directors in its oversight of: (i) the integrity of the Company's consolidated financial statements; (ii) the Company's compliance with legal and regulatory requirements; (iii) the requirements of the Corporate Integrity Agreement, Amended, dated September 21, 2018, between the Company and the Office of Inspector General of the United States Department of Health and Human Services, and any amendments thereto; (iv) the independent registered public accounting firm's qualifications and independence; (v) the performance of the Company's internal audit function and its independent registered public accounting firm; and (vi) the Company's policy on the use of derivative products. As discussed above under "How does the Board of Directors ~~aid~~

The Governance and Nominating Committee met two (2) times during 2020. The primary responsibilities of the Governance and Nominating Committee are to: (i) identify individuals qualified to become Board members and to select, or recommend that the Board select, the director nominees for the next annual meeting of stockholders and make recommendations for directors' assignments to the committees of the Board; (ii) develop and recommend to the Board a set of corporate governance guidelines applicable to the Company; (iii) review the corporate governance guidelines at least annually and make any recommended changes, additions or modifications; (iv) assist the Board by making recommendations regarding compensation for directors; and (v) subject to Delaware law, review and approve the Company's policies on and responses to important stockholder issues and proposals, and recommend to the Board the placement of stockholder proposals, and the Board's response thereto, in the proxy statement.

Who are the Company's audit committee financial experts?

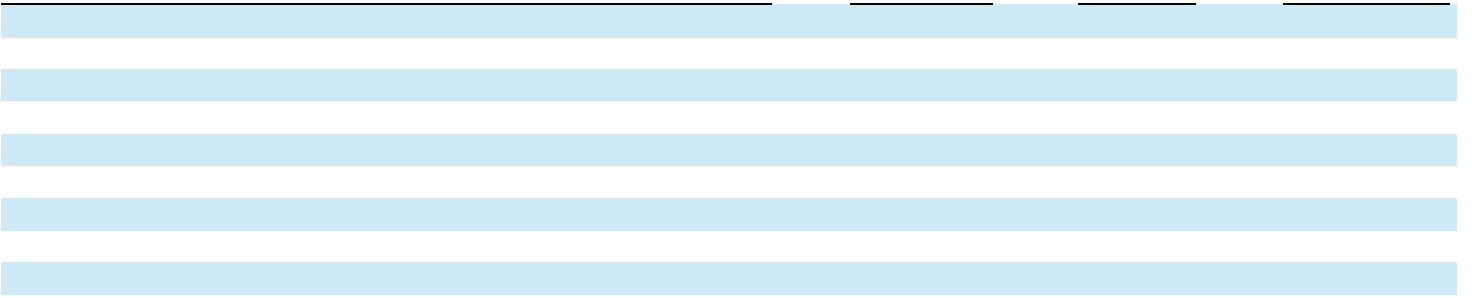
Our Board has determined that all five of the members of our Audit and Compliance Committee are "audit comm` e fimodif itions

How are the Company's Directors compensated?

Our Board of Directors has approved a compensation program for non-management directors, which consists of both cash and equity-based compensation. Non-management director compensation is typically reviewed annually by the Governance and Nominating Committee, in consultation with the Compensation Committee's independent executive compensation consultant, Mercer Human Resources Consulting, and adjusted if needed, on the same cycle as is our executive compensation. In addition, to further align directors' interests with the long-term interests of stockholders, the Company requires that at least 50% of the non-management directors' annual compensation be paid in the form of equity in the Company.

For 2020, consistent with past practice, the non-management directors' compensation package was reviewed by the Governance and Nominating Committee, in consultation with Mercer. For 2020, Mercer advised that, based on a review of the board compensation paid by our peer group as set forth below under "Compensation Discussion and Analysis — Components of the Executive Compensation Program — Peer Group Companies (for 2020 Compensation Cycle)," the annual total compensation package of \$290,000 (exclusive of the annual stipends paid to the lead director and the chairs of the Board's three standing committees as referenced below) paid to our non-management directors in 2019 continued to be generally consistent with the median total director compensation package paid by companies within our peer group. Mercer also advised that the additional annual stipends paid to the lead director and the three committee chairs in 2019 continued to be generally consistent with the median of such stipends paid by companies within our peer group. Taking Mercer's review into account, the Governance and Nominating Committee recommended that no changes be made to the directors' compensation package for 2020. As such, in 2020, each non-management director received an annual stipend of \$120,000 as well as an equity award with a grant date fair value of approximately \$170,000 (both of which were unchanged from the amounts awarded to our non-management directors in 2019). For 2020, the additional annual stipends paid to the lead director and the three

A



compensated?" All fees for 2020 were paid in cash to each outside director except for Dr. Krieder

election to our Board at our next annual meeting. Any director candidate nominated in accordance with the advance notice provisions set forth in our By-laws will be subject to the candidate evaluation process described above under “How are Directors nominated by the Company?” before the Governance and Nominating Committee makes a determination regarding whether or not to recommend such candidate to the Board for inclusion in the Company’s proxy materials. If a stockholder wishes to nominate any individuals to serve as a director in accordance with the advance notice provisions in our By-Laws for the Company’s 2022 Annual Meeting of Stockholders, the Corporate Secretary must receive notice of any such director nomination no earlier than January 16, 2022 and no later than February 15, 2022 (or, if the annual meeting is called for a date that is not within 30 days of May 11, 2022, the notice must be received by the later of the date that is 90 days prior to such annual meeting or the 10th day following the date such annual meeting is first publicly announced or disclosed). In addition, any such director nominations made pursuant to the advance notice provisions of the By-laws must meet the detailed disclosure and other requirements applicable to such director nominations set forth in the By-laws (including information regarding both the stockholder proponent and the nominee).

When evaluating any director recommendations or nominations properly submitted by a stockholder as set forth above, the Governance and Nominating Committee will conduct the same analysis that it conducts with respect to its director nominees or other potential candidates recommended by a Board member, management, a search firm or other source.

How can I submit a stockholder proposal or bring business for the 2022 Annual Meeting of Stockholders?

If a stockholder seeks to have a proposal included in the Company’s Proxy Statement for the 2022 Annual Meeting of Stockholders pursuant to Rule 14a-8 under the Exchange Act, the proposal must be received by the Company no later than December 2, 2021 and be submitted in accordance with the applicable SEC rules, including Rule 14a-8. Such proposals must be delivered to Community Health Systems, Inc., Attn: Corporate Secretary, 4000 Meridian Boulevard, Franklin, TN 37067.

If a stockholder seeks to bring business before our annual meeting that is not the subject of a proposal submitted for inclusion in the proxy statement under Rule 14a-8 (excluding nominati



Michael Dinkins

Audit and Compliance Committee Member

Director Since 2017

Mr. Dinkins has served as president and chief executive officer of Dinkins Financial, a consulting firm that helps small businesses gain access to capital, since October 2017. From 2008 until May 2012, Mr. Dinkins served on the board of directors of Integer Holdings Corporation (formerly known as Greatbatch, Inc.), a medical device outsource manufacturer, where he also served on its audit committee and compensation and organization committee. In May 2012, Mr. Dinkins resigned from Integer Holdings Corporation's board of directors and its committees in conjunction with his appointment as senior vice president (later executive vice president) and chief financial officer of Integer Holdings Corporation, a position he held until his retirement in March 2017. From 2008 until 2012, Mr. Dinkins served as executive vice president and chief financial officer of USI Insurance Services, an insurance intermediary company. From 2005 until 2008, he was executive vice president and chief financial officer of Hilb Rogal & Hobbs Co., an insurance and risk management services company. Mr. Dinkins was vice president, global control & reengineering at Guidant Corporation from 2004 to 2005, and vice president and chief financial officer for NCR Worldwide Customer Service Operation from 2002 to 2004. Prior to 2002, he held senior positions at Access Worldwide Communications, Inc., Cadmus Communications Group and General Electric Company. Mr. Dinkins serves on the board of directors of Crane Co., a manufacturer of industrial products in the jae&ak!

John A. Fry
Compensation Committee Member
Governance and Nominating Committee Member

Chairman

Director Since 2004

Mr. Fry has served as president of Drexel University in Philadelphia, Pennsylvania since 2010. Prior to becoming president of Drexel University, Mr. Fry served as president of Franklin & Marshall College in Lancaster, Pennsylvania from 2002 until 2010. From 1995 to 2002, he was executive vice president of the University of Pennsylvania and served as the chief operating officer of the university and as a member of the executive committee of the University of Pennsylvania Health System. Mr. Fry is a member of the board of trustees of Macquarie Investment Management (formerly Delaware Investments), an asset management firm, with oversight responsibility for all of the portfolios in that mutual fund family; he also serves on its audit committee and formerly served on its nominating committee.

and behavioral sciences from 1998 to 2009. He is a member of several professional societies, inc_c

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of March 15, 2021, except as otherwise footnoted, with respect to ownership of our Common Stock by:

- * each person known by us to be a beneficial owner of more than 5% of our Company's Common Stock;
- * each of our directors and nominees;
- * each of our executive officers named in the Summary Compensation Table on page 57 of this Proxy Statement; and
- * all of our directors and executive officers as a group.

