

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): March 16, 2021

U.S. PHYSICAL THERAPY, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or
organization)

1-11151
(Commission File Number)

76-0364866
(I.R.S. Employer Identification No.)

1300 West Sam Houston Parkway South,
Suite 300, Houston, Texas
(Address of Principal Executive Offices)

77042
(Zip Code)

Registrant's telephone number, including area code: (713) 297-7000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12(b) under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$.01 par value	USPH	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Compensatory Arrangements of Executive Officers.

On March 16, 2021, the Compensation Committee of the Board of Directors (the “Committee” as the term “Committee” is defined in Section 1.8 of the U. S. Physical Therapy, Inc. 2003 Stock Incentive Plan (as amended) (the “2003 Plan”)) approved and adopted the following incentive plans, effective March 17, 2021, for the Senior Management which includes Mr. Christopher Reading, Chief Executive Officer (“CEO”), Mr. Carey Hendrickson, Chief Financial Officer (“CFO”), Mr. Glenn McDowell, Chief Operating Officer - West (“COO West”) and Mr. Graham Reeve, Chief Operating Officer – East (“COO East”), hereinafter referred to jointly as “Executives”.

- Objective Long-Term Incentive Plan for Senior Management for 2021
- Discretionary Long-Term Incentive Plan for Senior Management for 2021
- Objective Cash/RSA Bonus Plan for Senior Management for 2021
- Discretionary Cash/RSA Bonus Plan for Senior Management for 2021

The above plans are included as Exhibits 99.1, 99.2, 99.3 and 99.4 to this report. The discussions set forth below are qualified in their entirety by reference to such exhibits.

Objective Long-Term Incentive Plan for Senior Management for 2021 (“Objective LTIP”). Under this Objective LTIP, Executives have an opportunity to receive Restricted Stock Awards (“RSAs”) under the 2003 Plan, to be granted by the Committee in the first quarter of 2022. The Executive must be employed by USPH or its affiliates from the Effective Date through the date of the grant to receive a RSA. All RSAs shall be granted subject to the terms of the 2003 Plan and the specific terms and conditions (including without limitation, restrictions in transfer and substantial risk of forfeiture) as determined by the Committee in its sole discretion. RSAs that are granted under this Objective LTIP will vest evenly over 16 quarters, beginning April 1, 2022 and ending January 1, 2026, subject to acceleration of vesting in the Committee’s sole discretion and based on the occurrence of certain events, as more specifically defined in the applicable Restricted Stock Agreement between the Executive and USPH and/or in the Executive’s employment agreement with USPH. The maximum amount of RSAs that may be granted under this Objective LTIP, based upon the achievement of the performance goals as detailed in the Objective LTIP, is the 2021 U.S. Physical Therapy, Inc. (“USPh”) consolidated after-tax operating results, a non-Generally Accepted Accounting Principles measure, which equals consolidated after-tax net income (i) before charges/credits for changes in Redeemable Non-Controlling interests, expenses arising from the scheduled retirement of the COO-West, and any other extraordinary items, and (ii) after the compensation expense required to be reported in 2021 related to this and all other management incentive plans are as follows: CEO = 10,000 shares; CFO = 3,750; COO East = 5,000 shares; COO West = 5,000 shares. For a complete description of the Objective LTIP refer to Exhibit 99.1, which plan is incorporated herein by reference.

Discretionary Long-Term Incentive Plan for Senior Management for 2021 (“Discretionary LTIP”). Any RSAs granted under this program shall be granted under the 2003 Plan in the first quarter of 2022 after the Committee determines the amount, if any, of the RSAs to be granted to each Executive. In addition, RSAs shall be granted only if the Executive remains employed by USPh (or its affiliates) continuously from the Effective Date through the date of the grant of the RSA. All RSAs shall be granted in writing and subject to the terms of the 2003 Plan and the specific terms and conditions (including without limitation, restrictions in transfer and substantial risk of forfeiture) as determined by the Committee in its sole discretion. RSAs that are granted under this Objective LTIP will vest evenly over 16 quarters, beginning April 1, 2022 and ending January 1, 2026, subject to acceleration of vesting based on the occurrence of certain events, as more specifically defined in the applicable Restricted Stock Agreement between the Executive and USPh and/or in the Executive’s employment agreement with USPh. For a complete description of the Discretionary LTIP refer to Exhibit 99.2, which plan is incorporated herein by reference.

