

# EMPLOYEE STOCK PURCHASE PLAN SECTION

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# INTRODUCTION

## Governing Plan Documentation

### **Effective Date**

*This Employee Stock Purchase Plan Section in the Benefits Handbook is effective January 1, 2008, and supersedes all prior versions of the Benefits Handbook, including all amendments.*

UnitedHealth Group Incorporated (UnitedHealth Group or the Company) sponsors the UnitedHealth Group Employee Stock Purchase Plan (the ESPP or the Plan). The ESPP is not subject to ERISA and is not required to be summarized in a summary plan description (SPD). Even though it is not subject to the SPD requirement, we have prepared this *Employee Stock Purchase Plan Section*, which in combination with the *Benefits Overview Section* and the *General Administrative Information Section* summarizes the Plan.

These Sections in combination are not the official plan document. They merely summarize the benefits provided under the Plan. The official plan document is the Prospectus for the Plan. The Plan Administrator uses only the official plan document to administer the Plan and resolve any disputes. If there is a discrepancy between these Sections in the Benefits Handbook and the official plan document, the plan document will control.

## Company's Reservation of Right to Amend and Terminate the Plans

UnitedHealth Group intends to continue the ESPP indefinitely in the future. However, UnitedHealth Group has reserved the right to amend the ESPP and to terminate the ESPP at any time and for any reason, but certain types of amendments are subject to shareholder approval.

### Questions?

*If you have questions about your ESPP benefits, you can get additional information in a variety of ways. For more information, read the “Benefits Resource Roadmap” by accessing “Forms, Guides and Links” in the United HRdirect Knowledge Base and selecting “My Retirement & Savings.”*

## Not an Employment Contract

Neither the receipt of the Benefits Handbook, the receipt of this *Employee Stock Purchase Plan Section*, nor the use of the term “you” means that you are eligible for a benefit under the ESPP or any of the other plans that are summarized in the Benefits Handbook. You are eligible to participate in the ESPP or receive a benefit only if you satisfy the applicable eligibility requirements and other criteria. The receipt of the Benefits Handbook and/or of this *Employee Stock Purchase Plan Section*, and/or the terms of the ESPP also neither create a right for you to be retained in employment nor prevent UnitedHealth Group from terminating your employment for any reason.

## THE ESPP AT A GLANCE

The Employee Stock Purchase Plan provides the opportunity to buy Company Stock at a discounted price with after-tax contributions during two Purchase Periods each year. UnitedHealth Group is the Plan Administrator of the Plan and has contracted with Wells Fargo Shareowner Services (Wells Fargo) for third-party recordkeeping and brokerage services.

<b>Eligibility</b>	You are eligible to participate in the ESPP if you meet the requirements in <i>Who Is Eligible</i> in the <i>Benefits Overview Section</i> .
<b>Cost</b>	UnitedHealth Group pays the Plan’s administration expenses. You purchase discounted shares of Company Stock through after-tax deductions from your bi-weekly paychecks.
<b>When Participation Begins</b>	You begin to participate on the first day of the first Purchase Period for which you enroll.
<b>Key Features</b>	<ul style="list-style-type: none"> <li>■ You can contribute between 1% and 10% of your Base Pay (whole-number percentages only), subject to certain limits.</li> <li>■ Your after-tax contributions are deducted from your bi-weekly paychecks, and at the end of the Purchase Period, are used to purchase Company Stock.</li> <li>■ You purchase the stock at a price that is 85% of the lower of the stock’s Closing Price on the first day of the Purchase Period or its Closing Price on the last day of the Purchase Period. In other words, you buy at a 15% discount off the lower of these two prices.</li> <li>■ There are limits on the fair market value and the number of shares that you can purchase through the ESPP.</li> </ul>

## HOW THE ESPP WORKS

### **Plan Administrator**

*UnitedHealth Group Incorporated sponsors all of the benefit plans that are summarized in this Benefits Handbook, and administers the plans (it is also the Plan Administrator of the plans). UnitedHealth Group has authority to delegate, and has delegated, certain authority and duties to other parties who are third-party administrators, fiduciaries and/or trustees.*

### **The Importance of Defined Terms**

Many of the terms used throughout the Benefits Handbook to explain your benefits are capitalized and have specific meanings that are defined in *Important Terms* in each Section and Summary in the Benefits Handbook. The *Important Terms* section of this *Employee Stock Purchase Plan Section* contains most of the defined terms that apply to the ESPP. Additional terms are defined in *Important Terms* in the *Benefits Overview Section*. Many of them apply to the ESPP as well as to other benefit plans that are summarized in the Benefits Handbook.