Except as otherwise indicated, the persons or entities listed below have sole voting and investment power with respect to all shares of Common Stock beneficially owned by them, except to the extent such power may be shared with a spouse. Ownership percentages are calculated based on 132,191,730 shares of our Common Stock outstanding as of March 15, 2021.

Name	Shares Beneficially Owned(1)	
	Number	Percent
5% Stockholders:		
Blackrock, Inc.	15,706,623 (2)	11.9%
Franklin Resources	11,001,933 (3)	8.3%
The Vanguard Group	7,336,689 (4)	5.6%
Directors and Nominees:		
John A. Clerico	206,427 (5) 2M	*
Michael Dinkins	83,479 (6)	*
James S. Ely III	244,933 (7)	*
John A. Fry	138,130 (8)	*
Tim L. Hingtgen	1,122,051 (9)	*
William N. Jennings, M.D.	9,112 (10)	*
K. Ranga Krishnan, MBBS	5,000 (11)	*
Elizabeth T. Hirsch	2,712 (12) 2M	*
Julia B. North	e 100,000 (13) 2M	*

-
- (2) Shares beneficially owned are based on Schedule 13G/A filed with the SEC on January 26, 2021, by BlackRock, Inc. ("BlackRock"). BlackRock has sole voting power with respect to 15,706,623 shares of Common Stock and sole dispositive power with respect to 15,706,623 shares of Common Stock. The address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.
- (3) Shares beneficially owned are based on Schedule 13G filed with the SEC on February 1, 2021, by Franklin Resources, Inc., Charles B. Franklin, et al.

with the Company's Code of Conduct and other policies, including for example, the independence standards of the Governance Guidelines of the Board of Directors. Related person transactions are reviewed not less frequently than annually if they are to continue beyond the year in which the transaction is initiated.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During 2020, John A. Clerico, John A. Fry and Julia B. North served as members of the Compensation Committee. None of these persons has at any time been an officer or employee of the Company or any of its subsidiaries. In addition, there are no relationships among our executive officers, members of the Compensation Committee or entities whose executives serve on the Board of Directors or the Compensation Committee that require disclosure under applicable rules of the SEC.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The following sets forth information regarding our executive officers as of March 15, 2021. Each of our executive officers

Louisville, Kentucky. Dr. Simon has been named to *Modern Healthcare's* 50 Most Influential Physician Executives and Leaders list and *Modern Healthcare's* biennial Top 25 Women in Healthcare list on multiple occasions.

Benjamin C. Fordham serves as Executive Vice President, General Counsel and Assistant Secretary. He joined us as Vice President and Senior Litigation Counsel in 2007 with 29 years of private practice experience in litigation, mergers/acquisitions, general business and health law. In 2011, he was promoted to Vice President (later Senior Vice President) and Chief Litigation Counsel. In 2017, Mr. Fordham was promoted to Executive Vice President, General Counsel and Assistant Secretary. He has a law degree from Vanderbilt University where he was a Patrick Wilson Merit Scholar.

Jason K. Johnson serves as Senior Vice President and Chief Accounting Officer. In this role, he is responsible for our Securities and Exchange Commission reporting matters, as well as overseeing various other accounting and financial reporting matters, including accounting policies and procedures, consolidations and accounting for acquisitions and divestitures. Mr. Johnson joined us in 2012 as Vice President, Assistant Corporate Controller, and in 2018 he was promoted to Vice President, Corporate Controller. In 2019, he was promoted to Vice President and Chief Accounting Officer, and he was promoted to Senior Vice President in January 2020. Prior to joining us, Mr. Johnson held various positions in the assurance and advisory services practice at Deloitte & Touche LLP. He also previously served as controller of an alternative energy marketing and distribution company. Mr. Johnson holds a master's degree in accounting from the University of Kentucky. He is a member of the American Institute for Certified Public Accountants and Tennessee Society of Certified Public Accountants.

The executive officers named above were appointed by the Board of Directors to serve in such capacities until their respective successors have been duly appointed and qualified, or until their earlier death, resignation or removal from office.

PROPOSAL 1 — ELECTION OF DIRECTORS

Upon the recommendation of the Governance and Nominating Committee, the Board has nominated the eleven (11) persons listed below for election to serve as directors, each for a term of one (1) year and until his or her successor is elected and qualified.

The nominees for director are:

John A. Clerico

Michael Dinkins

James S. Ely III

John A. Fry

Tim L. Hingtgen

Elizabeth T. Hirsch

William Norris Jennings, M.D.

K. Ranga Krishnan, MBBS

Julia B. North

Wayne T. Smith

H. James Williams, Ph.D.

Each of the nominees is an incumbent. Each of the nominees has consented to being named as a director nominee in this Proxy Statement and has agreed to serve for the one (1) year term to which he

or she has been nominated, if elected. If any of the nominees are unable to serve or refuses to serve as a director, the proxies will be voted in favor of such other nominee(s), if any, as the Board of Directors may designate. The Company has no reason to believe that any director nominee will be unable or unwilling to serve if elected as a director.

Our Compensation Committee monitors changes in our industry and our business to ensure that the compensation elements continue to meet the goals of the program and the expectations of our stockholders and makes adjustments as necessary.

As described in detail under the heading "*Compensation Discussion and Analysis*," we achieved or exceeded several of our primary financial targets in 2020 and made progress

Executive Summary

Compensation Program Objectives and Best Practices

The primary objectives of the Company's executive compensation program are to:

- * Provide market competitive pay levels, compensation programs and incentive plan designs, all of which are underpinned by our strong pay-for-performance philosophy;
- * Attract and retain seasoned professionals with demonstrated abilities to capitalize on growth and margin improvement opportunities in both existing and new markets (both geographic and business line);
- * Incorporate short-term and long-term components that align the interests of executive management with stockholders while also appropriately incentivizing our executives to drive Company performance and maximize value; and
- * ~~Admin~~



A more detailed discussion of these policies and actions can be found on the following pages.

Over the years, we have continued to enhance and modify aspects of our executive compensation program, as appropriate, taking into account stockholder expectations and feedback in order to ensure that our executive compensation program continues to be structured in an optimal manner.

Key 2020 Compensation Designs/Outcomes

Taking into account our commitment to link pay and performance, the following compensation-related decisions were made for 2020:

- * **No salary increase for CEO:** Our then-serving CEO did not receive any increase in base salary for 2020.
- * **Voluntary salary reductions in response to COVID-19 pandemic:** In April 2020, our then-serving CEO agreed to a 25% reduction in his base salary for the remainder of 2020 and each of our other named executive officers agreed to a 10% reduction in their base salaries for the remainder of 2020, which enabled the Company to make a donation to the CHS Cares Fund, a non-profit charitable fund which provides financial assistance to employees of the Company's affiliated entities who have experienced hardship due to events beyond their control, including the COVID-19 pandemic.
- * **No mid-stream changes to financial performance objectives for annual cash incentive compensation:** Despite the COVID-19 pandemic, no changes were made to the financial objectives underlying the annual cash incentive compensation plans. In response to the highly uncertain environment related to the COVID-19 pandemic, the Company withdrew its 2020 financial guidance as discussed in a Current Report on Form 8-K filed by the Company on April 6, 2020; however, the financial objectives underlying the annual cash incentive compensation plans continued to be derived from the Company's originally-issued 2020 financial guidance to investors reflected in the Company's earnings release issued in February 2020.
- * **Annual cash incentive compensation:** Annual cash incentive compensation was awarded to our then-serving CEO and other

program. Moreover, our Lead Director, the members of our independent Compensation Committee and our other outside directors were available to speak directly with our stockholders if requested. Our Compensation Committee considers the feedback and suggestions we receive in light of both market best practices and what we believe to be necessary to execute a

-
- * Provision of longer range savings, retirement, and other benefits, including appropriate perquisites, to encourage the retention of the most experienced and talented executives through their most productive and valuable years of employment service.

The Company believes that the flexibility to make upward or downward adjustments as needed for individual performance, unusual market fluctuations, or extraordinary performance considerations, provides consistency and predictability to the Company's executives and alignment of inte m mp n

Annual Cash Incentive Compensation (EPIP)

Annual cash incentive compensation awards to the named executive officers were made in 2020 pursuant to the Company's 2019 Employee Performance Incentive Plan ("EPIP"). Annual cash incentive compensation awards are intended to align employees' interests with the goals and strategic initiatives established by the Company and to reward employees for their contributions during the period to which the incentive award relates. Targets for the annual cash incentive compensation awards are typically expressed as a percentage of the individual's base salary.

