

Emergency Medical Services CORP  
Form DEF 14A  
April 29, 2008

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**EMERGENCY MEDICAL SERVICES CORPORATION**

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(Name of Registrant as Specified In Its Charter)

**Not Applicable**

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:  

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  - (2) Aggregate number of securities to which transaction applies:  

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  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):  

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(4) Proposed maximum aggregate value of transaction:

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o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

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**EMERGENCY MEDICAL SERVICES CORPORATION**

April 29, 2008

Dear Stockholder:

On behalf of the Board of Directors, management and employees of Emergency Medical Services Corporation, it is my pleasure to invite you to attend our 2008 Annual Meeting of Stockholders to be held on Wednesday, May 28, 2008, at 10:00 a.m., Mountain Daylight Time, at The Inverness Hotel, 200 Inverness Drive West, Englewood, Colorado 80112.

At the Annual Meeting you will be asked to:

- (1) elect one Class III director to our Board of Directors,
- (2) consider and vote upon a proposal to approve the Amended and Restated 2007 Long-Term Incentive Plan,
- (3) ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2008, and
- (4) consider any other business properly presented at the meeting.

Returning the enclosed proxy card as soon as possible will assure your representation at the annual meeting, whether or not you plan to attend. Please make sure to read the enclosed information carefully before completing and returning your proxy card. Your vote is important. If you plan to attend the meeting, you will need to bring a form of identification to the meeting. In any event, you may, of course, withdraw your proxy should you wish to vote in person.

Sincerely,

William A. Sanger

Chairman and Chief Executive Officer

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**EMERGENCY MEDICAL SERVICES CORPORATION**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON WEDNESDAY, MAY 28, 2008**

We will hold the 2008 Annual Meeting of Stockholders of Emergency Medical Services Corporation, a Delaware corporation (the "Company"), on Wednesday, May 28, 2008, at 10:00 a.m., Mountain Daylight Time. The meeting will take place at The Inverness Hotel, 200 Inverness Drive West, Englewood, Colorado 80112. The purposes of the meeting are to:

- (1) Elect one Class III director whose term expires at the Annual Meeting, to hold office for a three-year term;
- (2) Consider and vote upon a proposal to approve the Amended and Restated 2007 Long-Term Incentive Plan;
- (3) Ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2008; and
- (4) Transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The Board of Directors has fixed the close of business on April 15, 2008 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting or any adjournment or postponement thereof.

Stockholders of record at the close of business on April 15, 2008 will be entitled to vote at the Annual Meeting and any adjournment or postponement thereof. A list of stockholders entitled to vote at the meeting will be available for inspection at the Annual Meeting and will also be available for ten days prior to the meeting, during normal business hours, at the Company's headquarters located at 6200 S. Syracuse Way, Suite 200, Greenwood Village, Colorado 80111.

By Order of the Board of Directors

Todd G. Zimmerman  
Executive Vice President and Corporate  
Secretary

April 29, 2008

We enclose with the proxy statement our Annual Report for the year ended December 31, 2007. Our 2007 Annual Report contains financial and other information about us but is not incorporated into the proxy statement.

**Even if you expect to attend the Annual Meeting, please promptly complete, sign, date and mail the enclosed proxy card. A self-addressed envelope is enclosed for your convenience. No postage is required if mailed in the United States. Stockholders who attend the Annual Meeting may revoke their proxies and vote in person if they so desire.**

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**EMERGENCY MEDICAL SERVICES CORPORATION**

**6200 S. Syracuse Way, Suite 200  
Greenwood Village, Colorado 80111**

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**PROXY STATEMENT  
FOR  
2008 ANNUAL MEETING OF STOCKHOLDERS**

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**ANNUAL MEETING MATTERS**

***Why did you send me this proxy statement?***

The Board of Directors of Emergency Medical Services Corporation ("*EMSC*," the "*Company*," "*we*" or "*us*") sent you this Proxy Statement and the enclosed proxy card because we are soliciting your proxy to vote at the 2008 Annual Meeting of Stockholders to be held at 10:00 a.m. (Mountain Daylight Time) on Wednesday, May 28, 2008, at The Inverness Hotel, 200 Inverness Drive West, Englewood, Colorado 80112. Certain officers, directors and other employees of the Company may also solicit proxies on our behalf by mail, telephone, fax, internet or in person.

This Proxy Statement summarizes the information you need to vote at the Annual Meeting. You do not need to attend the meeting, however, to vote your shares. You may return the enclosed proxy card by mail.

We began mailing this Proxy Statement, along with the proxy card and our Annual Report for the year ended December 31, 2007, on or about April 29, 2008 to all stockholders of record as of April 15, 2008, the record date for the Annual Meeting.

***What is the purpose of the meeting?***

The meeting is being held to elect a nominee to our Board of Directors, to consider and vote upon a proposal to approve an Amended and Restated 2007 Long-Term Incentive Plan ("*Amended and Restated LTIP*"), to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2008, and to consider any other matter properly presented at the meeting.

**GENERAL INFORMATION ABOUT THE MEETING, VOTING AND PROXIES**

***Who can vote?***

You can vote your shares of common stock if our records show that you owned the shares at the close of business on April 15, 2008, the record date for the meeting. Your proxy card shows the number of shares you held on that date.

***How do I vote my shares if they are held in "street name"?***

If your shares are held in the name of your broker, a bank or other nominee, that party should give you instructions for voting your shares. If your shares are held in a bank or brokerage account, you may be eligible to vote electronically or by telephone. Please refer to the enclosed proxy card for voting instructions. The instructions set forth below apply to record holders only and not those whose shares are held in the name of a nominee.

***How many shares are there? And how many votes do I get?***

We have three classes of voting securities outstanding: class A common stock, class B common stock and class B special voting stock. Our class A common stock is our only class of stock listed on the New York Stock Exchange.

You get one vote for each share of class A common stock you hold, on each matter voted on at the meeting. You get ten votes for each share of class B common stock you hold, on each matter voted on at the meeting. On each matter voted on at the meeting, the one share of class B special voting stock, which is held by a trustee for the benefit of the holders of LP exchangeable units, is entitled to a number of votes equal to the number of votes that could be cast if all of the outstanding LP exchangeable units were exchanged for class B common stock.

On all matters presented at the meeting, the holders of the class A common stock, the class B common stock and the class B special voting stock will vote together as a single class.

On the record date, we had outstanding:

9,322,095 shares of class A common stock entitled to cast, in the aggregate, 9,322,095 votes,

142,545 shares of class B common stock entitled to cast, in the aggregate, 1,425,450 votes, and

1 share of class B special voting stock entitled to cast 321,075,000 votes.

***How is the Company's Board of Directors structured?***

The Company's Board of Directors is divided into three classes, serving staggered three-year terms so that the term of one class expires at each annual meeting. The Company's Board of Directors currently consists of six directors. One director is nominated to stand for election at this year's Annual Meeting for a three-year term expiring in 2011, or until his earlier death, resignation or removal. The other five directors currently on our Board will continue to serve for their respective terms.

***What vote is required to approve the election of the nominee to the Board of Directors?***

If the nominee receives an affirmative vote by the holders of a majority of the votes cast, he will be elected as a director. As a result, if you withhold your authority to vote for the nominee, your vote will not count for or against the nominee, nor will a broker "non-vote" count for or against the nominee. Abstentions and broker non-votes will not affect the outcome of the election. If you "withhold" your vote, it is the same as an abstention.

***Who is nominated to stand for election?***

Michael L. Smith, who is a current director of the Company, has been nominated to stand for election at the Annual Meeting.

***What is the 2007 Long-Term Incentive Plan?***

The 2007 Long-Term Incentive Plan was approved and adopted by our stockholders on May 15, 2007. The 2007 Long-Term Incentive Plan provides long-term incentives, including equity-based incentives, to those persons with responsibility for the success and growth of the Company and its subsidiaries in order to associate more closely the interests of such persons with those of the Company's stockholders and to assist the Company in recruiting, retaining and motivating employees on a competitive basis.

***How is the 2007 Long-Term Incentive Plan being amended by the Amended and Restated LTIP?***

Currently, of the 2,000,000 shares of class A common stock issuable pursuant to awards granted under the 2007 Long-Term Incentive Plan, (i) 1,500,000 shares may be issued as different types of awards (for example, stock options, restricted shares or stock awards) to employees of the Company and its subsidiaries, and (ii) 500,000 shares may be issued or sold solely as stock awards to employees ("PA Employees") of professional associations or professional corporations for which the Company or any of its subsidiaries provides management services pursuant to a physician services agreement ("Professional Associations"). On January 29, 2008, the Compensation Committee of our Board of Directors approved the Amended and Restated LTIP. The amendments to the 2007 Long-Term Incentive Plan reflected in the Amended and Restated LTIP permit independent contractors who provide clinical services for Professional Associations, for us or for any of our subsidiaries ("Independent Contractors") to be eligible recipients of stock awards under the 2007 Long-Term Incentive Plan on the same terms as PA Employees.

***What vote is required to approve the Amended and Restated LTIP?***

Our by-laws and the rules of the NYSE require that the Amended and Restated LTIP be approved by the affirmative vote by the holders of a majority of the votes cast at an annual meeting of stockholders at which quorum is present. Therefore, to be approved at the Annual Meeting, Proposal 2 must receive a "FOR" vote from a majority of the votes represented at the meeting.

***What will happen if the Amended and Restated LTIP is not approved by the stockholders?***

Pursuant to the authority granted under the 2007 Long-Term Incentive Plan, the Compensation Committee adopted a stock purchase plan (the "SPP") pursuant to which PA Employees and Independent Contractors may purchase shares of our class A common stock during designated offering periods, and under designated offering terms and conditions, established from time to time by the Compensation Committee. Independent Contractors were included in the SPP offering with the expectation that the Amended and Restated LTIP will be approved by the stockholders. Class A common stock offered pursuant to the SPP is not purchased until the end of each offering period; the first offering period ends September 15, 2008. If the Amended and Restated LTIP is not approved by the stockholders prior to such date, then immediately prior to the end of such offering period, we will terminate the offering solely with respect to the Independent Contractors.

***What vote is required to ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for 2008?***

Our by-laws require that stockholder action be taken by the affirmative vote by the holders of a majority of the votes cast at a meeting of the stockholders at which quorum is present. Therefore, to be approved, Proposal 3 must receive a "FOR" vote from a majority of the votes represented at the meeting.

***What will happen if the appointment of Ernst & Young as the Company's independent registered public accounting firm is not ratified by the stockholders?***

Stockholder ratification is not required for the appointment but stockholder views will be considered by the Audit Committee and the Board of Directors when appointing an independent registered public accounting firm for the fiscal year ending December 31, 2009.



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### ***How do I exercise my vote if I am a registered holder of class A or class B common stock (and by when do I need to exercise my vote)?***

To vote by proxy, you should complete, sign and date the enclosed proxy card and return it in the prepaid envelope provided.

If you choose to vote your shares using the form of proxy card, your card must be received by our transfer agent, American Stock Transfer and Trust Company, not later than 5:00 p.m. (Eastern Daylight Time) on May 27, 2008.

If you make specific choices and sign and return your proxy card before the Annual Meeting, the proxy holders named on the proxy card will vote your shares as you have directed. If you sign and return the proxy card but do not make specific choices, the proxy holders will vote your shares "FOR" the election of the one nominee for director, "FOR" the approval of the Amended and Restated LTIP, "FOR" the ratification of the appointment of Ernst & Young LLP as our independent registered accounting firm for the fiscal year ending December 31, 2008, and as they deem appropriate for any other matter properly presented at the meeting.

### ***How do I exercise my vote if I am a registered holder of LP exchangeable units?***

As discussed above, holders of LP exchangeable units are entitled to vote at meetings of holders of our common stock through a voting trust arrangement. If you hold LP exchangeable units as of the record date, you may provide voting instructions to Onex Corporation, as trustee, by completing and returning the voting instruction card accompanying this proxy statement. The trustee will vote your shares in accordance with your duly executed instructions received no later than 5:00 p.m., Eastern Daylight Time, on May 27, 2008. If you do not send instructions and do not otherwise attend the meeting to vote in person as discussed below, the trustee will not be able to vote your LP exchangeable units. You may revoke previously given voting instructions prior to 5:00 p.m., Eastern Daylight Time, on May 27, 2008, by filing with the trustee either a written notice of revocation or a properly completed and signed voting instruction card bearing a later date.