To understand how the ESPP works and to use your benefits under it effectively, it's important that you understand all of these definitions. Therefore, we suggest that you take a few minutes to review *Important Terms* in this *Employee Stock Purchase Plan Section* as well as those in the *Benefits Overview Section*.

### **Governmental Regulations and Listing**

All rights granted to you under the Plan are expressly subject to all applicable laws, regulations and the approval of all governmental agencies required for the authorization, issuance, sale or transfer of the shares of Company Stock for the Plan. If the Company has not made all required Securities and Exchange Commission filings at the time the shares of Company Stock are scheduled to be purchased pursuant to the Plan, the Company will assess whether any purchases will be made at that time.

### **Who Is Eligible**

You may participate in the ESPP if you meet the eligibility requirements described in *Who Is Eligible* in the *Benefits Overview Section*.

### **Employees Hired as the Direct Result of an Acquisition**

If you are an Acquired Employee, special eligibility rules apply to you, which are explained in *Employees Hired as the Direct Result of an Acquisition* in the *Benefits Overview Section*.

### **Enrollment Process**

If you are a newly hired Eligible Employee, you can participate in the Employee Stock Purchase Plan starting with the first Purchase Period that commences after your Hire Date. If you are an employee who is not an Eligible Employee and you are reclassified as an Eligible Employee, you can participate in the Plan starting with the first available Purchase Period that commences after the date you are reclassified as an Eligible Employee.

The ESPP has two Purchase Periods each year. The first runs from January 2 through July 1 and the second runs from July 2 through January 1. Enrollment information is distributed several weeks before the beginning of each Purchase Period.

You may enroll online through the Benefits Enrollment Web site or, if you do not have Internet access, by calling United HRdirect. You are responsible for reading and understanding the enrollment rules, and for enrolling in benefits during the applicable enrollment periods. Read *What You Need to Know to Enroll* and *How to Enroll* in the *Benefits Overview Section* for more information about the enrollment process.

## When Participation Begins

You enroll in the ESPP for the first Purchase Period that begins after your Hire Date or for any later Purchase Period. You begin to participate on the first day of that Purchase Period.

## Cost

UnitedHealth Group pays the Plan's administration expenses, but does not make contributions to the Plan on your behalf. You pay for your contributions to the ESPP through after-tax deductions from your bi-weekly paychecks as explained in *Your Participation in the ESPP, Your Contributions* in this *Employee Stock Purchase Plan Section*.

## When Participation Ends

Your participation in the ESPP ends on the earliest of:

- The date specified, if UnitedHealth Group terminates the ESPP for any reason;
- The date your employment with UnitedHealth Group ends for any reason;
- The date you cancel your contributions to the ESPP;
- The date you cease to be eligible to participate in the ESPP; or
- The date you die.

## YOUR PARTICIPATION IN THE ESPP

### Your Contributions

You can elect to contribute between 1% and 10% (in whole-number percentages) of your Base Pay through after-tax deductions from your bi-weekly paychecks. Your contributions are, however, limited to \$21,250 each calendar year.

During a Purchase Period, your contributions are held by UnitedHealth Group for the Plan. Your contributions are used to purchase Company Stock for you at the end of a Purchase Period. Your contributions are not, however, invested for you during the Purchase Period, and your ESPP account is not credited with investment earnings on your contributions.

#### More Information on the Contribution Limit

Even though the contribution limit is \$21,250, if you actually contribute \$21,250 or close to that amount, it is possible that you will not be able use the entire amount to purchase Company Stock. If that's the case, you will receive a refund of a portion of your contributions. The reason for this is that federal law limits the fair market value of the Company Stock you can purchase each year to \$25,000, as determined using the Closing Price of the stock on the first day of each Purchase Period in which you participate. Since the Purchase Price of Company Stock is 85% of the lower of its Closing Price on the first and last days of a Purchase Period, we attempt to minimize your chance of receiving a refund by limiting your annual contributions to 85% of \$25,000, which is \$21,250.

It could be necessary to refund a portion of your contributions if the Closing Price of Company Stock decreases at the end of one or both Purchase Periods in a year. If a refund is necessary, United HRdirect will explain these rules in more detail in writing when the refund is issued. Your refund will be issued as soon as administratively feasible after the end of the Purchase Period.

## Purchasing Company Stock

### *Calculating the Purchase Price*

The ESPP gives you the opportunity to purchase Company Stock at a price that is 85% of the lower of the stock's Closing Price on the first day of a Purchase Period or its Closing Price on the last day of the Purchase Period. In other words, you buy at a 15% discount off the lower of these two prices. If the Closing Price goes up during the Purchase Period, you pay 85% of the Closing Price on the first day, and if the Closing Price goes down during the Purchase Period, you pay 85% of the Closing Price on the last day.

