



Offer to Purchase for Cash Any and All of its 4.70% Notes due 2021

The Offer (as defined herein) will expire at 5:00 p.m., New York City time, on July 15, 2016, unless extended (such date and time, as may be extended, the “Expiration Time”). Holders (as defined herein) must tender their Notes at or prior to the Expiration Time to receive the Tender Consideration and Accrued Interest (each as defined below).

Notes tendered may only be withdrawn at or prior to 5:00 p.m., New York City time, on July 15, 2016 (such date and time, as the same may be extended, the “Withdrawal Deadline”) but, except as otherwise provided, not thereafter. The Offer is subject to the satisfaction or waiver of certain conditions, as set forth under the heading “The Offer—Conditions of the Offer” (such conditions, the “General Conditions”).

Upon the terms and subject to the conditions set forth in this offer to purchase (as it may be amended or supplemented from time to time, the “Offer to Purchase”), Health Care Service Corporation, a Mutual Legal Reserve Company (“HCSC” or the “Company”) is hereby offering to purchase for cash (the “Offer”) any and all of its 4.70% Notes due 2021 (CUSIPs 42218S AC2 and U4219P AB6) (the “Notes”) from the Holders (as defined herein) of such Notes. Following consummation of the Offer, the Notes that are purchased by the Company in the Offer will be retired and cancelled and no longer remain outstanding obligations. The Offer is not conditioned on any minimum principal amount of Notes being tendered.

The following table sets forth the key terms of the Offer:

Title of Security	CUSIP Number	ISIN	Outstanding Principal Amount	Reference U.S. Treasury Security	Bloomberg Reference Page ⁽¹⁾	Fixed Spread (basis points)
4.70% Notes due 2021	42218S AC2 / U4219P AB6	US42218SAC26 / USU4219PAB68	\$500,000,000	1.125% U.S. Treasury Notes due June 30, 2021	FITI	70

(1) The page on Bloomberg from which the Dealer Manager will quote the bid-side prices of the Reference U.S. Treasury Security.

The consideration per each \$1,000 principal amount of Notes validly tendered and accepted for payment pursuant to the Offer (the “Tender Consideration”) will be determined in the manner described in this Offer to Purchase by reference to the fixed spread (the “Fixed Spread”) specified on the table above over the yield (the “Reference Yield”) based on the bid side price of the U.S. Treasury Security (the “Reference U.S. Treasury Security”) specified above, as calculated by J.P. Morgan Securities LLC (the “Dealer Manager”) at 11:00 a.m., New York City time, on July 15, 2016 (subject to certain exceptions set forth herein, such time and date, as the same may be extended, the “Price Determination Time”).

In addition to the Tender Consideration, all Holders of Notes accepted for purchase pursuant to the Offer will also receive accrued and unpaid interest on such Notes from, and including, the immediately preceding interest payment date for the Notes to, but excluding, the Any and All Settlement Date (as defined herein) (the “Accrued Interest”).

Beneficial owners of Notes are advised to check with any bank, securities broker or other intermediary through which they hold Notes regarding when such intermediary would need to receive instructions from a beneficial owner of Notes in order for that beneficial owner to be able to participate in, or withdraw their instruction to participate in, the Offer by the deadlines specified in this Offer to Purchase. The deadlines set by any such intermediary and the Depository Trust Company (“DTC”) for the submission and withdrawal of tender instructions will be earlier than the relevant deadlines specified in this Offer to Purchase.

The Company is making the Offer only in those jurisdictions where it is legal to do so. See “Offer and Distribution Restrictions.”

The Dealer Manager for the Offer is:

J.P. MORGAN

The date of this Offer to Purchase is July 11, 2016.

The Offer is not conditioned upon any minimum amount of Notes being tendered. The Offer is, however, conditioned upon the satisfaction or waiver of the General Conditions. Notes may only be tendered in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

The consideration per each \$1,000 principal amount of Notes validly tendered and accepted for payment pursuant to the Offer (the “**Tender Consideration**”) will be determined in the manner described in this Offer to Purchase by reference to the fixed spread (the “**Fixed Spread**”) specified on the table above over the yield (the “**Reference Yield**”) based on the bid side price of the U.S. Treasury Security (the “**Reference U.S. Treasury Security**”) specified above, as calculated by J.P. Morgan Securities LLC (the “**Dealer Manager**”) at 11:00 a.m., New York City time, on July 15, 2016 (subject to certain exceptions set forth herein, such time and date, as the same may be extended, the “**Price Determination Time**”).

In addition to the Tender Consideration, all Holders of Notes accepted for purchase pursuant to the Offer will also receive accrued and unpaid interest on such Notes from, and including, the immediately preceding interest payment date for the Notes to, but excluding, the Any and All Settlement Date (the “**Accrued Interest**”). Interest will cease to accrue on the Any and All Settlement Date for all Notes accepted in the Offer, including those tendered through guaranteed delivery procedures.

A press release announcing the amount of Notes to be accepted for purchase pursuant to the Offer will be published as soon as practicable following the Expiration Time.

With respect to the Notes validly tendered at or prior to the Expiration Time and not validly withdrawn and accepted for purchase pursuant to the Offer, other than Notes tendered pursuant to the guaranteed delivery procedures, the Company expects to pay the Tender Consideration, together with any Accrued Interest, to the Holders thereof on the first Business Day (as defined herein) after the Expiration Time (the “**Any and All Settlement Date**”). With respect to Notes tendered pursuant to the guaranteed delivery procedures, if any, the Company expects to pay the Tender Consideration, together with any Accrued Interest, to the Holders thereof on the third Business Day after the Expiration Time (the “**Guaranteed Delivery Settlement Date**”; each of the Guaranteed Delivery Settlement Date and the Any and All Settlement Date, a “**Settlement Date**”).

Except as otherwise provided herein and as required by applicable law, Notes tendered in the Offer may be validly withdrawn at any time at or prior to the Withdrawal Deadline, but not thereafter, and may only be withdrawn in accordance with the procedures specified under “The Offer—Withdrawal of Tenders.”

Subject to applicable law, the Offer may be terminated or withdrawn. In the event of a termination or withdrawal of the Offer, Notes tendered pursuant to the Offer will promptly be returned to you or credited to your account through DTC and your DTC participant. In the event Notes you tendered are not purchased for any other reason, they will be promptly returned to you or credited to your account.

The Company expressly reserves the right, in its sole discretion, subject to applicable law, to (i) extend the Expiration Time; (ii) waive any and all conditions of the Offer; (iii) terminate the Offer; or (iv) otherwise amend the terms of the Offer in any respect.

The Offer is conditioned upon certain conditions and the Company expressly reserves its right, subject to applicable laws, to terminate the Offer at any time prior to the Expiration Time.

Neither HCSC, the Trustee, the Information and Tender Agent (each as defined below) or the Dealer Manager makes any recommendation to you as to whether you should tender, or refrain from tendering, your Notes pursuant to the Offer. Holders must make their own decision as to whether to tender their Notes and, if so, the principal amount to tender. You should consult your own tax, accounting, financial and legal advisers as you deem appropriate regarding the suitability of the tax, accounting, financial and legal consequences of participating or declining to participate in the Offer.

See “Certain U.S. Federal Income Tax Consequences” for a discussion of certain factors that should be considered in evaluating the Offer.

This Offer to Purchase has not been filed with or reviewed by any federal or state securities commission or regulatory authority of any jurisdiction, nor has any such commission or authority passed upon the accuracy or adequacy of this Offer to Purchase. Any representation to the contrary is unlawful and may be a criminal offense.

This Offer to Purchase and the Notice of Guaranteed Delivery (together, the “**Offer Documents**”) contain important information that should be read before any decision is made with respect to the Offer. In particular, see “Cautionary Statement Regarding Forward-Looking Statements” and “Market and Trading Information” for a discussion of certain factors you should consider in connection with the Offer.

OFFER AND DISTRIBUTION RESTRICTIONS

HCSC has not filed this Offer to Purchase with, and it has not been reviewed by, any federal or state securities commission or regulatory authority of any country. No authority has passed upon the accuracy or adequacy of the Offer to Purchase, and it is unlawful and may be a criminal offense to make any representation to the contrary. No person has been authorized to give any information or to make any representations other than those contained or incorporated by reference in this Offer to Purchase. Holders must comply with all laws that apply to them in connection with this Offer to Purchase. Holders must also obtain any consents or approvals that they need in order to tender Notes pursuant to the Offer. None of the Company, the Dealer Manager or the Information and Tender Agent is responsible for Holders' compliance with these legal requirements.

This Offer to Purchase does not constitute an offer to purchase or a solicitation of an offer to sell Notes in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer or solicitation under applicable securities or blue sky laws. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of the Company, by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of such jurisdiction. Neither the delivery of this Offer to Purchase nor any purchase of Notes will, under any circumstances, create any implication that the information contained in this Offer to Purchase is current as of any time subsequent to the date of such information.

INDICATIVE TIMETABLE

Please note the following important dates and times relating to the Offer. Each is indicative only and is subject to change as a result of any extension, withdrawal, termination or amendment as set out under “The Offer— Conditions of the Offer” and “The Offer—Extension, Amendment and Termination.”

None of the Company, the Dealer Manager or the Information and Tender Agent represent or warrant that any of the events referred to below will take place as and/or when described, including, subject to applicable law, any publications or announcements via DTC, nor shall they be liable for any failure of DTC to deliver any notices to Holders or beneficial owners of the Notes or of any news service to publish a notice.

Holders are advised to check with the broker, dealer, bank, custodian, trust company, or other service provider or nominee through which they hold their Notes as to the deadlines by which such intermediary would require receipt of instructions from Holders to participate in, or to withdraw their instructions to participate in, the Offer in accordance with the terms and conditions of the Offer as described in this Offer to Purchase in order to meet the deadlines set out below and the corresponding deadlines set by DTC.

Event	Date and Time	Action
Commencement Date.....	July 11, 2016	<p>Commencement of the Offer upon the terms and subject to the conditions set forth in this Offer to Purchase.</p> <p>Notice provided through a press release via a widely disseminated news service.</p> <p>Notice delivered to DTC for communication to persons shown in the records of DTC as direct participants holding interests in the Notes. Offer Documents available (subject to the restrictions set out in “Offer and Distribution Restrictions”) from the Information and Tender Agent and at an Internet address contained in the launch press release.</p>
Price Determination Time.....	11:00 a.m., New York City time, on July 15, 2016, unless extended	The Dealer Manager will calculate the Tender Consideration in the manner described in this Offer to Purchase.
Withdrawal Deadline	5:00 p.m., New York City time, July 15, 2016, unless extended.	<p>The deadline for Holders to validly withdraw Notes tendered before this date and time, unless otherwise extended as described herein. Notes tendered before this date and time, but not validly withdrawn before this date and time, may not be withdrawn thereafter, except to the extent set forth below or as required by law.</p> <p>In addition, if the Offer is extended, the Withdrawal Deadline will be extended to the earlier of (i) the Expiration Time (as extended) and (ii) the tenth Business Day after the Commencement Date. The Notes may also be validly withdrawn in the event the Offer has not been consummated within 60 Business Days after the Commencement Date.</p>
Expiration Time	5:00 p.m., New York City time, July 15, 2016, unless extended.	The deadline for Holders to tender Notes pursuant to the Offer in order to qualify for payment on the Settlement Date of the Tender Consideration.
Any and All Settlement Date	The Any and All Settlement Date is expected to be July 18, 2016, unless extended.	Payment of the Tender Consideration, plus any Accrued Interest, for all Notes validly tendered and not validly withdrawn and accepted for purchase pursuant to the Offer, other than the Notes tendered using the guaranteed delivery procedures.
Guaranteed Delivery Settlement Date.....	The Guaranteed Delivery Settlement Date is expected to be July 20, 2016 unless extended.	Payment of the Tender Consideration, plus any Accrued Interest, for all Notes that are accepted for purchase pursuant to the Offer and that were tendered using the guaranteed delivery procedures.

