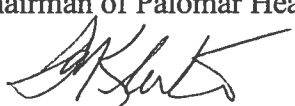


# ADMINISTRATION



To: Palomar Health Leaders  
Palomar Health Employees  
Palomar Health Medical Staff

From: Ted Kleiter, Chairman of Palomar Health Board of Directors

Date: June 25, 2014 

Subject: CEO Announcement

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Following the announcement by Michael Covert of his resignation from Palomar Health, the Board of Directors, after careful deliberation, has appointed Robert Hemker, Chief Financial Officer, to the position of President and CEO on a permanent basis as of August 15.

Bob has served as the CFO for Palomar Health for the past 13 years, including a stint as the interim CEO prior to the recruitment of Michael. Bob will work closely with Michael over the next several weeks to ensure a positive transition in CEO leadership. In the coming weeks, Bob will announce a plan to fill his CFO position.

We are delighted to make this appointment as part of the Succession Plan and Policy developed several years ago. Bob has the level of experience and background to lead Palomar Health through these challenging times. With his leadership in the financial arena and his close working relationship with Michael, the Executive Management Team and Medical Staff leadership, he was a natural choice.

“I believe that Bob is the right person at the right time to nurture the growth and implementation of key initiatives that will take Palomar Health to new heights of performance and recognition on behalf of the patients and families we serve,” said Michael.

It was a unanimous decision by our Board and we are confident that Bob will successfully execute our strategic plan developed during the previous year; providing the necessary support to our Medical Staff and management team.

“I am humbled by the trust and confidence the Board has shown in me,” said Bob. “I am excited to have the privilege of continuing to serve Palomar Health in the role of President and CEO. The opportunity to continue executing the strategic direction and focus developed under Michael’s legacy is appreciated. I look forward to working during this time of unprecedented change in health care with our Board, leadership, medical staff and Palomar Health employees to strengthen the future for Palomar Health.”