

Triad Hospitals

2001

COMPENSATION OF DIRECTORS

The annual retainer for outside directors who are neither officers nor employees of the Company is \$24,000 and the Board meeting fee is \$1,500 per meeting. Committee members receive a fee of \$500 per meeting payable only for attendance at committee meetings not held in conjunction with a meeting of the Board of Directors. Directors also are reimbursed for expenses incurred relating to attendance at meetings. Outside directors may elect to receive deferred stock units convertible into common stock, in lieu of all or a portion (in multiples of 25%) of their annual retainer. The payout of deferred stock units may be deferred, at the outside director's election, for a period of five years or until the end of such director's term of office.

New outside directors are awarded an initial option to acquire a number of shares of common stock determined by the Board of Directors. In addition, each outside director receives an annual option to acquire a number of shares of common stock determined by the Board of Directors. Discretionary options may also be awarded by the Board of Directors to the outside directors. Initial options and annual options become exercisable as to 25% of the shares covered by the option on each of the first four anniversaries of the date of the grant.

All options have a maximum term of 10 years, are exercisable at the fair market value of the common stock on the date of the grant, and become immediately exercisable upon a change of control of Triad. On May 29, 2001, each of the continuing outside directors received an annual option grant covering 18,000 shares of Triad common stock, and Ms. DeParle, as a new director, received an option grant covering 20,000 shares of Triad common stock, at an exercise price of \$24.98 per share.

2002

COMPENSATION OF DIRECTORS

The annual retainer for outside directors who are neither officers nor employees of the Company is \$24,000 and the Board meeting fee is \$1,500 per meeting. Committee members receive a fee of \$500 per meeting payable only for attendance at committee meetings not held in conjunction with a meeting of the Board of Directors. Directors also are reimbursed for expenses incurred relating to attendance at meetings. Outside directors may elect to receive deferred stock units convertible into common stock, in lieu of all or a portion, in multiples of 25%, of their annual retainer. The payout of deferred stock units may be deferred, at the outside director's election, for a period of five years or until the end of such director's term of office.

New outside directors are awarded an initial option to acquire a number of shares of common stock determined by the Board of Directors. The Board of Directors' practice has been to award initial options covering 20,000 shares of common stock. In addition, each outside director receives an annual option to acquire a number of shares of common stock determined by the Board of Directors. Discretionary options may also be awarded by the Board of Directors to the outside directors. Initial options and annual options become exercisable as to 25% of the shares covered by the option on each of the first four anniversaries of the date of the grant. All options have a maximum term of 10 years, are exercisable at the fair market value of the common stock on the date of the grant, and become immediately exercisable upon a change of control of Triad. On May 21, 2002, each of the continuing outside directors received an annual option grant covering 7,500 shares of Triad common stock.

2003

COMPENSATION OF DIRECTORS

The annual retainer for outside directors who are neither officers nor employees of the Company is \$50,000 and the Board of Directors meeting fee is \$2,500 per meeting. Committee members receive a fee of \$500 per meeting payable only for attendance at committee meetings not held in conjunction with a meeting of the Board of Directors. Directors also are reimbursed for expenses incurred relating to attendance at meetings. Outside directors may elect to receive deferred stock units convertible into common stock, in lieu of all or a portion, in multiples of 25%, of their annual retainer. Each of Ms. Durand and Messrs. Frist and Runyon elected to receive deferred stock units in lieu of 100% of their 2003 annual retainer. Mr. Kesler and Ms. DeParle elected to receive deferred stock units in lieu of 50% and 25%, respectively, of their 2003 annual retainer. Messrs. Halverstadt, Loeffler, Reinhardt and Sayers did not elect to receive deferred stock units in lieu of any portion of their 2003 annual retainer. The payout of deferred stock units may be deferred, at the outside director's election, for a period of five years or until the end of such director's term of office.

New outside directors are awarded an initial option to acquire a number of shares of common stock determined by the Board of Directors. The Board of Directors' practice has been to award initial options covering 20,000 shares of common stock. In addition, each outside director receives an annual option to acquire a number of shares of common stock determined by the Board of Directors. Discretionary options may also be awarded by the Board of Directors to the outside directors. Initial options and annual options become exercisable as to 25% of the shares covered by the option on each of the first four anniversaries of the date of the grant. All options have a maximum term of 10 years, are exercisable at the fair market value of the common stock on the date of the grant, and become immediately exercisable upon a change of control of Triad. On May 20, 2003, each of the continuing outside directors received an annual option grant covering 7,500 shares of Triad common stock.