Objective Cash/RSA Bonus Plan for Senior Management for 2021 ("Objective Cash/RSA Bonus Plan"). Under this Objective Cash/RSA Bonus Plan, Executives have an opportunity to receive either a "Cash Bonus" Award or to be granted a RSA having a value at the time of the award of up to 75% of annual base salary for 2021 ("Base") for the CEO, COO- West and COO East, and up to 60% of the Base for the CFO as Performance Awards under the 2003 Plan. The Committee will, in its sole discretion, determine the amount and type of award to be made in the first quarter of 2022. No Executive will be entitled to any type of award or have a legally binding right to an award until the Committee, in its sole discretion, determines an award will be made, the amount and the type of award to be made. No Executive will be entitled to elect between the Cash Bonus or RSA. Before any Cash Bonus is made or an RSA is awarded under this Objective Bonus Plan, the Committee shall certify in writing that the performance goals have been obtained. Any Cash Bonus award made hereunder shall be paid in a lump-sum amount, and any RSA granted, in each case no later than March 15, 2022. The Executive must be continuously employed by USPh or its affiliates from the Effective Date through December 31, 2021 to receive the Cash Bonus or an RSA. For a complete description of the Objective Cash/RSA Bonus Plan refer to Exhibit 99.3, which plan is incorporated herein by reference.

Discretionary Cash/RSA Bonus Plan for Senior Management for 2021 ("Discretionary Cash/RSA Bonus Plan"). Under the Discretionary Cash/RSA Bonus Plan, each Executive has the potential to be awarded a "Subjective Bonus" in an amount of up to a specified percentage of the Executive's Base in the following amounts: CEO, COO - West and COO-East: 50% of Base; and CFO: 40% of Base. The Subjective Bonus shall be made as either a "Cash Bonus" or a RSA, as determined in the sole discretion of the Committee. This Discretionary Cash/RSA Bonus Plan shall be administered by the Committee and the Committee shall have the sole authority to grant awards and establish the amounts payable under this plan, make all determinations and interpret and construe all of the terms of this plan. Any Cash Bonus award made hereunder shall be paid in a lump-sum amount, and any RSA granted, in each case no later than March 15, 2022. A Subjective Bonus shall be payable only if the Executive remains continuously employed from the Effective Date through the date of the determination of the amount payable by the Committee. For a complete description of the Discretionary Cash/RSA Bonus Plan refer to Exhibit 99.4, which plan is incorporated herein by reference.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

<u>Exhibits</u>	<u>Description of Exhibits</u>
<u>99.1</u> *	U. S. Physical Therapy, Inc. Objective Long-Term Incentive Plan for Senior Management for 2021, effective March 17, 2021.
<u>99.2</u> *	U. S. Physical Therapy, Inc. Discretionary Long-Term Incentive Plan for Senior Management for 2021, effective March 17, 2021.
<u>99.3</u> *	U. S. Physical Therapy, Inc. Objective Cash/RSA Bonus Plan for Senior Management for 2021, effective March 17, 2021.
<u>99.4</u> *	U. S. Physical Therapy, Inc. Discretionary Cash/RSA Bonus Plan for Senior Management for 2021, effective March 17, 2021.

* Filed herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

U.S. PHYSICAL THERAPY, INC.

Dated: March 22, 2021

By: /s/ Carey Hendrickson
Carey Hendrickson
Chief Financial Officer
(duly authorized officer)

U.S. PHYSICAL THERAPY, INC. (“USPH”)

OBJECTIVE LONG-TERM INCENTIVE PLAN FOR SENIOR MANAGEMENT

FOR 2021 (“Objective LTIP”)

Purpose: To incentivize and retain Executives eligible for this Objective LTIP, to achieve certain corporate earnings criteria and reward Executives when such criteria are achieved, and to align the long-term interests of Executives and shareholders of USPH by compensating the Executives in shares of USPH stock that vest over time, thereby increasing the Executives’ equity interest in USPH.

