February 23, 2017

Dear Valued Client:

I am writing to inform you of an important announcement. Laboratory Corporation of America (LabCorp) is purchasing Pathology Associates Medical Laboratories (PAML) and PAML’s interest in select joint ventures. As you may be aware, PAML owns Tri-Cities Laboratory (TCL), along with Kadlec Regional Medical Center, Lourdes Health Network and Trios Health. In connection with its acquisition of PAML, LabCorp will also acquire PAML’s interest in TCL. The hospital partners in TCL continue to evaluate future options for their ownership of the joint venture, which may include a sale to LabCorp.

In 1999, PAML, Kadlec, Lourdes and Trios came together to form a network that would serve the laboratory needs of their communities. Their vision was to help create a network of laboratories for the purpose of arranging the provision of accurate, timely and integrated inpatient and outreach laboratory testing services for patients, physicians and other health care professionals in the hospital, the community and the region. The Tri-Cities Laboratory joint venture was created and has continued to be a strong and viable laboratory service delivery network for the Mid-Columbia Region.

By combining TCL’s history of outstanding service with LabCorp’s comprehensive expertise, resources and mission to improve health and lives through the delivery of world class diagnostics, the owners are confident about the opportunities LabCorp will bring to their communities and the continued delivery of high-quality services for patients, hospitals, clients and clinicians.

The transaction is not yet complete. Until the transaction is complete, there will be no changes to operations or services. Patient Service Centers, Couriers, Client Services, Testing and other customer-focused services will operate normally. Any future changes will be thoughtfully planned and implemented.

Our customers and patients remain our highest priority. We will work together with LabCorp to plan a smooth, thoughtful transition and to ensure no interruption in the high-quality service expected of us. We are proud of TCL’s long history of providing outstanding service, and we are committed to doing the same during this transition. LabCorp is committed to continuing our level of quality and service.

Details of the transaction are still being determined. While we don’t have many specifics yet, we wanted you to be among the first to know about this change. Throughout this process, we are committed to providing updates as more information becomes available. Below, please find initial information. We encourage you to reach out to us with any questions or concerns.

Sincerely,

Mike Gaulke
TCL General Manager
mgaulke@tricitieslab.com
Questions and Answers

What was announced?
- Laboratory Corporation of America (LabCorp) is purchasing Pathology Associates Medical Laboratories (PAML) and PAML’s interest in select joint ventures, to include TCL. The hospital partners in TCL, Kadlec Regional Medical Center, Lourdes Health Network and Trios Health, continue to evaluate future options for their ownership of the joint venture, which may include a sale to LabCorp.

What joint ventures are affected?
- PAML and its joint ventures provide laboratory services in California, Colorado, Idaho, Kentucky, Montana, Oregon, Utah and Washington.
- This transaction includes PAML and several PAML-affiliated joint ventures, including TCL.

How will this affect service?
- Customers and patients remain our highest priority. We will maintain the high quality of service patients and clients are accustomed to receiving from us.
- PAML, LabCorp and the current hospital owners of TCL will work together to plan a smooth, thoughtful transition and to ensure our customers and their patients experience no interruption in the high-quality service expected of us.
- The transaction is subject to regulatory review and during this time, there will be no changes to operations, services, or locations and hours at Patient Service Centers.
- We are proud of TCL's long history of providing outstanding service, and are committed to doing the same during this transition.

When will the change to LabCorp take place?
- The transaction is subject to regulatory review and approval, in addition, to customary closing conditions for a transaction of this type.
- Once all closing conditions have been satisfied, transaction closings will occur on a rolling basis, which we anticipate will begin in 2017 and continue into 2018.
- We are working on a plan for a thoughtful, smooth transition that will begin after the transaction is complete.

Who is LabCorp?
- LabCorp is a world-leading life sciences company that provides comprehensive clinical laboratory and end-to-end drug development services with a mission to improve health and lives.
- LabCorp has more than 50,000 employees around the globe working to deliver world class diagnostics, bring innovative medicines to patients faster and uses technology to improve care.
- LabCorp is a publicly-traded company, with headquarters in North Carolina. It has clinical laboratory operations across the U.S. and in Canada. Its drug development business, Covance, works with leading biopharmaceutical companies to help bring new medicines to the market, including conducting clinical trials with hospitals and physicians around the world.
- LabCorp intends to maintain a strong presence in the communities served by PAML and its joint ventures.
- LabCorp has extensive, long-term relationships with hospitals and health systems across the country, including Swedish Medical Center, a partner within the Providence system.

Where can I find more information?
- You can expect regular updates from TCL and the three local hospitals. We will work together to ensure your questions or concerns are addressed.

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