

COMBINING OUR STRENGTHS



December 19, 2014

Greetings,

It is our pleasure to once again have the opportunity to communicate with you regarding developments as we work to combine the strengths of Centerre and Kindred.

Since we made the announcement of the addition of Centerre and the Kindred's Hospital Rehabilitation Services growth platform, our integration team has made significant strides to ensure a smooth transition. Because of their hard work, we fully anticipate a seamless and efficient integration beginning on Day 1.

Before we begin to address many of the great questions you have submitted to the Combining Our Strengths mailbox, we want to address two areas of top concern: Centerre's current student loan forgiveness program and benefits for the combined company.

First off, we apologize for any confusion that may have been generated in our last Combining Our Strengths newsletter regarding the future of the loan forgiveness program in which some of you participate. For all of you who are currently enrolled in the program, rest assured that Kindred will continue to honor your scheduled payments after the close. However, the program will not be accepting new participants after the close.

Secondly, we know that benefits are a topic on many of your minds. We are in the process of creating a

comprehensive compilation of the benefits – including health, dental, vision and life insurance, 401(k), and PTO among other benefits – that will be available to you in the future. We are working to ensure the programs are inclusive and meet the full-range of employee needs. In the meantime, there will be no change to your current benefits before April 1, 2015.

Now, we'd like to take the time to answer many of the questions that have been submitted. In some cases the questions have been generalized in order to address the fact that we received several similar questions.

SERVICE DATES

I am a physical therapist that worked with Baptist Healthcare Corporation and now works for Centerre where my years of service have been taken into account for my benefits. Will my years of service be taken into account once Centerre becomes a Kindred company?

We will honor the service date that Centerre is currently using. Therefore, all of your years of service recognized by Centerre will be recognized in the combined company for purposes of tenure and seniority.

Will my 12 + years of service be carried over to the new partnership?

Yes, your years of service will be carried over to the combined company after the close.

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When will we be eligible for a raise or cost of living pay increase since we will not have a performance review within the year since we left Baptist employment?

We value the work you do each day, and it is our goal to demonstrate that appreciation through merit-based increases. After the close, Kindred will perform annual employee performance reviews in the ordinary course of business in order to acknowledge areas where employees are doing well, to determine areas for improvement, and to identify needed resources or training. In many cases evaluations are conducted around the anniversary of an employee's service date.

BENEFITS

Does Kindred offer a 401(k) plan?

Yes, Kindred offers a 401(k) plan for employees and we will be providing more detail of that plan in our forthcoming detailed communication regarding benefits.

Does Kindred offer employee vaccinations (flu/TB testing)?

Yes. The process for this will vary based on location and structures of the different partner relationship.

CONTINUING EDUCATION & LICENSES

Does Kindred offer in-house CEU opportunities?

Yes. Kindred/RehabCare is an approved provider of CEUs for AOTA, ASHA and ANCC. In addition,

we routinely pursue Physical Therapy CEUs on a state by state basis for courses offered by Kindred/RehabCare. We do offer certification topics from time to time on specific areas as the sufficient need and interest develops in the field. Additionally, we leverage the expertise of multiple certified clinicians within our company to provide CEUs to our employees in domains of unique interest to treat rehabilitation patients.

Do you furnish in house CPR/basic life saving training?

Yes. CPR and basic life saving (BLS) training sessions are coordinated by each individual Kindred facility. The training is provided either by in-house employees who are certified to train, or we bring in an outside party to conduct the sessions.

STAFFING PRACTICES

Will I be moved around between facilities that Kindred manages or owns to cover staffing needs? Or will I stay working as a full time employee in same facility?

In merging these two organizations together, our first priority is to our patients and it is our intention to avoid any disruptions in the care and services they currently receive in your center. Therefore, our priority is to maintain current practices.

During this merger process, we have committed ourselves to provide you with timely and transparent communications. We have created an email address where you can submit any questions: CenterreCombiningOurStrengths@Kindred.com. We will address any questions you may have in ongoing communications with you.

We want to remind everyone until closing we need to continue to act independently. From a legal and business perspective, it is critically important to maintain Centerre's business as completely independent from Kindred until the closing is complete.

In this holiday season, we also want to take the opportunity to thank you for the dedicated care and services you provide to your patients each day! Because of what you do, your patients are able to achieve recovery and independence and return home. In honor of the holidays, we want to wish you, your families and loved ones the warmest of holiday wishes and a happy New Year!

Thanks For All You Do!



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