Effective Date: The effective date of this Objective LTIP and the establishment of performance goals and formula for the amount payable hereunder is March 17, 2021.

Eligibility: The Executives of USPH eligible for this Objective LTIP are the Chief Executive Officer (“CEO”), the Chief Financial Officer (“CFO”), the Chief Operating Officer West (“COO - West”) and the Chief Operating Officer East (“COO - East”). Terms not defined herein shall have the meaning of such term as defined in the U.S. Physical Therapy, Inc. 2003 Stock Incentive Plan (as amended) (the “2003 Plan”).

Vesting and Other Terms and Provisions: Under this Objective LTIP, Executives have an opportunity to receive Restricted Stock Awards (“RSAs”) under the 2003 Plan, to be granted by the Compensation Committee of the Board of Directors of USPH (as the term “Committee” is defined in Section 1.8 of the 2003 Plan) in the first quarter of 2022. The Executive must be employed by USPH or its affiliates from the Effective Date through the date of the grant to receive a RSA. All RSAs shall be granted subject to the terms of the 2003 Plan and the specific terms and conditions (including without limitation, restrictions in transfer and substantial risk of forfeiture) as determined by the Committee in its sole discretion. RSAs that are granted under this Objective LTIP will vest evenly over 16 quarters, beginning April 1, 2022 and ending January 1, 2026, subject to acceleration of vesting in the Committee’s sole discretion and based on the occurrence of certain events, as more specifically defined in the applicable Restricted Stock Agreement between the Executive and USPH and/or in the Executive’s employment agreement with USPH.

Administration: The Committee has authority to administer this Objective LTIP, grant awards and decide all questions of interpretation. The Committee shall set out the vesting and other terms of an RSA in writing. The Committee’s determinations and interpretations under this Objective LTIP shall be final and binding on all persons.

Objective Goals And Amounts That May Be Awarded: The amount of RSAs that may be granted under this Objective LTIP shall be based upon the achievement of the performance goals relating to 2021 USPH consolidated after-tax operating results, a non-Generally Accepted Accounting Principles measure, which equals consolidated after-tax net income (i) before charges/credits for changes in Redeemable Non-Controlling interests, expenses arising from the scheduled retirement of the COO-West, and any other extraordinary items, and (ii) after the compensation expense required to be reported in 2021 related to this and all other management incentive plans. The maximum amount of RSAs that may be granted under this Objective LTIP shall be as follows: CEO = 10,000 shares; CFO = 3,750 shares; COO West – 5,000 shares; COO - East = 5,000 shares.

Performance Goals

2021 <u>After-tax operating results</u>	<u>Amount of Maximum Shares That May Be Awarded</u>
\$30,444,797	30.0%
\$30,597,786	34.0%
\$30,751,544	38.0%
\$30,906,074	42.0%
\$31,061,381	46.0%
\$31,217,468	50.0%
\$31,374,349	56.0%
\$31,532,000	62.0%
\$31,689,660	68.0%
\$31,848,108	76.0%
\$32,007,349	84.0%
\$32,167,386	92.0%
\$32,328,225 and over	100.0%

U.S. PHYSICAL THERAPY, INC. (“USPH”)

DISCRETIONARY LONG-TERM INCENTIVE PLAN FOR SENIOR MANAGEMENT

FOR 2021 (“Discretionary LTIP”)

Purpose: To incentivize Executives eligible for this Discretionary LTIP to achieve certain strategic, operational, business growth & development and other criteria and reward Executives when such criteria are achieved, and to align the long-term interests of Executives and shareholders of USPH by compensating the Executives in shares of USPH stock that vest over time, thereby increasing the Executives’ equity interest in USPH.

Effective Date: This Discretionary LTIP is established effective March 17 2021.