If either the first or last day of the Purchase Period is not a Trading Day (i.e., a day when the New York Stock Exchange is not open for business), then the Closing Price on the immediately preceding Trading Day will be used to set the Purchase Price of the Company Stock.

To calculate the Purchase Price of a share of Company Stock:

- Compare the Closing Price of the stock on the first day of the Purchase Period with its Closing Price on the last day of the Purchase Period; and
- Then multiply the lower of the two prices by 85%.

For example, for the January 2–July 1, 2007 Purchase Period, the Closing Price on the first day of the Purchase Period was \$53.73 (the December 29, 2006 Closing Price was used because December 30–31, 2006 and January 1–2, 2007 were not Trading Days). The Closing Price on the last day of the Purchase Period was \$51.14 (the June 29, 2007 Closing Price was used because June 30, 2007 and July 1, 2007 were not Trading Days). If you contributed to the ESPP for that Period, UnitedHealth Group determined the Purchase Price as follows:

Calculating the Purchase Price	
Closing Price on first day of the Purchase Period	\$53.73
Closing Price on last day of the Purchase Period	\$51.14
Multiply the lower price	\$51.14
By 85%	x .85
Which results in a Purchase Price per share of:	\$43.47



**Determining the Number of Shares You Can Purchase**

To determine the number of shares you can purchase, your total contributions for the Purchase Period are divided by the Purchase Price.

For example, if you had contributed \$600 to your ESPP account for the Purchase Period, and the Purchase Price for the period was \$43.47 per share, the number of shares you could have purchased is calculated as follows:

Determining the Number of Shares You Can Purchase	
Your ESPP contributions for the Purchase Period	\$600.00
Purchase Price per share	÷ \$43.47
Number of shares	13.80

The maximum number of shares of Company Stock that you can purchase through the ESPP is 1,000 for each Purchase Period. Given the prices at which Company Stock has traded in recent years, it is unlikely that you will reach this limit.

**Dividends on Company Stock**

UnitedHealth Group has, in its discretion, issued a dividend to shareholders each year for a number of years. However, the payment of dividends is not guaranteed. If UnitedHealth Group declares a dividend, the dividend is usually paid in April. Any dividends on shares that are held in your ESPP account are deposited directly into your ESPP account and are used to purchase additional Company Stock on the date the dividends are paid. If you purchased Company Stock through the ESPP but Wells Fargo does not hold those shares in your ESPP account (i.e., you or another broker or custodian holds the stock certificate(s)), Wells Fargo mails your dividend check to you at the address it has on file for you (your address on record).

## Consider Investment Risk When Buying Company Stock

If you decide to participate in the ESPP, your decision to purchase Company Stock is your personal investment decision and one for which you alone are responsible. UnitedHealth Group and its affiliates are not responsible for your decision to invest in or to continue to invest in Company Stock. In making this personal investment decision you are relying on your own examination of UnitedHealth Group, taking into account all information about the Company that is available to you. In making this decision you should also consider the terms of the Plan, the risks of participating in the Plan, your tolerance for investment risk, and your own personal financial and tax circumstances.

As a general rule, investing in a single stock carries more inherent investment risk than investing, for example, in a mutual fund, a bond fund, or a bond. You should consider this increased potential for investment risk as you make your decision to participate in the ESPP. The price of an individual stock can fluctuate (sometimes dramatically) for a variety of reasons, ranging from diminished financial performance to an industry shift that alters the market's perception of a company. When you purchase an individual stock, such as Company Stock, this fluctuation is not cushioned or moderated by the financial results of other investments such as may occur with an investment in a mutual fund.

Because of this increased inherent investment risk, we encourage you to read the Prospectus for the ESPP and consult with your own financial and tax advisors regarding participating in the ESPP and any elections you make under the Plan. The Prospectus is available in "Forms, Guides and Links" in the United HRdirect Knowledge Base. You can also request a copy by calling United HRdirect at 1-800-561-0861 and speaking to a customer service representative.

## Changing Your Contribution Rate

### *During an ESPP Enrollment Period*

During the ESPP Enrollment Period that precedes each Purchase Period, you can increase or decrease your contribution rate or cancel your contributions completely for the upcoming Purchase Period. Your new contribution rate will be effective when the new Purchase Period begins.

### *Outside an ESPP Enrollment Period*

You can also cancel (but not increase or decrease) your contributions until the last day of the fifth month, that is, May 31 for the first Purchase Period and November 30 for the second Purchase Period. To do so, you must go online to Frontier > United HRdirect > Benefits Enrollment, and follow the instructions regarding how to withdraw. You can also call United HRdirect at 1-800-561-0861 and speak to a customer service representative.