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IMPORTANT INFORMATION

This Offer to Purchase and the documents incorporated by reference herein contain important information which should be read carefully before any decision is made with respect to a tender of Notes pursuant to the Offer. If any Holder is in any doubt as to the action it should take or is unsure of the impact of the Offer, it should seek its own financial and legal advice, including as to any tax consequences, from its stockbroker, bank manager, attorney, accountant or other independent financial or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to tender Notes in the Offer. None of the Company, the Dealer Manager, the Information and Tender Agent (or any of their respective directors, employees or affiliates) is providing Holders with any legal, business, tax or other advice in this Offer to Purchase, or making any recommendation as to whether or not Holders should tender, or refrain from tendering, Notes in the Offer, and none of them has authorized any person to make any such recommendation. Holders should consult with their own advisers as needed to assist them in making an investment decision and to advise them whether they are legally permitted to tender Notes for cash.

In making their decision whether to tender their Notes, Holders must rely on their own examination of the Company and the information contained in this Offer to Purchase, including their own determination of the merits and risks involved in participating in the Offer. None of the Company, the Dealer Manager or the Information and Tender Agent has expressed any opinion as to whether the terms of the Offer are fair. None of the Company, the Dealer Manager or the Information and Tender Agent makes any recommendation as to whether Holders should tender Notes or refrain from doing so pursuant to the Offer. Holders must make their own decision as to whether tender Notes or refrain from doing so and, if they wish to submit any tender Notes, the principal amount of such Notes to tender. Any decision to participate in the Offer will involve certain risks including, among others, those described in “Cautionary Statement Regarding Forward-Looking Statements” and “Market and Trading Information.”

Each Holder who wishes to tender Notes should follow the procedures set forth in this Offer to Purchase under “The Offer—Procedures for Tendering Notes.” All Holders who hold Notes through a broker, dealer, commercial bank, trust company or other nominee and wish to tender those Notes must contact the broker, dealer, commercial bank, trust company or other nominee and instruct them to tender those Notes.

Tenders of Notes may be validly withdrawn prior to the Withdrawal Deadline, but may not be validly withdrawn after such time, except as otherwise set forth herein or as required by applicable law.

Following the consummation of the Offer, the liquidity of the trading market for the Notes that remain outstanding is likely to be reduced. See “Market and Trading Information.”

All of the Notes are held in book-entry form through the facilities of DTC. Unless the context otherwise requires, all references in this Offer to Purchase to a “**Holder**” are to each person who is shown in the records of DTC as a holder of Notes. In the event of a termination of or withdrawal of Notes from the Offer, Notes tendered through DTC will be credited to the Holder through DTC.

Because only registered holders of Notes may tender Notes, beneficial owners of Notes must instruct the broker, dealer, commercial bank, trust company or other nominee that holds Notes on their behalf to tender Notes on such beneficial owners’ behalf. DTC has authorized DTC participants that hold Notes on behalf of beneficial owners of Notes through DTC to tender their Notes as if they were Holders.

You must tender your Notes in accordance with the procedures set forth under “The Offer—Procedures for Tendering Notes.”

To effectively tender Notes, DTC participants must deliver their Notes or electronically transmit their acceptance, and thereby tender Notes, through DTC’s Automated Tender Offer Program (“**ATOP**”). Delivery of the Agent’s Message (as defined below under the caption “The Offer—Procedures for Tendering Notes”) by DTC will satisfy the terms of the Offer. Accordingly, a Holder tendering Notes through ATOP does not need to complete a letter of transmittal. If any Holder wishes to tender its Notes and (1) such Holder cannot comply with the procedure for book-entry transfer or (2) such Holder cannot deliver the other required documents to the Information and Tender Agent by the Expiration Time, such Holder must tender its Notes according to the guaranteed delivery procedure specified in “The Offer—Procedures for Tendering Notes” below, including delivery of the “**Notice of Guaranteed Delivery**.”

Beneficial owners of Notes are advised to check with any bank, securities broker or other intermediary through which they hold Notes regarding when such intermediary would need to receive instructions from a beneficial owner of Notes in order for that beneficial owner to be able to participate in, or withdraw their instruction to participate in, the

Offer by the deadlines specified in this Offer to Purchase. The deadlines set by any such intermediary and DTC for the submission and withdrawal of tender instructions will be earlier than the relevant deadlines specified in this Offer to Purchase.

A beneficial owner of Notes tendered by tendering Holders will not be obligated to pay brokerage fees or commissions to the Dealer Manager, the Information and Tender Agent, the Trustee or HCSC. Beneficial owners whose Notes are registered in the name of a nominee, must contact such nominee to ascertain whether such beneficial owner will be charged a fee by the nominee for tendering its Notes. Beneficial owners should check whether their brokers or custodians will charge any fees.

Wells Fargo Bank, National Association, as the appointed trustee with respect to the Notes (the “**Trustee**”), has not independently verified, makes no representation or warranty, express or implied, regarding, and assumes no responsibility for, the accuracy or adequacy of the information provided herein. The Trustee will conclusively rely on the results of the Offer as reported by the Information and Tender Agent and the Company, and the Trustee will have no liability in connection therewith.

Any questions or requests for assistance or for additional copies of this Offer to Purchase should be directed to D.F. King & Co., Inc., which is acting as information and tender agent (in such respective capacities, the “**Information and Tender Agent**”), at one of its telephone numbers set forth on the last page of this Offer to Purchase. You may also contact the Dealer Manager at one of their respective telephone numbers set forth on the last page of this Offer to Purchase or your broker, dealer, or other similar nominee for assistance concerning the terms of the Offer.

Requests for additional copies of this Offer to Purchase and requests for assistance relating to the procedures for tendering Notes may be directed to the Information and Tender Agent at the address and telephone numbers on the back cover page of this Offer to Purchase. Requests for assistance relating to the terms and conditions of the Offer may be directed to the Dealer Manager at the address and telephone numbers on the back cover page of this Offer to Purchase. Beneficial owners may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance regarding the Offer.

References herein to “\$” or “dollars” are to the lawful currency of the United States unless otherwise noted.

The Offer is not being made to, and tenders will not be accepted from or on behalf of, Holders in any jurisdiction in which the making or the acceptance of the Offer or the purchase of Notes would not be in compliance with the laws of such jurisdiction.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Offer to Purchase and the documents incorporated by reference herein contain forward-looking statements based on estimates and assumptions.

Forward-looking statements include, among other things, statements concerning the business, future financial condition, results of operations and prospects of HCSC, including its subsidiaries. These statements usually contain the words “believes,” “plans,” “expects,” “anticipates,” “intends,” “estimates” or other similar expressions. For each of these statements, you should be aware that forward-looking statements involve known and unknown risks and uncertainties. Although it is believed that the expectations reflected in these forward-looking statements are reasonable, there is no assurance that the actual results or developments anticipated will be realized or, even if realized, that they will have the expected effects on the business, financial condition, results of operations or prospects of HCSC.

These forward-looking statements speak only as of the date on which the statements were made, and no obligation has been undertaken to publicly update or revise any forward-looking statements made in this Offer to Purchase or elsewhere as a result of new information, future events or otherwise, except as required by applicable laws and regulations. The Company undertakes no obligation to update or revise publicly any forward-looking statements whether because of new information, future events, or otherwise, except as required by securities and other applicable laws.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

HCSC “incorporates by reference” into this Offer to Purchase certain information previously furnished to you and the Trustee, which means we are disclosing important information to you by referring you to those documents (which furnishing may have been done by posting such information on a website (which may be a secured area of the website accessible only to Holders of the Notes and qualified prospective investors in the Notes)). We also incorporate by reference the information contained in all other documents or reports that we furnish to you and the Trustee prior to the expiration of the Offer (which furnishing may be done by posting such information on a website (which may be a secured area of the website accessible only to holders of the Notes and qualified prospective investors in the Notes)). We are not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act. However, pursuant to the terms of the indenture governing the Notes, we are required to provide to Holders and the Trustee the financial statements that the Company files with the Illinois Department of Insurance.

Information incorporated by reference is considered to be a part of this Offer to Purchase, and information subsequently furnished to you and the Trustee prior to the expiration of the Offer will automatically update and supersede information in this Statement and information furnished previously.

The Information and Tender Agent will provide without charge to each Holder to whom this Statement is delivered, upon the request of such Holder, a copy of any or all of the documents incorporated herein by reference or a copy of the Indenture. Requests for such documents should be directed to the Information and Tender Agent at the address and telephone numbers set forth on the back cover of this Statement.

CERTAIN INFORMATION CONCERNING HCSC

HCSC, a Mutual Legal Reserve Company, is an Independent Licensee of the Blue Cross and Blue Shield Association. HCSC is the largest customer-owned health insurer in the United States and fourth largest overall, operating through its Blue Cross and Blue Shield® Plans in Illinois, Montana, New Mexico, Oklahoma and Texas. HCSC affiliates and subsidiaries such as Dearborn National, TMG Health and Medecision, offer group life, disability and dental solutions, as well as a range of other individual solutions.

The Company, founded in 1936, serves more than 15 million members across five states and employs more than 22,000 people in over 60 local offices.

HCSC is dedicated to expanding access to high quality, cost effective health care and equipping its members with information and tools so they can make the best healthcare decisions for themselves and their families. HCSC's health plans were pioneers in their states, as they were the first to provide coverage for a number of procedures — ranging from heart and bone marrow transplants, to cancer and leukemia treatments. Today, the Company is a leader in the development of value-based care models to spur greater collaboration and accountability among various stakeholders to improve the health care experience for patients and consumers and enable them lead healthier lives.

HCSC is dedicated to contributing to the well-being of the communities in which its employees and members live, work and play. The Company continues its longstanding tradition of community support through charitable investments with community partners, volunteerism, civic engagement, event sponsorship, employee giving, donation drives and in-kind donations.

SUMMARY

The following summary is qualified in its entirety by reference to, and should be read in conjunction with, the information appearing elsewhere or incorporated by reference in this Offer to Purchase. Each undefined capitalized term used in this Summary has the meaning set forth elsewhere in this Offer to Purchase.

The Company or HCSC Health Care Service Corporation, a Mutual Legal Reserve Company organized under the laws of the State of Illinois.

	CUSIP Number	ISIN	Title of Security	Principal Amount Outstanding
The Notes.....	42218S AC2 U4219P AB6	US42218SAC26 / USU4219PAB68	4.70% Notes due 2021	\$500,000,000

The Offer HCSC is offering to purchase for cash, upon the terms and subject to the conditions set forth in this Offer to Purchase, any and all of the Notes.

Tender Consideration..... The Tender Consideration per each \$1,000 principal amount of Notes validly tendered and accepted for payment pursuant to the Offer will be determined in the manner described in this Offer to Purchase by reference to the Fixed Spread specified on the front cover of this Offer to Purchase over the Reference Yield based on the bid side price of the Reference U.S. Treasury Security specified on the front cover of this Offer to Purchase, as calculated by the Dealer Manager at 11:00 a.m., New York City time, on July 15, 2016 (subject to certain exceptions set forth herein).