Description of Discretionary Awards Criteria: In addition to any other awards under the U.S. Physical Therapy, Inc. 2003 Stock Incentive Plan (as amended) (the “2003 Plan”) or any other long term incentive plan or bonus plan, policy or program of USPH, and not in lieu of any other such award or payment, the Compensation Committee of the Board of Directors of USPH (as the term “Committee” is defined in Section 1.8 of the 2003 Plan) may, in its judgment and at its sole discretion, grant Restricted Stock Awards (“RSAs”) under the 2003 Plan, based on its evaluation of an Executive’s performance and the collective corporate performance for 2021. The factors to be considered include:

CEO

1. Company Leadership
2. Cost Control
3. Further Development of Industrial Injury Prevention Business
4. Compliance
5. Acquisition of new partnerships and acquisition performance, revenue, and volume growth
6. Successful integration and transition involving CFO and COO roles

CFO

1. Successful and effective integration and management of direct reporting areas
 2. Further standardization around reporting and controls
 3. Effective communication to shareholders and Board, including guidance, updates and financial modeling
 4. Billing office effectiveness
 5. Customer service and responsiveness to co-partners
 6. Successful completion of annual audit
 7. Acquisition modeling, Integration and financial reporting
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COO - East

1. Effective transition and integration of certain areas and partnerships
2. Cost Control
3. Development of Operation's team leadership
4. Development of skills associated with negotiation, due diligence and acquisition integration and assimilation
5. Revenue and volume growth
6. Compliance

COO - West

1. Effective transition and integration of certain areas and partnerships
2. Cost Control
3. Development of Operation's team leadership
4. Development of skills associated with negotiation, due diligence and acquisition integration and assimilation
5. Revenue and volume growth
6. Compliance

Participants: Executives who will have an opportunity to be granted RSAs under this Discretionary LTIP shall be the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Chief Operating Officer – West ("COO - West") and the Chief Operating Officer - East ("COO - East"). The following shall be the maximum amount of shares that may be awarded under this program to each specified participant: CEO = up to 10,000 shares; CFO = up to 3,750 shares; COO - East = up to 5,000 shares; COO - West = up to 5,000 shares

Administration: The Committee shall administer this Discretionary LTIP. The Committee shall have the exclusive authority to interpret and construe the terms of this Discretionary LTIP and make all determinations under this plan, and its decisions shall be final and binding in all persons. The Committee shall set out the vesting and other terms of an RSA in writing

Award Grant Date: Any RSAs granted under this program shall be granted under the 2003 Plan in the first quarter of 2022 after the Committee determines the amount, if any, of the RSAs to be granted to each participant. In addition, RSAs shall be granted only if the participant remains employed by USPH (or its affiliates) continuously from the Effective Date through the date of the grant of the RSA. All RSAs shall be granted in writing and subject to the terms of the 2003 Plan and the specific terms and conditions (including without limitation, restrictions in transfer and substantial risk of forfeiture) as determined by the Committee in its sole discretion. RSAs that are granted under this Objective LTIP will vest evenly over 16 quarters, beginning April 1, 2022 and ending January 1, 2026, subject to acceleration of vesting based on the occurrence of certain events, as more specifically defined in the applicable Restricted Stock Agreement between the Executive and USPH and/or in the Executive's employment agreement with USPH.

U.S. PHYSICAL THERAPY, INC. (“USPH”)
OBJECTIVE CASH/RSA BONUS PLAN FOR SENIOR MANAGEMENT
FOR 2021 (“OBJECTIVE BONUS PLAN”)

Purpose: To incentivize and retain Executives eligible for this Objective Cash/RSA Bonus Plan to achieve certain corporate earnings criteria and reward Executive Officers of USPH when such criteria are achieved, and to align the long-term interests of Executives and shareholders of USPH.

Effective Date: The effective date of this Objective Bonus Plan and the establishment of performance goals and formula for the amount payable hereunder is March 17, 2021.

Eligibility: The Executives of USPH eligible for this Objective Bonus Plan are the Chief Executive Officer (“CEO”), the Chief Financial Officer (“CFO”), the Chief Operating Officer – West (“COO - West”) and the Chief Operating Officer East (“COO - East”).