Annual cash incentive compensation awards are "at risk" as they are subject to the attainment of specific goals. For 2020, each individual's target plan continued to include multiple budgeted goals, and for each goal, different award amounts could be earned depending on the level at which that goal was attained, (i.e., an underachievement and overachievement opportunity).

For each named executive officer, the performance goals for 2020 were similar to those used in 2019. In this regard, substantial progress towards goals by the Company's previously disclosed portfolio rationalization and deleveraging plan and executing on the Company's previously identified strategic imperatives (as referenced in greater detail below) continued to be components of the non-financial strategic and operational performance improvement goals for 2020.

As in prior years, the Company's financial goals were based on the attainment of key financial objectives, including, where applicable, budgeted operating performance.

The Company's 2020 Performance Objectives were as set forth in the tables below. Each goal target was scaled to achieve a partial award for less than targeted performance or above target award for overachievement as illustrated below:

2020 Adjusted EBITDA* (\$ millions)		
2020 Adjusted EBITDA	% of Target Attained	% of Target Bonus Earned
\$1,725	100%	100%
\$1,639	95%	75%
\$1,553	90%	50%
<\$1,553	<90%	0%

Overachievement Opportunity: 1% of base salary for each 0.5% over the target up to the plan maximum.

2020 Net Revenues (\$ millions)		
2020 Net Revenues	% of Target Attained	% of Target Bonus Earned
\$12,650	100%	100%
\$12,018	95%	75%
\$11,385	90%	50%
<\$11,385	<90%	0%

Overachievement Opportunity: 1% of base salary for each 1% over the target up to an additional 10% for the CEO, CFO and COO and 5% for CMO and EVP/GC, limited to the plan maximum.

2020 Consolidated Adjusted EBITDA Margin Improvement*		
2020 Consolidated Adjusted EBITDA Margin Improvement	% of Target Attained	% of Target Bonus Earned
1.50%	100%	100%
1.00%	66.7%	75%
0.50%	33.3%	50%
<0.50%	0%	0%

Overachievement Opportunity: 1% of base salary for each 0.1% over the target up to an additional 20% for the CEO and COO and 10% for the CFO, CMO and EVP/GC, limited to the plan maximum.

2020 Continuing Operations Adjusted EPS [†]	
2020 Continuing Operations Adjusted EPS	% of Target Bonus Earned
\$(0.95)	100%
\$(1.10)	75%
\$(1.25)	50%
<\$(1.25)	0%

Overachievement Opportunity: 0.5% of base salary for each \$0.03 over the target up to an additional 10%, limited to the plan maximum. EPS is a component for the CEO, CFO and COO.

Linear interpolation is used for performance between the points shown in the tables.

ebw/e

* Adjusted EBITDA is a non-GAAP financial measure. For information regarding the manner in which Adjusted EBITDA is calculated from the Company's consolidated financial statements, see Annex A to this proxy statement.

† Continuing Operations Adjusted EPS is a non-GAAP financial measure. For information regarding the manner in which Continuing Operations Adjusted EPS is calculated from the Company's consolidated financial statements, see Annex A to this Proxy Statement.

The President and Chief



The followinio

“Same-Store Net Revenue” for any fiscal year means Net Revenue as defined in the Company’s Annual Report os

2018 Performance-Based Restricted Stock Awards

On March 2018, each of our named-executive officers received performance-based restricted stock awards tied to a. ards

Retention Award

On December 12, 2017, the Company approved special deferred compensation cash awards to Dr. Simon in the r.Å

Perquisite

Executive Compensation Policies

Stock Ownership Guidelines

The Community Health Systems Stock Ownership Guidelines align the interests of its ²

consideration of fairness and equity, and may require reimbursement to the extent the value transferred to the elected officer can be reasonably attributed to the reduction in the restated finan

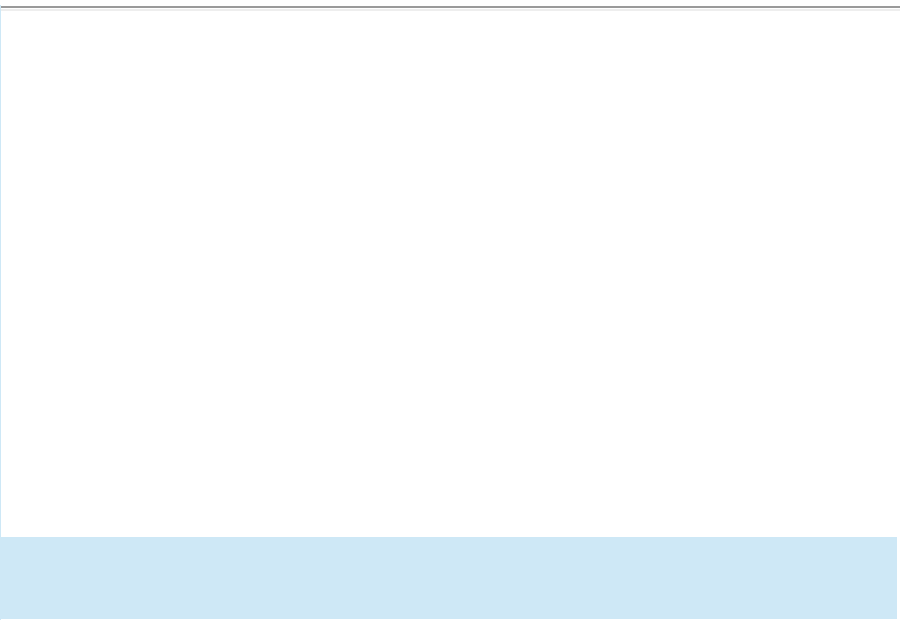
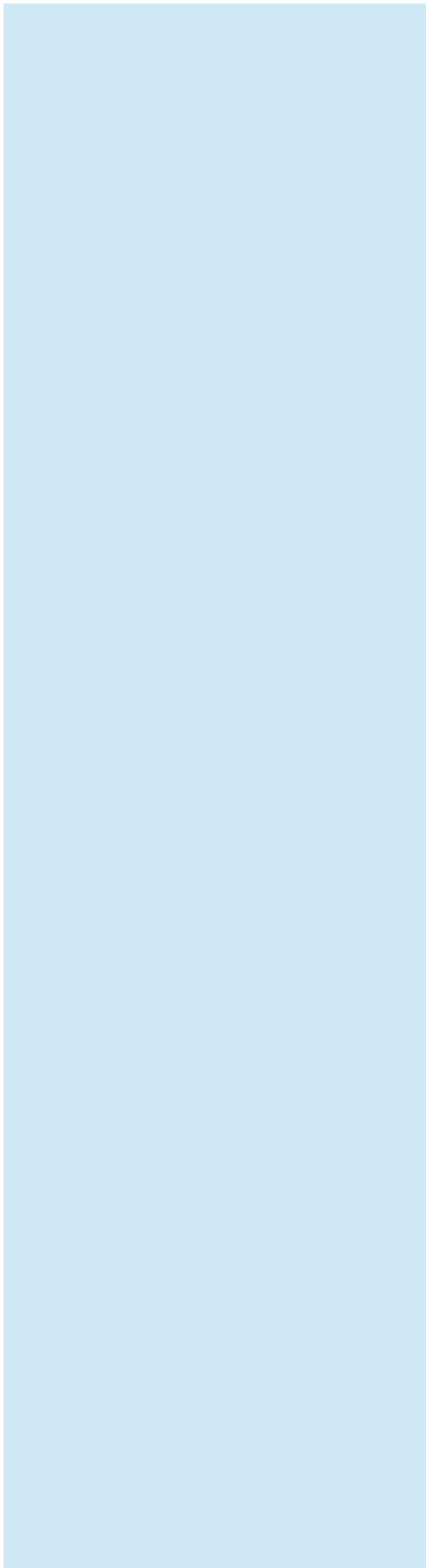
Committee reviews the Company's compensation programs for certain design features identified by the Compensation Committee and its advisors as having the potential to encourage excessive risk-taking, and considers the Company's compensation programs in light of the Company's key enterprise and business strategy risks. The Compensation Committee believes that the Company's compensation programs are designed so that they do not include a compensation mix which is overly weighted toward incentive programs that encourage excessive risk-taking, uncapped or "all or nothing" incentive programs or unreasonable performance goals. The Compensation Committee also noted several design features of the Company's cash and equity incentive programs that the Compensation Committee believes reduce the likelihood of excessive risk-taking, including the use of multiple balanced performance metrics, maximum payouts at levels deemed appropriate, a carefully considered peer group to assure the Company's compensation practices are measured and appropriately competitive, multi-year vesting schedules for equity awards, and significant long-term incentives that promote longer-term goals and reward sustainable stock, financial and operating performance, especially when combined with the Company's executive stock ownership guidelines. Additionally, the Company's executive compensation Clawback Policy allows the Company to recover bonus payments and certain equity awards under certain circumstances, and compliance and ethical behaviors of the Company's executive officers are factors considered in all performance and bonus assessments. Based on its assessment, the Compensation Committee believes that the Company's compensation programs do not motivate risk-taking that could reasonably be expected to have a materially adverse effect on the Company. These principles are reviewed annually as a part of the Company's overall enterprise risk assessment.