If you cancel your contributions during a Purchase Period, you cannot contribute to the ESPP for the remainder of the Purchase Period. If you want to contribute to the Plan in the future, you must re-enroll during a future ESPP Enrollment Period.

### *What Happens to Your Purchase-Period-to-Date Contributions*

When you cancel your contributions, you will be asked to specify whether you want the contributions you made during the current Purchase Period to be refunded to you in cash or used to purchase Company Stock at the end of the Purchase Period.

If you request a cash refund, your contributions will be returned to you through payroll as soon as administratively feasible after your request is processed.

If you miss the deadline for canceling your contribution or if you do not request a cash refund, Wells Fargo will purchase Company Stock for you.

## Your Voting Rights

As a shareholder, you have the right to vote on certain issues that legally require shareholder voting. They include such things as voting for members of UnitedHealth Group's Board of Directors. Shareholder voting takes place during UnitedHealth Group's annual shareholder meeting, and that meeting usually takes place in May each year. When shareholder voting is required, you are notified of your right to vote (usually in April each year) as follows:

- If you have e-mail access and Internet access at your regular UnitedHealth Group workplace, notice is sent to you electronically of the date of the annual shareholder meeting, how you can electronically access the Company's annual report and the annual proxy statement, as well as how you can vote your shares electronically via the Internet. A paper proxy ballot is also sent to your address on record at the same time. You can consent to electronic delivery of your proxy ballot, and if you do, in future years you will receive your ballot and other materials electronically at the e-mail address you provide.
- If you do not have e-mail access or do not have Internet access at your regular UnitedHealth Group workplace, the Company's annual report, proxy statement and your proxy ballot are mailed to your address on record.

Your vote is kept confidential and is not revealed to any UnitedHealth Group employee, officer or director.

## Transferability of Your Company Stock

You do not own shares of Company Stock until they are purchased for you at the end of a Purchase Period. When you purchase Company Stock through the ESPP, you have the same ownership rights as if you had purchased it through the open market. You can keep your shares as long as you like, and you may sell, gift or otherwise dispose of your shares at any time.

Note that you cannot transfer shares purchased for the January 2–July 1, 2006 Purchase Period and any later Purchase Period to a brokerage or other account in your name that uses a recordkeeper other than the ESPP recordkeeper, which is currently Wells Fargo until after two years from the beginning of the Purchase Period when those shares were purchased. You also cannot request a certificate in your name for shares purchased for the January 2–July 1, 2006 Purchase Period and any later Purchase Period until after two years from the beginning of the Purchase Period when those shares were purchased. For example, shares you purchase for the January 2–July 1, 2008 Purchase Period cannot be transferred to a brokerage account in your name that uses a recordkeeper other than

Wells Fargo until January 2, 2010. This is referred to as the Two-Year Holding Period. Shares purchased through the ESPP prior to the January 2–July 1, 2006 Purchase Period are not subject to the Two-Year Holding Period.

You may make the following transactions regarding your shares:

- Transfer your shares to another brokerage account (subject to the Two-Year Holding Period discussed above);
- Request a stock certificate for your shares (subject to the Two-Year Holding Period discussed above);
- Give some or all of your shares to another individual or organization as a gift; or
- Sell your shares.

You can perform these transactions in the following ways:

- Access the Wells Fargo Shareowner Services website at [www.shareowneronline.com](http://www.shareowneronline.com). Only the sale option is available. You are limited to one online sale request every 15 days. If you want to sell your shares within 15 days of an online sale request, submit your request by phone, fax or mail. Certain requirements or restrictions may require your request to be submitted in writing.
- If you have a PIN number for your ESPP account, call United HRdirect at 1-800-561-0861, select “Benefits” and follow the ESPP and ESPP transaction prompts until you hear “Welcome to Shareowner Relations” to use the Wells Fargo automated phone system or speak to a Wells Fargo customer service representative. Certain requirements or restrictions may require you to submit your request in writing.
- Complete the “Transaction Request Form” that is on the reverse side of each ESPP account statement that you receive, and mail or fax it to the address or fax number listed. The “Transaction Request Form” is also available in the United HRdirect Knowledge Base. A written request may also be submitted by mail or fax. The request should include the current date, your name and account number, the type of transaction you want to complete, and the number of UnitedHealth Group ESPP shares.

## Selling Your Company Stock

During the Two-Year Holding Period, you may only sell your Company Stock through Wells Fargo. After this period, you may sell your Company Stock either through Wells Fargo or by transferring your shares to your own broker. You can initiate the transaction under any of the processes listed in *Transferability of Your Company Stock* in this *Employee Stock Purchase Plan Section*.