Description, Conditions and Payment Date: Under this Objective Bonus Plan, Executives have an opportunity to receive either a “Cash Bonus” Award or to be granted a Restricted Stock Award (“RSA”) having a value at the time of the Award of up to a specified percentage of the Executive’s annual base salary for 2021 (“Base”) as Performance Awards under the 2003 Plan. The Compensation Committee of the Board of Directors of USPH (the “Compensation Committee”) will, in its sole discretion, determine the amount and type of award to be made in the first quarter of 2022. No Executive will be entitled to any type of award or have a legally binding right to an award until the Compensation Committee, in its sole discretion, determines an award will be made, the amount and the type of award to be made. No Executive will be entitled to elect between the Cash Bonus and RSA. Before any Cash Bonus is made or an RSA is awarded under this Objective Bonus Plan, the Compensation Committee shall certify in writing that the performance goals have been obtained. Any Cash Bonus award made hereunder shall be paid in a lump-sum amount, and any RSA granted, in each case no later than March 15, 2022. The Executive must be continuously employed by USPH or its affiliates from the Effective Date through December 31, 2021 to receive the Cash Bonus or an RSA.

Administration: The Committee has authority to administer this Objective Bonus Plan, grant awards, determine whether any such awards shall be made as a Cash Bonus Award or as an RSA, and decide all questions of interpretation. The Committee shall set out the vesting and other terms of an RSA in writing. The Committee’s determinations and interpretations under this Objective Bonus Plan shall be final and binding on all persons.

Objective Bonus Calculation: Based on 2021 USPH consolidated after-tax operating results, a non-Generally Accepted Accounting Principles measure, which equals consolidated after-tax net income (i) before charges/credits for changes in Redeemable Non-Controlling interests, expenses arising from the scheduled retirement of the COO-West, and any other extraordinary items, and (ii) after the compensation expense required to be reported in 2021 related to this and all other management incentive plans. The goals and amounts payable are as follows:

2021 <u>After-tax operating results</u>	Potential Bonus Value CEO COO-West and COO-East <u>(Compared to Base)</u>	CFO <u>(Compared to Base)</u>
\$30,444,797	15.0%	12.0%
\$30,597,786	17.0%	13.6%
\$30,751,544	19.0%	15.2%
\$30,906,074	21.0%	16.8%
\$31,061,387	23.0%	18.4%
\$31,217,468	25.0%	20.0%
\$31,374,349	28.0%	22.4%
\$31,532,000	31.0%	24.8%
\$31,689,660	34.0%	27.2%
\$31,848,108	38.0%	30.4%
\$32,007,349	42.0%	33.6%
\$32,167,386	46.0%	36.8%
\$32,328,223	50.0%	40.0%
\$32,489,864	54.0%	43.2%
\$32,652,313	58.0%	46.4%
\$32,815,575	62.0%	49.6%
\$32,979,652	66.0%	52.8%
\$33,144,551	70.0%	56.0%
\$33,310,273	75.0%	60.0%

No Trust or Fund: There shall be no separate trust or fund for this Objective Bonus Plan. Any amount payable hereunder shall be an unfunded obligation of USPH and shall be payable out of the general assets of USPH and no amount payable shall be assignable by the participant.

All RSAs shall be granted subject to the terms of the 2003 Plan and the specific terms and conditions (including without limitation, restrictions in transfer and substantial risk of forfeiture) as determined by the Compensation Committee in its sole discretion.

U.S. PHYSICAL THERAPY, INC. (“USPH”)

DISCRETIONARY CASH/RSA BONUS PLAN FOR SENIOR MANAGEMENT

FOR 2021 (“DISCRETIONARY BONUS PLAN”)

Purpose: The purpose of this Discretionary Bonus Plan is to retain and incentivize the Executive Officers of USPH by providing an annual bonus opportunity to the Executives to reward them when certain individual and corporate subjective performance measures are achieved.

