Form **8937** (December 2011)
Department of the Treasury Internal Revenue Service

# Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

► See separate instructions.

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16 Des	cribe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the
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orm 8937 (R	ev. 12-2011)	Page <b>2</b>
Part II	Organizational Action (continued)	
7 ist the	e applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is beauti	7
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Can ar	ny resulting loss be recognized? ► See attached	
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<u>Drgwid</u>	one other information necessary to implement the estimate and the estimate and the second of the sec	
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id eparer se Only	Print/Type preparer's name Francis J. Bedard  Preparer's signature  Date  5/20/2016	Check ☐ if self-employed P00752421  Firm's EIN ▶ 81-1065772  Phone no. 615-259-1800

## Community Health Systems, Inc. EIN: 13-3893191 Attachment to Form 8937—Part II

## Line 14

On April 29, 2016, Community Health Systems, Inc. ("CHS") distributed all of the outstanding 16 Line 15

### Line 16

The relative value of CHS common stock and QHS common stock on May 2, 2016 (the first trading day after the Spin-Off) was calculated using the mean of the highest and lowest quoted prices of CHS common stock (\$16.34 high; \$15.08 low; \$15.71 mean) and QHC common stock (\$13.51 high; \$12.35 low; \$12.93 mean). Applying the 1 for 4 Spin-Off ratio, one share of QHC stock (value of \$12.93) was received with respect to four shares of CHS stock (aggregate value of \$62.84), which corresponds to a relative fair market value allocation of 17.0648% to QHC common stock (\$12.93/\$75.77) and 82.9352% to CHS common stock (\$62.84/\$75.77).

### **Line 17**

#### Line 19

The Spin-Off occurred in the 2016 taxable year of CHS.

We urge you to consult your own tax advisor regarding the particular tax consequences of the Spin-Off to you, including the applicability and effect of all U.S. federal, state, and local and foreign taxes.

We urge you to read Amendment No. 6 of Form 10, File No. 001-37550 filed by QHC with the Securities and Exchange Commission on April 1. 2016. particularly the discussion because in the commission of April 1. 2016.