### ***How do I vote in person?***

If you are a stockholder of record and prefer to vote your shares at the Annual Meeting, you should bring the enclosed proxy card or proof of identity. We will have ballots available at the meeting. If your shares are held in "street name" in the name of a bank, broker or other record holder and you plan to attend the Annual Meeting, you will need to obtain a signed proxy from the record holder giving you the right to vote the shares.

### ***How does the Board of Directors recommend I vote?***

Our Board of Directors recommends that you vote:

"FOR" the nominee to the Board of Directors,

"FOR" the approval of the Amended and Restated LTIP, and

"FOR" the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2008.

### ***Can I vote on other matters?***

The Company's by-laws limit the matters presented at our Annual Meeting to (1) those matters set forth in the notice of the meeting, (2) those matters that the Board of Directors has properly caused to be presented and (3) as to holders of our class A common stock, those matters presented before the meeting by a stockholder of record entitled to vote at the meeting so long as the stockholder has

notified the Corporate Secretary in writing (at our principal office) not later than 120 days before the anniversary of the prior year's annual meeting (holders of our class B common stock and class B special voting stock are not subject to these date limitations). The notice by a stockholder must (i) briefly describe the business to be presented, the reasons and any material interest the stockholder has in the business; (ii) give the stockholder's name and address; and (iii) represent that the stockholder is a holder of record at the time of the notice and intends to be a holder on the record date (giving the number of shares and class) and intends to be at the meeting in person or by proxy to present the business.

***What if I change my mind? Can I change my vote?***

Yes. At any time before the vote on a proposal, you may change your vote by:

Sending us another signed proxy card with a later date, or

Sending us a written notice revoking your proxy (to our Corporate Secretary at 6200 S. Syracuse Way, Suite 200, Greenwood Village, Colorado 80111), or

Attending the Annual Meeting and voting in person.

However, no revocation of your vote will be effective unless we receive notice of such revocation at or prior to the Annual Meeting. If your shares are held in "street name," you should contact your bank, broker or other nominee regarding the revocation of proxies.

***Who counts the votes?***

Our transfer agent, American Stock Transfer and Trust Company, will tabulate the votes at the Annual Meeting.

***Who acts as inspector of election?***

Todd Zimmerman, our General Counsel, will act as inspector of elections at the Annual Meeting.

***Is my vote confidential?***

Generally, yes. Proxy cards, ballots and voting tabulations that identify individual stockholders are mailed or returned directly to American Stock Transfer and Trust Company and handled in a manner that protects your voting privacy. Your vote will not be disclosed EXCEPT:

as needed to permit American Stock Transfer and Trust Company to tabulate and certify the vote,

as required by law, or

in limited circumstances, such as a proxy contest in opposition to the Board of Directors.

In addition, all comments written on the proxy card or elsewhere will be forwarded to management, but your identity will be kept confidential unless you ask that your name be disclosed.

***What does it mean if I get more than one proxy card?***

If you receive more than one proxy card, your shares are probably registered in more than one account. Sign and return all proxy cards to ensure that all your shares are voted. If any of these accounts can be consolidated, you may do this by contacting our transfer agent, American Stock Transfer and Trust Company, at (800) 937-5449.



***What is a "quorum"?***

We may hold the Annual Meeting only if a "quorum" is present, either in person or represented by proxy. A "quorum" is a majority of the voting power represented by our stock outstanding on the record date, including our class A common stock, our class B common stock and our class B special voting stock. Abstentions and broker non-votes are included in determining whether a quorum exists. If a quorum is not present at the Annual Meeting, we may adjourn the meeting from time to time until we have a quorum.

***Who is making and paying for this proxy solicitation?***

This proxy is solicited on behalf of our Board of Directors. The Company is paying for the solicitation of proxies. We will reimburse banks, brokers, custodians, nominees and fiduciaries for their reasonable charges and expenses to forward our proxy materials to the beneficial owners of our common stock.

We may, if appropriate, retain an independent proxy solicitation firm to assist us in soliciting proxies. If we do retain a proxy solicitation firm, we would pay such firm's customary fees and expenses which we expect would be approximately \$7,500, plus expenses.

**HOW TO OBTAIN MATERIALS AND COMMUNICATE WITH THE COMPANY**

***How do I obtain a printed copy of the Proxy Statement, Annual Report or Form 10-K?***

You may leave a message for the Company's Investor Relations department at (303) 495-1210 or write to us at Emergency Medical Services Corporation, 6200 S. Syracuse Way, Suite 200, Greenwood Village, Colorado 80111, Attn: Investor Relations. We will provide you with a copy at no charge. In addition, we have included these documents, as well as all of the documents we file with the Securities and Exchange Commission ("*SEC*"), on our website at [www.emsc.net](http://www.emsc.net) and our annual report includes a copy of the Form 10-K (without exhibits) as filed with the SEC. We have enclosed a copy of our annual report to stockholders with this Proxy Statement (but the annual report is not incorporated by reference into our proxy materials).

***Where can I find voting results?***

We will announce preliminary voting results at the Annual Meeting. We will publish the final voting results in our Form 10-Q for the second quarter of 2008. You will also be able to find the results on the Company's website at [www.emsc.net](http://www.emsc.net).

***How can stockholders communicate with the Board of Directors?***

Stockholders may communicate with the Board by writing to the Board of Directors, care of the Corporate Secretary, Emergency Medical Services Corporation, 6200 S. Syracuse Way, Suite 200, Greenwood Village, Colorado 80111. The Corporate Secretary will forward any such correspondence to the entire Board of Directors. Please see the additional information in the section captioned "Corporate Governance Communications with Directors."

**INFORMATION ABOUT OUR STOCK OWNERSHIP**

***Principal Holders of the Company's Stock***

The following table sets forth all persons known to us to be the beneficial owners of more than 5% of our class A and class B common stock or our class B special voting stock as of April 15, 2008.

We report the amounts and percentages of our voting stock, including our common stock, beneficially owned on the basis of regulations of the SEC governing the determination of beneficial

ownership of securities. Under the rules of the SEC, a person is deemed to be a "beneficial owner" of a security if that person has or shares "voting power," which includes the power to vote or direct the voting of such security, or "investment power," which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days, including our common stock subject to a stock option or similar security that is exercisable within 60 days. Under these rules, more than one person may be deemed to be a beneficial owner of such securities as to which such person has an economic interest.

Our LP exchangeable units are exchangeable on a one-for-one basis for shares of class B common stock at any time at the option of the holder. Accordingly, this table assumes the exchange of all LP exchangeable units for class B common stock. Until such exchange, the holders of the LP exchangeable units have the benefit of the class B special voting stock through which the holders may exercise voting rights as though they held the same number of shares of class B common stock. As a result, each person identified as a beneficial owner of class B common stock may also be deemed to own beneficially a percentage of the one share of class B special voting stock approximately equal to that person's percentage ownership of the class B common stock. Moreover, because our class B common stock is convertible at any time on a one-for-one basis for shares of class A common stock at the option of the holder, each holder of class B common stock may be deemed to own an equal number of shares of class A common stock. On all matters to be voted on by our stockholders, our class A common stock has one vote per share and our class B common stock has ten votes per share.

Except as described above with respect to the shared right to direct the vote of the class B special voting stock, and as we describe in the footnotes to the following table, to our knowledge each of the beneficial owners has sole voting and investment power with respect to the voting securities beneficially owned.

Name and Address of Beneficial Owners of Common Stock	Shares Beneficially Owned	Percentage of Class	Percentage of All Equity Shares	Percent of Voting Power <sup>(1)</sup>
Onex Corporation	1 class B special voting stock	100.0%	*	96.8%
Onex Corporation <sup>(2)</sup>	32,107,545 class B <sup>(3)</sup>	99.6%	77.2%	96.8%
Onex Partners LP <sup>(4)</sup>	17,226,723 class B <sup>(3)</sup>	53.4%	41.4%	51.9%
Onex Partners LLC <sup>(5)</sup>	11,106,924 class B <sup>(3)</sup>	34.4%	26.7%	33.5%
Onex EMSC Co-Invest LP <sup>(6)</sup>	2,844,855 class B <sup>(3)</sup>	8.8%	6.8%	8.6%
Entities affiliated with Deerfield Capital, L.P. <sup>(7)</sup>	526,276 class A <sup>(8)</sup>	5.6%	*	*
Entities affiliated with Delaware Management Holdings <sup>(9)</sup>	1,197,830 class A <sup>(10)</sup>	12.8%	*	*
FMR LLC <sup>(11)</sup>	1,770,158 class A <sup>(12)</sup>	19.0%	*	*
O'Shaughnessy Asset Management, LLC <sup>(13)</sup>	595,986 class A <sup>(14)</sup>	6.4%	*	*

\* Represents less than 1%.

(1) On each matter submitted to the stockholders for their vote, our class A common stock is entitled to one vote per share, our class B common stock is entitled to ten votes per share, reducing to one vote per share under certain limited circumstances, and our class B special voting stock is entitled to a number of votes that could be cast if all of the outstanding LP exchangeable units were exchanged for class B common stock. Except as required by law, our class A common stock, class B common stock and class B special voting stock vote together on all matters submitted to stockholders for their vote.

(2) Includes the following: (i) 17,226,723 LP exchangeable units held by Onex Partners LP; (ii) 11,106,924 LP exchangeable units held by Onex Partners LLC; (iii) 2,844,855 LP exchangeable units held by Onex EMSC Co-Invest LP; (iv) 639,649 LP exchangeable units held by EMS Executive Investco LLC; (v) 289,349 LP exchangeable units held by Onex US Principals LP; and (vi) 45 class B shares held by Onex American Holdings II LLC. Onex Corporation may be deemed to own beneficially the LP exchangeable units held by (a) Onex Partners LP, through Onex' ownership of all of the common

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stock of Onex Partners GP Inc., the general partner of Onex Partners GP LP, the general partner of Onex Partners LP; (b) Onex Partners LLC, through Onex' ownership of all of the equity of Onex Partners LLC; (c) Onex EMS Co-Invest LP, through Onex' ownership of all of the common stock of Onex Partners GP Inc., the general partner of Onex Partners GP LP, the general partner of Onex EMSC Co-Invest LP; (d) EMS Executive Investco LLC, through Onex' ownership of Onex American Holdings II LLC which owns 100% of the voting power of EMS Executive Investco LLC; and (e) Onex US Principals LP through Onex' ownership of all of the equity of Onex American Holdings GP LLC, the general partner of Onex US Principals LP. Onex Corporation disclaims such beneficial ownership. The address for Onex Corporation is 161 Bay Street, Toronto, ON M5J 2S1, Canada.

Mr. Gerald W. Schwartz, the Chairman, President and Chief Executive Officer of Onex Corporation, owns shares representing a majority of the voting rights of the shares of Onex Corporation and as such may be deemed to own beneficially all of the LP exchangeable units owned beneficially by Onex Corporation. Mr. Schwartz disclaims such beneficial ownership.