When you sell your shares through Wells Fargo, you cannot direct the time of the sale or the sale price. The share price may fall or rise during the period between the time Wells Fargo receives your direction to sell and the actual sale in the open market, and you alone bear this risk.

The timing of the sale of your Company Stock depends on when Wells Fargo receives your properly completed request.

- *Phone or Online Requests:* If Wells Fargo receives your request:
  - By 12:00 p.m. (noon) Central time on a Trading Day, Wells Fargo will typically sell the designated shares on the open market that day; or
  - After 12:00 p.m. (noon) Central time on a Trading Day, or on a non-Trading Day, Wells Fargo will typically sell the designated shares on the next Trading Day. Wells Fargo will execute market sales as promptly as possible on the first available Trading Day.
- *Written Requests:* All written requests received are generally processed the next Trading Day.

Wells Fargo charges a discounted brokerage fee of \$.10 per share plus a \$10 transaction fee, regardless of the number of shares. There are no charges for transferring shares out of the Wells Fargo account or for requesting certificates.

Generally, the sale check will leave the Wells Fargo office three business days after the sale by first class mail to the address on record. Direct deposit is available for requests completed online or sent in writing. Additional documentation may be required to execute the direct deposit.

**Note:** The sale of your Company Stock may, however, be delayed in certain situations such as when Wells Fargo receives an unusually high volume of sales orders, you elect more than one transaction on your account, or special trading restrictions apply.

### *Insider Trading Policy*

UnitedHealth Group's Insider Trading Policy applies to purchases and sales of Company Stock through the ESPP. The Insider Trading Policy applies to members of the UnitedHealth Group Board of Directors, to employees and to contractors and is intended to prevent securities transactions that violate the securities laws. UnitedHealth Group's Board of Directors and certain employees and contractors have access to nonpublic material information about UnitedHealth Group and other companies. The securities laws generally make it unlawful for any person to trade securities while possessing nonpublic material information, or to disclose such information to others who may trade in the securities. Violation of these laws can result in civil and criminal penalties, including fines and jail sentences. Although there are exceptions to these prohibitions, the exceptions are limited.

If you think you may be or know that you are an insider under the Insider Trading Policy, you must consider the restrictions of the Insider Trading Policy as you make any decision to sell Company Stock that you acquired through the ESPP or to cancel your contributions. You can read the Insider Trading Policy by accessing Frontier then linking to “Corporate Services,” “Ethics & Integrity,” “Policy Manual,” “Conflicts of Interest,” and then “Insider Trading.”

## When Your Employment Ends

As a general rule, when your employment with UnitedHealth Group ends for any reason, your contributions cease with your last regular bi-weekly paycheck. Any contributions that you made during the current Purchase Period are refunded to you through payroll as soon as administratively feasible after your termination of employment is processed, and are not used to purchase Company Stock for you.

When your employment ends, you also need to decide what to do with the shares of Company Stock that are in your account with Wells Fargo. You can contact Wells Fargo as explained in *Transferability of Your Company Stock* in this *Employee Stock Purchase Plan Section*.

For shares not subject to the Two-Year Holding Period, your options are:

- Leaving your shares in your account with Wells Fargo;
- Transferring your shares to a broker or custodian;
- Requesting a stock certificate;
- Giving some or all of those shares to another individual or organization as a gift; or
- Selling your shares.

For shares subject to the Two-Year Holding Period, your options are:

- Leaving your shares in your account with Wells Fargo;
- Giving some or all of those shares to another individual or organization as a gift; or
- Selling your shares through Wells Fargo.

If Wells Fargo does not receive instructions from you, and you have shares that are subject to the Two-Year Holding Period, your shares will remain in your account. If you do not have shares that are subject to the Two-Year Holding Period, your shares will be transferred out of UnitedHealth Group’s ESPP account and into a personal account for you at Wells Fargo. Wells Fargo will sell any fractional share and will mail a check for the sale proceeds to you at your address on record.

## How to Designate Your Beneficiary(ies)

The online benefits enrollment site allows you to name the beneficiary(ies) who will receive your ESPP shares in the event of your death. All active employees who are currently contributing or have previously contributed to the ESPP are encouraged to complete this information online. **Note:** New participants will not be able to make an online beneficiary designation until after ESPP contributions have begun.

