

NOTICE OF AFFILIATION AGREEMENT BETWEEN
PARTNERS HEALTHCARE SYSTEM, INC. AND
HALLMARK HEALTH CORPORATION

As of January 31, 2014, Partners HealthCare System, Inc., a Massachusetts charitable corporation (Partners), entered into a definitive affiliation agreement with Hallmark Health Corporation, also a Massachusetts charitable corporation (Hallmark).

Under the agreement, Partners will become the sole corporate member of Hallmark, and by integrating Hallmark into the Partners integrated delivery system the parties expect to improve the quality of care and to lower total health care expenses for patients north of Boston by improving the availability and accessibility of care, enhancing community-based clinical offerings and achieving operational efficiencies. Partners and Hallmark will accomplish this objective by rationalizing their clinical assets, implementing population health management initiatives, further integrating their respective health care delivery systems and making major investments in facilities and health information technology. The specific community hospitals that will be affected by the parties' rationalization plans include two Partners' campuses - NSMC Union Hospital (Lynn) and NSMC Salem Hospital (Salem), and two Hallmark campuses - Lawrence Memorial Hospital (Medford) and Melrose-Wakefield Hospital (Melrose).

Final implementation of the affiliation agreement is subject to the expiration of the applicable review periods of, or the resolution of any challenges by, various state and federal agencies; and approval by the Massachusetts Department of Public Health.