

ELIGIBLE AUTOMATIC CONTRIBUTION ARRANGEMENT NOTICE - ADVOCATE

To: Eligible employees of the Advocate Health Care Network Retirement Savings Plan - 401(k)
(the "Plan") Effective January 1, 2016

From: Advocate Health Care

Subject: Eligible Automatic Contribution Arrangement

Why am I getting this notice?

Advocate Health Care ("Advocate") must meet certain requirements of the Internal Revenue Code and deliver this notice to employees when they become eligible to participate in the Plan and annually thereafter.

What is this notice telling me?

Eligible associates can elect to defer from 1% to 75% of their "eligible compensation" to the Plan. Unless you make an actual compensation deferral election (which may include choosing not to contribute to the Plan at all) within your first 30 days of employment as an eligible associate, Advocate will automatically deduct 3% of your eligible compensation on a pre-tax basis and contribute it to the Plan. This feature of the Plan is also known as an "Eligible Automatic Contribution Arrangement."

This notice contains important information regarding the operation of the Plan. As a general matter, everyone should become familiar with the terms of the Plan. However, this notice is especially important for those employees who are subject to the terms of the Eligible Automatic Contribution Arrangement, as more fully described below.

How does the Eligible Automatic Contribution Arrangement work?

You are eligible to make an election to contribute (or not to contribute) to the Plan at any time after you receive your first paycheck as an Advocate associate. If you do not make a compensation deferral election to contribute (or not to contribute), you will automatically be enrolled in the Plan this is referred to as your "default election." Specifically, if you do not affirmatively elect to contribute or not contribute, pre-tax associate contributions equal to 3% of your eligible compensation will be deducted from each paycheck, starting as soon as administratively possible after 30 days of employment as an eligible associate. This default election will remain in effect until the earliest of the date (i) you elect to contribute some different percentage (from 1% to 75%), or (ii) you opt out altogether (by affirmatively reducing your contribution percentage to 0%), or (iii) you cease to be an eligible associate.

As noted, automatic deductions are made on a pre-tax basis. This means that they are not subject to federal income taxes when they are deducted. Instead, they are contributed to the Plan on your behalf and can grow over time with earnings. Your account will be subject to federal income taxes only when later withdrawn.

Besides contributing the amounts taken from your compensation, Advocate will "match" 50 cents of every dollar deducted from your compensation, up to 6% of your compensation, provided you have worked at least 1,000 hours during the year. You must be employed on the last day of the plan year (December 31st) in order to receive the Company Matching contribution for the year. Advocate may also make certain discretionary "associate appreciation" contributions to the Plan on your behalf. (Note that Advocate reserves the right to change the amount of these contributions and the conditions for earning them at any time. You should consult your copy of the "Summary Plan Description" (or "SPD") for more information.)

How are my contributions made under the default election invested?

If you are automatically enrolled into the Plan as described above and you do not make an affirmative investment allocation, any contributions that are made to the Plan on your behalf will be invested in a default investment fund for contributions based upon your birth date according to the chart below:

If your birth date is between:	You will be invested in:
Before 12/31/1942	Vanguard Target Retirement Income Fund - Trust I
Between 1/1/1943 and 12/31/1947	Vanguard Target Retirement 2010 Fund - Trust I
Between 1/1/1948 and 12/31/1952	Vanguard Target Retirement 2015 Fund - Trust I
Between 1/1/1953 and 12/31/1957	Vanguard Target Retirement 2020 Fund - Trust I
Between 1/1/1958 and 12/31/1962	Vanguard Target Retirement 2025 Fund - Trust I
Between 1/1/1963 and 12/31/1967	Vanguard Target Retirement 2030 Fund - Trust I
Between 1/1/1968 and 12/31/1972	Vanguard Target Retirement 2035 Fund - Trust I
Between 1/1/1973 and 12/31/1977	Vanguard Target Retirement 2040 Fund - Trust I
Between 1/1/1978 and 12/31/1982	Vanguard Target Retirement 2045 Fund - Trust I
Between 1/1/1983 and 12/31/1987	Vanguard Target Retirement 2050 Fund - Trust I
Between 1/1/1988 and 12/31/1992	Vanguard Target Retirement 2055 Fund - Trust I
After 1/1/1993	Vanguard Target Retirement 2060 Fund - Trust I

Additional information about the Vanguard Target Retirement Funds is provided in your Welcome Letter and at www.advocatebenefits.com.

How do I make changes to my elections?

