

PROVINCE HEALTHCARE COMPANY
CORPORATE GOVERNANCE PRINCIPLES

1. Director Qualifications

The Board of Directors of Province Healthcare Company (the “Company”) will have a majority of directors who meet the criteria for independence required by the Securities and Exchange Commission (“SEC”) and the New York Stock Exchange (“NYSE”). The Nominating and Governance Committee is responsible for reviewing with the Board of Directors of the Company (the “Board”), on an annual basis, the requisite skills and characteristics of new Board members as well as the composition of the Board as a whole. This assessment will include each member’s qualification as independent, as well as consideration of diversity, age, skills and experience in the context of the needs of the Board. Nominees for directorship will be selected by the Nominating and Governance Committee in accordance with the policies and principles in these Corporate Governance Principles and in the charter of the Nominating and Governance Committee. The invitation to join the Board should be extended by the Board itself, by the Chairman of the Nominating and Governance Committee and the Chairman of the Board.

In the event an individual director's status and circumstances change after he or she is elected to the Board in a way that affects his or her independence, creates a conflict with the Company or otherwise adversely affects his or her ability to serve as a member of the Board should be willing to resign voluntarily from the Board. If the director chooses not to resign, he or she shall promptly bring the matter to the attention of the Nominating and Governance Committee, who shall review the appropriateness of continued Board membership under the circumstances. In the event the Nominating and Governance Committee recommends resignation, such director shall promptly tender his or her resignation from the Board.

No director may serve on more than three other public company boards. Directors should advise the Chairman of the Board and the Chairman of the Nominating and Governance Committee in advance of accepting any invitation to serve on another public company board.

The Board does not believe it should establish term limits for directors. While term limits could help insure fresh ideas and viewpoints, they deprive the Company of the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole. As an alternative to term limits, the Nominating and Governance Committee will review each director’s continuation on the Board every year. This will allow each director the opportunity to confirm his or her desire to continue as a member of the Board.

2. Director Responsibilities

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company, its shareholders, and other interests the directors may consider, such as the patients of the Company’s hospitals, the Company’s employees and creditors, the healthcare regulatory environment, the economy of the state and nation, and community and societal considerations. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Company’s senior executives and its outside advisors and auditors. The directors also shall be entitled to have the Company purchase reasonable directors’ and officers’ liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company’s Amended and Restated Articles of Incorporation, Bylaws and any indemnification agreements.

Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to discharge their responsibilities properly. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors well in advance of the meeting, and directors should review these materials before the meeting.

The Board has no policy with respect to the separation of the offices of Chairman and the Chief Executive Officer. The Board believes this issue is part of the succession planning process and that it is in the best interests of the Company for the Board to make a determination when it elects a new Chief Executive Officer.

The Chairman will establish the agenda for each Board meeting. At the beginning of the year, the Chairman will establish a schedule of agenda subjects to be discussed during the year (to the degree this can be foreseen). Each Board member may suggest the inclusion of items on the agenda. Each Board member may raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year.

The non-management directors will meet in executive session at least quarterly. The chairman of the Nominating and Governance Committee will preside at these meetings, and his name will be disclosed in the annual proxy statement.

The Board believes the management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, but it is expected that Board members would do this only with the knowledge of the management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of management.

3. Board Committees

The Board will have at all times an Audit Committee, a Compensation Committee and a Nominating and Governance Committee which must operate in accordance with applicable law, their respective charters as adopted and amended from time to time by the Board, and the applicable rules of the SEC and the NYSE. All of the members of these committees will be independent directors under the criteria established by the SEC and the NYSE. Committee members will be appointed by the Board upon the recommendation of the Nominating and Governance Committee. Consideration will be given to rotating committee members periodically, but the Board does not feel that rotation should be mandated as a policy.

Each committee will have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters also will provide that each committee annually evaluate its performance.

The chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. At the beginning of the year, each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these

can be foreseen). The schedule for each committee will be furnished to all directors. Each director may suggest additional items for consideration by any committee.

The Board and each committee has the power to hire independent legal, financial or other advisors as they may deem necessary, at the expense of the Company, without consulting or obtaining the approval of any officer of the Company in advance.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

4. Director Access to Officers and Employees

Directors have full and free access to officers and employees of the Company, to the extent that is reasonably necessary to discharge their duties as directors. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or the Secretary. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, send copies to the Chief Executive Officer of any written communications between a director and an officer or employee of the Company.

The Board welcomes regular attendance at each Board meeting of senior officers of the Company. If the Chief Executive Officer wishes to have additional Company personnel attend on a regular basis, this suggestion should be brought to the Board for approval. Each director also shall have access, as necessary and appropriate, to the Company's independent advisors.

5. Director Compensation

The form and amount of director compensation will be determined by the Compensation Committee in accordance with the policies and principles set forth in these Corporate Governance Principles and in its charter, and the Compensation Committee will conduct an annual review of director compensation. The Compensation Committee will consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

6. Director Orientation and Continuing Education

All new directors must participate in the Company's Orientation Program, which should be conducted within two months of the annual meeting at which new directors are elected. This orientation will include presentations by senior management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its Integrity Compliance Program and other compliance programs, its principal officers, and its internal and independent auditors. In addition, the Orientation Program will include visits to Company headquarters and, to the extent practical, certain of the Company's significant facilities. All other directors are also invited to attend the Orientation Program.

The Company will conduct and make available to the directors appropriate continuing education programs regarding the Company's business, the directors obligations to the Company and any other matters, as appropriate.

7. Chief Executive Officer Evaluation and Management Succession

The Compensation Committee will conduct an annual review of the Chief Executive Officer's performance, as set forth in its charter. The Board will review the Compensation Committee's report in order to ensure that the Chief Executive Officer is providing the best leadership for the Company in the long- and short-term.

The Nominating and Governance Committee should make an annual report to the Board on succession planning. The entire Board will work with the Nominating and Governance Committee to nominate and evaluate potential successors to the Chief Executive Officer. The Chief Executive Officer should at all times make available their recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

8. Amendment, Modification and Waiver

These Guidelines may be amended, modified or waived by the Board and waivers of these Guidelines may also be granted by the Nominating and Governance Committee, subject to the disclosure and other provisions of the Securities and Exchange Act of 1934, the rules promulgated thereunder and the applicable listing standards of the NYSE.

9. Annual Performance Evaluation

The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Governance Committee will receive comments from all directors and report annually to the Board with an assessment of the Board's performance. This assessment will be discussed with the full Board following the end of each fiscal year. The assessment will focus on the Board's and each committee's contribution to the Company and specifically focus on areas in which the Board or management believes the Board or its committees could improve.

Recommended by the Nominating and Governance Committee on March 10, 2003 and adopted by the Board on March 11, 2003.