- (3) According to the SEC rules, any securities not outstanding (such as shares of our class B common stock issuable on conversion of our LP exchangeable units) should be assumed to be outstanding only for the calculation of beneficial ownership of the individual who beneficially owns such shares. Our calculation of the beneficial ownership of our class B common stock assumes the exchange of all of our LP exchangeable units for class B common stock because the LP exchangeable unit holders currently have the power to direct a number of votes equal to the votes they would cast if they exchanged their LP exchangeable units for class B common stock.
- (4) All of the LP exchangeable units owned by Onex Partners LP may be deemed owned beneficially by each of Onex Partners GP LP, Onex Partners GP, Inc. and Onex Corporation. The address for Onex Partners LP is c/o Onex Investment Corporation, 712 Fifth Avenue, New York, New York 10019.
- (5) All of the LP exchangeable units owned by Onex Partners LLC may be deemed owned beneficially by Onex Corporation. The address for Onex Partners LLC is 421 Leader Street, Marion, Ohio 43302.
- (6) All of the LP exchangeable units owned by Onex EMSC Co-Invest LP may be deemed owned beneficially by each of Onex Partners GP LP, Onex Partners GP, Inc. and Onex Corporation. The address for Onex EMSC Co-Invest LP is c/o Onex Investment Corporation, 712 Fifth Avenue, New York, New York 10019.
- (7) Based solely on information contained in the Form 13G/A filed with the SEC by James E. Flynn, Deerfield Capital, L.P., Deerfield Partners, L.P., Deerfield Management Company, L.P. and Deerfield International Limited on February 1, 2008. The address for James E. Flynn is 780 Third Avenue, 37th floor, New York, NY 10017.
- (8) These securities are owned beneficially by Deerfield, L.P., Deerfield Partners, L.P., Deerfield Management Company, L.P. and Deerfield International Limited. For purposes of the reporting requirements of the Securities Exchange Act of 1934, Mr. Flynn is deemed to be a beneficial owner of such securities. As of February 1, 2008, Mr. Flynn does not have sole dispositive or voting power with respect to such securities.
- (9) Based solely on information contained in the Form 13G/A filed with the SEC by Delaware Management Holdings and Delaware Management Business Trust on February 7, 2008. The address for Delaware Management Holdings is 2005 Market Street Philadelphia, Pennsylvania 19103.
- (10) These securities are owned beneficially by Delaware Management Holdings and Delaware Management Business Trust. For purposes of the reporting requirements of the Securities Exchange Act of 1934, Delaware Management Holdings is deemed the beneficial owner of such securities.
- (11) Based solely on information contained in the Form 13G filed with the SEC by FMR LLC on February 13, 2008. The address for FMR LLC 82 Devonshire Street Boston, Massachusetts 02109.
- (12) These securities are owned beneficially by FMR LLC. FMR LLC has sole dispositive power over all of the shares and sole voting power over 323,400 of the shares.
- (13) Based solely on information contained in the Form 13G filed with the SEC by O'Shaughnessy Asset Management, LLC ("O'Shaughnessy") on February 15, 2008. The address for O'Shaughnessy is 6 Suburban Avenue Stamford, Connecticut 06901.
- (14) These securities are owned beneficially by O'Shaughnessy. O'Shaughnessy has sole dispositive power over all of the shares and sole voting power over all of the shares.

### *Stock Ownership of Directors and Executive Officers*

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The following table sets forth the number of shares of our voting securities, including our common stock, beneficially owned as of April 15, 2008 by each director and each executive officer named in the Summary Compensation Table, and by all directors and executive officers as a group. Except as we describe in the footnotes, to our knowledge, each named person has sole voting and investment power with respect to the shares shown in the table. Beneficial ownership is determined on the basis of the

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rules of the SEC. Please see " Principal Holders of the Company's Stock" for a description of those rules.

Name	Common Stock	Shares Subject to Options <sup>(1)(2)</sup>	Total Shares Beneficially Owned	Percentage of Class	Percentage of Equity Shares	Percentage of Voting Power
Robert M. Le Blanc <sup>(3)</sup>	56,064 class B		56,084 class B	*	*	*
Steven B. Epstein <sup>(4)</sup>	48,205 class A <sup>(5)</sup>	937 class A	49,142 class A	*	*	*
James T. Kelly <sup>(4)</sup>	123,205 class A <sup>(5)</sup>	937 class A	124,611 class A	1.3%	*	*
Michael L. Smith <sup>(4)(6)</sup>	48,205 class A <sup>(5)</sup>	937 class A	49,142 class A	*	*	*
William A. Sanger <sup>(4)</sup>	450,000 class A	555,813 class A	1,005,813 class A	10.8	2.4%	*
Paul B. Iannini, M.D. <sup>(4)</sup>	10,705 class A <sup>(5)</sup>		10,705 class A	*	*	*
Randel G. Owen <sup>(4)</sup>	33,750 class A	138,953 class A	172,703 class A	1.9	*	*
Todd G. Zimmerman <sup>(4)</sup>	25,416 class A <sup>(5)</sup>	55,581 class A	80,997 class A	*	*	*
Dighton C. Packard, M.D. <sup>(7)</sup>	33,750 class A	18,281 class A	52,031 class A	*	*	*
All directors and executive officers as a group (9 persons)	773,236 class A 56,084 class B	771,439 class A	1,544,675 class A 56,084 class B	16.6%	3.7%	*

\*

Represents less than 1%.

(1) Represents stock options that are exercisable as of April 15, 2008 or become exercisable within 60 days of April 15, 2008.

(2) The options vest ratably on the first four anniversaries of February 10, 2005, the grant date (except for Mr. Sanger, whose shares vest ratably on the first eight six-month anniversaries of the grant date), provided that the exercisability of one-half of the options is conditioned upon meeting certain specified performance targets.

(3) Includes (i) 35,814 LP exchangeable units held by Onex US Principals LP which may be deemed owned beneficially by Mr. Le Blanc by reason of his pecuniary interest in the LP exchangeable units owned by Onex US Principals LP and (ii) 20,250 LP exchangeable units owned by Onex EMSC Co-Invest LP which may be deemed to be owned beneficially by Mr. Le Blanc by reason of his pecuniary interest in Onex EMSC Co-Invest LP. Mr. Le Blanc disclaims beneficial ownership of the LP exchangeable units owned by Onex US Principals LP and Onex EMSC Co-Invest LP. Mr. Le Blanc's address is c/o Onex Investment Corporation, 712 Fifth Avenue, New York, New York 10019.

(4) The address of these stockholders is c/o Emergency Medical Services Corporation, 6200 Syracuse Way, Suite 200, Greenwood Village, Colorado 80111-4737.

(5) With respect to each of Messrs. Epstein, Kelly, Smith and Dr. Iannini, includes 2,705 Restricted Stock Units granted pursuant to the Company's Non-Employee Director Compensation Program that will vest on the date of the Annual Meeting of the Stockholders, or May 28, 2008. Each Restricted Stock Unit represents the right to receive one share of class A common stock. With respect to Mr. Zimmerman, includes 6,666 restricted shares, which will vest on June 14, 2008.

(6) Includes 36,725 shares of our class A common stock held by the Michael L. Smith Grantor Retained Annuity Trust, dated October 1, 2005.

(7) The address of this stockholder is c/o EmCare Holdings Inc., 1717 Main Street, Suite 5200, Dallas, Texas 75201.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 requires that the Company's directors, executive officers and persons who beneficially own more than 10% of the Company's class A common stock (referred to as "Reporting Persons") file reports of initial ownership and changes in ownership of the Company's common stock with the SEC. The SEC regulations require the Reporting Persons to furnish the Company with copies of such reports. Based solely on our review of copies of these reports received by us with respect to our year ended December 31, 2007,



we believe that during 2007 all Reporting Persons filed on a timely basis all reports required of them.

**PROPOSAL 1****ELECTION OF DIRECTORS**

Under our By-Laws, our Board of Directors may consist of three or more directors, the exact number to be set from time to time by resolution of our Board. The Board of Directors currently consists of six members, divided into three classes of directors. Class I consists of Robert M. Le Blanc and William A. Sanger, and their current terms of office will expire at the 2009 annual meeting of stockholders. Class II consists of Steven B. Epstein, Paul B. Iannini, M.D. and James T. Kelly, and their current terms of office will expire at the 2010 annual meeting of stockholders. Class III currently consists of Michael L. Smith, as Don S. Harvey resigned as Director of the Company effective January 7, 2008, and Michael L. Smith's current term of office will expire at the Annual Meeting. If Mr. Smith is elected at this year's Annual Meeting, he will serve a three-year term expiring at the 2010 annual meeting of stockholders, or until his earlier death, resignation or removal.

At each annual stockholders meeting, directors are elected for a term of three years and to hold office until their successors are elected and qualified or until their earlier removal or resignation. Directorships resulting from an increase in the authorized number of directors or any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause may be filled by a majority of the remaining directors then in office. At the Annual Meeting, one director is to be elected by the stockholders to hold office for a term of three years and until his successor is elected and qualified.

We have a Corporate Governance and Nominating Committee to propose nominees, and all nominations are approved by the Board of Directors. The Board of Directors recommends that its nominee for director be elected at the Annual Meeting. The nominee is Michael L. Smith. The nominee has consented to serve as a director if elected. Mr. Smith currently serves as a director of the Company, and has served as a director of the Company and its predecessor since July 2005. If the nominee becomes unavailable for any reason or should a vacancy occur before the election, which we do not anticipate, the proxies will be voted for the election of such other person as a director as the Board of Directors may recommend.

Information regarding the nominee proposed by the Board of Directors for election as a Class III director, along with information concerning the present Class I and Class II continuing directors of the Company, is set forth below:

**Class III Director Nominee**

<b>Name</b>	<b>Age</b>	<b>Position(s)</b>
Michael L. Smith	59	Director Nominee

**Class I Directors Terms Expiring in 2009**

<b>Name</b>	<b>Age</b>	<b>Position(s)</b>
William A. Sanger	57	Director, Chairman and Chief Executive Officer
Robert M. Le Blanc	41	Director, Lead Director

**Class II Directors Terms Expiring in 2010**

<b>Name</b>	<b>Age</b>	<b>Position(s)</b>
Steven B. Epstein	64	Director
Paul B. Iannini, M.D.	60	Director
James T. Kelly	61	Director

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**The Board of Directors recommends a vote FOR the election of the nominee for the Class III Director named above.**

Our Company was formed in November 2005, as the top-tier holding company to Emergency Medical Services L.P., which we refer to herein as the "predecessor" of our Company, although the use of the term is not intended to convey any particular accounting position or treatment. Messrs. Sanger and Le Blanc have served on the Board since the Company's formation and the other directors, other than Dr. Iannini, were elected to the Board on December 13, 2005, just before we formally approved our initial public offering. Dr. Iannini was elected to the Board on June 1, 2006 and was also appointed to the Audit Committee at that time. The period of service on our Board of Directors referred to below includes services on the board of directors of the predecessor of our Company.

Our operating subsidiaries are American Medical Response, Inc., which we refer to as AMR, and EmCare Holdings Inc., which we refer to as EmCare.

Mr. Le Blanc is serving as our Lead Director. In that role, his primary responsibility is to preside over periodic executive sessions of our board of directors in which management directors and other members of management do not participate, and he has the authority to call meetings of the non-management directors. The Lead Director also chairs certain portions of board meetings, serves as liaison between the Chairman of the Board and the non-management directors, and develops, together with the Chairman, the agenda for board meetings. The Lead Director will also perform other duties the Board delegates from time to time to assist the Board of Directors in fulfilling its responsibilities.

### *Director Nominee*

*Michael L. Smith* became a director of the predecessor of Emergency Medical Services Corporation in July 2005. Mr. Smith served as Executive Vice President and Chief Financial and Accounting Officer of Anthem, Inc. and its subsidiaries, Anthem Blue Cross and Blue Shield, from 2001 until his retirement in January 2005. Mr. Smith was Executive Vice President and Chief Financial Officer of Anthem Insurance from 1999, and from 1996 to 1998 he served as Chief Operating Officer and Chief Financial Officer of American Health Network Inc., then a subsidiary of Anthem. Mr. Smith was Chairman, President and Chief Executive Officer of Mayflower Group, Inc. (a transportation company) from 1989 to 1995, and held various other management positions with that company from 1974 to 1989. Mr. Smith also serves as a director of Kite Realty Group Trust (a retail property REIT), Calumet Specialty Products, LP (a refiner of specialty petroleum products), Vectren Corporation (a gas and electrical power utility), and HH Gregg, Inc. (a national home appliance and electronics retailer). Mr. Smith is currently a director of InterMune, Inc., a biopharmaceutical company, but will not stand for reelection at their 2008 annual meeting. Mr. Smith also serves as a member of the Board of Trustees of DePauw University, a Trustee of the Indianapolis Museum of Art, a director of the Central Indiana Community Foundation and the Lumina Foundation, and a member of the Indiana Commission for Higher Education.

### *Continuing Directors*

*William A. Sanger* has been a director, chairman and Chief Executive Officer of Emergency Medical Services Corporation and its predecessor since February 10, 2005. Mr. Sanger was appointed President of EmCare in 2001 and Chief Executive Officer of AMR and EmCare in June 2002. Mr. Sanger is a co-founder of BIDON Companies where he has been a Managing Partner since 1999. Mr. Sanger served as President and Chief Executive Officer of Cancer Treatment Centers of America, Inc. from 1997 to 2001. From 1994 to 1997, Mr. Sanger was co-founder and Executive Vice President of PhyMatrix Corp., then a publicly traded diversified health services company. In addition, Mr. Sanger was president and chief executive officer of various other healthcare entities, including JFK

Health Care System. Mr. Sanger has an MBA from the Kellogg School of Management at Northwestern University. Mr. Sanger has more than 30 years of experience in the healthcare industry.

