

COMBINING OUR STRENGTHS

November 24, 2014



Greetings,

It has been a couple weeks since we announced plans to combine the strengths of Kindred and Centerre. We are working hard to ensure that this transition is as seamless as possible for everyone, including our patients, employees, and hospital partners.

With Thanksgiving this week, we want to take this opportunity to express our gratitude - we are truly thankful for each and every one of you and the work you do each day. We wish you and your loved ones a happy and healthy Thanksgiving!

Now, we know there are many questions about what the integration will mean for current Centerre employees, so we have established this Combining Our Strengths newsletter to serve as a forum for us to communicate updates and information as well as to answer any of your questions.

In order to ensure an efficient and smooth transition we are finalizing integration teams so that jointly Centerre and Kindred can work collaboratively on a roadmap that will help guide activities and decisions for the next several months until the transaction is complete.

In our initial communication, we shared an email address that we have created for you to submit any and all questions you may have:

CenterreCombiningOurStrengths@Kindred.com.

Thus far we have received some good questions, and we want to assure you that our commitment is to address them on a timely basis as best we can.

Before we respond to those questions we have received so far, we want to thank you for your hard work and dedication to your patients. We also want to remind everyone that until the closing is complete, from a legal and business perspective, Kindred and Centerre will continue to operate as two separate and independent companies.

Now, we'd like to respond to some of the questions that have been raised:

Centerre offers tuition reimbursement involving \$5000 after one year of service and an additional \$5000 after 2 years of service. This was offered as an incentive to therapists who had graduated within the past 2 years of their starting date. I received my first \$5000 after my first year of service. I should be receiving the 2nd \$5000 in 2015. Will Kindred be honoring and completing the tuition reimbursement?

We will honor these financial commitments that were made by Centerre before the companies are combined. Kindred also has a tuition assistance program available to full-time and part-time employees for job-related

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courses. After the close, any new commitments to employees in the combined company will follow our \$2,500 annual tuition reimbursement policy.

Will existing staff need to re-apply or interview for their current positions?

No, you will not have to reapply to keep your current position.

Is there an anticipated cut or reduction in current wages?

No, there will be no pay reductions.

Will our current benefits offered through Centerre change and if so, when will the staff be informed of the changes?

Over the coming weeks and months we will be reviewing all benefits plans of both companies and determining our path forward. At this point, we are targeting the change of benefits for Centerre employees to move over to Kindred benefits on or around April 1, 2015. When we know more about benefit offerings, we will communicate them as soon as we are able with everybody.

Will employees lose seniority?

No. We appreciate your commitment and years of service to Centerre and will use your current hire date to determine your tenure in regard to benefits and seniority within the combined company.

Since I currently work PRN for Centerre, will I maintain that status with the merger to Kindred? Will the PRN rate remain the same?

The combined company will continue to value the role that our per diem/PRN employees play in ensuring our ability to effectively care for our patients. Our integration teams will evaluate payment rates to ensure the combined company has the best practices in place so that we may provide the quality care and outcomes that both Centerre and Kindred are known for. We will communicate any updates when they are available.

If we remain PRN as Kindred employees, does that also allow us to work at other Kindred buildings?

Yes, and we believe that because of the breadth of Kindred's post-acute services, the combined company will provide new opportunities for professionals across the continuum.

I work PRN in the front line of patient care as a nursing assistant – is my job safe?

Kindred values our PRN employees, and many of our current nursing assistants are PRN, so there is no reason to be concerned about your PRN status.

I am a LPN, will my job description change? Will the pay grade change? Will I get a raise?

We do not have any intention to change current job descriptions. Our integration team will assess pay grades to ensure that pay scales are consistent and competitive. In terms of raises, Kindred values the dedication and hard work of our teammates and our goal is to demonstrate that appreciation through merit-based increases. Such a commitment will continue within the combined company.

As an LPN, will I only be allowed to pass medications?

Over the course of the integration, all licensed clinical roles will be evaluated based on best practices and clinical outcomes between both organizations as well as the state practice act guidelines.

Will Centerre keep its name like RehabCare kept its name?

First and foremost, our goal is to eliminate confusion to our patients, hospital partners and referral sources. After the close all branding will remain local with the primary brand being the joint venture hospital name, but signage and materials will be updated to reflect that it is now "in partnership with Kindred Healthcare."

Will there still be a pharmacy at each location?

At this point, it is our intention to maintain the pharmacies that are currently in place.

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Once again, thank you for your support and continued patience as we move through this process. Our integration teams will be addressing many details over the next several months in order to make the transition in bringing our two companies together as smooth as possible. As a reminder, we encourage you to submit any questions you may have to CenterreCombiningOurStrengths@Kindred.com so that we may communicate with you openly and transparently. Also, we have dedicated a portion of our website to post past editions of Combining Our Strengths newsletters at www.RehabCare.com/employees.

Thanks for all you do!

Warm Regards,



Ben Breier
President and COO of
Kindred Healthcare



Pat Henry
President of RehabCare



Jason Zachariah
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