Tax Considerations

Section 162(m) of the IRC limits the Company's ability to deduct certain compensation in excess of \$1 million paid to the Company's Chief Executive Officer and to certain of the Company's other named executive officers. Prior to the Tax Cuts and Jobs Act ("TCJA") that was signed into law on December 22, 2017, this limitation did not apply to compensation that constituted under applicable regulations "qualified performance-based compensation."

The TCJA repealed the "qualified performance-based compensation" exception, effective for taxable years beginning after December 31, 2017. The TCJA provided transition relief to preserve this exception for certain contractual arrangements in place as of November 2, 2017. As such, awards made beginning in our 2018 fiscal year have been fully subject to the deduction limits of Section 162(m).

In designing our executive compensation program and determining the compensation of our executive officers, including our named executive officers, the Compensation Committee considers a variety of factors, including the potential impact of the Section 162(m) deduction limit. While the Compensation Committee considers the tax treatment of compensation paid to our executive officers, the Compensation Committee also believes stockholder interests are best served if we retain discDeho e

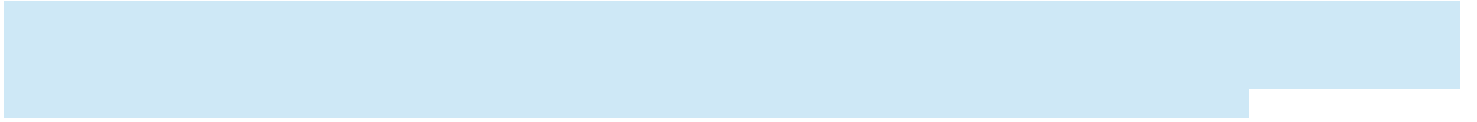


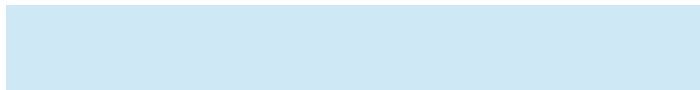
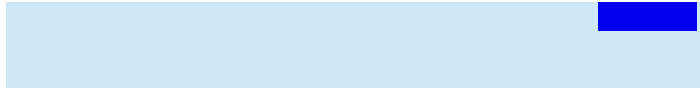
value of these restricted shares on the respective grant dates were as follows: March 1, 2020 (\$4.93) per share; March 1, 2019 (\$4.99) per share; and March 1, 2018 (\$4.58) per share. The grant date fair value of performance-based restricted shares included in the table above was computed in accordance with ASC 718 and assumes performance conditions are achieved at the target (100%) performance level. Assuming the highest level of performance conditions are achieved with respect to the 2020 performance-based restricted stock awards (which would result in vesting at a 200% performance level), the stock award values for 2020 would be as follows: Mr. Smith, \$2,773,125; Mr. Hingtgen, \$1,848,750; Mr. Hammons, \$1,170,875; Mr. Fordham \$647,063 and Dr. Simon \$647,063. The mon

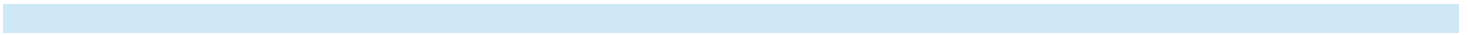
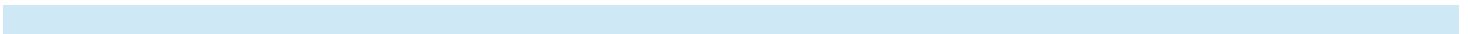
Grants of Plan-Based Awards

The following table sets forth information regarding restricted stock awards granted under the 2009 Plan, including the grant date fair value of these awards, and the range of potential cash incentive payments under the 2020 Employee Performance Incentive Plan for the named executive officers for the year ended December 31, 2020. There can be no assurance that the grant date fair value of restricted stock awards will ever be realized.

Name	Grant Date	†	
[Redacted]			
[Redacted]			
[Redacted]			







Pension Benefits

The table below shows the present value of accumulated benefits payable to each of the named executive officers as of December 31, 2020, including the number of years of service credited to each such named executive officer. Under the Company's SERPs, the present value is determined by using discount rate and mortality rate assumptions consistent with those described in Note 10 of the footnotes of the Company's audited consolidated financial statements for the year ended December 31, 2020, included in the Company's Annual Report on Form 10-K filed with the SEC on February 18, 2021.

These plans are non-contributory non-qualified defined benefit plans that provide for the payment of benefits from the general funds of the Company. The plans generally provide that, when a participant retires after his or her normal retirement age (age 65), he or she will be entitled to receive a single lump-sum payment based on the actuarially-determined monthly income payment based on a monthly calculation of (i) the participant's Annual Retirement Benefit, reduced by (ii) the participant's monthly amount of Social Security old age and survivor disability insurance benefits payable to the participant commencing at his or her unreduced Social Security retirement age. For this purpose, the "Annual Retirement Benefit" means an amount equal to the sum of the participant's compensation for the highest three years out of the last ten full years of service preceding the participant's termination of ~~IAS~~ ~~AS~~

Non-Qualified Deferred Compensation

The following table shows the contributions, earnings and account balances for the named executive officers in the Deferred Compensation Plan. Participation in this plan is limited to a selected group of management or highly compensated employees of the Company. The participants may select their investment funds in the plan in which their accounts are deemed to be invested. Since 2009, the Company has not contributed to this plan. Company contributions made prior to that time are now fully vested.

Distributions from the plan are in a lump sum payment as soon as administratively feasible, but no earlier than 10 days and no later than 60 days following the date on which the participant is entitled to receive the distribution. The participant also has to

Potential Payments upon Termination or Change in Control

The table below sets forth potential payments and/or benefits that would be provided to our current named executive officers upon termination of employment or a change in control under our existing plans, agreements and policies. These amounts are the incremental or enhanced amounts that a named executive officer would receive that are in excess of those benefits that the Company would generally provide to other employees under the same circumstances. These amounts are estimates only and are based on the assumption that the terminating event or a change in control, as applicable, occurred on December 31, 2020. The closing price of the Company's Common Stock was \$7.43 on that date.

Named Executive Officer	Cash Severance (\$)	Equity Incentive Plan Awards			Retirement Benefit - SERP (\$)	Health and Welfare Benefits (\$)	Outplacement Counseling and Related Benefits (\$)	Excise Tax Gross Up (\$)	Total (\$)
		Acceleration of Options (\$)	Acceleration of Rests ⁵ⁿ						
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

-
4. Change in Control of the Company, as defined in the CIC Agreements previously described in the “Change in Control Severance Arrangements” section of the Compensation Discussion and Analysis.

Severance Benefits

disabi

been entitled to receive as of December 31, 2020 for a term of 36 months. Also, in the event of a change in control, the Company provides reimbursement of up to \$25,000 for outplacement counseling and related benefits to each of the named executive officers.

As described in additional F A, C



PROPOSAL 3 — APPROVAL OF THE AMENDMENT AND RESTATEMENT OF THE COMMUNITY HEALTH SYSTEMS, INC. 2009 STOCK OPTION AND AWARD PLAN (AS PREVIOUSLY AMENDED AND RESTATED), WHICH WAS APPROVED BY THE BOARD ON MARCH 17, 2021 (SUBJECT TO STOCKHOLDER APPROVAL)

General

The Board of Directors proposes that the stockholders approve the amendment and restatement of our 2009 Stock Option and Award Plan as previously amended and restated (the “2009 Plan”) which was approved by the Board on March 17, 2021, subject to stockholder approval at this meeting. Our Board is seeking stockholder approval of the amendment and restatement of the 2009 Plan in accordance with the rules of the New York Stock Exchange.

This proposed amendment and restatement of the 2009 Plan (the “Amended and Restated 2009 Plan” or the “Plan”) would increase the number of shares available for options and awards by 8,000,000. Prior to giving effect to this amendment and restatement, 4,361,053 shares of our Common Stock were available for issuance as of March 1, 2021 under the 2009 Plan. Accordingly, if this proposal is approved by our stockholders, there would be 12,361,053 shares of our Common Stock available for issuance under the Amended and Restated 2009 Plan, less any shares subject to awards granted since March 1, 2021. The Amended and Restated 2009 Plan (like the 2009 Plan) provides that in the event any awards are made in the form of “full-value awards” (including restricted stock, restricted stock units, performance-based shares or units, and other share awards), such awards will reduce the number of shares available under the Amended and Restated 2009 Plan by 1.52 shares for each share awarded. For a summary of significant terms of the Amended and Restated 2009 Plan, see below under “Summary of Amended and Restated 2009 Plan.” Our Board of Directors initially adopted the 2009 Plan in March 2009, and our stockholders approved the 2009 Plan in May 2009, at the Annual Meeting of Stockholders. Our Board of Directors subsequently adopted an amended and restated 2009 Plan in each of March 2011, 2013, 2014, 2016, 2018 and 2020. In each case, the stockholders approved the amended and restated 2009 Plan at the next Annual Meeting of Stockholders the following May. The 2009 Plan provides for the grant of incentive stock options intended to qualify under Section 422 of the IRC and for the grant of stock options which do not so qualify, stock appreciation rights, restricted stock, restricted stock units, performance-based shares or units, and other share awards.