*Robert M. Le Blanc* has served as Managing Director of Onex Investment Corp., an affiliate of Onex Corporation, a diversified industrial corporation, since 1999. Prior to joining Onex in 1999, he was with Berkshire Hathaway for seven years. From 1988 to 1992, Mr. Le Blanc held numerous positions with GE Capital, with responsibility for corporate finance and corporate strategy. Mr. Le Blanc serves as the Lead Director of Magellan Health Services, Inc., and is a director of Carestream Health, Inc., The Warranty Group, Inc., Cypress Insurance, Res-Care, Inc., Center for Diagnostic Imaging, Inc., First Berkshire Hathaway Life, Skilled Healthcare Group, Inc. and Connecticut Children's Medical Center. Mr. Le Blanc became a director of the predecessor of Emergency Medical Services Corporation in December 2004.

*Steven B. Epstein* became a director of the predecessor of Emergency Medical Services Corporation in July 2005. Mr. Epstein is the founder and senior healthcare partner of the law firm of Epstein Becker & Green, P.C. Epstein Becker & Green, P.C. generally is recognized as one of the country's leading healthcare law firms. Mr. Epstein serves as a legal advisor to healthcare entities throughout the U.S. Mr. Epstein received his B.A. from Tufts University, where he serves on the Board of Trustees and the Executive Committee, and his J.D. from Columbia Law School, where he serves as Chairman of the Law School's Board of Visitors. In addition, Mr. Epstein serves as a director of many healthcare companies and venture capital and private equity firms, including HealthExtras, Inc. (a pharmacy benefit company) and Discovery Health (a South African healthcare company).

*Paul B. Iannini, M.D.* became a director of the Company in June 2006. Dr. Iannini is the Chairman, Department of Medicine and Director, Medical Service Line, at York Hospital in York, Pennsylvania. Prior to that, Dr. Iannini served as the Chairman, Department of Medicine, of Danbury Hospital, where he had been since 1978, and as Clinical Professor of Medicine at Yale University School of Medicine.

*James T. Kelly* became a director of the predecessor of Emergency Medical Services Corporation in July 2005. From 1986 to 1996, Mr. Kelly served as President and Chief Executive Officer of Lincare Holdings Inc., and he served as Chairman of the Board of Lincare from 1994 to 2000. Lincare is a publicly traded company that provides respiratory care, infusion therapy and medical equipment to patients in the home. Prior to joining Lincare, Mr. Kelly was with Union Carbide Corporation for 19 years, where he served in various management positions. Mr. Kelly also serves as a director of American Dental Partners, Inc. (a provider of dental management services) and HMS Holdings Corp. (a provider of consulting and business office outsourcing and reimbursement services to healthcare providers).

## CORPORATE GOVERNANCE

The business and affairs of the Company are managed by or under the direction of our Board of Directors. The principal functions of the Board and its committees are to:

set policy for the Company;

assist with strategic planning;

select and monitor the performance of the Chief Executive Officer; and

provide management with appropriate advice and feedback concerning the business and operations of the Company.

The principal functions of the Board and its committees are more fully described in the Company's Corporate Governance Guidelines, adopted by our Board of Directors on December 14, 2005. To achieve these goals, the directors will monitor the performance of the Company by regularly attending

meetings of the Board and its committees. The Board of Directors was constituted in November 2005, and four of our six directors were first elected to the Board on December 13, 2005. The Board held five regularly scheduled meetings and five special meetings during 2007. All Board members attended all of the meetings of the Board held in 2007, except that Dr. Iannini and Messrs. Harvey and Smith were each unable to attend one meeting in 2007. During 2007, the audit committee held seven meetings, the corporate governance and nominating committee held four meetings, the compensation committee held eight meetings and the compliance committee held five meetings. Each of our directors attended all of the meetings held by those committees of the board on which he served, except that Mr. Smith was unable to attend one meeting of the Compensation Committee in 2007.

A copy of our Corporate Governance Guidelines is available on the Company's website at [www.emsc.net](http://www.emsc.net) and is also available in print to any stockholder who sends a request to Emergency Medical Services Corporation, Attn: Investor Relations, 6200 S. Syracuse Way, Suite 200, Greenwood Village, Colorado 80111, (303) 495-1200.

***Code of Business Conduct and Ethics and Code of Ethics for the Chief Executive Officer and Senior Financial Officers***

The Board of Directors has adopted a "Code of Business Conduct and Ethics" that applies to all of the Company's officers, employees and directors, and a "Code of Ethics for the Chief Executive Officer and Senior Financial Officers" that applies to our chief executive officer, chief financial officer, corporate officers with financial and accounting responsibilities, including the controller, treasurer and any chief accounting officer, and any other person performing similar tasks or functions. The Code of Business Conduct and Ethics and the Code of Ethics for the Chief Executive Officer and Senior Financial Officers are available at the "Corporate Governance" section of the Company's website at [www.emsc.net](http://www.emsc.net). Copies of these codes may also be obtained free of charge from the Company upon a request to Emergency Medical Services Corporation, Attn: Investor Relations, 6200 South Syracuse Way, Suite 200, Greenwood Village, Colorado 80111, (303) 495-1200.

We will promptly disclose any substantive changes in or waiver from, together with reasons for any waiver, either of these codes granted to our executive officers, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, and our directors by posting such information in the "Corporate Governance" section of our website at [www.emsc.net](http://www.emsc.net).

***Director Independence***

Onex Corporation currently controls more than 50% of our combined voting power and we are, therefore, a "controlled company" under New York Stock Exchange rules. We currently avail ourselves of the "controlled company" exception under the New York Stock Exchange rules, which eliminates the requirements that we have a majority of independent directors on our Board of Directors and that our compensation and governance and nominating committees be composed entirely of independent directors.

Our Board of Directors consists of six directors, including four independent directors under NYSE rules: Steven R. Epstein, Paul B. Iannini, M.D., James T. Kelly and Michael L. Smith. The Board of Directors has affirmatively determined that Messrs. Epstein, Iannini, Kelly and Smith do not have any material relationships with the Company and are independent under the criteria established by the New York Stock Exchange for independent board members.

Mr. Epstein is a partner of a law firm that receives fees from the Company, and therefore does not meet the additional audit committee criteria for independence under the NYSE rules. As of the date of the annual meeting, Mr. Smith will be serving on the audit committee of the boards of directors of Kite Realty Group Trust, H.H. Gregg, Inc., Calumet Specialty Products, LP and Vectren

Corporation. The Board of Directors has determined that the simultaneous service by Mr. Smith on the audit committees of more than three public companies would not impair his ability to effectively serve as a member of the Company's audit committee.

### **Executive Sessions**

The Board of Directors generally holds executive sessions of the non-management directors at least quarterly, following regularly scheduled in-person meetings of the Board of Directors. Executive sessions do not include any employee directors of the Company. Mr. Le Blanc, the Lead Director, generally presides over the executive sessions of the non-management directors.

### **Board Attendance at Annual Meetings**

Board members are invited to attend the Company's annual stockholder meetings but they are not required to do so. The Company reimburses the travel expenses of any director who travels to attend the annual meeting. William Sanger, who is also the chief executive officer of the Company, and Don S. Harvey, who was then the President of the Company, were the Board members who attended last year's annual stockholder meeting.

### **Communications with Directors**

Stockholders, employees or other interested parties may communicate with the Board of Directors of the Company, and its Audit Committee, by calling the Ethics & Integrity Helpline at (877) 835-5267 or by writing to Emergency Medical Services Corporation, Attn: Corporate Secretary, 6200 S. Syracuse Way, Suite 200, Greenwood Village, Colorado 80111. These communications will be reviewed by the Company's Ethics & Compliance Department as agent for the non-management directors in facilitating direct communications to the Board of Directors and its Audit Committee. All communications will be handled in a confidential manner, to the degree the law allows. Communications may be made on an anonymous basis; however, in these cases the reporting individual must provide sufficient details for the matter to be reviewed and resolved. The Company will not tolerate any retaliation against an employee who makes a good-faith report.

An interested person may direct communications to any member of our Board of Directors, including our Lead Director, Mr. Le Blanc. However, phone calls to the Ethics & Integrity Helpline will be directed to the appropriate contact at the Company, and may not be directed to our Board of Directors unless specifically requested by the caller. Unless otherwise requested, for calls to the Ethics & Integrity Helpline directed to the Board of Directors, the Ethics & Compliance Department will:

direct communications containing complaints relating to accounting, internal accounting controls or auditing matters to the Audit Committee,

direct communications containing complaints of non-compliant behavior, such as allegations with respect to non-compliance with healthcare regulations or antitrust violations in the organization, to the Compliance Committee, and

direct proposals, nominations and recommendations for prospective director nominees to the chairman of the Nominating and Corporate Governance Committee.

Copies of actual communications will be provided to the Board of Directors upon its request. The Company will reiterate to employees annually the process for communicating concerns.

**Committees of the Board of Directors**

Our Board of Directors maintains an Audit Committee, a Compensation Committee, a Corporate Governance and Nominating Committee and a Compliance Committee. The committee charters are available on our website at [www.emsc.net](http://www.emsc.net) and are also available in print to any stockholder who submits a request to Emergency Medical Services Corporation, Attn: Investor Relations, 6200 S. Syracuse Way, Suite 200, Greenwood Village, Colorado 80111, (303) 495-1210.

***Audit Committee***

Members	Principal Functions	Meetings in 2007
Michael L. Smith, <i>Chair</i> Paul B. Iannini, M.D. James T. Kelly	<p>Ensures that the Company conducts its business in conformance with appropriate legal and regulatory standards and requirements</p> <p>Annually selects, appoints, evaluates, determines the compensation of, and retains the independent auditors, reviews the services to be performed by the independent auditors and the terms of their engagement, exercises oversight of their activities and, where appropriate, terminates and/or replaces the independent auditors.</p> <p>Oversees and ensures adequacy of internal controls and risk management.</p> <p>Reviews with management and the independent auditors the Company's quarterly and annual periodic reports and other financial disclosures such as earnings releases.</p> <p>Reviews the results of each external audit and considers the adequacy of the Company's internal controls.</p> <p>Determines the duties and responsibilities of the internal auditors, reviews the internal audit program, and oversees other activities of the internal auditing staff.</p> <p>Prepares a report to stockholders included in the Company's annual proxy statement.</p>	7

The Board has determined that Mr. Smith is an "audit committee financial expert" as defined under the SEC rules. The Board has determined that each member of the Committee is "independent" and "financially literate" in accordance with the listing standards of the NYSE and the SEC.

*Compensation Committee*

<b>Members</b>	<b>Principal Functions</b>	<b>Meetings in 2007</b>
James T. Kelly, <i>Chair</i> Robert M. Le Blanc Michael L. Smith	Administers the Company's stock option plans including the review and grant of stock options to all eligible employees and directors.	8
	Reviews and approves corporate goals and objectives relevant to Mr. Sanger's compensation, evaluates his performance, determines and approves Mr. Sanger's compensation.	
	Reviews and approves the evaluation process and compensation for the Company's officers.	
	Prepares a report to stockholders included in the Company's annual proxy statement.	

As the Company is a "controlled" company, one of our current Compensation Committee members, Mr. Le Blanc, is not independent, as is permitted by NYSE rules. Mr. Le Blanc does not participate in the approval by the Compensation Committee of equity awards to executive officers.

*Compliance Committee*

<b>Members</b>	<b>Principal Functions</b>	<b>Meetings in 2007</b>
Robert M. Le Blanc, <i>Chair</i> Steven B. Epstein James T. Kelly Michael L. Smith	Ensures proper communication of compliance issues to Board and its committees.	5
	Reviews significant compliance risk areas and management's efforts to monitor, control and report such risk exposures.	
	Monitors the effectiveness of the Company's Ethics and Compliance Department.	
	Reviews and approves compliance related policies and proceedings.	

As the Company is a "controlled" company, one of our current Compliance Committee members, Mr. Le Blanc, is not independent as permitted by NYSE rules.