You can make or change your compensation deferral election and investment allocations or opt out of making elective deferrals altogether at any time by accessing the Plan's participant Website at www.advocatebenefits.com, or by calling the Voice Response System at 1-800-775-4784. Your compensation deferral election will become effective as soon as administratively practicable after you make your election, but generally in about 1 – 2 pay periods following your election. Changes to your investment allocations will generally take place the same day if your election is submitted before 3:00 p.m. Central Time.

When can I make changes to my elections?

You can access your account via the Voice Response System or participant Web site and make an affirmative compensation deferral election or investment allocation for future contributions at any time. Also, you can choose among any of the investment alternatives available under the Plan not just those listed above. You can also make transfers of your already-existing account balance to and from any of the investment alternatives offered in the Plan.¹

Can I withdraw contributions that I make to the Plan?

Even if you are fully "vested" (as explained below), there are limits on your ability to withdraw your funds while you are still employed by Advocate. Specifically, there are generally only three types of withdrawals that you can make from your Plan accounts while you remain employed:

- age 59 ½ withdrawals (available when you reach age 59 ½ or older);
- rollover withdrawals (available at any time); and
- financial hardship withdrawals (available at any time but limited availability based on certain financial hardships).

Additionally, if you are automatically enrolled in the Plan, you will have a limited period during which you can elect to withdraw the automatic elective deferral contributions described above, despite the general restriction on in-service Plan withdrawals. This in-service distribution is referred to as a "permissible withdrawal". A permissible withdrawal allows you to withdraw your automatic elective deferral contributions if you make an election to do so no later than 90 days after automatic elective deferral contributions are first taken from your pay and after you return a withdrawal request to the Advocate Benefit Service Center (the request form is available through the Advocate Benefit Service Center). ²

You can also borrow certain amounts from your vested Plan account, as more fully explained in the SPD.

When am I vested in the contributions made to the Plan?

You are always 100% vested in your elective deferral contributions account. To be fully vested means that contributions (together with any investment gain or loss) will always belong to you, and you will not lose them when you terminate your employment.

Your "vested percentage" in your match account and associate appreciation account is determined under the following schedule and is based on vesting "Years of Service." You will always be 100% vested if you retire or terminate employment upon or after reaching age 55, or if you die or you become totally and permanently disabled. You will be credited with a "Year of Service" for each period measured from January 1st to December 31st of each year in which you work 1,000 hours.

If your date of hire or rehire is prior to January 1, 2013, or if your date of rehire is on or after January 1, 2013, but you completed at least one year of vesting service prior to January 1, 2013, your vested benefit in the Match Account and Appreciation Account (if any) is as follows:

Years (or Periods) of Service	Vested Percentage
Less than 1	0%
1	20%
2	40%
3	60%
4	80%
5	100%

If your date of hire is on or after January 1, 2013, or your date of rehire is on or after January 1, 2013, and you did not complete at least one year of service prior to January 1, 2013, your vested benefit in the Match Account and Appreciation Account (if any) is as follows:

Years (or Periods) of Service	Vested Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Where can I find out more about the Plan?

Please refer to the Plan's Summary Plan Description for more information about the Plan, including information regarding the definition of "eligible compensation," any other contributions that may be made to the Plan and the conditions under which they may be made, as well as further information regarding the in-service withdrawal provisions mentioned above. You can also contact the Advocate Benefits Service Center at 1-800-775-4784. Service representatives are available Monday through Friday, 8:00 a.m. to 6:00 p.m. Central Time. Additional information can also be found on the web at www.advocatebenefits.com.

¹ Certain funds may be subject to redemption fees if money is traded to and from a fund within a certain period of time. Any restrictions can be found in the respective fund prospectuses. You should read the prospectuses before investing in any of the funds offered in the Plan. If you have been automatically enrolled in the Plan, no redemption fee will be charged upon any initial transfer of your account balance(s) out of the Default Fund.

² The amount available as a permissible withdrawal will be the amount of the default elective contributions made under the arrangement through the earlier of (i) the pay date for the second payroll period that begins after your withdrawal election, and (ii) the first pay date that occurs after your withdrawal request. This amount will be adjusted for allocable gains and losses up to the date of distribution. If you take out your automatic elective deferral contributions, you lose (that is, forfeit) any matching contributions (adjusted for gains and losses) made to your account with respect to those withdrawn contributions. Also, your withdrawal will be subject to federal income tax (but not the extra 10% tax that normally applies to early distributions for individuals under the age of 59^{1/2}). If you elect to withdraw automatic elective deferral contributions, such an election will also stop your elective deferral contributions. However, you can always choose to make an affirmative election to restart your contributions at any time. After this initial permissible withdrawal period, your elective deferral contributions are subject to the general withdrawal provisions of the Plan (i.e., only 59^{1/2}, financial hardship, and rollover withdrawals, as well as loans).