The formula for determining the Tender Consideration is set forth in Schedule A.

Purpose of the Offer..... The Offer is being made to reduce the Company's overall interest expense.

Price Determination Time..... The Tender Consideration for each \$1,000 principal amount of Notes validly tendered and accepted for payment pursuant to the Offer will be determined at 11:00 a.m., New York City time, on July 15, 2016 (subject to certain exceptions set forth herein, as such time and date may be extended).

Expiration Time The Expiration Time will be at 5:00 p.m. New York City time, July 15, 2016, unless extended.

Accrued Interest..... Subject to the terms and conditions of the Offer, in addition to the Tender Consideration, Holders who validly tender and do not validly withdraw their Notes and whose Notes are accepted for purchase pursuant to the Offer will also be paid on the applicable Settlement Date accrued and unpaid interest from, and including, the immediately preceding interest payment date for the Notes to, but excluding, the Any and All Settlement Date (the "**Accrued Interest**").

Any and All Settlement Date The Any and All Settlement Date is expected to be July 18, 2016, unless extended.

Guaranteed Delivery Settlement Date..... The Guaranteed Delivery Settlement Date is expected to be July 20, 2016, unless extended.

Conditions of the Offer The Company's obligations to accept for purchase, and pay for, the validly tendered Notes that have not been validly withdrawn are subject to, and conditioned upon, satisfaction or, where applicable, waiver of the General Conditions. See "The Offer—Conditions of the Offer." The Offer is not conditioned on any minimum amount of Notes being tendered or the consummation of other offers. Subject to applicable law, the Company expressly reserves its right, in its sole discretion, to terminate the Offer at any time.

How to Tender Notes..... See "The Offer—Procedures for Tendering Notes." For further information, call the Information and Tender Agent or the Dealer Manager or consult your broker, dealer,

commercial bank or trust company for assistance.

Withdrawal Rights	Notes that are tendered may be validly withdrawn at any time prior to the Withdrawal Deadline, but not thereafter, except in certain limited circumstances where additional withdrawal rights are required by law (as determined by the Company).
Income Tax Considerations	See “Certain U.S. Federal Income Tax Consequences” for a discussion of certain U.S. federal income tax consequences applicable to the Offer.
Dealer Manager	J.P. Morgan Securities LLC is acting as Dealer Manager in connection with the Offer. The Dealer Manager’s contact information appears on the back cover of this Offer to Purchase.
Information and Tender Agent	D.F. King & Co., Inc. is serving as Information and Tender Agent in connection with the Offer. Requests for additional copies of this Offer to Purchase should be directed to the Information and Tender Agent. Its contact information appears on the back cover of this Offer to Purchase.
Offer Website	The website, http://www.dfking.com/hcsc , operated by the Information and Tender Agent for the purpose of the Offer, access to which is subject to the offer and distribution restrictions referred to in “Offer and Distribution Restrictions.”

ALL DOCUMENTATION RELATING TO THE OFFER, TOGETHER WITH ANY UPDATES, WILL BE AVAILABLE VIA THE OFFER WEBSITE: <http://www.dfking.com/hcsc>.

THE OFFER

General

On the terms and subject to the conditions described in this Offer to Purchase, the Company is offering to purchase from Holders for cash any and all of the Notes tendered to it for the Tender Consideration, plus any Accrued Interest on such Notes, payable on the applicable Settlement Date.

HCSC will fund the Offer with existing cash resources. The Offer is being made to reduce the Company's overall interest expense.

Subject to the terms and conditions of the Offer, Holders that validly tender and do not validly withdraw their Notes at or prior to the Expiration Time will receive the Tender Consideration, plus any Accrued Interest, for their Notes that are purchased pursuant to the Offer on the applicable Settlement Date. Only Notes that are validly tendered in accordance with the procedures set forth herein at or prior to the Expiration Time (including using the guaranteed delivery procedures set forth herein) will, upon the terms and subject to the conditions hereof, be eligible for acceptance by the Company and, if so accepted, payment will be made therefor on the applicable Settlement Date. No such payments will be made with respect to the Notes if the Offer is terminated. All conditions to the Offer, if any Notes are to be accepted for purchase pursuant to the Offer promptly after the Expiration Time, will be either satisfied or waived by the Company at or prior to the Expiration Time.

Except to the extent required by applicable law or as provided below, Notes may only be validly withdrawn prior to the Withdrawal Deadline in accordance with the procedures specified under “—Withdrawal of Tenders” of this section. In the event of a termination of the Offer, all Notes tendered pursuant to the Offer will be promptly returned to the tendering Holders. The Company and/or its affiliates may seek to acquire any Notes that remain outstanding following termination or expiration of the Offer through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as the Company or such affiliates may determine, which may be more or less than the price to be paid pursuant to the Offer and could be for cash or other consideration.

The Company's obligation to accept and pay for Notes validly tendered pursuant to the Offer is conditioned upon satisfaction of certain conditions set forth in “—Conditions of the Offer” of this section. Subject to applicable securities laws and the terms set forth in the Offer, the Company has the right to (i) waive or modify in whole or in part any and all conditions to the Offer, (ii) extend the Withdrawal Deadline or the Expiration Time, (iii) modify or terminate the Offer or (iv) otherwise amend the Offer in any respect. The rights reserved by the Company in this paragraph are in addition to its rights to terminate the Offer described in “—Conditions of the Offer” of this section.

Any amendment to the Offer will apply to all Notes tendered in the Offer. Any extension or amendment of the Withdrawal Deadline or the Expiration Time will be followed as promptly as practicable by public announcement thereof, the announcement in the case of an extension of the Expiration Time to be issued no later than 9:00 a.m., New York City time, on the next Business Day after the previously-scheduled Expiration Time.

If the Company makes a material change in the terms of the Offer or the information concerning the Offer, it will disseminate additional offering materials and extend the Offer to the extent required by law.

Tender Consideration

The Tender Consideration will be calculated, as described on Schedule A hereto, so as to result in a price as of the Any and All Settlement Date that is reflective of a yield to the maturity date for the Notes equal to the sum of:

- the yield to maturity, calculated by the Dealer Manager in accordance with standard market practice, corresponding to the bid side price of the Reference U.S. Treasury Security set forth on the front cover of this Offer to Purchase, as of the Price Determination Time, *plus*
- the Fixed Spread set forth on the front cover of this Offer to Purchase.

This sum is referred to in this Offer to Purchase as the “**Yield**” for the Notes. Specifically, the Tender Consideration per each \$1,000 principal amount of Notes validly tendered and accepted for payment pursuant to the Offer will equal:

- the value per \$1,000 principal amount of all remaining payments of principal and interest on the Notes to be made to (and including) the maturity date, discounted to the Any and All Settlement Date in accordance with the formula set forth in Schedule A hereto, at a discount rate equal to the Yield, *minus*

- Accrued Interest on the Notes per \$1,000 principal amount of Notes.

In addition to the Tender Consideration paid to Holders of Notes, Holders will be paid the Accrued Interest per \$1,000 principal amount of Notes sold pursuant to the Tender Offer rounded to the nearest cent. The Dealer Manager will calculate the Yield, Tender Consideration and Accrued Interest, and its calculation will be final and binding, absent manifest error. Interest will cease to accrue on the Any and All Settlement Date for all Notes accepted in the Offer, including those tendered through guaranteed delivery procedures.

The term “**bid side price**” of the relevant Reference U.S. Treasury Security on any day means the bid side price of the Reference U.S. Treasury Security as displayed on the Bloomberg Reference Page specified in the table on the cover of this Offer to Purchase as of 11:00 a.m., New York City time, on that day (or, if the Dealer Manager determines that the relevant page on Bloomberg is not operational or is displaying inaccurate information at that time, the bid side price of the Reference U.S. Treasury Security determined at or around 11:00 a.m., New York City time, on that day by such other means as the Dealer Manager may consider to be appropriate under the circumstances).

After the Price Determination Time, Holders may ascertain the yield on the Reference Treasury Securities as of the Price Determination Time and the resulting Tender Consideration for the Notes by contacting the Dealer Manager at its telephone numbers set forth on the back cover of this Offer to Purchase. The Company will publicly announce by press release the actual Tender Consideration for the Notes promptly after it is determined.

Because the Tender Consideration is based on a fixed-spread pricing formula linked to the yield on the Reference U.S. Treasury Security, the actual amount of cash that may be received by a tendering Holder pursuant to the Offer will be affected by changes in such yield during the term of the Offer before the Price Determination Time. After the Price Determination Time, when the Tender Consideration is no longer linked to the yield on the Reference U.S. Treasury Security, the actual amount of cash that may be received by a tendering Holder pursuant to the Offer will be known and Holders will be able to ascertain the Tender Consideration in the manner described above.

Conditions of the Offer

Notwithstanding any other provision of the Offer, and in addition to (and not in limitation of) the right, subject to applicable law, of the Company to terminate, extend or amend the Offer, in its sole discretion, as the case may be, the Company will not be obligated to accept for purchase, and pay for, validly tendered Notes pursuant to the Offer if the General Conditions (as defined below) have not been satisfied or, where possible, waived with respect to the Offer. The Offer is not conditioned upon any minimum principal amount of the Notes being tendered.

For purposes of the foregoing provisions, all of the “**General Conditions**” will be deemed to have been satisfied at the Expiration Time, unless any of the following conditions shall have occurred and be continuing after the date of this Offer to Purchase and before such Expiration Time:

- (i) any general suspension of trading in, or limitation on prices for, securities in the United States securities or financial markets, (ii) a material impairment in the trading market for debt securities, (iii) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States (whether or not mandatory), (iv) any limitation (whether or not mandatory) by any governmental authority on, or other event having a reasonable likelihood of affecting, the extension of credit by banks or other lending institutions in the United States, (v) any attack on, outbreak or escalation of hostilities or acts of terrorism involving the United States that would reasonably be expected to have a materially disproportionate effect on the business, operations, condition or prospects of HCSC (or its subsidiaries), in each case relative to other companies in the same industry or (vi) any significant adverse change in the United States securities or financial markets generally or, in the case of any of the foregoing existing on the date hereof, a material acceleration or worsening thereof;
- the existence of an order, statute, rule, regulation, executive order, stay, decree, judgment or injunction that shall have been enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in the reasonable judgment of the Company, would or would be reasonably likely to prohibit, prevent or materially restrict or delay consummation of the Offer, as the case may be, or that is, or is reasonably likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of HCSC or its subsidiaries;
- any instituted or pending action or proceeding before or by any court or governmental, regulatory or administrative agency or instrumentality, or by any other person, that challenges the making of the Offer, as the

case may be, or is reasonably likely to directly or indirectly prohibit, prevent, restrict or delay the consummation of the Offer or otherwise adversely affects the Offer in any material manner;

- there exists any other actual or threatened legal impediment to the Offer, as the case may be, or any other circumstances that would materially adversely affect the transactions contemplated by the Offer or the contemplated benefits of the Offer to HCSC or its subsidiaries;
- an event or events or the likely occurrence of an event or events that would or might reasonably be expected to prohibit, restrict or delay the consummation of the Offer, as the case may be, or materially impair the contemplated benefits of the Offer; or
- the Trustee, the Illinois Department of Insurance, or any other third party objects in any respect to, or takes any action that would be reasonably likely to materially and adversely affect, the consummation of the Offer, as the case may be, or takes any action that challenges the validity or effectiveness of the procedures used by the Company with respect to the making of the Offer or the acceptance of the Notes.