~~The Board of Directors believes that the Amended and Restated 2009 Plan is necessary to continue to enable the Company to attract, motivate and retain officers, employees, directors and consultants with appropriate experience and to increase the grantees’ alignment of interest with the stockholders. Based on the Company’s recent grant practices, the requested increase in the number of shares available for options and awards under the Amended and Restated 2009 Plan is expected to provide the Company with enough shares available equity grants to its officers, employees, directors and consultants through March 2023.~~

We previously had anticipated that the additional shares available under the 2009 Plan approved by stockholders at last year’s Annual Meeting of Stockholders would be sufficient for us to make equity grants through March 2022. However, since the time of last year’s Annual Meeting, the performance-based restricted stock awards granted in March 2018 with a performance period from January 1, 2018 to December 31, 2020, have vested at the maximum level of 200%. We did not anticipate poc

gHhNDhGKdFhOwPzSfVxYwEzGfDhVhDzA0BbDhFhSfDhMhWzNzEzGhEzGhDzS0KzLzDzQzS0DzDzEzVzKzG

The chart below sets forth certain information related to our overhang, and our outstanding equity awards and common stock, as of March 1, 2021.

	As of March 1, 2021
Stock Options Outstanding	2,406,920
Weighted Average Exercise Price of Stock Options Outstanding	\$6.73
Weighted Average Remaining Term of Stock Options Outstanding	8.7 years
Time-Based Restricted Stock/Units Unvested & Outstanding	3,002,232
Performance-Based Restricted Stock Unvested & Outstanding (1)	2,658,000
Shares Available Under 2009 Plan (2)	4,361,053
Additional Shares Under Amended and Restated 2009 Plan (2)	8,000,000
Closing Price per Shares of Common Stock (NYSE)	\$8.81
Number of Shares of Common Stock Outstanding	132,191,730
Overhang (<i>Without</i> Giving Effect to Additional 8,000,000 Shares)	7.1%
Overhang (<i>After</i> Giving Effect to Additional 8,000,000 Shares)	12%

- (1) Such performance-based restricted stock is reflected in the chart above at the target (100%) performance level. The performance-based restricted stock vests at a maximum 200% performance level.
- (2) A fungible share ratio of 1.52 applies to full-value awards made under the 2009 Plan (and would apply to full-value awards made under the Amended and Restated 2009 Plan).

In determining to adopt the Amended and Restated 2009 Plan and to recommend the Amended and Restated 2009 Plan to our stockholders, the Board considered various factors, including the number and type of awards that have been made by us under the 2009 Plan, our anticipated burn rate, our potential overhang if the Amended and Restated 2009 Plan is approved by our stockholders, the climate and cost of equity, the expense associated with our equity award practices, and the influence and guidelines of certain proxy advisory firms.

Surs.

-
- No re-pricing of “underwater” stock options and stock appreciation rights without stockholder approval;
 - Other than in connection with any change in the Company’s capitalization, neither the exercise price of an option nor the grant price of a stock appreciation right may be less than the fair market value of our stock on the grant date;
 - No dividends will be paid with respect to restricted stock awards or other equity awards that do not vest, and no dividend equivalents rights will be granted or paid on unexercised stock options, unexercised stock appreciation rights, or with respect to restricted stock unit (or similar) awards that do not vest or settle;
 - No portion of any award granted will vest prior to one years

Eligible Individuals

Generally, officers, employees, directors and consultants of the Company or any of our subsidiaries are eligible to participate in the plan, subject to the discretion of the Compensation

Types of Awards Available

Stock Options

The Compensation Committee may grant both non-qualified stock options and incentive stock options within the meaning of Section 422 of the IRC, the terms and conditions of which will be set forth in an option agreement; provided, however, that incentive stock options may only be granted to eligible individuals who are employees of the Company or its subsidiaries. The Compensation Committee has complete discretion to

Notwithstanding the foregoing, the Compensation Committee may limit the amount payable with respect to a grantee's stock appreciation right by including such limit in the agreement evidencing the grant of the stock appreciation right at the time of grant. The Compensation Committee has the discretion to dictate the disposition of any stock appreciation right (to be set forth in the agreement).

Restricted Stock and Restricted Stock Units

Restricted stock and restricted stock units may be awarded under the plan, which will be evidenced by a restricted stock or restricted stock certificate. The award of restricted stock or restricted stock units is subject to such restrictions, terms and conditions as the Compensation Committee may, in its discretion, determine.

Shares of restricted stock will be issued in the grantee's name (or in book entry form) as soon as reasonably practicable after the award is made, provided that, to the extent required by the award agreement and/or the Compensation Committee, the grantee has executed the restricted stock agreement (including via electronic signature) and followed such other procedures and/or executed such other documentation as may be required by the award agreement and/or the Compensation Committee.

attained. Each agreement evidencing a grant of a performance unit will specify the number of performance units to which it relates, the performance goals which must be satisfied in order for performance units to vest and the performance cycle within which such performance goals must be satisfied. At the time of grant, the Compensation Committee may provide for dividend equivalent rights with respect to an award of performance units, provided that no dividend equivalent rights may be paid except to the extent the underlying performance unit is paid or settled.

The Compensation Committee must establish the performance goals to be attained in respect of the performance units, the various percentages of performance unit value to be paid out upon the attainment, in whole or in part, of the performance goals and such other performance unit terms, conditions and restrictions as the Compensation Committee deems appropriate. Payment in respect of vested performance units will generally be made as soon as practicable after the last day of the performance cycle to which the award relates.

Payments may be made entirely in shares of our Common Stock valued at fair market value, entirely in cash or

Other Share-Based Awards

The Compensation Committee may also grant any other share-based award on such terms and conditions as the Compensation Committee may determine in its sole discretion. The Compensation Committee may award shares to grantees as additional compensation for service to the Company or any of its subsidiaries or in lieu of cash or other compensation.

agreement provides otherwise): (a) if the successor entity assumes, continues, or replaces the awards (upon equivalent or more favorable terms, as described in the plan), then the awards will not accelerate and will continue; and (b) if the awards are not assumed, continued, or replaced, then they will immediately, upon the consummation of the change in control, accelerate and the excess value thereof will be paid in any combination of cash and/or property as determined by the Board of Directors in its sole discretion, with performance awards vesting and becoming payable at target performance levels. In the event a grantee's employment, or other service providing capacity, is terminated by the Company or any of its subsidiaries or successors (except for cause) or by the grantee for good reason, within two years of the consummation of the change in control, then any unvested awards continued in accordance to clause (a) above shall immediately accelerate and be paid in accordance with clause (b) applied at the time of the applicable termination. If awards were not continued in accordance with clause (a) above, the Board of Directors may, in its sole discretion, provide for cancellation of such outstanding awards at the time of the change in control in which case a payment of cash, property or a combination thereof would be made to each such grantee upon the consummation of the change in control that is determined by the Board of Directors in its sole discretion and that is at least equal to the excess (if any) of the value of the consideration that would be received in such change in control by the holders of the Company's securities over the exercise or purchase price (if any) for such awards (except that, in the case of an option or stock appreciation right, such payment shall be limited as necessary to prevent the option or stock appreciation right from being subject to tax under Code Section 409A).

Subject to certain qualifications and exceptions set forth in the plan, the excess value of the consideration received in such change of control shall be paid to the holders of the Company's securities in cash or property.



option will be ordinary income and will be subject to income and employment tax withholding at the time the Common Stock is acquired. Subject to certain limitations, the Company generally is entitled to a deduction in an amount equal to the compensation income recognized by the grantee.

Sale of Common Stock Acquired Upon Exercise of a Stock Option

The sale or other taxable disposition of Common Stock acquired upon the exercise of a stock option will be a taxable event to the grantee. In general, the grantee selling such Common Stock will recognize gain or loss equal to the difference between the amount realized by such grantee upon such sale or disposition and the grantee's adjusted tax basis in such Common Stock. A participant's adjusted tax basis in Common Stock purchased upon exercise of a stock option will generally be the exercise price paid for such shares plus the amount, if any, of ordinary income recognized on the exercise. If a grantee sells shares of Common Stock acquired upon exercise of an incentive stock option before the end of two years from the date of grant and one year from the date of exercise, a portion of the grantee's gain will be characterized as ordinary income in an amount equal to the difference between (i) the fair market value of the Common Stock at the date of exercise of the incentive stock option (or, if less, the amount realized upon the disposition of such Common Stock), and (ii) the exercise price, and the Company will generally be entitled to a deduction of the same amount.