*Corporate Governance and Nominating Committee*

Members	Principal Functions	Meetings in 2007
Steven B. Epstein, <i>Chair</i> Paul B. Iannini, M.D. James T. Kelly	Establishes procedures for the nomination process and recommends candidates for election to the Board.	4
Robert M. Le Blanc William A. Sanger Michael L. Smith	Recommends committee assignments, and the establishment of special committees' committee chairs.  Reviews and reports to the Board of Directors on corporate governance matters.  Oversees the evaluation of the Board of Directors and management.	

As the Company is a "controlled" company, two of our current Corporate Governance and Nominating Committee members, Messrs. Le Blanc and Sanger, are not independent as is permitted by the NYSE rules.

In accordance with its charter, when a vacancy exists on the Board, the Corporate Governance and Nominating Committee will identify and evaluate potential director candidates and recommend to the Board individuals to fill such vacancy either through appointment by the Board or through election by stockholders. The Committee will consider recommendations of management, stockholders and others.

When evaluating a potential director candidate, the Committee will consider such criteria as it deems appropriate, including a candidate's integrity, judgment, willingness, capability, experience with businesses and other organizations of comparable nature or size, and the interplay of a candidate's experience with the experience of other Board members. This evaluation process is the same for nominees submitted by our stockholders. The Committee did not receive any recommendations from stockholders proposing candidates for election at the Annual Meeting. To recommend a prospective nominee for consideration, submit the candidate's name and qualifications to the following address:

Emergency Medical Services Corporation  
6200 S. Syracuse Way, Suite 200  
Greenwood Village, Colorado 80111  
Attention: Corporate Secretary

All stockholder nominations for director must comply with the procedures set forth in the Company's By-Laws. For the Corporate Governance and Nominating Committee to consider a candidate recommended by a holder of our class A common stock for nomination, the recommendation must be delivered or mailed to and received by our Corporate Secretary at the Company's principal office not later than 120 days before the anniversary of the prior year's annual meeting, in the case of an annual meeting and, in the case of a special meeting, the close of business on the fifteenth day following the date on which the Company first publicly discloses the date of the special meeting. In particular, for nominations to be considered at the 2009 annual meeting of stockholders, the recommendation must be received by January 28, 2009. The notice must:

- (i) give the stockholder's name, age and business and residence address and those of the person(s) to be nominated,
- (ii) give principal occupation of the nominee,

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(iii) represent that the stockholder is a holder of record at the time of the notice and intends to be a holder on the record date (giving the number of shares and class) and intends to be at the meeting in person or by proxy to make the nomination(s),

(iv) describe any arrangements or understandings between the stockholder, the nominee(s) and any other person(s) (naming the person(s)) pursuant to which the nomination is made,

(v) provide any other information about the nominee(s) that must be disclosed in a proxy statement under the SEC's proxy rules, and

(vi) include the consent of each nominee to serve as a director if elected.

### COMPENSATION OF NON-EMPLOYEE DIRECTORS

Non-employee directors' compensation is set by the Board of Directors at the recommendation of the Corporate Governance and Nominating Committee. In developing its recommendations, the Corporate Governance and Nominating Committee is guided by the following goals: compensation should fairly pay directors for work required in companies similar in size and scope to the Company; compensation should align directors' interests with the long-term interest of stockholders; and the structure of the compensation should be simple, transparent, and easy for stockholders to understand.

The Corporate Governance and Nominating Committee reviews and recommends to the Board of Directors for its approval all compensation of the Company's non-employee directors, but no member of the Corporate Governance and Nominating Committee may act to fix his or her own compensation except as uniformly applied to all of the Company's non-employee directors.

In May 2007, our stockholders adopted the Non-Employee Director Compensation Program, which provides for the compensation of our non-employee directors, consisting of all of our current directors other than Mr. Sanger, our President and Chief Executive Officer, and Mr. Le Blanc, who is our Lead Director, although not an employee of the Company. Each of our non-employee directors under the Non-Employee Director Compensation Program receives an annual cash retainer of \$50,000, payable in four equal quarterly installments. In addition, immediately following each annual meeting of our stockholders, each non-employee director then serving on the Board of Directors shall be granted a number of Restricted Stock Units, or RSUs, representing the right to receive a number of shares of class A common stock (rounded up to the closest whole share) having a fair market value of \$100,000 (based on the closing price of our class A common stock on the New York Stock Exchange on the business day immediately preceding the grant date). The number of RSUs granted to a non-employee director appointed to the Board other than at an annual meeting of stockholders will be pro-rated based on the number of days on which such non-employee director will serve as a Board member until the next annual meeting of stockholders. RSUs vest on the date of the next following annual meeting of stockholders, immediately prior to the vote for directors, and are currently paid in shares of our class A common stock (one share for each RSU) unless the non-employee director has made an election to defer the receipt of such shares at the time and in the manner provided by the Board.

Directors who are employees of the Company receive no compensation for their services as a director. Mr. Le Blanc receives no compensation for his services as a member of the Board of Directors, its committees, or as Lead Director.

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### *Non-Employee Director Compensation for Fiscal Year 2007*

In 2007, we provided the following compensation to members of our Board of Directors other than Messrs. Sanger, Harvey and Le Blanc:

Name	Fees Earned or Paid in Cash (\$)	Stock Awards \$( <sup>1</sup> )	Stock Option Awards( <sup>2</sup> )	All Other Compensation (\$)	Total (\$)
Steven B. Epstein <sup>(3)</sup>	50,000	100,000			150,000
Paul B. Iannini, M.D. <sup>(4)</sup>	50,000	100,000			150,000
James T. Kelly <sup>(5)</sup>	50,000	100,000			150,000
Michael L. Smith <sup>(6)</sup>	50,000	100,000			150,000

- (1) Each non-employee director other than Mr. Le Blanc received a grant on August 10, 2007 of RSUs with a grant date fair value of \$100,000 (2,705 shares). These shares will vest on the date of the Annual Meeting, or May 28, 2008. The table shows the expense that will be recognized by the Company for the RSUs for each director's stock award.
- (2) No stock options were granted in 2007.
- (3) The Company reimbursed no travel expenses to Mr. Epstein in 2007.
- (4) The Company reimbursed \$1,779 to Dr. Iannini for his travel expenses in 2007.
- (5) The Company reimbursed \$35,956 to Mr. Kelly for his travel expenses in 2007, a significant portion of which represented costs incurred by Mr. Kelly on behalf of other directors.
- (6) The Company reimbursed \$2,522 to Mr. Smith for his travel expenses in 2007.

The following table sets forth information regarding the non-employee directors' outstanding stock option awards:

Name	Grant Date	Expiration Date	Exercise Price	Outstanding Stock Options <sup>(1)</sup>
Steven B. Epstein	07/29/2005	07/29/2015	\$ 6.67	3,750
James T. Kelly	07/29/2005	07/29/2015	\$ 6.67	3,750
Michael L. Smith	07/29/2005	07/29/2015	\$ 6.67	3,750

- (1) The options vest ratably on the first four anniversaries of the grant date, beginning July 29, 2006, provided that the exercisability of one-half of the options is conditioned upon meeting certain specified performance targets.

### *Certain Relationships and Related Party Transactions*

#### *Transactions with Laidlaw*

Pursuant to stock purchase agreements with Laidlaw International, Inc. and a subsidiary of Laidlaw, on February 10, 2005 we purchased all the capital stock of AMR and EmCare. Pursuant to the stock purchase agreements, we are indemnified by the seller (a subsidiary of Laidlaw that directly owned AMR and EmCare) and Laidlaw, subject to specified exceptions, for losses arising from:

breaches by the seller of its representations, warranties, covenants and agreements contained in the stock purchase agreements;

damages relating to certain government investigations; and

tax liabilities for periods prior to closing.

*Management Fee Agreement with Onex Partners Manager LP*

We are party to a management agreement dated February 10, 2005 with Onex Partners Manager LP, or Onex Manager, a wholly-owned subsidiary of Onex Corporation. In exchange for an annual management fee of \$1.0 million, Onex Manager provides us with consulting and management advisory services for corporate finance and strategic planning and such other management areas to

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which the parties agree. The annual fee may be increased, to a maximum of \$2.0 million, with the approval of directors of each of AMR and EmCare that are not affiliated with Onex. We also reimburse Onex Manager for out-of-pocket expenses incurred in connection with the provision of services pursuant to the agreement, and we reimbursed Onex Manager for out-of-pocket expenses incurred in connection with our acquisition of AMR and EmCare. The management agreement has an initial term ending February 10, 2010, subject to automatic one-year renewals, unless terminated by either party by notice given at least 90 days prior to the scheduled expiration date. For the year ended December 31, 2007, we paid Onex Manager \$1 million pursuant to this management agreement.

### *Employment Agreements and Indemnification Agreements*

We have an employment agreement and an option agreement with Mr. Sanger, our Chairman and Chief Executive Officer, and with certain of our other senior executives. For a description, see "Management Employment Agreements."

In November 1999, Texas EM-I Medical Services, P.A., a physician group affiliated with EmCare, entered into an employment agreement with Dighton C. Packard, M.D. Dr. Packard's employment agreement automatically renews for successive two-year terms unless either party gives notice 180 days prior to the expiration of the then current term. Dr. Packard has the right to terminate his agreement upon 180 days' notice, in which event he agrees to not compete with Texas EM-I for 12 months following termination of employment. Under the employment agreement, Dr. Packard is to receive an annual base salary plus a bonus based on the performance of the group under the agreements with Baylor University Medical Center.

We have entered into indemnification agreements with each of our directors, and our executive employment agreements include indemnification provisions. Under those agreements, we agree to indemnify each of these individuals against claims arising out of events or occurrences related to that individual's service as our agent or the agent of any of our subsidiaries to the fullest extent legally permitted.

### *Equityholder Agreements*

On February 10, 2005, we entered into an investor equityholders agreement with certain of our equityholders, including each of the named executive officers. Under this agreement, until the fifth anniversary of the closing of the initial public offering of the Company's common stock, the right of these equityholders to sell common stock owned immediately prior to the initial public offering, and any shares acquired upon the exercise of options held immediately prior to the initial public offering, is limited. Such equityholder may sell up to 12.5% of those shares in the first year following the offering, increasing 12.5% each year up to a maximum of 50% of such shares (or, if greater, the percentage of its shares sold by Onex Partners), plus the number of shares required to pay any income taxes on the exercise of options. The other substantive provisions of the investor equityholders agreement terminated upon completion of the offering.

We are also a party to an equityholders agreement with the Onex Investors and certain employee and affiliated physician investors. Certain of these employees are subject to the further limitations on resale that are applicable to the equityholders pursuant to the investor equityholders agreement.

### *Relationship with Law Firm*

Steven B. Epstein, one of our directors and member of certain committees, including the Compliance Committee, is a founding member and the senior health law partner in the Washington, D.C. firm of Epstein, Becker & Green, P.C., or EBG. EBG provided healthcare-related legal services to Onex in connection with our acquisition of AMR and EmCare. Furthermore, as part of its legal services, EBG has been retained to provide legal representation to the Company on various matters, including in connection with a previously disclosed United States Department of Justice subpoena

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relating to the operations of certain AMR affiliates in New York. We paid EBG \$1,668,461 in 2007 for legal services rendered in the year ended December 31, 2007.

### *Transaction with Onex-Controlled Entity*

The Company's subsidiary, AMR, on behalf of itself and certain of its subsidiaries, entered into an agreement in 2006 with Skilled Healthcare LLC, or Skilled, an operator of approximately 70 skilled nursing facilities in five states. Pursuant to this agreement, AMR became a preferred provider of medical transportation services for Skilled. In fiscal 2007, AMR had total gross revenue of approximately \$1,194,000 under this agreement. The agreement has a three-year term, and the Company expects revenues in the remaining year of the agreement to be consistent with the gross revenues in 2007. Affiliates of Onex Corporation, which own more than a majority of our equity, own more than a majority of the equity of Skilled Healthcare Group, Inc., or Skilled Healthcare Group, Skilled's parent company. Robert Le Blanc, a director of the Company, is also a director of Skilled Healthcare Group, and Mr. Le Blanc and certain other directors of our Company own equity interests in Skilled Healthcare Group; our directors own, in the aggregate, less than 1% of the equity of Skilled Healthcare Group.