The conditions described above are solely for the benefit of the Company and may be asserted by the Company regardless of the circumstances giving rise to any such condition, and, where possible, may be waived by the Company, in whole or in part, at any time and from time to time before the relevant Settlement Date. The failure at any time by the Company to exercise any of its rights will not be deemed a waiver of any other right, and each right will be deemed an ongoing right which may be asserted at any time and from time to time.

If the Company terminates the Offer, the Company will give written notice thereof to the Information and Tender Agent, and all of the Notes theretofore tendered pursuant to the Offer and not accepted for purchase pursuant to the Offer will be returned promptly to the tendering Holders. See “—Extension, Amendment and Termination” of this section.

Procedures for Tendering Notes

The Company, in its sole discretion, will determine all questions as to the form of documents and validity, eligibility (including time of receipt), acceptance for payment and withdrawal of tendered Notes, and such determination will be final and binding. The Company reserves the absolute right to reject any and all tenders of Notes that it determines are not in proper form or the acceptance for purchase of or payment for which may, in the opinion of its counsel, be unlawful. The Company also reserves the absolute right in its sole discretion to waive any of the conditions of the Offer or any defect or irregularity in the tender of Notes by any particular Holder, whether or not similar conditions, defects or irregularities are waived in the case of other Holders, and the Company’s interpretation of the terms and conditions of the Offer will be final and binding. Any defect, irregularity or delay must be cured within such time (if any) as the Company determines, unless waived by it. Tenders of Notes will be deemed not to have been made until such defects, irregularities or delays have been so cured or waived. Neither HCSC, the Dealer Manager, the Information and Tender Agent, the Trustee or any other person will be under any duty to give notification of any defects or irregularities in tenders or any notices of withdrawal or will incur any liability for failure to give any such notification.

How to Tender Notes; Book-Entry Delivery of Notes; Tender through ATOP

The Information and Tender Agent will establish accounts with respect to the Notes at DTC for purposes of the Offer. The Information and Tender Agent and DTC have confirmed that the Offer is eligible for ATOP, whereby a financial institution that is a participant in DTC’s system may tender Notes by making book-entry delivery of Notes by causing DTC to transfer Notes into an ATOP account.

To effectively tender Notes, Holders should, through a DTC participant, transmit their acceptance through ATOP, and DTC will then edit and verify the acceptance and send an Agent’s Message to the Information and Tender Agent for its acceptance. The term “**Agent’s Message**” means a message transmitted by DTC to, and received by, the Information and Tender Agent and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgment from the tendering participant stating that such participant has accepted the Offer and agrees to be bound by the terms, conditions and provisions of the Offer. An Agent’s Message and any other required documents must be transmitted to, and received by, the Information and Tender Agent before the Expiration Time. Delivery of the Agent’s Message by DTC will satisfy the terms of the Offer. By tendering its Notes, a Holder will be deemed to have delivered a binding letter of transmittal making the representations, warranties and undertakings specified below under “—Representations, Warranties and Undertakings; Acceptance by the Company Constitutes an Agreement.” There is no letter of transmittal in connection with the Offer.

The delivery and surrender of the Notes is not effective, and the risk of loss of the Notes does not pass to the Information and Tender Agent, until receipt by the Information and Tender Agent of timely confirmation of a book-entry transfer of such Notes into the Information and Tender Agent's account at DTC and a properly transmitted Agent's Message, together with all accompanying evidences of authority and any other required documents in a form satisfactory to HCSC. The method of delivery of the Notes and all other required documents, including delivery through DTC and acceptance of an Agent's Message transmitted through ATOP, is at the option and risk of the tendering Holder. In all cases, sufficient time should be allowed for such documents to reach the Information and Tender Agent prior to the Expiration Time in order to be eligible to receive the Tender Consideration. Any charges, costs and expenses charged to Holders or any intermediary shall be borne by such Holders.

Holders are advised to check with any bank, securities broker or other intermediary through which they hold Notes whether such intermediary would require receipt of instructions to participate in, or revoke their instruction to participate in, the Offer before the deadlines specified in this Offer to Purchase. The deadlines set by DTC for the submission and withdrawal of tender instructions will be earlier than the relevant deadlines specified in this Offer to Purchase.

In order to be valid, instructions must be submitted in respect of a minimum principal amount outstanding of the Notes of no less than \$2,000 and integral multiples of \$1,000 in excess thereof.

The Agent's Message and any Notice of Guaranteed Delivery should be sent to the Information and Tender Agent and not to the Company, the Dealer Manager or the Trustee. The Information and Tender Agent will not accept any materials other than the Agent's Message and, if applicable, the Notice of Guaranteed Delivery.

Guaranteed Delivery Procedure for Notes

If a Holder chooses to tender Notes in the Offer and the Holder's Notes are not immediately available or the Holder cannot deliver the Notes to the Information and Tender Agent prior to the Expiration Time, or the Holder cannot complete the procedures for book-entry transfer on a timely basis or if the time will not permit all required documents to reach the Information and Tender Agent before the Expiration Time, such tender may still be effected if all of the following conditions are met:

- the tender is made by or through an Eligible Institution (as defined below);
- a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form provided by the Company, attached as Appendix C hereto, is received by the Information and Tender Agent, as provided below, before the Expiration Time; and
- a book-entry confirmation, together with an Agent's Message, are received by the Information and Tender Agent no later than two Business Days after the Expiration Time.

The Notice of Guaranteed Delivery may be transmitted in accordance with the ATOP procedures of DTC. If the ATOP procedures are used, the DTC participant need not complete and physically deliver the Notice of Guaranteed Delivery. However, the DTC participant will be bound by the terms of the Offer, including the Notice of Guaranteed Delivery. The Guaranteed Delivery Settlement Date is expected to be July 20, 2016.

"Eligible Institution" means a member firm of a registered national securities exchange or of the Financial Industry Regulatory Authority, a commercial bank or trust company having an office or correspondent in the United States or an "Eligible Guarantor Institution" within the meaning of Rule 17Ad-15(a)(2) under the Exchange Act. In the Offer Documents, the term **"Business Day"** means any day, other than Saturday, Sunday or a U.S. federal holiday.

Foreign Holders that want to tender using a guaranteed delivery process should contact their brokers or the Information and Tender Agent.

FOR THE AVOIDANCE OF DOUBT, THE DELIVERY OF NOTES TENDERED BY GUARANTEED DELIVERY PROCEDURES MUST BE MADE NO LATER THAN 5:00 P.M., NEW YORK CITY TIME, ON JULY 19, 2016, WHICH IS TWO BUSINESS DAYS FOLLOWING THE EXPIRATION TIME; PROVIDED, THAT ACCRUED INTEREST WILL CEASE TO ACCRUE ON THE ANY AND ALL SETTLEMENT DATE FOR ALL NOTES ACCEPTED IN THE OFFER, INCLUDING THOSE TENDERED BY THE GUARANTEED DELIVERY PROCEDURES SET FORTH ABOVE, AND UNDER NO CIRCUMSTANCES WILL ADDITIONAL INTEREST BE PAID BY THE COMPANY AFTER THE PAYMENT DATE BY REASON OF ANY DELAY ON THE PART OF THE GUARANTEED DELIVERY PROCEDURES.

The Notice of Guaranteed Delivery should be sent to the Information and Tender Agent and not to the Company, the Dealer Manager or the Trustee.

Representations, Warranties and Undertakings; Acceptance by the Company Constitutes an Agreement

By tendering your Notes through DTC and delivering an Agent's Message through ATOP or Notice of Guaranteed Delivery, you will be deemed to have delivered a binding letter of transmittal agreeing with, acknowledging, representing, warranting and undertaking to the Company, the Information and Tender Agent and the Dealer Manager substantially the following, on each of the Expiration Time and the Any and All Settlement Date or the Guaranteed Delivery Settlement Date, as applicable (if you are unable to give these agreements, acknowledgements, representations, warranties and undertakings, you should contact the Dealer Manager or the Information and Tender Agent immediately):

(1) Subject to and effective upon acceptance for purchase of, and payment for, the Notes tendered therewith, you irrevocably constitute and appoint the Information and Tender Agent as your true and lawful agent and attorney-in-fact (with full knowledge that the Information and Tender Agent also acts as the agent of the Company) with respect to such tendered Notes, with full powers of substitution, resubstitution and revocation (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (a) transfer ownership of such Notes on the account books maintained by DTC, together with all accompanying evidences of transfer and authenticity, to, or upon the order of, the Company, (b) present such Notes for transfer of ownership on the relevant security register, and (c) receive all benefits or otherwise exercise all rights of beneficial ownership of such Notes (except that the Information and Tender Agent will have no rights to, or control over, funds from the Company, except as agent of you and any other tendering Holders for the Tender Consideration, plus any Accrued Interest, on Notes tendered pursuant to the Offer, as determined pursuant to the terms of this Offer to Purchase, for any tendered Notes that are purchased by the Company).

(2) You understand that tenders of Notes may be withdrawn by submission of a properly transmitted "Request Message" through ATOP to the Information and Tender Agent prior to the Withdrawal Deadline. In the event of a termination of the Offer, the Notes tendered pursuant to the Offer will be credited to the account maintained at DTC from which such Notes were delivered.

(3) You understand that tenders of Notes pursuant to any of the procedures described in the Offer to Purchase and acceptance of such Notes by the Company will constitute a binding agreement between you and the Company, upon the terms and subject to the conditions of this Offer to Purchase. You understand that validly tendered Notes (or defectively tendered Notes with respect to which the Company has or has caused such defect to be waived) will be deemed to have been accepted by the Company, if, as and when the Company gives oral or written notice thereof to the Information and Tender Agent.

(4) You have full power and authority to tender, sell, assign and transfer the Notes tendered and that when such tendered Notes are accepted for purchase and payment by the Company, the Company will acquire good title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim or right and together with all rights attached thereto. You will, upon request, execute and deliver any additional documents deemed by the Information and Tender Agent or by the Company to be necessary or desirable to complete the sale, assignment, transfer and cancellation of the Notes tendered or to evidence such power and authority.

(5) You have received the Offer to Purchase, and have reviewed and accepted the offer and distribution restrictions, terms, conditions, risk factors and other considerations of the Offer, all as described in this Offer to Purchase, and have undertaken an appropriate analysis of the implications of the Offer without reliance on the Company, the Dealer Manager or the Information and Tender Agent. All authority conferred or agreed to be conferred shall not be affected by, and shall survive, your death or incapacity, and any of your obligations hereunder shall be binding upon your heirs, executors, administrators, trustees in bankruptcy, personal and legal representatives, successors and assigns.

(6) You understand that the Company will pay the Tender Consideration and any Accrued Interest with respect to the Notes that are accepted for purchase.

(7) You recognize that under certain circumstances set forth in this Offer to Purchase, the Company may terminate or amend the Offer or may postpone the acceptance for purchase of, or the payment for, the Notes tendered or may not be required to purchase any of the Notes tendered.

(8) You are not a person to whom it is unlawful to make an invitation pursuant to the Offer under applicable securities laws.