Except as described above for Common Stock acquired by exercise of an incentive stock option for which the required holding periods have not been met, any gain or loss resulting from a sale or disposition of Common Stock obtained by the grantee, either purchased or through the exercise of an option, generally will be taxed as capital gain or loss if such Common Stock was a capital asset in the hands of the grantee. This gain or loss will be treated as long-term capital gain or loss if at the time of any such sale or disposition the grantee has held such Common Stock for more than one year. The time that such grantee holds a stock option (rather than the Common Stock attributable to such stock option) is not taken into account for purposes of determining whether the grantee has held such Common Stock for more than one year. In addition, there are limits on the deductibility of capital losses by the grantee.

Stock Appreciation Rights

The grant of a stock appreciation right with a grant price at least equal to the fair market value of the Common Stock on the date of grant is generally not a taxable event to the grantee or the Company. The exercise of a stock appreciation right will result in the grantee recognizing ordinary income on the value of the stock appreciation right at the time of exercise. The Company generally will be allowed a deduction for the amount of ordinary income recognized by the grantee upon exercise of such stock appreciation right. If the stock appreciation right is settled in shares of the Company's Common Stock, the grantee will recognize gain or loss on the subsequent sale of any Common Stock acquired through the exercise of a stock appreciation right award. For this purpose, the grantee's basis in the Common Stock is its fair market value at the time the stock appreciation right is exercised. The gain or loss will be treated as long-term capital gain or loss if at the time of any such sale or disposition the grantee had held such Common Stock as a capital asset for more than one year.

Other Stock-Based Awards

A grantee who is granted any stock-based award that is not subject to any vesting or forfeiture restrictions, will generally recognize, in the year of grant (or, if later, payment in case of stock units and similar awards), ordinary income equal to the value of the award.

lapse, unless the grantee makes a Section 83(b) Election (as discussed below). If such other stock-based award is in the form a restricted stock unit or similar award that does not provide for the delivery of shares or cash until a vesting condition has been satisfied or some later date, the grantee will be treated as if the award is not subject to Section 83(b) and the shares or cash will not be treated as having been made available to the grantee. The Company is entitled to a deduction for the amount of ordinary income that the grantee would

Section 162(m)

For a discussion of the tax consequences applicable to us in connection with executive compensation pursuant to Section 162(m) of the IRC, see “Compensation Discussion and Analysis – Tax Considerations” above.

New Plan Benefits

The terms and number of awards to be granted in the future under the Amended and Restated 2009 Stock Option and Award Plan are to be determined at the discretion of the Compensation Committee. Since no such determinations regarding future awards have been made, the benefits that will be awarded under the Amended and Restated 2009 Stock Option and Award Plan are not currently determinable.

Equity Compensation Plan Information

The following table includes information with respect to our equity compensation plans (and any individual compensation arrangements under which our equity securities are authorized for issuance to employees or non-employees) as of December 31, 2020 (which does not take into account the annual equity grants we made in March 2021).

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) (1)	Weighted average exercise price of outstanding options warrants and rights (b)	Number of Securities available for future issuance under equity compensations plans (excluding securities reflected in column (a)) (c) (2)
Equity Compensation plans approved by security holders	1,817,525	\$ 8.77	8,671,477
Equity Compensation plans not approved by security holders	-	-	-
Total	1,817,525	\$ 8.77	8,671,477

(1) Represents shares of our Common Stock that are subject to stock options granted under the 2000 Plan and the 2009 Plan as of December 31, 2020.

(2) Represents shares of our Common Stock that are subject to non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, performance units, performance-based shares and other share awards under the 2009 Plan. Awards granted in the form of restricted stock (including restricted stock units), performance awards (including shares issued in respect to performance awards) and other awards that are granted in the 2009 Plan as “full-value awards” reduce the number of shares available for grant under the 2009 Plan by 1.52 shares and NYW an award i t

restatement of our 2009 Stock Option and Award Plan (as previously amended and restated), which was approved by the Board on
March 17, 2021, subject to the following:

PROPOSAL 4 — RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors proposes that the stockholders ratify the appointment of the

Require

MISCELLANEOUS

As of the date of this Proxy Statement, the Board has not received notice of, and does not intend to propose, any other matters for stockholder action. However, if any other matters are properly brought before the Meeting, it is intended that the persons voting the accompanying proxy will vote the shares represented by the proxy in accordance with their best judgment.

By Order of the Board of Directors,

Christopher G. Cobb
Vice President-Legal and Corporate Secretary

Franklin, Tennessee
April 1, 2021

Non-GAAP Financial Measures

This Proxy Statement contains non-GAAP financial measures that have jG

Company believes such adjustments are appropriate as the magnitude and frequency of such items can vary significantly and are not related to the assessment of normal operating performance. Additionally, this calculation of Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

The following table reflects the reconciliation of Adjusted EBITDA, as defined, to net income (loss) attributable to Community Health Systems, Inc. stockholders as derived directly from the Company's consolidated financial statements for the years ended December 31, 2020, 2019, and 2018 (in millions):

	2020	2019	2018
Net income (loss) attributable to Community Health Systems, Inc. stockholders	\$ 511	\$ (675)	\$ (788)
Adjustments:			
(Benefit from) provision for income taxes	(185)	160	(11)
Depreciation and amortization	558	608	700
Net income attributable to noncontrolling interests	96	85	84
Interest expense, net	1,031	1,041	976
(Gain) loss from early extinguishment of debt	(317)	54	(31)
Impairment and (gain) loss on sale of businesses, net	48	138	668
(Income) expense from government and other legal settlements and related costs	-	93	11
Expense from the settlement of professional liability claims for which the third-party insurers' obligation to insure the Company for the underlying loss is being litigated	50	†	-
Expense from settlement and fairvalue adjustments and legal expenses related to cases covered by the CVR	2	11	13
Expense related to employee termination benefits and other restructuring charges	15	2	20
Change in valuation allowances recorded for promissory notes	-	21	-
Change in estimate for professional Inse from t	-	-	-
	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>

In addition, net income (loss) attributable to Community Health Systems, Inc. common stockholders per share (diluted), excluding adjustments, is not a measurement of financial performance under U.S. GAAP. It should not be considered in isolation or as a substitute for net income (loss) attributable to Community Health Systems, Inc. common stockholders per share, or any other measure calculated in accordance with

=====

Community Health Systems, Inc.

2009 STOCK OPTION AND AWARD PLAN

(As Adopted March 24, 2009 and Amended and Restated March 18, 2011, March 20, 2013, March 19, 2014, March 16, 2016, March 14, 2018, March 20, 2020 and March 17, 2021)

1. Purpose.

The purpose of this Plan is to strengthen Community Health Systems, Inc., a Delaware corporation (the "Company"), and its subsidiaries by providing a retention tool and an incentive to its and their employees, officers, consultants and directors, and thereby encourage them to devote their abilities and industry to the success of the Company's business.

personal profit or (iv) willful violation of any law, rule or regulation in connection with the performance of duties (other than traffic violations or similar offenses); provided, however, that following a Change in Control clause (i) of this Section 2.6(b) shall not constitute "Cause."

2.7 "Change in Capitalization" means any increase in



and the Company or Subsidiary, which employment agreement includes a definition of "Disability", the term "Disability" as used in this Plan or any Agreement shall have the meaning set forth in such employment agreement during the period that such employment agreement remains in effect;

- (b) in the case of an Optionee or Grantee to whom Section 2

removal of the Optionee or Grantee from or failure to reappoint or reelect the Optionee or Grantee to any of such offices or positions, except in connection with the termination of the Optionee's or Grantee's employment for Disability, Cause, as a result of the Optionee's or Grantee's death or by the Optionee or Grantee other than for Good Reason;

(ii) a reduction in the Optionee's or Grantee's annual base salary below the amount as in effect immediately prior to the Change in Control;

(iii) the relocation of the offices of the Optionee's or Grantee's place of employment to a location more than twenty-five (25) miles from the location of such employment immediately prior to such Change in Control, or requiring the Grantee to be based anywhere other than such offices, except to the extent the Grantee was not previously assigned to a principal location and except for required travel on business to the extent substantially consistent with the Optionee's or Grantee's business travel obligations at the time of the Change in Control;

(iv) the failure to pay to the Optionee or Grantee any portion of the Optionee's or Grantee's current compensation or to pay to the Optionee or Grantee any portion of an installment of deferred compensation under any deferred compensation program of the Company or any of its Subsidiaries in which the Optionee or Grantee participated, within seven (7) days of the date such compensation is due;

(v) the failure to (A) continue in effect (without reduction in benefit level, and/or reward opportunities) any material compensation or employee benefit plan in which the Optionee or Grantee was participating immediately prior to the Change in Control, unless a substitute or replacement plan has been implemented which provides substantially identical compensation or benefits to the Optionee or Grantee or (B) provide the Optionee or Grantee with compensation and benefits, in the aggregate, at least equal (in terms of benefit levels and/or reward opportunities) to those provided for under each other compensation or employee benefit plan, program and practice in which the Optionee or Grantee was participating immediately prior to the Change in Control; or

(vi) the failure of the Company to obtain from its successors or assigns the express assumption and agreements to the extent required under Section 13 hereof.