### *Compensation Committee Interlocks and Insider Participation*

During 2007, the Compensation Committee was comprised of the following three non-employee directors: Mr. Kelly, Chair, Mr. Le Blanc and Mr. Smith. There were no members of the Compensation Committee who served as an officer or employee of the Company or any of its subsidiaries during 2007. In addition, during 2007, no executive officer of the Company served as a director or as a member of the compensation committee of a company which employs a director of the Company.

## EXECUTIVE COMPENSATION

### Executive Officers of the Company

The following information regarding the Company's executive officers is as of April 15, 2008.

<u>Name</u>	<u>Age</u>	<u>Position</u>
William Sanger	57	Director, Chairman and Chief Executive Officer
Randel G. Owen	49	Chief Financial Officer and Executive Vice President
Dighton C. Packard, M.D.	59	Chief Medical Officer
Todd G. Zimmerman	42	General Counsel and Executive Vice President

Set forth below is a description of the background of each of our executive officers other than Mr. Sanger. A description of Mr. Sanger's background is set forth in the section of this Proxy Statement entitled, "Proposal 1 Election of Directors Continuing Directors."

*Randel G. Owen* has been Chief Financial Officer of Emergency Medical Services Corporation and its predecessor since February 10, 2005 and was appointed Executive Vice President as of December 1, 2005. Mr. Owen was appointed Executive Vice President and Chief Financial Officer of AMR in March 2003. He joined EmCare in July 1999 and served as Executive Vice President and Chief Financial Officer from June 2001 to March 2003. Before joining EmCare, Mr. Owen was Vice President of Group Financial Operations for PhyCor, Inc. in Nashville, Tennessee from 1995 to 1999. Mr. Owen has more than 20 years of financial experience in the health care industry. Mr. Owen received an accounting degree from Abilene Christian University.

*Dighton C. Packard, M.D.* has been Chief Medical Officer of EmCare since 1990 and became Chief Medical Officer of the predecessor of Emergency Medical Services Corporation in April 2005. Dr. Packard is also the Chairman of the Department of Emergency Medicine at Baylor University Medical Center in Dallas, Texas and a member of the Board of Trustees for Baylor University Medical

Center and for Baylor Heart and Vascular Hospital. Dr. Packard has practiced emergency medicine for more than 30 years. He received his BS from Baylor University at Waco and his MD from the University of Texas Medical School at San Antonio.

*Todd G. Zimmerman* has been General Counsel of Emergency Medical Services Corporation and its predecessor since February 10, 2005 and was appointed Executive Vice President effective December 1, 2005. Mr. Zimmerman was appointed General Counsel and Executive Vice President of EmCare in July 2002 and of AMR in May 2004. Mr. Zimmerman joined EmCare in October 1997 in connection with EmCare's acquisition of Spectrum Emergency Care, Inc. where he served as Corporate Counsel. Prior to joining Spectrum in 1997, Mr. Zimmerman worked in the private practice of law for seven years, providing legal advice and support to various large corporations. Mr. Zimmerman received his BS in Business Administration from St. Louis University and his J.D. from the University of Virginia School of Law.

#### **Officers and Key Employees**

*Steve Murphy* was appointed Senior Vice President of Government and National Services of Emergency Medical Services Corporation effective December 1, 2005. He has served in that role with AMR since 2003. Prior to joining AMR in 1989, Mr. Murphy was National Vice President of Government Relations for CareLine Inc. and MedTrans, Inc., President and Chief Operating Officer of Pruner Health Services, Inc. and Chief Administrative Officer for Pruner's Napa Ambulance Service, Inc. Mr. Murphy has been active in emergency medical services and the ambulance industry for more than 30 years. He holds a Registered Nursing Degree and has been certified as a Certified Emergency Nurse and Mobile Intensive Care Nurse.

*Kimberly Norman* was appointed Senior Vice President of Human Resources of Emergency Medical Services Corporation effective December 1, 2005. Ms. Norman joined MedTrans, Inc. in June 1991 and joined AMR in 1997, when it merged with MedTrans. She has held various human resource positions for AMR, including Benefits Specialist, Manager of Human Resources and Employee Development, and Regional and National Vice President of Human Resources. Ms. Norman received her B.B.M. from the University of Phoenix and a Human Resource Management Certification from San Diego State University.

*Steve Ratton, Jr.* has been Treasurer of Emergency Medical Services Corporation and its predecessor since February 2005 and was appointed Senior Vice President of Mergers and Acquisitions effective December 1, 2005. Mr. Ratton joined EmCare in April 2003 as Executive Vice President and Chief Financial Officer. Prior to joining EmCare, Mr. Ratton served as Treasurer for Radiologix, Inc. from September 2001 to April 2003. Mr. Ratton was Vice President of Finance for Matrix Rehabilitation, Inc. from August 2000 to September 2001, and Director of Finance for PhyCor, Inc. from April 1998 to August 2000. Mr. Ratton has more than 20 years of experience in the healthcare industry, in both hospital and physician settings. Mr. Ratton has an accounting degree from the University of Texas at El Paso.

## COMPENSATION DISCUSSION AND ANALYSIS

*This Compensation Discussion and Analysis contains statements regarding our performance targets and goals. These targets and goals are discussed in the limited context of our compensation program and should not be considered statements of our management's expectations or estimates of results or other guidance. We specifically caution investors not to apply these statements to other contexts.*

### Overview

The ability to attract and retain highly motivated, qualified and experienced executives is a crucial element in our ability to maintain and enhance our status as a leading provider of emergency medical services in the United States. We believe that an effective and competitive executive compensation program is a critical factor in recruiting and retaining key executives. Moreover, the Compensation Committee strives for internal equity among our named executive officers and, accordingly, the types of compensation and benefits offered to our named executive officers are intended to be proportional to each named executive officer's position and responsibilities and are therefore generally consistent among the group.

The Compensation Committee of the Board has responsibility for establishing, implementing and monitoring compliance with our executive compensation philosophy. To that end, the Compensation Committee has developed, in consultation with management and outside consultants, an Executive Officer Evaluation and Compensation Plan which provides the Compensation Committee with a tool for gauging the compensation of our named executive officers. Such plan sets forth certain core practices that define the overriding objectives for our executive compensation programs and the role of the various compensation elements in meeting those objectives. These core practices are as follows:

Ensure that all elements of executive compensation and benefits, and of the compensation process, are controlled by the Compensation Committee;

Ensure that total executive compensation levels are reasonably linked to the Company's performance, which requires going beyond financial performance measures;

Provide for compensation arrangements to be comparable to similar organizations and jobs, with actual market positions linked to each executive's contributions toward achieving the Company's goals;

Require all elements of the executive compensation program to be reviewed and approved annually by the Compensation Committee to ensure that all processes and programs are in compliance with relevant laws and regulations;

Design compensation arrangements so that they can be easily explained to, and understood by, individuals with a basic business background; and

Consider various programs and vehicles available for compensation, including cash and equity.

Through these core practices, our executive compensation programs are designed to effectively attract, retain, and motivate top quality executives who have the ability to significantly influence the long-term financial success of EMSC, and who are responsible for effectively managing EMSC's operations in a way that maximizes stockholder value. The compensation programs for named executive officers seek to achieve a balance between compensation levels and the Company's annual and long-term budgets, strategic plans, business objectives, and stockholder expectations. All elements of our compensation for our named executive officers are determined by the Compensation Committee of the Board of Directors, which is comprised of two independent, non-employee directors and one non-employee director who is not deemed independent, as permitted under New York Stock Exchange rules due to the "controlled company" exception which applies to us.



## Elements of the Company's Executive Compensation Program

During 2007, the compensation program for our named executive officers consisted of base salary and short-term cash incentives in the form of annual bonuses. In addition, named executive officers are eligible to receive long-term incentives in the form of equity awards pursuant to the 2007 Long-Term Incentive Plan. Only one equity grant to a named executive officer was made in 2007, although all of our named executive officers were awarded stock options in 2005 under the Company's Equity Option Plan (the predecessor plan to the 2007 Long-Term Incentive Plan), a significant portion of which remains unexercisable. During 2007, our named executive officers also participated in various benefit plans made available to most of our employees, and received certain other perquisites and benefits as detailed below.

### *Base Salary*

We pay each of our named executive officers a base salary in cash on a bi-weekly basis. The amount of the salary is reviewed annually and does not necessarily vary with the Company's performance. We seek to provide base salary in an amount sufficient to attract and retain individuals with the qualities necessary to ensure the short- and long-term financial success of the Company. Base salary for each named executive officer is based upon appropriate competitive reference points, job responsibilities and such executive's ability to contribute to the Company's success. We currently intend to target salaries at or about the 50th percentile of peer companies listed on page 26 of this Proxy Statement, while recognizing individual differences in scope of responsibilities, qualifications, experience and leadership abilities.

### *Short-Term Incentives*

A portion of the named executive officers' targeted annual cash compensation is at risk, in the form of an annual cash incentive program which is contingent, in the case of each of Messrs. Sanger, Owen and Zimmerman, upon meeting annual objectives set by the Compensation Committee, and in the case of Dr. Packard, upon meeting annual target objectives pursuant to the Management and Exempt Incentive Plan, or MEIP, in part by his clinical performance, in part based on the Company's general financial performance and in part based on the Company's performance at his primary hospital (although the bonus based on the Company's performance at Dr. Packard's primary hospital is not paid by EMSC). The primary purpose of the annual cash incentive plans is to focus the attention of the named executive officers on the operational and financial performance of the Company.

### *Long-term Incentives*

The 2007 Long-Term Incentive Plan is intended to assure that the key individuals who impact our long-term success have a meaningful portion of their potential total compensation linked to their success in helping meet long-term performance objectives and increasing stockholder value.

The 2007 Long-Term Incentive Plan provides, among other things, for the issuance of stock options, restricted shares, RSUs, stock appreciation rights, stock awards and performance shares to employees of the Company and its subsidiaries, including our named executive officers. The Compensation Committee currently intends to grant only stock awards, stock options and restricted shares under the 2007 Long-Term Incentive Plan, but may award other forms of equity compensation in the future if it determines it is advisable to do so.

### *Other Compensation Elements*

We offer perquisites to our named executive officers in the form of auto allowances, certain automotive maintenance and operation expenses, as well as certain supplemental insurance expenses. Other than those perquisites, we do not have any other compensation elements, other than standard benefits that are available to most employees of the Company, such as 401(k) matching, subsidized

medical, dental and vision insurance and life and disability insurance. From time to time, our Board of Directors and Compensation Committee may consider offering additional programs.

**Role of the Compensation Committee, Executive Officers and Outside Consultants in Compensation Decisions**

The Compensation Committee is appointed by the Board of Directors and its functions include the following:

Annually review and approve goals and objectives relevant to compensation of the chief executive officer, evaluate the chief executive officer's performance in light of those goals and objectives, and determine and approve the chief executive officer's compensation level, including base, bonus and equity compensation, based on that evaluation.

Review and approve on an annual basis the evaluation process and compensation structure for the Company's named executive officers.

Administer and grant option and awards under the Company's stock option plan or other equity-based plans or programs that may be approved from time to time.

Review the Compensation Discussion and Analysis section included in the Company's annual proxy statement and make recommendations in connection with its review to the Board of Directors.

To obtain access to independent compensation data, analysis and advice, the Compensation Committee, has historically retained the services of Watson Wyatt Worldwide, and has the ability to retain Watson Wyatt, or other compensation consultants, in its discretion for future projects. Watson Wyatt was actively involved with the Compensation Committee in the fourth quarter of 2006 and the first quarter of 2007 in providing a wide-ranging compensation overview to assist the Compensation Committee in setting standards by which compensation was paid and will be paid to management for fiscal 2007 and for fiscal 2008. For purposes of developing such overview, Watson Wyatt's assignments from the Compensation Committee included the following: evaluation of the composition of our peer group of companies, evaluation of our executive compensation as compared to general market compensation data and the peer companies' compensation data, and evaluation of our executive compensation programs. Watson Wyatt was also assigned the task of evaluating our non-employee director compensation, which was done in the second quarter of 2006. Our discussion of "market data" in this Proxy Statement is based in part on information compiled by our consultant. The compensation structure implemented by the Compensation Committee in fiscal 2007 following this overview continues to serve as the processes by which our named executive officers are compensated in fiscal 2008. While the Compensation Committee is tasked with considering compensation structures for our named executive officers on an ongoing basis, as well as monitoring compensation developments that may arise from time to time among our peer companies, the Compensation Committee does not consider material revisions to its compensation structure to be advisable at this time.