(9) You understand that the receipt of an Agent's Message by DTC will constitute instructions to debit the securities account of the relevant direct participant on the applicable Settlement Date in respect of all of the Notes that the relevant Holder has tendered in the Offer and that are accepted for purchase by the Company, upon receipt by DTC or of an instruction from an Information and Tender Agent to receive such Notes for the account of the Company and against credit of the relevant amount in cash from the Company equal to the Tender Consideration and any Accrued Interest for such Notes, subject to the automatic

revocation of those instructions on the date of any termination of the Offer (including where such Notes are not accepted for purchase by the Company) or the valid withdrawal of such tenders in the limited circumstances in which such withdrawal is permitted as set out in this Offer to Purchase;

(10) You will be deemed to agree that the delivery and surrender of any Notes is not effective, and the risk of loss of the Notes does not pass to the Information and Tender Agent, until receipt by the Information and Tender Agent of timely confirmation of book-entry transfer of such Notes into the Information and Tender Agent's account at DTC pursuant to the procedures set forth in the Offer to Purchase and an Agent's Message or properly completed and duly executed Notice of Guaranteed Delivery, together with all accompanying evidences of authority and any other required documents in form satisfactory to the Company. All questions as to form of all documents and the validity (including time of receipt) and acceptance of tenders and withdrawals of Notes will be determined by the Company, in its sole discretion, which determination shall be final and binding.

(11) You request that any Notes representing principal amounts not tendered or not accepted for purchase be issued in the name of, and delivered by credit to, the account of DTC.

(12) You have observed (and will observe) the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid (or will pay) any issue, transfer or other taxes or requisite payments due from you in each respect in connection with any offer or acceptance in any jurisdiction and that you have not taken or omitted to take any action in breach of the representations or which will or may result in the Company or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or tender of Notes in connection therewith.

(13) You acknowledge that none of the Company, the Dealer Manager, the Information and Tender Agent or the Trustee is making any recommendation as to whether or not you should tender Notes in response to the Offer.

(14) You acknowledge that, effective upon the acceptance for purchase of, and payment for, the principal amount of Notes tendered in accordance with the terms and subject to the conditions of the Offer, you will have agreed to (a) irrevocably sell, assign and transfer to the Company, or upon the Company's order, all right, title and interest in and to all of the Notes tendered and accepted for purchase pursuant to the terms of the Offer, (b) waive any and all other rights with respect to such Notes (including, without limitation, any existing or past defaults and their consequences in respect of such Notes) and (c) to release and discharge the Company from any and all claims you may have now, or may have in the future, arising out of, or related to, such Notes, including, without limitation, any claims that you are entitled to receive additional principal or interest payments with respect to such Notes or to participate in any repurchase, redemption or defeasance of such Notes.

Your custodian or nominee, by delivering, or causing to be delivered, the tendered Notes and the Agent's Message or Notice of Guaranteed Delivery to the Information and Tender Agent is representing and warranting that you, as owner of such Notes, have represented, warranted and agreed to each of the above. If you are unable to give the foregoing representations, warranties and undertakings, you should contact the Dealer Manager or the Information and Tender Agent.

The acceptance for payment by the Company of Notes tendered under the Offer will constitute a binding agreement between you and the Company upon the terms and conditions of the Offer as described in this Offer to Purchase.

Compliance with "Short Tendering" Rule

It is a violation of Rule 14e-4 (promulgated under the Exchange Act) for a person, directly or indirectly, to tender Notes in the Offer for their own account unless the person so tendering (a) has a net long position equal to or greater than the aggregate principal amount of the Notes being tendered and (b) will cause such Notes to be delivered in accordance with the terms of the Offer. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

A tender of Notes in the Offer under any of the procedures described above will constitute a binding agreement between the tendering Holder and the Company with respect to the Offer upon the terms and subject to the conditions of the Offer, including the tendering Holder's acceptance of the terms and conditions of the Offer, as well as the tendering Holder's representation and warranty that (a) such Holder has a net long position in the Notes being tendered pursuant to the Offer within the meaning of Rule 14e-4 under the Exchange Act, and (b) the tender of such Notes complies with Rule 14e-4.

Acceptance for Payment and Payment for the Notes

Upon the terms and subject to the conditions of the Offer, the Company will notify the Information and Tender Agent, promptly after the Expiration Time, of which Notes tendered before the Expiration Time are accepted for purchase and payment

pursuant to the Offer. For purposes of the Offer, the Company will be deemed to have accepted for purchase validly tendered Notes (or defectively tendered Notes with respect to which the Company has waived such defect) if, as and when the Company gives oral (promptly confirmed in writing) or written notice thereof to the Information and Tender Agent. With respect to tendered Notes that are to be returned to Holders, such Notes will be credited to the account maintained at DTC from which such Notes were delivered promptly following the Expiration Time or termination of the Offer.

Upon the terms and subject to the conditions of the Offer, the Company will accept for purchase, and pay for, Notes validly tendered pursuant to the Offer and not validly withdrawn upon the satisfaction or, where possible, waiver of the General Conditions specified under “—Conditions of the Offer” of this section. The Company will promptly pay for all Notes accepted for purchase pursuant to the Offer. In all cases, payment for Notes accepted for purchase pursuant to the Offer will be made only after confirmation of book-entry transfer thereof.

If, for any reason (including if the Company chooses to do so), acceptance for purchase of, or payment for, validly tendered Notes pursuant to the Offer is delayed, or the Company is unable to accept for purchase or to pay for validly tendered Notes pursuant to the Offer, then the Information and Tender Agent may, nevertheless, on behalf of the Company, retain the tendered Notes (which may not then be withdrawn), without prejudice to the Company’s rights as described under “—Extension, Amendment and Termination” and “—Conditions of the Offer” above and “—Withdrawal of Tenders” below, but subject to Rule 14e-1(c) under the Exchange Act, which requires that the Company pay the applicable consideration offered or return the Notes tendered promptly after the termination or withdrawal of the Offer.

If any tendered Notes are not accepted for purchase pursuant to the Offer for any reason pursuant to the terms and conditions of this Offer to Purchase, such Notes will be credited to the account maintained at DTC, from which such Notes were delivered promptly following the Expiration Time or termination of the Offer.

Holders of Notes tendered and accepted for purchase pursuant to the Offer will be entitled to any accrued and unpaid interest on their Notes from, and including, the immediately preceding interest payment date for the Notes to, but excluding, the Any and All Settlement Date, which will be payable on the Any and All Settlement Date. Under no circumstances will any additional interest be payable because of any delay by DTC in the transmission of funds to the Holders of purchased Notes, on the part of the guaranteed delivery procedures or otherwise.

The Company may transfer or assign, in whole or from time to time in part, to one or more of its affiliates or any third party the right to purchase all or any of the Notes tendered pursuant to the Offer, but any such transfer or assignment will not relieve the Company of its obligations under the Offer and will in no way prejudice the rights of tendering Holders to receive payment for Notes validly tendered and not validly withdrawn and accepted for purchase pursuant to the Offer.

A press release announcing the amount of Notes to be accepted for purchase pursuant to the Offer will be published as soon as practicable following the Expiration Time.

All Notes not accepted for purchase pursuant to the Offer will be promptly returned to Holders.

Settlement Date

Subject to the terms and conditions set forth herein, the Company expects to accept for purchase on July 18, 2016, the amount of Notes validly tendered at or prior to the Expiration Time, other than Notes tendered using the guaranteed delivery procedures. Subject to the terms and conditions set forth herein, the Company expects to accept for purchase on July 20, 2016, the amount of Notes that were validly tendered using the guaranteed delivery procedures.

Payment of the aggregate consideration for all such Notes is expected to be made on the Any and All Settlement Date or on the Guaranteed Delivery Settlement Date, as applicable, on which date the Company will deposit with DTC the amount of cash necessary to pay the Tender Consideration, plus any Accrued Interest, with respect to all such Notes to be accepted for purchase pursuant to the Offer on the relevant Settlement Date. All sales pursuant to the Offer will settle through the normal procedures of DTC.

Withdrawal of Tenders

Tenders of Notes may be validly withdrawn at or prior to the Withdrawal Deadline but may not be validly withdrawn after such time, other than as set forth below or to the extent required by applicable law.

If the Offer is extended, the Withdrawal Deadline will be extended to the earlier of (i) the Expiration Time (as extended) and (ii) the tenth Business Day after the Commencement Date. The Notes may also be validly withdrawn in the event the Offer has not been consummated within 60 Business Days after the Commencement Date.

For a withdrawal of tendered Notes to be effective, a properly transmitted “**Request Message**” through ATOP must be received by the Information and Tender Agent at or prior to the Withdrawal Deadline. Any such notice of withdrawal must:

- specify the name of the participant in the book-entry transfer facility whose name appears on the security position listing as the owner of such Notes;
- contain the description of the Notes to be withdrawn and the aggregate principal amount represented by such Notes; and
- specify the name and number of the account at DTC to be credited with the withdrawn Notes.

In addition, the Holder must otherwise comply with DTC procedures.

If you tendered your Notes through a custodian or nominee and wish to withdraw your Notes, you will need to make arrangements for withdrawal with your custodian or nominee. Your ability to withdraw the tender of your Notes will depend upon the terms of the arrangements you have made with your custodian or nominee and, if your custodian or nominee is not the direct participant of DTC tendering those Notes, the arrangements between your custodian or nominee and such direct participant of DTC, including any arrangements involving intermediaries between your custodian or nominee and such direct participant of DTC.

Through DTC, the Information and Tender Agent will return to tendering Holders all Notes in respect of which it has received valid withdrawal instructions at or prior to the Withdrawal Deadline promptly after it receives such instructions.

Withdrawal of Notes may only be accomplished in accordance with the foregoing procedures.

Any permitted withdrawal of Notes may not be rescinded. Any Notes validly withdrawn will thereafter be deemed not validly tendered for purposes of the Offer; provided, however, that withdrawn Notes may be re-tendered by again following one of the appropriate procedures described herein at any time at or prior to the Expiration Time.

If the Company extends the Offer or is delayed in its acceptance for purchase of Notes or is unable to purchase Notes pursuant to the Offer for any reason, then, without prejudice to the rights of the Company hereunder, tendered Notes may be retained by the Information and Tender Agent on behalf of the Company and may not be withdrawn (subject to Rule 14e-1(c) under the Exchange Act, which requires that the Company pay the consideration offered or return the securities deposited by or on behalf of the investor promptly after the termination or withdrawal of a tender offer), except as otherwise provided in this section.

All questions as to the validity, form and eligibility (including time of receipt) of notices of withdrawal will be determined by the Company, in its sole discretion (and this determination shall be final and binding). None of the Company, the Dealer Manager, the Information and Tender Agent, the Trustee or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal, or incur any liability for failure to give any such notification.

Extension, Amendment and Termination

The Company may, in its sole discretion, extend the Withdrawal Deadline or the Expiration Time for any purpose, including to permit the satisfaction or, where possible, waiver of the General Conditions of the Offer.

Any required announcements relating to the extension, amendment or termination of the Offer, or the Company’s acceptance for payment of the Notes, shall be done as soon as practicable, and in the case of an extension of the Expiration Time, no later than 9:00 a.m., New York City time, on the next Business Day after the previously-scheduled Expiration Time. Announcements will be published by means of a news release via a press release on a widely disseminated news service and delivery of notices to DTC for communication to persons shown in the records of DTC as direct participants holding interests in the Notes.

All references in this Offer to Purchase to the Withdrawal Deadline or Expiration Time are to such Withdrawal Deadline or Expiration Time, as such date may be extended or terminated.

The Company expressly reserves the right, subject to applicable law, to:

- delay accepting the Notes, extend the Withdrawal Deadline or Expiration Time or terminate the Offer, at any time and not accept the Notes; and
- amend, modify or waive at any time, or from time to time, the terms of the Offer in any respect, including, by waiving, where possible, any conditions to consummation of the Offer.