Participants: Executives of USPH who shall be “Participants” in this Discretionary Bonus Plan are the Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), Chief Operating Officer – West (“COO – West”) and Chief Operating Officer East (“COO - East”). In addition to awards under any other plan or program at USPH for which such Executives are eligible and not in lieu thereof, each Participant in this Discretionary Bonus Plan has the potential to be awarded a “Subjective Bonus” in an amount of up to a specified percentage of the Participant’s annual base salary for 2021 (“Base”), pursuant to the subjective criteria as set forth below, in the following amounts: CEO, COO - West and COO-East: 50% of Base; CFO: 40% of Base. The Subjective Bonus shall be made as either a “Cash Bonus” Award or a Restricted Stock Award (“RSA”), as determined in the sole discretion of the Compensation Committee of the Board of Directors of USPH (the “Committee”). The Committee shall have the sole discretion to determine the amount and type of award (whether a Cash Bonus Award or an RSA) will be made. No Participant shall be entitled to a Subjective Bonus and shall have no legally binding right to a Subjective Bonus until the Committee determines the amount and type of award to be made. The Executive must be continuously employed by USPH or its affiliates from the Effective Date through December 31, 2021 to receive the Cash Bonus or an RSA. No Participant will be entitled to elect any type of award to be made.

Effective Date: This Discretionary Bonus Plan is established effective March 17, 2021.

Administration: The Committee shall administer this Discretionary Bonus Plan, and shall have the sole authority to interpret and construe all of the terms of this Discretionary Bonus Plan, establish the criteria for awards, determine the amounts payable under this plan, and determine whether such awards under this plan shall be made as a Cash Bonus Award or as an RSA. The amount, if any, of the Subjective Bonus payable to each participant in this Discretionary Bonus Plan shall be determined by the Committee in its sole discretion based upon subjective criteria described below. All decisions of the Committee shall be final and binding on all persons.

Award and Payment Date: The Committee shall make award determinations in the first quarter of 2022. After the Committee has determined that goals have been met and has calculated the awards to be made hereunder, the Cash Bonus Award shall be paid, and the RSA shall be granted to the applicable Participant in the first quarter of 2022 but no later than March 15, 2022. A Subjective Bonus shall be payable only if the Participant remains continuously employed from the Effective Date through the date of the determination of the amount payable by the Committee.

Subjective Bonus Calculation: The Subjective Bonus criteria that have been established by the Committee and shall be used in the Committee’s sole discretion to grant an award of a Subjective Bonus having a value as of the date of the award of up to the above-specified percentage of Base for each participant are as follows:

CEO

1. Company Leadership
2. Cost Control
3. Further Development of IIP business
4. Compliance
5. Acquisition of new partnerships and acquisition performance, revenue and volume growth
6. Successful integration and transition involving CFO and COO roles

CFO

1. Successful and effective integration and management of direct reporting areas
2. Further standardization around reporting and controls
3. Effective communication to shareholders and Board, including guidance, updates and financial modeling
4. Billing office effectiveness and cost control
5. Successful completion of Annual audit
6. Acquisition modeling. Integration and financial reporting

COO - East

1. Effective transition and integration of certain areas and partnerships
2. Cost Control
3. Development of Operation's team leadership
4. Development of skills associated with negotiation, due diligence and acquisition integration and assimilation
5. Revenue and volume growth
6. Compliance

COO - West

1. Effective transition and integration of certain areas and partnerships
2. Cost Control
3. Development of Operation's team leadership
4. Development of skills associated with negotiation, due diligence and acquisition integration and assimilation
5. Revenue and volume growth
6. Compliance

No Trust or Fund: There shall be no separate trust or fund for this Discretionary Bonus Plan. Any amount payable hereunder shall be an unfunded obligation of USPH and shall be payable out of the general assets of USPH and no amount payable shall be assignable by the participant.

All RSAs shall be granted subject to the terms of the 2003 Plan and the specific terms and conditions (including without limitation, restrictions in transfer and substantial risk of forfeiture) as determined by the Compensation Committee in its sole discretion