(b) Any event or condition described in Section 2.20(a)(i), (ii), (iii), (iv), or (vi) which occurs at any time prior to the date of a Change in Control and (1) which occurred after the Company entered into a definitive agreement, the consummation of which would constitute a Change in Control or (2) which the Optionee or Grantee reasonably demonstrates was at the request of a third party who has indicated an intention or has taken steps reasonably calculated to effect a Change in Control, shall constitute Good Reason for purposes of this Agreement, notwithstanding that it occurred prior to a Change in Control.

2.21 "Grantee" means a person to whom an Award has been granted under the Plan.

2.22 "Grant Price" means the price established at the time of a grant of a Stock Appreciation Right used to determine whether there is any payment due upon exercise of the Stock Appreciation Right.

2.23 "Incentive Stock Option" means an Option satisfying the requirements of Section 422 of the Code and designated by the Committee as an Incentive Stock Option.

2.24 "Non-Employee Director" means a Director who is not an employee of the Company.

2.25 "Non-qualified Stock Option" means an Option which is not an Incentive Stock Option.

2.26 "Option" means a Non-qualified Stock Option, an Incentive Stock Option or either or both of them.

2.27 "Optionee" means a person to whom an Option has been granted under the Plan.

2.28 "Parent" means any corporation which is a parent corporation within the meaning of Section 424(e) of the Code with respect to the Company.

2.29 "Performance Awards" means Performance Units, Performance Shares or either or both of them.

2.30 "Performance Cycle" means the time period specified by the Committee at the time Performance Awards are granted during which the performance of the Company, a Subsidiary or a Div~~ision~~ is dry

3. Administration.

3.1 Committee. The Plan shall be administered by the Committee, which shall hold meetings at such times as may be necessary for the proper administration of the Plan. The Committee shall keep minutes of its meetings. If the Committee consists of more than one (1) member, a quorum shall consist of not fewer than two (2) members of the Committee and a majority of a quorum may authorize any action. Any decision or determination reduced to writing and signed by a majority of all of the members of the Committee shall be as fully effective as if made by a majority vote at a meeting duly called and held. The Committee shall consist of at least one (1) Director and may consist of the entire Board; provided, however, that with respect to any Option or Award granted to an Eligible Individual who is subject to Section 16 of the Exchange Act, the Committee shall consist of at least two (2) Directors each of whom shall be a "non-employee director" within the meaning of Rule 16b-3 promulgated under the Exchange Act. For purposes of the preceding sentence, if any member of the Committee fails to qualify as a non-employee director (within the meaning of the preceding sentence), but recuses himself or herself or abstains from voting with respect to a particular action taken by the Committee, then the Committee, with respect to that action, shall be deemed to consist only of the members of the Committee who have not recused themselves or abstained from voting. Subject to applicable law, the Committee may delegate its authority under the Plan to any other person or persons.

3.2 No Liability. No member of the Committee shall be liable for any action, failure to act, determination or interpretation made in good faith with respect to this Plan or any transaction hereunder. The Company hereby agrees to indemnify each member of the Committee for all costs and expenses and, to the extent permitted by applicable law, any liability incurred in connection with defending against, responding to, negotiating for the settlement of or otherwise dealing with any claim, cause of action or dispute of any kind arising in connection with any actions in administering this Plan or in authorizing or denying authorization to any transaction hereunder.

3.3 Committee Powers. Subject to the express terms and conditions set forth herein, the Committee shall have the power from time to time to:

(a) determine those Eligible Individuals to whom Options shall be granted under the Plan and the number of such Options to be granted, prescribe the terms and conditions (which need not be identical) of each such Option, including the exercise price per Share, the vesting schedule and the duration of each Option, and make any amendment or modification to any Option Agreement consistent with the terms of the Plan;

(b) determine those Eligible Individuals to whom Awards shall be granted under the Plan, determine the number of Shares in respect of which each Award is granted, the terms and conditions (which need not be identical) of each such Award, and make any amendment or modification to any Award Agreement consistent with the terms of the Plan;

(c) construe and interpret the Plan and the Options and Awards granted hereunder, establish, amend and revoke rules and regulations for the administration of the Plan, including, but not limited to, correcting any defect or supplying any omission, or reconciling any inconsistency in the Plan.



4.4 Fungible Plan Design. Upon the granting of an Option or an Award, the number of Shares available under Section 4.1 for the granting of further Options and Awards shall be reduced as follows:

as follows:

conditions of the grant to such Eligible Individuals shall be set forth in an Agreement. Incentive Stock Options may be granted only to Eligible Individuals who are employees of the Company or any Subsidiary.

5.2 Exercise Price. The purchase price or the manner in which the exercise price is to be determined for Shares under each Option shall be determined by the Committee and set forth in the Agreement; *provided, however*, that the exercise price per Share under each Option shall not be less than 100% of the Fair Market Value of a Share on the date the Option is granted (110% in the case of an Incentive Stock Option granted to a Ten-Percent Stockholder).

~~5.3~~ Maximum Duration. Options granted hereunder shall be for such term as the Committee shall determine, provided that an Incentive Stock Option shall not be exercisable after the expiration of ten (10) years from the date it is granted (five (5) years in the case of an Incentive Stock Option granted to a Ten-Percent Stockholder) and a Non-qualified Stock Option shall not be exercisable after the expiration of ten (10) years from the date it is granted; provided, however, that unless the Committee provides otherwise, an Option (other than an Incentive Stock Option) may, upon the death of the Optionee prior to the expiration of the Option, be exercised for up to one (1) year following the date of the Optionee's death even if such period extends ~~to~~

would be treated as a repricing under the rules and regulations of the principal securities exchange on which the Shares are traded, in each case without the approval of the Company's stockholders.

7. ~~STOCK APPRECIATION RIGHTS~~

~~DEPT HXDCUC~~

The Committee may in its discretion, either alone or in connection with the grant of an Option, grant Stock Appreciation Rights in accordance with the Plan, the terms and conditions of which shall be set forth in an Agreement. If granted in connection with an Option, a Stock Appreciation Right shall cover the same Shares covered by the Option (or such lesser number of Shares as the Committee may determine) and shall, except as provided in this Section 7, be subject to the same terms and conditions as the related Option.

7.1 Time of Grant. A Stock Appreciation Right may be granted (a) at any time if unrelated to an Option, or (b) if related to an Option, either at the time of grant or at any time thereafter during the term of the Option.

7.2 Stock Appreciation Right Related to an Option.

(a) Exercise. A Stock Appreciation Right granted in connection with an Option shall be exercisable at such time or times and only to the extent that the related Option is exercisable, and will not be transferable except to the extent the related Option may be transferable.

any manner the amount payable with respect to any Stock Appreciation Right by including such a limit in the Agreement evidencing the Stock Appreciation Right at the time it is granted.

7.4 Non-Transferability. No Stock Appreciation Right shall be transferable by the Grantee otherwise than by will or by the laws of descent and distribution or pursuant to a domestic relations order (within the meaning of Rule 16a-12 promulgated under the Exchange Act), and such Stock Appreciation Right shall be exercisable during the lifetime of such Grantee only by the Grantee or his or her guardian or legal representative. The terms of such Stock Appreciation Right shall be final, binding and conclusive upon the beneficiaries, executors, administrators, heirs and successors of the Grantee.

7.5 Method of Exercise. Stock Appreciation Rights shall be exercised by a Grantee only by a written notice delivered in person or by mail, or by such other means acceptable to the Committee and communicated to the Grantee, to the Secretary of the Company at the Company's principal executive office, specifying the number of Shares with respect to which the Stock Appreciation Right is being exercised. If requested by the Committee, the Grantee shall deliver the Agreement evidencing the Stock Appreciation Right being exercised and the Agreement evidencing any related Option to the Secretary of the Company who shall endorse thereon a notation of such exercise and return such Agreement to the Grantee.

7.6 Form of Payment. Payment of the amount determined under Sections 7.2(b) or 7.3 may be made in the discretion of the Committee solely in whole Shares in a number determined at their Fair Market Value on the date of exercise of the Stock Appreciation Right, or solely in cash, or in a combination of cash and Shares. If the Committee decides to make full payment in Shares and the amount payable results in a fractional Share, payment for the fractional Share will be made in cash. viipe to

7.7 Effect of Change in Control. Section 13(b) shall control the treatment of any Stock Appreciation Rights outstanding at the time of a Change in Control.