If the Company exercises any such right, it will give written notice thereof to the Information and Tender Agent and will make a public announcement thereof as promptly as practicable and, in the case of an extension of the Expiration Time, no later than 9:00 a.m., New York City time, on the next Business Day after the previously-scheduled Expiration Time. In the case of a termination, all Notes theretofore tendered pursuant to the Offer and not accepted for purchase pursuant to the Offer will be returned promptly to the tendering Holders thereof.

The minimum period during which the Offer will remain open following material changes in the terms of the Offer or in the information concerning the Offer will depend upon the facts and circumstances of such change, including the materiality of the changes. If any of the terms of the Offer are amended in a manner determined by the Company to constitute a material change adversely affecting any Holder, the Company (i) may extend the Offer for a period that it deems appropriate, subject to applicable law, depending upon the significance of the amendment and the manner of disclosure to Holders, if the Offer would otherwise expire during such period, and (ii) subject to applicable law, may extend withdrawal rights for a period that it deems appropriate to allow the relevant tendering Holders a reasonable opportunity to respond to such amendment.

In the event of any change to the Tender Consideration or any other material change to the Offer, the Company will publish an announcement by means of a news release via a press release on a widely disseminated news service and delivery of notices to DTC for communication to persons shown in the records of DTC as direct participants holding interests in the Notes at least five Business Days prior to the expiration of the Offer in the case of a change to the Tender Consideration and at least three Business Days prior to expiration of the Offer in the case of any other material change to the Offer, in each case at or prior to 10:00 a.m., New York City time, on the first day of such five or three Business Day period, as applicable.

Transfer Taxes

The Company will pay all transfer taxes applicable to the purchase and transfer of Notes pursuant to this Offer to Purchase, except that if the payment of the Tender Consideration, plus any Accrued Interest, is being made to, any person other than the Holder of the Notes, or the DTC participant in whose name the Notes are held on the books of DTC, or if a transfer tax is imposed for any reason other than the purchase of Notes under the Offer, then the amount of any such transfer tax (whether imposed on the Holder or any other person) will be payable by the tendering Holder. If satisfactory evidence of payment of that tax or exemption from payment is not submitted, then the amount of that transfer tax will be deducted from the price otherwise payable to the tendering Holder.

MARKET AND TRADING INFORMATION

The Notes trade in the over-the-counter market. Prices and trading volumes of such Notes in the over-the-counter market are not reported and can be difficult to monitor. Quotations for securities that are not widely traded, such as the Notes, may differ from actual trading prices and should be viewed as approximations. Holders of the Notes are urged to obtain current information with respect to market prices for such Notes.

Although HCSC believes that the over-the-counter trading activity of the Notes is currently limited, to the extent that the Notes are purchased pursuant to the Offer, the trading markets for the Notes that remain outstanding will become more limited.

A debt security with a smaller outstanding principal amount available for trading, which the financial services industry refers to as a smaller “float,” may command a lower price than would a comparable debt security with a greater float. Therefore, the market price for Notes not purchased may be affected adversely to the extent the amount of the Notes purchased pursuant to the Offer reduces the float of such Notes. If a significant portion of the outstanding Notes are purchased pursuant to the Offer, the liquidity of the Notes that remain outstanding following completion of the Offer will be adversely affected. Any such outstanding Notes may command a lower price than a comparable issue of securities with greater market liquidity. The reduced float may also tend to make the trading price more volatile. None of the Company, the Dealer Manager or the Information and Tender Agent has any duty to make a market in the Notes not purchased pursuant to the Offer that remain outstanding and beneficial owners cannot be assured that any trading market will exist for the Notes following the Offer. The extent of the public market for the Notes following consummation of the Offer would depend upon the number of beneficial owners of the Notes that remain at such time, the interest in maintaining markets in the Notes on the part of securities firms and other factors.

OTHER PURCHASES OF NOTES

Whether or not the Offer is consummated, and other than from the date hereof to the Expiration Time, HCSC or its affiliates may, from time to time, acquire Notes otherwise than pursuant to the Offer through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as they may determine, which may be more or less than the prices to be paid pursuant to the Offer and could be for cash or other consideration or otherwise on terms more or less favorable than the Offer. Additionally, HCSC may effect a defeasance or discharge of any of the Notes if they, among other things, irrevocably deposit funds or certain governmental securities in trust, in accordance with the respective terms of the indenture dated January 7, 2011 between the Company and the Trustee, sufficient to pay the principal of and interest on the outstanding Notes to maturity and subject to certain other conditions.

SOURCE OF FUNDS

HCSC will fund the Offer with existing cash resources.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain material U.S. federal income tax consequences of the sale of Notes pursuant to the Offer by a beneficial owner of a Note that may be relevant to such beneficial owner. This discussion is general in nature, and does not discuss all aspects of U.S. federal income taxation that may be relevant to you in light of your particular circumstances. This discussion does not describe any tax consequences arising under the laws of any local, state, or foreign jurisdiction and does not consider any aspects of U.S. federal tax law other than income taxation. In addition, this discussion does not deal with special rules that may apply to special classes of Holders, such as entities classified as partnerships or partners therein, dealers or traders in securities or currencies, banks, financial institutions, government agencies or instrumentalities, insurance companies, tax-exempt organizations, retirement plans or other tax-deferred accounts, regulated investment companies, hybrid entities, real estate investment trusts, brokers, trusts and estates, certain former citizens or residents of the United States, certain “expatriated entities” subject to section 7874 of the Internal Revenue Code of 1986, as amended (the “Code”), persons receiving the Notes as compensation, persons holding Notes as part of a hedging, integration, conversion or constructive sale transaction, or as a position in a “straddle” or as part of a “synthetic security” or other integrated financial transactions, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings or U.S. persons that have a functional currency other than the U.S. dollar. In addition, this discussion does not address the alternative minimum tax. The following discussion is based upon the Code, and regulations, rulings and judicial decisions in effect as of the date hereof, and such authorities may be repealed, revoked or modified (possibly with retroactive effect) so as to result in U.S. federal income tax consequences different from those discussed below. The Company has not sought, and does not intend to seek, any ruling from the United States Internal Revenue Service (the “IRS”) with respect to the statements made and the conclusions reached in the following summary, and no assurance can be given that the IRS will agree with the views expressed herein, or that a court will not sustain any challenge by the IRS in the event of litigation. This discussion assumes that the Notes are held as “capital assets” within the meaning of Section 1221 of the Code (generally, property held for investment).

If a partnership (including an entity or arrangement treated as a partnership for United States federal income tax purposes) holds Notes, the tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partner and the partnership. If you are a partner in a partnership holding the Notes, then you should consult an independent tax advisor regarding the tax consequences of the sale of Notes pursuant to the Offer.

The discussion set out below is intended only as a summary of the material U.S. federal income tax consequences to a holder of the Notes. Persons considering tendering the Notes should consult their own tax advisors concerning the U.S. federal income tax consequences in light of their particular situations, as well as any consequences arising under the laws of any other taxing jurisdiction. The statements of U.S. federal income tax considerations set out below are based on the laws and regulations in force and interpretations thereof as of the date of this Offer, and are subject to changes occurring after that date.

Consequences to Tendering U.S. Holders

As used herein, a “U.S. Holder” means a beneficial owner of a Note that is, for United States federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation, or entity treated as a corporation for U.S. federal income tax purposes, that was created or organized in or under the laws of the United States or any political subdivision thereof, or any other entity treated as a domestic corporation, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (iv) a trust that (X) is subject to the supervision of a court within the United States and the control of all substantial decisions by one or more United States persons (as described in section 7701(a)(30) of the Code) or (Y) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

Sale of Notes Pursuant to the Offer. Sales of Notes pursuant to the Offer by U.S. Holders will be taxable transactions for U.S. federal income tax purposes. Subject to the discussions under “—Accrued Interest” and “—Market Discount” below, a U.S. Holder selling Notes pursuant to the Offer will generally recognize capital gain or loss upon the sale of the Notes in an amount equal to the difference between the amount of cash received on the sale (not including amounts received attributable to accrued but unpaid interest, which will be taxed as described under “—Accrued Interest” below) and the U.S. Holder’s adjusted tax basis in the Notes sold at the time of sale. Such capital gain or loss will be long-term capital gain or loss if the U.S. Holder has held the Notes for more than one year at the time of the sale. Non-corporate U.S. Holders generally are subject to reduced rates of U.S. federal income taxation on long-term capital gains. The deductibility of capital losses is subject to certain limitations.

A U.S. Holder’s adjusted tax basis in a Note generally will equal the amount paid therefor, increased by the amount of any market discount (as defined below) previously taken into account by the U.S. Holder and reduced by the amount of any amortizable bond premium previously amortized by the U.S. Holder with respect to the Notes.

Accrued Interest. Amounts received by a U.S. Holder upon the sale of a Note that are attributable to accrued but unpaid interest will be taxable to the U.S. Holder as ordinary interest income, to the extent that such interest has not been previously included in income.

Market Discount. In general, if a U.S. Holder acquired the Notes with market discount, any gain realized by a U.S. Holder on the sale of the Notes will be treated as ordinary income to the extent of the portion of the market discount that has accrued while the Notes were held by the U.S. Holder, unless the U.S. Holder has elected to include market discount in income currently as it accrues. A Note generally will be treated as having market discount if the stated principal amount of the Note exceeds the U.S. Holder's initial basis in that Note by more than a statutorily defined *de minimis* amount. Market discount accrues on a ratable basis, unless the U.S. Holder has elected to accrue market discount using a constant-yield method.

Medicare Surtax. Certain U.S. Holders that are individuals, trusts, or estates are required to pay a 3.8% surtax (the “**Medicare surtax**”) on the lesser of (1) the U.S. Holder’s “net investment income” for the taxable year, including interest and gain from the sale of certain debt instruments, which is not derived in the ordinary course of business, and (2) the excess of the U.S. Holder’s modified adjusted gross income for the taxable year over an applicable threshold. For individuals, this threshold will be between \$125,000 and \$250,000 depending on the individual’s circumstances. A U.S. Holder’s net investment income will generally include any income or gain recognized by such holder with respect to the Notes, unless such income or gain is derived in the ordinary course of the conduct of such U.S. Holder’s trade or business (other than a trade or business that consists of certain passive or trading activities). Interest and capital gain, if any, recognized in connection with the Offer may be subject to this surtax. A U.S. Holder should consult its own tax advisor regarding the applicability of the Medicare surtax on gain recognized from participating in the Offer.

Information Reporting and Backup Withholding. In general, the Company and certain intermediate payors may be required to report certain information to the IRS with respect to payments attributable to accrued but unpaid interest on, and payment of the proceeds of the sale of, a Note to a U.S. Holder unless the U.S. Holder establishes that it is an exempt recipient (such as a corporation). The payor (which may be us or an intermediate payor) will be required to impose backup withholding tax, currently at a rate of 28%, if (i) the payee fails to furnish a taxpayer identification number (“**TIN**”) to the payor or to establish an exemption from backup withholding tax, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a notified payee underreporting described in section 3406(c) of the Code, or (iv) the payee has not certified under penalties of perjury that it has furnished a correct TIN and that the IRS has not notified the payee that it is subject to backup withholding tax under the Code. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding tax rules from a payment to a U.S. Holder will be allowed as a credit against the holder’s U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS.