The Compensation Committee meetings typically include an executive session without members of management present. In 2007, the Compensation Committee met eight times, and all of those meetings included an executive session. The Compensation Committee believes that regular input from management provides useful information and perspectives to assist the Compensation Committee in reaching its own views on compensation, and that input from outside compensation consultants is particularly useful when considering large-scale review of our compensation process. The Compensation Committee makes the final decisions as to the design of the Company's program and level of compensation for the Chief Executive Officer and the Company's other named executive officers, and is assisted by information and recommendations from our Chief Executive Officer, and, when it deems it appropriate, from Watson Wyatt.

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The Compensation Committee considers a number of important and relevant factors when making decisions on compensation program structure and individual compensation awards and payments. Such factors include, but are not limited to: market competitiveness of total compensation opportunities, Company-wide performance, individual performance, retention risk and individual potential. The Compensation Committee has the benefit of direct access to compensation consultants, and may request various tools and analyses, as needed, to view a complete profile of each named executive officer's current total compensation, the value of realized and unrealized stock option awards, stock ownership and payments due under various termination scenarios.

The Compensation Committee establishes all elements of compensation for the Chief Executive Officer and approves them only after careful consideration of all appropriate factors listed above. In setting total compensation for executives other than the Chief Executive Officer, the Compensation Committee considers both individual and Company-wide performance as well as salary recommendations from the Chief Executive Officer. In conducting market assessments to assist in setting executive compensation, the Compensation Committee has developed a peer group of publicly traded healthcare companies. This peer group is reviewed periodically by the Compensation Committee. There are no public companies of similar size to the Company with precisely the same mission. Therefore, the selection of a peer group began with a review of the organizations that various outside financial analysts have used to compare the Company's financial performance. After reviewing those companies, as well as discussions with Watson Wyatt and management, the Compensation Committee exercised its business experience and judgment to determine that the companies listed below were the appropriate peer group in 2007, and the Compensation Committee determined that the same group continues to be appropriate for 2008. This list was used to benchmark base salary, total cash compensation, and total equity compensation (including equity awards) for the named executive officers.

AMN Healthcare Services, Inc.

Community Health Systems, Inc.

Cross Country Healthcare, Inc.

Health Management Associates, Inc.

Healthisouth Corporation

Lifepoint Hospitals, Inc.

Lincare Holdings, Inc.

Manor Care, Inc.

Medcath Corporation

Omnicare, Inc.

Pediatrix, Inc.

Rural/Metro Corporation

Universal Health Services, Inc.

The Compensation Committee considered whether a full overview of executive compensation, including a full market peer review, would be advisable for fiscal 2008. The Compensation Committee determined that the processes set in 2007, which followed a comprehensive review of the Company's compensation structure, were current and that it would be counterproductive for the Company to generally revisit its executive

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compensation benchmarks for fiscal 2008. The Compensation Committee strives generally to set fundamental compensation structures on a longer term horizon than one year; it makes adjustments to the Company's compensation structures on a general basis, and intends to make larger revisions to the structures on a less frequent basis. The Compensation Committee has not decided when it will conduct the Company's next comprehensive peer group review.

**Determination of 2007 Compensation of Named Executive Officers**

The following sections describe the determination of the various elements of our compensation program for our named executive officers, including objectives, market positioning, structure, operation and other information specific to 2007 payments, awards and compensation adjustments.

*Base Salary*

Base salary for each named executive officer is established at a level that we believe is sufficient to attract and retain individuals with the qualities necessary for the long-term financial success of the Company. Salaries are generally positioned at the median of the defined peer group, with the exception of Dr. Packard, whose aggregate compensation is unique due to his dual corporate and clinical functions and his base salary is therefore not readily comparable to any peer group. However, as discussed further herein, given that Dr. Packard's dual sources of income places his aggregate cash compensation at or above the median of our other named executive officers, we believe Dr. Packard's salary reflects the fair market value of his position as a senior executive of our Company.

The Compensation Committee reviews base salaries of named executive officers annually, in accordance with the provisions of the executive officers' employment agreements. Salary adjustments take into account market data in the context of an executive's role, responsibilities, experience, tenure, individual performance and contribution to our results. Working with management, the Compensation Committee has also developed an evaluation tool to periodically assess overall managerial and leadership skill. Because communication with the management team is an important component to successfully leading the Company, the evaluation tool elicits feedback from each named executive officer's direct reports, along with seventy-five percent of a larger group of "peer" management employees, as well as Board members. This tool is used as one factor in the Compensation Committee's assessment of base salary for named executive officers.

Following discussions with the Chief Executive Officer and Watson Wyatt in February 2007, the Compensation Committee reviewed recommendations from the Chief Executive Officer concerning adjustments to base compensation for the Chief Executive Officer, Chief Financial Officer and General Counsel. The Compensation Committee determined that certain short-term salary adjustments were advisable with respect to the Chief Financial Officer and General Counsel, and that additional base salary adjustments were appropriate for the named executive officers going forward on an annual basis. Consequently, the Compensation Committee granted a \$20,000 annual base salary increase to Messrs. Owen and Zimmerman, effective April 1, 2007, and in March 2008, the Compensation Committee increased the base salary for the named executive officers by 4%, effective April 1, 2008, to the following amounts: William A. Sanger \$947,232; Randel G. Owen \$410,727; Todd G. Zimmerman, \$382,875; Dighton C. Packard, M.D. \$288,961.

The Compensation Committee's salary adjustment was also designed to allow the salaries which were set in 2007 after an extensive overview to keep pace with general inflationary and consumer price pressures without awarding a substantive raise for the named executive officers. Furthermore, following discussions with our compensation consultant in March of 2008, management recommended to the Compensation Committee, and the Compensation Committee determined that, annual base salary increases for all of the named executive officers at approximately 4% would maintain compensation around the median of the defined peer group and would satisfy the objectives of offsetting ordinary course inflationary and consumer price pressures. These salary increases were generally consistent with our general raise of 3-4% to non-executive management and did not reflect a full re-evaluation of named executive officers' salaries.

*Short-term Incentives*

The employment agreements of the executive officers provide that each executive will be able to participate in a short-term incentive plan, under which payment is based upon performance targets to be established each year by the Board of Directors or the Compensation Committee.

The Compensation Committee approved the Company performance targets and individual target bonuses for named executive officers for 2007 in February 2007. These targets were based on the Compensation Committee's requirement that the Company's 2007 Adjusted EBITDA achieve a specified percentage increase over the 2006 Adjusted EBITDA target before bonuses were awarded to the applicable named executive officers. We define Adjusted EBITDA consistently with the Adjusted EBITDA measure we use in our periodic filings with the SEC, which is net income before equity in earnings of unconsolidated subsidiary, income tax expense, loss on early debt extinguishment, interest and other income, realized gain (loss) on investments, interest expense, and depreciation and amortization.

The Compensation Committee's award of bonuses in March 2008 to our named executive officers for services rendered in 2007 was based on an incentive "pool" created by the difference between the Company's 2007 Adjusted EBITDA and the Company's 2006 Adjusted EBITDA. For each of Messrs. Sanger, Harvey, Owen and Zimmerman, the bonuses paid in 2008 for their respective services rendered in fiscal 2007 were determined by the following five-step process:

(i) the Compensation Committee reviewed the extent to which the 2007 Adjusted EBITDA threshold of \$191.1 million (as adjusted for acquisitions completed in 2007) had been met, which determines whether any bonuses would be paid to the named executive officers; the threshold was adjusted for acquisitions completed in 2007 by increasing the threshold amount by the amount of each completed acquisition's pro forma Adjusted EBITDA contribution for 2007, *excluding* the pro-forma Adjusted EBITDA contribution for the initial 90 day period following the closing date of such acquisition;

(ii) an aggregate pool for distribution to the named executive officers was subsequently created by multiplying 7.5% by the difference in 2007 Adjusted EBITDA over 2006 Adjusted EBITDA;

(iii) the Compensation Committee multiplied the target bonus percentage listed in each named executive officer's employment agreement, as then in effect, by such officer's base salary, to arrive at a target bonus amount for each named executive officer; for 2007, the following target bonus percentages were in effect and used by the Compensation Committee to determine such target bonus amounts: 100% for the Chief Executive Officer, 75% for the Chief Operating Officer, and 55% each for the Chief Financial Officer and the General Counsel; and

(iv) each named executive officer's target bonus amount is divided by the sum of the target bonus amounts of all named executive officers to arrive at a weighted percentage amount for each named executive officer; and

(v) the Compensation Committee authorized the Company to pay to each named executive officer the amount produced by multiplying the individual weighted percentage for such named executive officer by the aggregate pool available for distribution to all named executive officers.

In March 2008, the Compensation Committee determined that the threshold level of Adjusted EBITDA had been achieved for 2007. In 2007, based on \$210.2 million of Adjusted EBITDA, which represented growth over 2006 Adjusted EBITDA of 21.0%, as adjusted for acquisitions completed in 2007, the pool generated for named executive officers, other than Dr. Packard, was \$2.66 million. Cash awards to the named executive officers, which were paid in March 2008, were as follows:

William A. Sanger, \$1,400,894

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Don S. Harvey, \$617,867

Randel G. Owen, \$334,091

Todd G. Zimmerman, \$311,436

The awards paid in March 2008 therefore reflect that the Company's 2007 financial results exceeded the Company's internal Adjusted EBITDA targets. Because the 2007 Adjusted EBITDA exceeded the targets, the bonus amounts for our named executive officers were higher than if the internal Adjusted EBITDA targets had been merely realized (rather than exceeded).

The awards for services rendered in fiscal 2008 are expected to be based on the same process as outlined above. However, in determining the bonus structure for fiscal 2008, the Compensation Committee increased the minimum threshold before any bonus payment could be made under the plan to take into account the Company's anticipated level of Adjusted EBITDA growth in 2008, and it decreased the total incentive pool from 7.5% of the Adjusted EBITDA excess over the prior year to 6.2%, to reflect the resignation of Don S. Harvey from his officer positions with the Company. These targets are based on the review of market practice, looking at both total target cash compensation for the peer group, general incentive plan practice for a broad group of companies, and desired weighting of incentive plan payouts among the applicable executives.

In addition, the Compensation Committee increased the individual target bonus percentages for each of Mr. Owen and Mr. Zimmerman from 55% to 70%. Notwithstanding the decrease in the total size of the pool available for cash bonuses, each of Messrs. Sanger, Owen and Zimmerman will have larger pro rata percentages of the pool due to Mr. Harvey's resignation and the resulting increases in Messrs. Owen's and Zimmerman's target bonus percentages. The increase in target percentages for Messrs. Owen and Zimmerman reflect an effort by the Compensation Committee to award those officers a larger portion of the pool available for named executive officers, which follows long-term recommendations made by the Compensation Committee upon review of market data in 2007. Dr. Packard participates in separate bonus plans, as described below.

Under this structure, the performance measures are therefore not individualized for each named executive officer, but rather align the annual bonus compensation of our named executive officers as a group with the performance of the Company as a whole. There is no individualized performance review process for Messrs. Sanger, Owen and Zimmerman in granting bonus awards for services provided in the previous fiscal year; however, the Compensation Committee may consider individual performance in its discretion when determining bonus targets, including individual percentages, for any subsequent year. Because the bonuses are based on meeting Company financial targets and do not provide for upward or downward adjustment based on individual performance, there is no guarantee that any named executive officer will receive a bonus, and there is also no maximum predetermined aggregate dollar amount that a named executive officer can receive.