8. Restricted Stock and Restricted Stock Units.

8.1 Restricted Stock. The Committee may grant Awards to Eligible Individuals of Restricted Stock, which shall be evidenced by an Agreement between the Company and the Grantee.

execution. If a Grantee shall fail to so execute the Agreement evidencing a Restricted Stock Award and/or shall fail to follow any such procedures or execute any such other documentation, the Award shall be null and void to the extent provided by the Agreement and/or the Committee. Unless the Committee determines otherwise and as set forth in the Agreement, subject to Section 8.1(d) below, the Grantee shall have all of the rights of a stockholder with respect to such Shares, including the right to vote the Shares and to receive all dividends or other distributions paid or made with respect to the Sharese

granted, the vesting date or such other date as determined by the Committee at the time the Restricted Stock Unit was granted. The Committee may, at the time a Restricted Stock Unit is granted, provide a limitation on the amount payable in respect of each Restricted Stock Unit and may provide for Dividend Equivalent Rights with respect to such Award; provided, that no Dividend Equivalent Rights shall be paid except to the extent the underlying Restricted Stock Unit is paid or settled. The Committee may provide for the settlement of Restricted Stock Units in cash or with Shares having a Fair Market Value equal to the payment to which the Grantee has become entitled.

(b) Effect of Change in Control. Section 13(b) shall control

and/or by the Committee, no Performance Shares shall be issued until the Grantee has executed an Agreement evidencing the Award and followed such other procedures as may be required by the Agreement and/or the Committee, and in each case, including by electronic execution. If a Grantee shall fail to so execute the Agreement evidencing an Award of Performance Shares and/or shall fail to follow any such procedures and/or execute such other documentation, the Award shall be null and void to the extent provided by the Agreement and/or the Committee. The Committee may, in its discretion, provide that Performance Shares shall be evidenced by the book entry procedures set forth in Section 8.1. Except as restricted by the terms of the Agreement, subject to Section 9.2(d) below, the Grantee shall have, in the discretion of the Committee, all of the rights of a stockholder with respect to such Shares, including the right to vote the Shares and to receive all dividends or other distributions paid or made with respect to the Shares.

(b) Non-Transferability. Until any restrictions upon the Performance Shares awarded to a Grantee shall have lapsed in the manner set forth in Section 9.2(c) or 9.4, such Performance Shares shall not be sold, transferred or otherwise disposed of and shall not be pledged or otherwise hypothecated, nor shall they be delivered to the Grantee. The Committee may also impose such other restrictions and conditions on the Performance Shares, if any, as it deems appropriate.

(c) Lapse of Restrictions. Subject to Section 9.4, restrictions upon Performance Shares awarded hereunder shall lapse and such Performance Shares shall become vested at such time or times and on such terms, conditions and satisfaction of Performance Objectives as the Committee may, in its discretion, determine at the time an Award is granted.

(d) Treatment of Dividends. The payment to the Grantee of dividends, or a specified portion thereof, declared or paid on Shares represented by an Award of Performance Shares which have been issued by the Company to the Grantee shall be (i) deferred until the lapsing of the restrictions imposed upon such Performance Shares and (ii) held by the Company or its agent for the account of the Grantee until such time. The Committee shall determine whether such dividends are to be reinvested in shares of Stock (which shall be held as additional Performance Shares) or held in cash. If deferred dividends are to be held in cash, there may be credited at the end of each year (or portion thereof) interest on the amount of the account at the beginning of the year at a rate per annum as the Committee, in its discretion, may determine. Payment of deferred dividends in respect of Performance Shares (whether held in cash or in additional Performance Shares), together with interest accrued thereon, if any, shall be made upon the lapsing of restrictions imposed on the Performance Shares in respect of which the deferred dividends were paid, and any dividends deferred (together with any interest accrued thereon) in respect of any Performance Shares shall be forfeited upon the forfeiture of such Performance Shares.

(e) Delivery of Shares. Upon the lapse of the restrictions on Performance Shares awarded hereunder, the Committee shall cause a stock certificate to be delivered to the Grantee with respect to such Shares, free of all restrictions hereunder, or in the case of book entry Shares, such restrictions and leg

taxes, (xxv) return on capital, (xxvi) return on invested capital, (xxvii) revenue growth, (xxviii) annual recurring revenues, (xxix) recurring revenues, (xxx) total shareholder return, (xxxi) economic value added, (xxxii) specified objectives with regard to limiting the level of increase in all or a portion of the Company's bank debt or other long-term or short-term public or private debt or other similar financial obligations of the Company, which may be calculated net of cash balances and/or other offsets and adjustments as may be established by the Committee in its sole discretion, (xxxiii) reduction in operating expenses, (xxxiv) same-store financial metrics in relation to any of the foregoing, (xxxv) any combination of the foregoing, or (xxxvi) any other quantitative financial metric of the Company's business.

manner as not to constitute a modification as defined by Section 424(h)(3) of the Code and only to the extent permitted by Sections 422 and 424 of the Code. In addition, (a) no adjustment to any Option or Award that is not subject to Section 409A of the Code shall be made in a manner that would subject the Option or Award to Section 409A of the Code and (b) any adjustment to an Option or Award that is subject to Section 409A of the Code shall be made only in a manner and to the extent permitted by Section 409A of the Code.

(c) If, by reason of a Change in Capitalization, a Grantee of an Award shall be entitled to, or an Optionee shall be entitled to exercise an Option with respect to, new, additional or different shares of stock or securities of the Company or any other corporation, such new, additional or different shares shall thereupon be subject to all of the conditions, restrictions and performance criteria which were applicable to the Shares subject to the Award or Option, as the case may be, prior to such Change in Capitalization.

13. Effect of Certain Transactions; Effect of Change in Control.

(a) Effect of Certain Transactions. Subject to Section 409A, or as otherwise provided in an Agreement, in the event of (a) the liquidation or dissolution of the Company or (b) a merger or consolidation of the Company (a "Transaction"), the Plan and the Options and Awards issued hereunder shall continue in effect in accordance with their respective terms, except that following a Transaction either (i) each outstanding Option or Award shall be treated as provided for in the agreement entered into in connection with the Transaction or (ii) if not so provided in such agreement, each Optionee and Grantee shall be entitled to receive in respect of each Share subject to any outstanding Options or Awards, as the case may be, upon exercise of any Option or payment or transfer in respect of any Award, the same number and kind of stock, securities, cash, pro rata portion of shares of or payable Shares as the number and kind of Shares subject to the Option or Award.

(ii) If and to the extent that outstanding Options or Awards under the Plan are not assumed, continued or replaced in accordance with Section 13(b)(i) above, then upon the Change in Control the following treatment (referred to as "Change-in-Control Treatment") shall apply to such Options or Awards: (A) outstanding Options and Stock Appreciation Rights shall immediately vest and become exercisable; (B) the restrictions and other conditions applicable to outstanding Restricted Shares, Restricted Stock Units and Stock Awards, including vesting requirements, shall immediately lapse; such Awards shall be free of all restrictions and fully vested; and, with ' ra

(b) To the extent that any legal requirement of Section 16 of the Exchange Act as set forth in the Plan ceases to be required under Section 16 of the Exchange Act, that Plan provision shall cease to apply.

15. Termination and Amendment of the Plan or Modification of Options and Awards.

15.1 Plan Amendment or Termination. The Plan shall terminate on the day preceding the tenth anniversary of the Restatement Effective Date and no Option or Award may be granted thereafter. The Board may sooner terminate the Plan and the Board, subject to Section 7, may at any time and from time to time amend, modify or suspend the Plan; *provided, however*, that:

(a) no such amendment, modification, suspension or termination shall impair or materially and adversely alter any Options or Awards theretofore granted under the Plan, except with the written consent of the applicable Optionee or Grantee, nor shall any amendment, modification, suspension or termination deprive any Optionee or Grantee of any Shares which he or she may have acquired through or as a result of the Plan; and

(b) to the extent necessary under any applicable law, regulation or exchange requirement with which the Committee determines it is necessary or desirable for the Company to comply, no amendment shall be effective unless approved by the stockholders of the Company in accordance with any such law, regulation or exchange requirement.

15.2

...the ...

...the ...

...the ...

...the ...

...the ...

...the ...

...the ...

...the ...

...the ...

...the ...

...the ...

...the ...

...the ...

...the ...

...the ...

...the ...

...the ...

...the ...

“specified employee” weci

ELECTRONIC DELIVERY OF FUTURE PRIVACY MATERIALS...

If you'd like to help reduce the impact on the environment...

...please follow the instructions below...

Internet. To sign up for electronic...
using the Internet and, when prompted, indicate...
material electronically in...

COMMUNITY HEALTH SYSTEM
4000 MERCAN BOULEVARD

please follow the instructions below...
that you agree to receive or access...