2004

COMPENSATION OF DIRECTORS

The annual retainer for outside directors who are neither officers nor employees of Triad is \$50,000 and the Board of Directors meeting fee is \$2,500 per meeting. Committee members receive a fee of \$500 per committee meeting, payable only for attendance at committee meetings not held in conjunction with a meeting of the Board of Directors. Directors also are reimbursed for expenses incurred relating to attendance at meetings. Outside directors may elect to receive deferred stock units convertible into common stock, in lieu of all or a portion, in multiples of 25%, of their annual retainer. Each of Mmes. Durand and Michel and Messrs. Frist and Jhin elected to receive deferred stock units in lieu of 100% of their 2004 annual retainer. Mr. Kesler and Ms. DeParle elected to receive deferred stock units in lieu of 50% and 25%, respectively, of their 2004 annual retainer. Messrs. Halverstadt, Loeffler, Reinhardt and Sayers did not elect to receive deferred stock units in lieu of any portion of their 2004 annual retainer. Deferred stock units are paid out at the earlier of a five-year period or the end of the director's service on the board.

New outside directors are awarded an initial option to acquire a number of shares of common stock determined by the Board of Directors. The Board of Directors' practice has been to award initial options covering 20,000 shares of common stock. In addition, each outside director receives an annual option to acquire a number of shares of common stock determined by the Board of Directors. Discretionary options may also be awarded by the Board of Directors to the outside directors. Initial options and annual options become exercisable as to 25% of the shares covered by the option on each of the first four anniversaries of the date of the grant. All options have a maximum term of 10 years, are exercisable at the fair market value of the common stock on the date of the grant, and become immediately exercisable upon a change of control of Triad. On May 25, 2004, Ms. Michel and Mr. Jhin each received an initial option grant covering 20,000 shares of Triad common stock and each of the

remaining outside directors received an annual option grant covering 8,000 shares of Triad common stock.

2005

Compensation of Directors

Annual Retainer

Directors who are neither officers nor employees of the Company receive an annual retainer payable in cash for their membership on the Board of Directors. From January 1, 2005 through May 24, 2005, the annual retainer for membership on the Board of Directors was set at \$50,000. On May 24, 2005, based on the recommendation of an independent compensation consulting firm engaged by the Compensation Committee, the Board of Directors approved (i) an increase in the annual retainer for each outside director to \$55,000 and (ii) a \$5,000 annual stipend payable in cash to each outside director serving as a committee chairperson.

Outside directors have the option to elect to receive all or a portion (in 25% increments) of their annual retainer (excluding the annual stipend for the committee chairpersons) in deferred stock units ("DSUs") that settle in shares of Triad common stock at the earlier of the fifth anniversary of the date of grant or the end of the director's service on the Board of Directors, at the director's election, pursuant to the terms of the Company's Outside Directors Stock and Incentive Compensation Plan. If such option is elected, the number of DSUs granted in payment of all or a portion of the annual retainer is calculated based on the closing price of a share of Triad common stock on the date of grant, which is the date of the Company's Annual Meeting of Stockholders. For the 2005 annual retainer, Messrs. Frist and Jhin elected to receive 100% of the annual retainer in DSUs (1,113 DSUs each); Mr. Kesler and Ms. Michel elected to receive 50% of the annual retainer in DSUs (556 DSUs each); Ms. DeParle elected to receive 25% of the annual retainer in DSUs (278 DSUs); and Messrs. Loeffler and Sayers and Drs. Durand, Halverstadt and Reinhardt did not elect to receive any portion of the annual retainer in DSUs. The DSUs were granted on May 24, 2005, based on the closing price of Triad common stock on that date of \$49.42.

Meeting Fees and Expenses

In addition to the annual retainer, outside directors receive a fee of \$2,500 payable in cash for attendance at each Board meeting. From January 1, 2005 through May 24, 2005, committee members also received a fee of \$500 payable in cash for attendance at each applicable committee meeting if the meeting was not held in conjunction with a Board meeting. On May 24, 2005, the Board of Directors increased attendance fees to \$1,500 payable in cash for a committee member's attendance at each applicable committee meeting, without regard to whether the meeting was held in conjunction with a Board meeting. Outside directors also are reimbursed for expenses incurred relating to attendance at meetings.