Consequences to Tendering Non-U.S. Holders

The term “**Non-U.S. Holder**” means a beneficial owner of a Note that is, for U.S. federal income tax purposes, a nonresident alien individual, a foreign corporation, or a foreign estate or trust. The following discussion does not apply to certain Non-U.S. Holders, including certain former citizens or residents of the United States, controlled foreign corporations, passive foreign investment companies, corporations that accumulate earnings to avoid U.S. federal income tax and investors in pass-through entities that are subject to special treatment under the Code.

Sale of Notes Pursuant to the Offer. Subject to the discussions under “—Accrued Interest” and “—Information Reporting and Backup Withholding Tax” below, a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on the proceeds from the Offer unless:

- the Non-U.S. Holder is an individual who was present in the United States for 183 days or more in the taxable year of the sale and certain other conditions are met, or
- such gain is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States (and, if a U.S. income tax treaty applies, is attributable to a permanent establishment of the Non-U.S. Holder in the United States) (in which case, the gain is “**effectively connected income**” or “**ECI**”).

If a Non-U.S. Holder is an individual who was present in the United States for 183 days or more during the taxable year of the sale of a Note and certain other requirements are met, then such Non-U.S. Holder generally will be subject to U.S. federal income tax at a flat rate of 30% (unless a lower applicable treaty rate applies) on any net realized gain. If the gain is ECI, the Non-U.S. Holder will generally be required to pay U.S. federal income tax on the net gain derived from the sale in the same manner as U.S. Holders, as described above (other than with respect to the Medicare surtax) and will not be subject to U.S. federal withholding tax so long as the relevant Non-U.S. Holder provides the appropriate documentation (*e.g.*, IRS Form W-8ECI or applicable successor form). In addition, corporate Non-U.S. Holders may be subject to branch profits tax at a 30% rate (or, if applicable, a lower treaty rate) on effectively connected earnings and profits attributable to such gain.

Accrued Interest. Subject to the discussion under “—Information Reporting and Backup Withholding Tax” and “—FATCA” below, amounts paid pursuant to the Offer that are allocable to accrued and unpaid interest on the Notes will not be subject to U.S. federal income or withholding tax, provided that:

- (i) the Non-U.S. Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of the Company’s stock entitled to vote within the meaning of Section 871(h)(3) of the Code and the Treasury regulations thereunder;
- (ii) the Non-U.S. Holder is not a controlled foreign corporation related to us, actually or constructively, through the stock ownership rules under Section 864(d)(4) of the Code;
- (iii) the Non-U.S. Holder is not a bank receiving interest on a loan agreement entered into in the ordinary course of its trade or business; and
- (iv) either:
 - 1. the Non-U.S. Holder certifies under penalties of perjury on an appropriate IRS Form W-8 (or other applicable or successor form) that it is not a “United States person,” as defined in the Code, and provides its name and address; or
 - 2. a securities clearing organization, bank or other financial institution that holds customers’ securities in the ordinary course of its trade or business and holds the Note on behalf of the Non-U.S. Holder certifies under penalties of perjury that such a statement has been received from the Non-U.S. Holder (or an intermediate organization, bank or institution) and furnishes a copy to us. This certification requirement may be satisfied with other documentary evidence in the case of a Note held in an offshore account or through certain foreign intermediaries.

If the Non-U.S. Holder cannot satisfy the requirements described above, then payments attributable to accrued but unpaid interest made to such Holder that are not effectively connected with a U.S. trade or business (and not attributable to a permanent establishment maintained in the U.S. under an applicable income tax treaty) carried on by such Holder generally will be subject to United States withholding tax at a rate of 30%, unless the Holder provides us or the Company’s agent with a properly executed, appropriate IRS Form W-8 (or other applicable or successor form) establishing an exemption from, or reduction of, the withholding tax under the benefit of an applicable tax treaty.

If accrued but unpaid interest on the Notes is effectively connected with a U.S. trade or business carried on by the Non-U.S. Holder, the Non-U.S. Holder will be required to pay U.S. federal income tax on that interest on a net income basis generally in the same manner as a U.S. Holder (and the 30% withholding tax described above will not apply, provided the appropriate statement is provided to the applicable withholding agent) unless an applicable income tax treaty provides otherwise. If a Non-U.S. Holder is eligible for the benefits of any income tax treaty between the United States and its country of residence, any interest income that is ECI will be subject to U.S. federal income tax in the manner specified by the treaty if the Non-U.S. Holder claims the benefit of the treaty by providing an appropriate IRS Form W-8 (or a suitable substitute or successor form or such other form as the IRS may prescribe) that has been properly completed and duly executed). In addition, a corporate Non-U.S. Holder may, under certain circumstances, be subject to an additional “branch profits tax” at a 30% rate, or, if applicable, a lower treaty rate, on its effectively connected earnings and profits attributable to such interest (subject to adjustments). Non-U.S. Holders should consult their own tax advisors on the treatment of accrued but unpaid interest on the Notes.

Information Reporting and Backup Withholding Tax. The Company must report annually to the IRS and to a Non-U.S. Holder the amount of a payment attributable to accrued but unpaid interest paid to the Non-U.S. Holder and the amount of tax, if any, withheld with respect to such interest. Unless the Non-U.S. Holder complies with certification procedures to establish the Non-U.S. Holder is not a United States person, information returns may also be filed with the IRS in connection with the proceeds from a sale or other disposition of a Note. The IRS may make this information available to the tax authorities in the country in which the Non-U.S. Holder is a resident.

In addition, a Non-U.S. Holder may be subject to backup withholding with respect to payments attributable to accrued but unpaid interest on a Note or the proceeds from disposition of a Note, unless, generally, the Non-U.S. Holder certifies under penalties of perjury (usually on IRS Form W-8BEN or W-8BEN-E or other applicable or successor form) that the Non-U.S. Holder is not a United States person or the Non-U.S. Holder otherwise establishes an exemption.

Additional rules relating to information reporting requirements and backup withholding tax with respect to the payment of proceeds from the sale of a Note are as follows:

- If the proceeds are paid to or through the United States office of a broker, a Non-U.S. Holder generally will be subject to backup withholding tax and information reporting unless the Non-U.S. Holder certifies under penalties of perjury that it is not a United States person (usually on an IRS Form W-8BEN or W-8BEN-E or other applicable or successor form) or otherwise establishes an exemption.
- If the proceeds are paid to or through a non-United States office of a broker that is not a United States person and does not have one of certain specified United States connections, a Non-U.S. Holder generally will not be subject to backup withholding tax or information reporting.
- If the proceeds are paid to or through a non-United States office of a broker that is a United States person or that has one of the specified United States connections, a Non-U.S. Holder generally will be subject to information reporting (but generally not backup withholding tax) unless the Non-U.S. Holder certifies under penalties of perjury that it is not a United States person (usually on an IRS Form W-8BEN or W-8BEN-E or other applicable or successor form) or otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding tax rules will be allowed as a refund or a credit against the Non-U.S. Holder's United States federal income tax liability, provided the required information is timely furnished to the IRS.

Foreign Account Tax Compliance. Sections 1471 through 1474 of the Code and the Treasury Regulations thereunder (commonly known as "FATCA") generally impose a U.S. federal withholding tax of 30% on U.S.-source interest income paid on a debt obligation and on the gross proceeds of a sale or other disposition (including a retirement or redemption) of a debt obligation that produces U.S.-source interest paid to (i) a "foreign financial institution" (as defined in the Code) (as the beneficial owner or as an intermediary for the beneficial owner), unless such institution is "deemed compliant," complies with an applicable intergovernmental agreement and/or enters into an agreement with the United States government to collect and provide to the United States tax authorities substantial information regarding United States account holders of such institution (which would include certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with United States owners) or (ii) a foreign entity that is not a financial institution in certain cases (as the beneficial owner or as an intermediary for the beneficial owner), unless such entity provides the withholding agent with a certification identifying the substantial United States owners of the entity, which generally includes any United States person who directly or indirectly owns more than 10% of the entity. An intergovernmental agreement between the United States and the applicable non-U.S. country, or future Treasury regulations or other official IRS guidance, may modify these requirements.

However, FATCA withholding obligations with respect to payments of U.S.-source interest do not apply to any debt obligation issued before July 1, 2014 (unless such debt obligation is the subject of a "significant modification" such that it is considered to be re-issued for U.S. federal income tax purposes on or after such date) and the FATCA withholding obligations with respect to gross proceeds of a sale or other disposition only apply to payments made on or after January 1, 2019. The Notes were originally issued before July 1, 2014, and HCSC does not believe that the Notes have been subject to a significant modification. Accordingly, FATCA withholding is not expected to apply to the Tender Consideration. Holders should consult with their own tax advisors regarding the implications of FATCA on their investment in the Notes and their receipt of the Tender Consideration.

Treatment of Non-Tendering Holders

A Holder that does not tender Notes for sale pursuant to the Offer will not incur United States federal income tax liability as a result of the consummation of the Offer.

DEALER MANAGER; INFORMATION AND TENDER AGENT

HCSC has retained J.P. Morgan Securities LLC to act as Dealer Manager and D.F. King & Co., Inc. to act as Information and Tender Agent in connection with the Offer. HCSC has agreed to pay the Dealer Manager and the Information and Tender Agent customary fees for their services in connection with the Offer. HCSC has agreed to reimburse the Dealer Manager for its out-of-pocket expenses, including fees and disbursements of counsel, and to reimburse the Information and Tender Agent for certain out-of-pocket expenses. HCSC will also indemnify the Dealer Manager and the Information and Tender Agent against certain liabilities, including liabilities under federal securities laws.

Subject to applicable laws, at any time, the Dealer Manager or its affiliates may trade the Notes or other securities of HCSC for their own account or for the accounts of customers, and accordingly, may hold a long or short position in the Notes or such other securities. As a result, the Dealer Manager may own from time to time certain of the securities of HCSC, including the Notes. The Dealer Manager may (subject to the terms and conditions of the Offer) tender Notes (subject to the offer restrictions set out in “**Offer and Distribution Restrictions**”) on its own account or on behalf of other Holders. No submission or non-submission by the Dealer Manager should be taken by any Holder or any other person as any recommendation or otherwise by the Dealer Manager as to the merits of participating or not participating in the Offer. In the ordinary course of their business, the Dealer Manager or its affiliates have in the past performed, are currently performing and may from time to time in the future perform certain investment banking, commercial banking and financial advisory services, including the provision of credit facilities, for HCSC and its affiliates.

Neither the Dealer Manager nor the Information and Tender Agent assume any responsibility for the accuracy or completeness of the information concerning HCSC or its affiliates contained in this Offer to Purchase or for any failure by HCSC to disclose events that may have occurred and may affect the significance or accuracy of such information.

None of HCSC, the Trustee, the Information and Tender Agent or the Dealer Manager, makes any recommendation as to whether Holders should tender all or any portion of their Notes pursuant to the Offer. Each Holder must make his, her or its own decision as to whether to tender Notes and, if so, the principal amount of Notes to tender.

OTHER MATTERS

The Offer is not being made to (nor will tenders of Notes be accepted from or on behalf of) Holders of Notes in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. If HCSC becomes aware of any jurisdiction in which the making of the Offer or the tender of Notes would not be in compliance with applicable laws, it may, in its sole discretion, make an effort to comply with any such law. If, after such effort, HCSC cannot comply with any such law, the Offer will not be made to the Holder of Notes residing in such jurisdiction.