### To designate your beneficiary(ies) online:

1. Access United HRdirect through the Frontier home page (or, from the Internet, go to <https://unitedhrdirect.com>).
2. Click “Benefits Enrollment.”
3. Log on through Common Logon.
4. Click “View Beneficiary Data.”
5. Under the *Beneficiary Designation—Employee Stock Purchase Plan* heading, you will have the option of adding a new beneficiary(ies) or copying beneficiary information from your current Life Insurance beneficiary designation.
  - To copy beneficiary information:
    - Click “Copy.” **Note:** If there is no beneficiary listed under *Group Life with AD&D and BTA*, you must select “Change.”
    - Review and update the beneficiary information as necessary.
  - To add a new beneficiary(ies):
    - Click “Change.”
    - Click “Add New” and follow the instructions for adding a beneficiary to your ESPP account.
    - Click “Submit.”
6. Review your beneficiary designation and click “Save.” From this page, you can print the beneficiary(ies) you have designated for your ESPP account.
7. Click “Continue” to go back to the “Benefits Enrollment” home page.



## If You Die

If you die during a Purchase Period, your contributions cease with your last regular bi-weekly paycheck. Any contributions that you made during the current Purchase Period are refunded within four weeks after the end of the month in which your death occurs, and are not used to purchase Company Stock for you.

When United HRdirect is notified of your death, and if you have shares of Company Stock in your ESPP account, your designated beneficiary(ies) will be notified and instructed to contact the Plan recordkeeper, Wells Fargo, to obtain further information about receiving a distribution from the ESPP. Designating a beneficiary will not trigger an automatic distribution. Your designated beneficiary(ies) must submit additional documents required by Wells Fargo before your account can be distributed.

If you designate your spouse as your beneficiary either by name or by relationship, or both, the dissolution, annulment or other legal termination of your marriage will automatically revoke such designation. To ensure that your ESPP account is distributed according to your preferences, you must keep your beneficiary designation current.

Any shares in your ESPP account that are subject to the Two-Year Holding Period will no longer be subject to the Two-Year Holding Period. Consequently, all shares in your ESPP account may be sold or transferred from your ESPP account.

## Leaves of Absence

The tables in this section explain what happens to your participation in the ESPP when you take an approved leave of absence. The types of leaves include:

- You receive disability benefits and are still employed by the Company.
- You take an approved unpaid leave of absence.
- You take a USERRA-protected military leave of absence.

The tables in this section do not address the steps you need to take to apply for disability benefits, request approval for a paid or unpaid leave including military leave, or your other employment-related responsibilities. Those rules and responsibilities are explained in the “Leaves of Absence” link in the United HRdirect Knowledge Base.

***You Receive Company-Paid Short-Term Disability (STD) or Are on an Approved Paid Military Leave and Remain Employed by UnitedHealth Group***

The following table explains what happens to your participation in the ESPP as it currently exists when you are employed by UnitedHealth Group and receive Company-paid STD benefits or are on a paid military leave. The table no longer applies if, and after, your employment with UnitedHealth Group ends. Those rules are included in *Your Employment Ends* in this *Employee Stock Purchase Plan Section*.

How Coverage Is Affected During Your Leave	Required Actions and Deadlines
<ul style="list-style-type: none"> <li>■ Your contributions are deducted from the payments you receive unless you elect to cancel your contributions by the due date.</li> <li>■ Any contributions you made in the current Purchase Period will be used to purchase stock for you unless you cancel your contributions by the due date and request a cash refund.</li> </ul>	<ul style="list-style-type: none"> <li>■ If you wish to cancel your contributions, contact United HRdirect on or before the last day of the fifth month of the current Purchase Period and indicate whether or not you want a cash refund.</li> </ul>

***You Receive Third-Party STD or Long-Term Disability (LTD) Benefits or Take an Approved Unpaid Leave of Absence, or Are on an Approved Unpaid Military Leave and Remain Employed by UnitedHealth Group***

The following table explains what happens to your participating in the ESPP as it currently exists when you are employed by UnitedHealth Group and receive third-party STD or LTD benefits or you are on an approved unpaid leave of absence, including unpaid military leave. This table no longer applies if, and after, your employment with UnitedHealth Group ends. Those rules are included in *When Your Employment Ends* in this *Employee Stock Purchase Plan Section*.