Dr. Packard does not participate in the same bonus plan as the other named executive officers. Because of his position as the Company's Chief Medical Officer, Dr. Packard serves not only in a corporate capacity, but also in a clinical capacity, and is therefore not readily measurable solely as a corporate officer. Dr. Packard is paid an annual bonus in part pursuant to his compensation arrangement under the MEIP, and in part from his clinical and medical director duties with Baylor Health Care System in Dallas, Texas. Similar to the performance target structure of the bonus pool for the other named executive officers, participants in the MEIP, which is currently available to approximately 1,600 employees of EMSC, are eligible to receive a percentage of their target bonus if the Company has met a predetermined Adjusted EBITDA threshold established by the Compensation Committee, which is currently 93% for 2007; each participant's potential bonus is adjusted up or down on a sliding percentage scale depending on whether the Adjusted EBITDA target exceeds, meets or underperforms expectations, and whether certain other factors based on the employee's department

targets and fulfillment of individual and strategic goals are accomplished. The Compensation Committee has set the MEIP targets for 2008 approximately commensurate with our earnings targets for 2008. One component of the MEIP is that Mr. Sanger, as the executive officer to whom Dr. Packard reports, sets target objectives for Dr. Packard, which are linked entirely to the Company's annual strategic plan; the Company's strategic plan sets annual operational goals for several of the executives subject to the MEIP. For 2007, MEIP awards were paid in cash in the fiscal year following the year in which performance was measured. Dr. Packard was paid a bonus of \$147,259 in March 2008 for his 2007 performance pursuant to the MEIP. In addition, Dr. Packard's duties with Baylor Health Care System entitle Dr. Packard to \$400,000 annually, 20% of any EBITDA operating profit in excess of the target EBITDA in his contract with the Baylor Health Care System, and a guaranteed fee of \$133 per hour for patient treatment, all payable on a monthly basis.

The Compensation Committee believes that Adjusted EBITDA is the appropriate measure for the performance goal to align the interests of management with the interests of our stockholders, in part because the Compensation Committee recognizes the prevalence of Adjusted EBITDA as a measure of the Company's financial performance among outside financial analysts and investors, and in part because it represents what we believe to be the best measure of our profitability. Our public earnings targets are also set in reference to Adjusted EBITDA in recognition of its widespread use in the financial community, both as a liquidity measure and as an indicator of performance.

#### *Long-term Incentives*

The 2007 Long-Term Incentive Plan, approved by our stockholders at our 2007 annual meeting, provides that various equity vehicles stock options, restricted shares, restricted share units, stock appreciation rights, stock awards and performance shares can be granted to our employees, including our named executive officers. The Compensation Committee currently intends to grant only stock options and restricted shares under the 2007 Long-Term Incentive Plan, but may award other forms of equity compensation in the future if it determines it is advisable to do so. In fiscal 2007, the Company granted only one equity award under the 2007 Long-Term Incentive Plan to our named executive officers. On June 14, 2007, the Board of Directors granted Mr. Zimmerman 20,000 restricted shares, which will vest in equal annual installments over the three-year period following the grant date. The Compensation Committee intended the grant to make Mr. Zimmerman's awards increasingly commensurate with our other named executive officers, all of whom, including Mr. Zimmerman, received equity option grants in connection with the acquisition of AMR and EmCare in 2005. In light of this objective and the Compensation Committee's consideration of the number of stock options already held by the named executive officers, the effect of dilution on our share value, and future impact on operating income and net income, we did not grant additional equity incentive awards to our other named executive officers in 2007.

#### *Other Compensation Elements*

The Company provides officers and other employees with certain benefits to protect an employee and his or her immediate family in the event of illness, disability or death. Named executive officers are eligible for health and welfare benefits available to all eligible Company employees during active employment on the same terms and conditions, as well as basic life insurance and accidental death insurance coverage.

The Company does not have a pension plan for employees or executives. EMSC does offer a tax-qualified 401(k) plan that, subject to IRS limits, allows executives and employees to contribute a portion of their cash compensation on a pre-tax basis to an account that is eligible to receive matching contributions from the Company of fifty cents for each dollar contributed by the employee, up to 6% of his or her salary per pay period.



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In addition to the health and welfare benefits generally available to all salaried, full-time employees, EMSC also provides all named executive officers, except Dr. Packard, with an annual auto allowance of \$14,400, and certain related operating and auto insurance expenses, all as further described in the footnotes to the Summary Compensation Table. In addition, EMSC provides Messrs. Sanger and Owen with supplemental life insurance beyond the level of coverage offered generally to employees. The auto expenses and supplemental life insurance were not granted by the Compensation Committee, but rather are pursuant to contractual negotiations between the Company and the named executive officers prior to our initial public offering.

### **Limits on Tax-Deductible Compensation**

The Compensation Committee has considered the potential impact of Section 162(m) of the Internal Revenue Code. Section 162(m) disallows tax deduction to any publicly-held corporation for individual compensation exceeding \$1 million in any taxable year paid to the Chief Executive Officer or any of the four other most highly compensated executive officers, unless compensation is performance-based. The Compensation Committee believes that Section 162(m) will not reduce the tax deductions that would be available to us for executive compensation in 2007. The Compensation Committee's present intention is to qualify executive officers' compensation to the extent reasonable for deductibility under applicable tax laws. However, in order to meet its objectives of attracting, retaining and rewarding the executive talent necessary for the Company's success, the Compensation Committee may authorize non performance-based compensation in excess of \$1 million, and recognizes that the loss of the tax deduction may be unavoidable under such circumstances.

*Nonqualified Deferred Compensation.* On October 22, 2004, the American Jobs Creation Act of 2004 was signed into law, and added Section 409A to the Internal Revenue Code, which changed the tax rules applicable to nonqualified deferred compensation arrangements. If an executive is entitled to nonqualified deferred compensation that is subject to Section 409A, and such arrangement does not comply with Section 409A, the executive will be taxed on the benefits when they vest (even if not distributed), and will be subject to an additional 20% federal income tax and interest. Final Treasury Regulations on Section 409A became effective on April 17, 2007, but the date as of which companies must comply generally with Section 409A was extended to December 31, 2008. The Company believes it is operating in good faith compliance with the statutory provisions which were effective January 1, 2005, and is in the process of reviewing whether any additional measures will be required prior to the December 31, 2008 deadline.

*Accounting for Stock-Based Compensation.* The Company records the expense of stock option awards over the period in which the options vest, consistent with the provisions of SFAS No. 123(R) *Accounting for Stock-Based Compensation*. The stock options are valued using the Black-Scholes valuation method on the date of grant. Prior to January 1, 2006, the Company recorded equity-based compensation in accordance with the provisions of SFAS No. 123 *Accounting for Stock-Based Compensation*.

### **Compensation Committee Report**

The Compensation Committee is responsible for overseeing our executive compensation programs. The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis contained in this Proxy Statement. Based on such review and discussions, the Compensation Committee recommended to the Board, and the Board has approved, that the Compensation Discussion and Analysis be included in this Proxy Statement for the 2008 Annual Meeting of Stockholders and also be incorporated by reference in our Annual Report on Form 10-K for the fiscal year 2007.

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Respectfully submitted by the Compensation Committee

James T. Kelly, *Chair*  
 Michael C. Smith  
 Robert M. Le Blanc

*The foregoing Compensation Committee Report shall not be deemed to be "soliciting material" or "filed" or incorporated by reference in the Company's future filings with the SEC, or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates this Report by reference into a document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934.*

## Summary Compensation Table for Fiscal Years 2006 and 2007

The following table sets forth the compensation of our chief executive officer, chief financial officer and the three other most highly compensated executive officers during fiscal years 2006 and 2007.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation (\$)	Changes in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
William A. Sanger Chief Executive Officer	2006	876,539	1,106,731		403,039			64,284 <sup>(2)</sup>	2,450,593
	2007	902,501	1,400,894		403,039			56,409 <sup>(3)</sup>	2,762,843
Randel G. Owen Executive Vice President and Chief Financial Officer	2006	360,837	250,571		100,760			25,983 <sup>(4)</sup>	738,151
	2007	386,131	334,091		100,760			26,310 <sup>(5)</sup>	847,292
Don S. Harvey <sup>(6)</sup> President and Chief Operating Officer	2006	505,866	488,125		100,760			32,852 <sup>(7)</sup>	1,127,603
	2007	530,742	617,867		100,760			31,252 <sup>(8)</sup>	1,280,621
Todd G. Zimmerman Executive Vice President and General Counsel	2006	328,813	232,673		40,304			19,440 <sup>(9)</sup>	621,230
	2007	359,587	311,436	132,967	40,304			23,136 <sup>(10)</sup>	867,430
Dighton C. Packard, M.D. Chief Medical Officer <sup>(11)</sup>	2006	269,175	602,644		13,256			8,883	893,959
	2007	275,317	501,577		13,256			7,227	797,337

- (1) Amounts shown do not reflect compensation actually received by the named executive officer. Instead, the amounts shown are the compensation costs recognized by the Company in fiscal years 2007 and 2006 for option awards as determined pursuant to SFAS 123R. These compensation costs reflect option awards granted in 2005 for which compensation costs were recognized in the Company's 2007 and 2006 consolidated financial statements.
- (2) Includes (a) an annual auto allowance of \$14,400, (b) Company 401(k) match of \$5,029, (c) general term life and supplemental individual life insurance expenses of \$40,137, and (d) \$4,718 in auto maintenance and fuel expenses permitted pursuant to the terms of Mr. Sanger's employment agreement.
- (3) Includes (a) an annual auto allowance of \$14,400, (b) Company 401(k) match of \$6,330, (c) general term life and supplemental individual life insurance expenses of \$34,693, and (d) \$987 in auto maintenance and fuel expenses permitted pursuant to the terms of Mr. Sanger's employment agreement.
- (4) Includes (a) an annual auto allowance of \$14,400, (b) Company 401(k) match of \$5,029, (c) general term life and supplemental individual life insurance expenses of \$4,955, and (d) \$1,598 in auto maintenance and fuel expenses permitted pursuant to the terms of Mr. Owen's employment agreement.

- (5) Includes (a) an annual auto allowance of \$14,400, (b) Company 401(k) match of \$6,330, (c) general term life and supplemental individual life insurance expenses of \$4,025, (d) \$1,556 in auto maintenance and fuel expenses permitted

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pursuant to the terms of Mr. Owen's employment agreement, and (e) \$1,865 representing an expense reimbursement for life insurance coverage.

- (6) Don S. Harvey resigned from his position as President, Director and Chief Operating Officer of the Company effective January 7, 2008.
- (7) Includes (a) an annual auto allowance of \$14,400, (b) Company 401(k) match of \$5,029, and (c) general term life and supplemental individual life insurance expenses of \$12,223 permitted pursuant to the terms of Mr. Harvey's employment agreement.
- (8) Includes (a) an annual auto allowance of \$14,400, (b) Company 401(k) match of \$6,330, (c) general term life and supplemental individual life insurance expenses of \$7,281 permitted pursuant to the terms of Mr. Harvey's employment agreement, and (d) \$3,241 in fuel reimbursement and car registration.
- (9) Includes (a) an annual auto allowance of \$14,400, (b) Company 401(k) match of \$5,029, and (c) insurance expenses of \$519, as permitted pursuant to the terms of Mr. Zimmerman' employment agreement. In addition, Mr. Zimmerman received \$692 in fuel reimbursements from the Company, and the auto allowance reflects an increase in his auto allowance from \$600 per month to \$1,200 per month effective in March 2006.
- (10) Includes (a) an annual auto allowance of \$14,400, (b) Company 401(k) match of \$6,330, and (c) insurance expenses of \$796, as permitted pursuant to the terms of Mr. Zimmerman' employment agreement. In addition, Mr. Zimmerman received \$1,610 in fuel reimbursements from the Company.
- (11) Dr. Packard received \$275,317 in salary for services rendered in 2007 from EMSC. The remaining \$501,577 in bonus derives from \$354,318 from providing clinical services to entities contractually affiliated with EMSC in his capacity as a physician and medical director and \$147,259 from our Management Exempt Incentive Plan.

Substantially all of our salaried employees, including our named executive officers, are eligible to participate in our 401(k) savings plans. We maintain three defined contribution plans for eligible employees. Employees were allowed to contribute a maximum of 40% of their compensation up to a maximum of \$15,500 in 2007. In general, we match the contribution up to a maximum of 3% on the first 6% of the employee's salary per year, depending on the plan.

Prior to our acquisition of AMR and EmCare, our named executive officers participated in the Laidlaw International, Inc. U.S. Supplemental Executive Retirement Arrangement, or SERP. The benefit amount payable under the plan at age 65 is based upon an employee's final average earnings. The form of the benefit would be an annuity, guaranteed for five years. Based on the number of years of service and their respective salaries prior to the acquisition, the following are the total estimated accrued values of future benefits payable under the Laidlaw SERP to the named executive officers on retirement, calculated at August 31, 2004: Mr. Sanger \$169,532; Mr. Harvey \$69,782; Mr. Owen \$141,190; Dr. Packard \$169,030; and Mr. Zimmerman \$92,481. No ad