SCHEDULE A: FORMULA FOR DETERMINING TENDER CONSIDERATION AND ACCRUED INTEREST

TC	=	The Tender Consideration per \$1,000 principal amount of the Notes being priced (excluding Accrued Interest). The tendering Holder will receive a total amount per \$1,000 principal amount (rounded to the nearest \$0.01) equal to the Tender Consideration <i>plus</i> Accrued Interest on such Notes from the applicable last interest payment date up to, but not including, the Settlement Time.
N	=	The number of remaining cash payment dates for the Notes being priced from, but not including, the Settlement Date to and including their maturity date.
CF _i	=	The aggregate amount of cash per \$1,000 principal amount scheduled to be paid on the Notes being priced on the “i-th” out of the N remaining cash payment dates for such Notes. Scheduled payments of cash include interest and, on the date of maturity, principal.
YLD	=	The Yield for the Notes being priced (expressed as a decimal number). The Yield is the sum of the Reference Yield (as defined in this Offer to Purchase) and the Fixed Spread (as set forth on the front cover of this Offer to Purchase).
S	=	The number of days from and including the last interest payment date for the Notes to, but not including, the Settlement Date. The number of days is computed using the 30/360 day count method in accordance with market convention.
Accrued Interest	=	Accrued and unpaid interest per \$1,000 principal amount of the Notes being priced from the applicable last interest payment date up to, but not including, the Settlement Date.
/	=	Divide. The term immediately to the left of the division symbol is divided by the term immediately to the right of the division symbol before any other addition or subtraction operations are performed.
exp	=	Exponentiate. The term to the left of the exponentiation symbol is raised to the power indicated by the term to the right of the exponentiation symbol.
$\sum_{i=1}^N$	=	Summate. The term to the right of the summation symbol is separately calculated “N” i=1 times (substituting for the “i” in that term each whole number between 1 and N, inclusive) and the separate calculations are then added together.

Formula

$$TC = \sum_{i=1}^N \left[\frac{CF_i}{(1 + YLD/2 \exp(i - S/180))} \right] - \text{Accrued Interest}$$

SCHEDULE B: NOTICE OF GUARANTEED DELIVERY

**With respect to the Offer to Purchase for Cash Any and All of
HCSC's 4.70% Notes due 2021
CUSIP Numbers: 42218S AC2 and U4219P AB6
(the "Notes")**

Pursuant to the Offer to Purchase dated July 11, 2016

The Offer will expire at 5:00 p.m., New York City time, on July 15, 2016, unless extended, terminated early or withdrawn by HCSC, in its sole discretion (such time and date, as the same may be extended, the "Expiration Time"). Holders who wish to be eligible to receive the Tender Consideration must validly tender and not validly withdraw their Notes at or prior to the Expiration Time.

As set forth in the Offer to Purchase, dated July 11, 2016 (as the same may be amended or supplemented from time to time, the "**Offer to Purchase**"), by HCSC (the "**Company**"), under the caption "The Offer—Procedures for Tendering Notes," this Notice of Guaranteed Delivery, or one substantially in the form hereof, must be used to tender the Notes pursuant to the Offer if (1) your notes are not immediately available or cannot be delivered to the Information and Tender Agent by the Expiration Time, (2) you cannot comply with the procedure for book-entry transfer by the Expiration Time or (3) you cannot deliver the other required documents to the Information and Tender Agent by the Expiration Time. Capitalized terms used but not defined herein have the respective meanings assigned to them in the Offer to Purchase.

This Notice of Guaranteed Delivery may be delivered by hand or mail or transmitted by facsimile transmission to the Information and Tender Agent as set forth below, but in any case it must be delivered to the Information and Tender Agent prior to the Expiration Time. **Holders who hold Notes in book-entry form and tender pursuant to the Guaranteed Delivery Procedure (as defined in the Offer to Purchase) should, prior to the Expiration Time, only comply with ATOP's procedures applicable to guaranteed delivery.**

*The Information and Tender Agent for
the Offer is:*

D.F. King & Co., Inc.
48 Wall Street, 22nd Floor
New York, New York 10005
United States

*By Regular, Registered or Certified Mail; Hand
or Overnight Delivery:*

48 Wall Street, 22nd Floor
New York, New York 10005
United States

*By Facsimile Transmission
(for Eligible Institutions only):*

(212) 709-3328
Attention: Peter Aymar

For Confirmation Facsimile Transmission by Telephone:

(212) 232-3235
Attention: Peter Aymar

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA A FAX NUMBER OTHER THAN AS LISTED ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

Ladies and Gentlemen:

Upon the terms and subject to the conditions set forth in the Offer Documents, the undersigned hereby tenders to the Company the principal amount of Notes indicated herein, pursuant to the Guaranteed Delivery Procedure described herein and in the Offer to Purchase under the caption “The Offer—Procedures for Tendering Notes—Guaranteed Delivery Procedure for Notes.” The undersigned hereby represents and warrants that the undersigned has full power and authority to tender such Notes.

The undersigned understands that Notes may be tendered and guarantees may be delivered only in minimum denominations of U.S. \$2,000 and integral multiples of U.S. \$1,000 in excess thereof as set forth in the Offer to Purchase. Alternative, conditional or contingent tenders will not be considered valid. The undersigned understands that tenders of Notes pursuant to the Offer may not be withdrawn except as set forth in the Offer to Purchase. In the event that the Offer is terminated, withdrawn or otherwise not consummated, the Tender Consideration will not become payable. In such event, the Notes previously tendered pursuant to the Offer will be promptly returned to the tendering Holders.

The undersigned understands that payment by the Information and Tender Agent for Notes tendered hereby and accepted for purchase pursuant to the Offer will be made only after receipt by the Information and Tender Agent, no later than 5:00 p.m., New York City time, on July 19, 2016, the second Business Day after the Expiration Time, of a properly transmitted Agent’s Message, together with confirmation of book-entry transfer of the Notes specified therein, together with all accompanying evidences of authority and any other required documents in form satisfactory to the Company.

The undersigned understands that the Eligible Institution (defined below) that tenders Notes pursuant to the Guaranteed Delivery Procedure must (i) at or prior to the Expiration Time, deliver a Notice of Guaranteed Delivery to the Information and Tender Agent or, in the case of Notes held in book-entry form, comply with ATOP’s procedures applicable to guaranteed delivery, and (ii) no later than 5:00 p.m., New York City time, on July 19, 2016, the second Business Day after the Expiration Time, deliver the Agent’s Message, together with confirmation of book-entry transfer of the Notes specified therein, to the Information and Tender Agent. **Failure to do so could result in a financial loss to such Eligible Institution.**

The undersigned understands that if a Holder tenders Notes through ATOP pursuant to the Guaranteed Delivery Procedure, the Eligible Institution should not complete and deliver the Notice of Guaranteed Delivery, but such Eligible Institution will be bound by the terms of the Offer Documents, including the Notice of Guaranteed Delivery, as if it was executed and delivered by such Eligible Institution. Holders who hold Notes in book-entry form and tender pursuant to the Guaranteed Delivery Procedure should, prior to the Expiration Time, only comply with ATOP’s procedures applicable to guaranteed delivery.

All authority herein conferred or agreed to be conferred by this Notice of Guaranteed Delivery shall survive the death or incapacity of the undersigned and every obligation of the undersigned under this Notice of Guaranteed Delivery shall be binding on the heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and other legal representatives of the undersigned.

PLEASE SIGN AND COMPLETE

This Notice of Guaranteed Delivery must be signed by the DTC participant tendering Notes on behalf of the Holder(s) of such Notes exactly as such participant's name appears on a security position listing as the owner of such Notes. If the signature appearing below is by a trustee, executor, administrator, guardian, attorney-in-fact, officer or other person acting in a fiduciary or representative capacity, such person must set forth his or her name, address and capacity as indicated below and submit evidence satisfactory to the Company of such person's authority so to act.

Aggregate Principal Amount of Notes Tendered:

Account Number: _____

Transaction Code Number: _____

Date: _____

The Participant holds the Notes tendered through DTC on behalf of the following ("Beneficiary"):

Name and Tel. No. of Contact (if known) at the Beneficiary:

Name of Participant:

Address of Participant including Zip Code:

Area Code and Tel. No.: _____

Name(s) of Authorized Signatory:

Capacity:

Address(es) of Authorized Signatory:

Area Code and Tel. No.: _____

Signature(s) of Authorized Signatory:

Date: _____

GUARANTEE OF DELIVERY
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a firm that is a member of a registered national securities exchange or of the Financial Industry Regulatory Authority, a commercial bank or trust company having an office or correspondent in the United States or an "eligible guarantor institution" within the meaning of Rule 17Ad-15(a)(2) under the Securities Exchange Act of 1934, as amended (each of the foregoing being referred to herein as an "Eligible Institution") hereby (1) represents that each Holder on whose behalf this tender is being made "own(s)" the Notes tendered hereby within the meaning of Rule 14e-4 under the Securities Exchange Act of 1934, as amended, (2) represents that such tender of Notes is being made by guaranteed delivery and (3) guarantees that, no later than 5:00, New York City time, on July 19, the second Business Day after the Expiration Time, a properly transmitted Agent's Message, together with confirmation of book-entry transfer of the Notes specified therein, will be deposited by such Eligible Institution with the Information and Tender Agent.

The Eligible Institution that completes this form acknowledges that it must (i) prior to the Expiration Time, deliver a Notice of Guaranteed Delivery to the Information and Tender Agent or comply with ATOP's procedures applicable to guaranteed delivery, and (ii) no later than 5:00 P.M., New York City time, on July 19, 2016, the second Business Day after the Expiration Time, deliver the Agent's Message, together with confirmation of book-entry transfer of the Notes specified therein, to the Information and Tender Agent. **Failure to do so could result in financial loss to such Eligible Institution.**

<p>Name of Firm: _____</p> <p>Address: _____</p> <p>_____</p> <p>_____ (including Zip Code)</p> <p>Area Code and Tel. No.: _____</p> <p>_____</p>	<p>_____</p> <p style="text-align: center;">(Authorized Signature)</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>
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IF A HOLDER OF NOTES HAS QUESTIONS ABOUT THE OFFER OR PROCEDURES FOR TENDERING NOTES, THE HOLDER SHOULD CONTACT THE DEALER MANAGER OR THE INFORMATION AND TENDER AGENT AT ONE OF THEIR TELEPHONE NUMBERS SET FORTH BELOW. IF A HOLDER WOULD LIKE ADDITIONAL COPIES OF THIS OFFER TO PURCHASE, THE HOLDER SHOULD CALL THE INFORMATION AND TENDER AGENT AT ONE OF ITS TELEPHONE NUMBERS SET FORTH BELOW.

To obtain additional copies of the Offer to Purchase and the Notice of Guaranteed Delivery, please contact the Information and Tender Agent. Any questions about the Offer or procedures for tendering with respect to the Offer may be directed to the Dealer Manager or the Information and Tender Agent.

The Information and Tender Agent for the Offer is:

D.F. KING & Co., Inc.

48 Wall Street, 22nd Floor
New York, New York 10005
United States
Banks and Brokers, Call Collect: +1 212 269-5550
All Others, Call Toll Free: +1 866-829-0135
Email: hscs@dfking.com
Website: <http://www.dfking.com/hscs>

The Dealer Manager for the Offer is:

J.P. MORGAN SECURITIES LLC

383 Madison Avenue, 3rd Floor
New York, New York 10179
United States
Attention: Liability Management Desk
Call Toll Free: +1 866 834 4666
Call Collect: +1 212 834 3424