How Coverage Is Affected During Your Leave	Required Actions and Deadlines
<ul style="list-style-type: none"> <li>■ Your after-tax contributions end with your last UnitedHealth Group bi-weekly paycheck.</li> <li>■ Any contributions you made in the current Purchase Period will be used to purchase stock for you unless you elect to cancel your contributions by the due date and elect to receive a cash refund.</li> <li>■ If you canceled your after-tax contributions during your unpaid leave, you can re-enroll during an ESPP Enrollment Period that occurs during your leave. Your contributions will begin on the first bi-weekly paycheck following your return from leave.</li> </ul>	<ul style="list-style-type: none"> <li>■ Your after-tax contributions resume automatically as soon as administratively feasible after you return, unless you canceled them.</li> <li>■ If you wish to cancel your contributions, contact United HRdirect on or before the last day of the fifth month of the current Purchase Period and indicate whether you wish to receive a cash refund of your contributions.</li> <li>■ Special rules apply to the resumption of your contributions in the event you requested a hardship withdrawal from the 401(k) Savings Plan during your leave.</li> </ul>

## OTHER INFORMATION

### Your Account Statements

Wells Fargo will send an account statement to you after the end of a Purchase Period if you purchase Company Stock during that Purchase Period. You will also receive an account statement when you transfer or sell Company Stock from your ESPP account. The statements summarize activity in your account and contain important tax information that applies when you sell your shares. Keep all of your statements and tax information for future reference. You will need this information to report any income or loss on your income tax return for years in which you sell your shares.

If you need to obtain past statement information, you may call United HRdirect at 1-800-561-0861, select "Benefits" and follow the ESPP and ESPP Transaction prompts until you hear "Welcome to Shareowner Relations" to speak to a customer service representative for more information and assistance. Wells Fargo may charge a small fee for retrieving your records.

### How to Obtain a PIN for Your ESPP Account

You can contact Wells Fargo to request extra copies of account statements, to ask questions about information that is in your account statement(s), as well as to transfer or sell your shares of Company Stock. When you do, you must use a personal identification number (PIN). Wells Fargo does not automatically provide a PIN to you; you must request it. To do so, call United HRdirect at 1-800-561-0861, select "Benefits" and follow the ESPP and ESPP transaction prompts until you hear "Welcome to Shareholder Relations" to use the automated phone system prompts.

You must have your Social Security Number and your account number. Your account number is listed in the account statements you receive from Wells Fargo. If you do not know your account number and do not have your account statement, you may request that a copy of your account statement be sent to you by pressing "0" to speak to a Wells Fargo customer service representative. Wells Fargo will send it to your address on record.

## Tax Consequences of Buying and Selling Company Stock

This section briefly highlights some of the tax consequences of purchasing and selling Company Stock through the ESPP. It is not intended to be and is not tax advice to you. If you have questions or need further information, you should contact your personal tax advisor.

### *Your Contributions*

Because you make your ESPP contributions through after-tax bi-weekly payroll deductions and applicable payroll taxes are withheld from your pay, your contributions do not reduce your future Social Security benefits or any pay-based benefits that UnitedHealth Group offers to you.

### *Purchasing Company Stock*

The Employee Stock Purchase Plan is intended to meet the requirements of Internal Revenue Code Section 423, which permits the discount you receive on your purchases of Company Stock to be nontaxable to you at the time you purchase the stock.

### *Dividends on Your Company Stock*

Any dividend payments on Company Stock are taxable income to you and must be reported to the IRS for the tax year in which you or your ESPP account receive them. Wells Fargo will issue a "Form 1099-DIV" for you by the end of January following the year in which the dividends are credited to your ESPP account or are paid to you. You may print a duplicate copy from [www.shareowneronline.com](http://www.shareowneronline.com).

### *Selling Your Company Stock*

When you sell your Company Stock, you will have a taxable event. Whether you have an ordinary gain or loss, or a long-term or short-term capital gain or loss depends on how long you held the shares and the price at which you sell them. Read the "ESPP Notice Regarding Tax Consequences of a Stock Disposition" in "Forms, Guides and Links" in the United HRdirect Knowledge Base for more information about these rules. Examples illustrate common sale situations and their related tax consequences. The provisions of the Internal Revenue Code that apply to sales of stock under stock purchase plans such as the ESPP are complicated (and are different from the rules that determine your gain or loss on the sale of stock that you buy outside a stock purchase plan). You should consult with a tax advisor about the tax consequences of selling your stock.

### ***Reporting of Sales to the IRS***

If you sell shares during the Two-Year Holding Period through Wells Fargo, UnitedHealth Group automatically receives the information and will report ordinary income or loss in Box 1 of your Form W-2.

If you transfer shares from your ESPP account that you purchased prior to the January 2–July 1, 2006 Purchase Period and have owned those shares for less than two years from the beginning of the Purchase Period when those shares were purchased, Wells Fargo will write you to determine if you still own those shares. If you do not respond to Wells Fargo by the due date specified in the letter, Wells Fargo will assume that you sold or otherwise disposed those shares and will report any ordinary income or loss to UnitedHealth Group for inclusion in Box 1 of your Form W-2.

### **ESPP Contributions Suspended When Hardship Withdrawal Taken from 401(k) Savings Plan**

If you take a hardship withdrawal from the 401(k) Savings Plan, your contributions under it must be suspended for a period of six months. Your contributions to the ESPP must also be suspended for the same six-month period. Your contributions to the ESPP do not automatically restart once the suspension period ends. If you want to resume contributions to the ESPP, you will need to enroll during the next ESPP Enrollment Period after your suspension period ends or enroll for any later Purchase Period.

Any contribution you made during a Purchase Period prior to a suspension will be used to purchase shares unless you request a refund or terminate your employment.

### **Limitation on Assignment**

In general, you cannot assign, transfer or convey your rights under the ESPP or any funds you've contributed.

### **Dispute Resolution**

If you have a dispute concerning the ESPP Plan that you have not been able to resolve by talking to a customer service representative at United HRdirect, as confirmed in writing by UnitedHealth Group, your sole remedy under the ESPP Plan is to submit the claim to binding arbitration under the UnitedHealth Group Employment Arbitration Policy. For additional information, call United HRdirect at 1-800-561-0861 and speak to a customer service representative.

## IMPORTANT TERMS

### ***Acquired Employee***

An individual who is an employee of an Acquired Employer on the day that UnitedHealth Group or one of its affiliates acquires the Acquired Employer and who becomes an employee of UnitedHealth Group or its affiliate as the direct result of the Acquisition.

### ***Acquired Employer***

An entity that UnitedHealth Group, or one of its affiliates, acquired in an Acquisition.

### ***Acquisition***

A corporate transaction, such as a stock purchase, asset purchase or similar transaction, through which UnitedHealth Group or one of its affiliates acquires an Acquired Employer.

### ***Base Pay***

Your annual rate of pay, excluding shift differential, overtime, all forms of incentive compensation, bonus payments, commissions and amounts received from exercise of stock options.

### ***Closing Price***

The price of a share of Company Stock as quoted on the New York Stock Exchange (NYSE) at the close of business on any Trading Day.

### ***Company Stock***

UnitedHealth Group Incorporated common stock as traded on the New York Stock Exchange (NYSE).

### ***Eligible Employees***

The classes of employees UnitedHealth Group has determined are eligible to participate in the ESPP, which classes are listed in *Who Is Eligible, Eligible Employees* in the *Benefits Overview Section*.

### ***ESPP Enrollment Period***

The period during which Eligible Employees can elect to start contributing or change their contribution percentage to the ESPP for the next Purchase Period. For the January 2–July 1 Purchase Period, the ESPP Enrollment Period is the same as the annual Open Enrollment Period. Enrollment information is distributed several weeks before the beginning of each Purchase Period.

### ***Hire Date***

For the purpose of determining eligibility of a newly hired employee to participate in the ESPP, the first day as of which the newly hired person is entered as an employee on the payroll and personnel records of UnitedHealth Group or an affiliate. For the purpose of determining the eligibility of an Acquired Employee to participate in the Plan, special rules apply that are explained in the Transition Guide and Calendar or similar document for each Acquisition and/or in separate materials that are provided to Acquired Employees shortly before they become eligible to participate.

### ***Open Enrollment Period***

The annual period during which Eligible Employees have an opportunity to change their coverage elections and contribution levels under certain of UnitedHealth Group's benefit plans and programs for the next calendar plan year. The annual Open Enrollment Period typically occurs in October each year, but can vary from year to year.

### ***Plan Administrator***

UnitedHealth Group Incorporated.

### ***Purchase Period***

Each of the two six-month periods in each ESPP plan year during which ESPP bi-weekly payroll deduction contributions are withheld from participants' Base Pay for the purpose of purchasing Company Stock for the participant at the end of the Purchase Period. One begins on January 2 and ends on July 1 and the other begins on July 2 and ends on January 1.

### ***Purchase Price***

The discounted price at which Company Stock is purchased at the end of each Purchase Period, as determined in *Calculating the Purchase Price* in this *Employee Stock Purchase Plan Section*.

### ***Trading Day***

A calendar day on which the New York Stock Exchange (NYSE) is open for business. Weekend days, declared national holidays and other days on which the NYSE is closed are not Trading Days.

### ***Transition Guide and Calendar***

The guide or similar document that is prepared for each Acquisition that explains the manner in which Acquired Employees who are Eligible Employees will become eligible to participate in UnitedHealth Group's benefit plans and programs. The terms of the Transition Guide and Calendar vary from Acquisition to Acquisition. The name of the Transition Guide and Calendar may also change from time to time.

### ***Two-Year Holding Period***

For a particular share of Company Stock purchased under the Plan, the two-year period that begins with the first day of the Purchase Period during which that share was purchased under the Plan beginning with the January 2–July 1, 2006 Purchase Period.