



## Kendal President & CEO John Diffey Announces Plans to Retire in 2016

John Diffey, President and Chief Executive Officer of The Kendal Corporation since 1992, has notified the Board that he will retire in mid-2016.

The Kendal Corporation is a not-for-profit organization based in Kennett Square, Pa., that develops, leads, and supports the affiliated communities and services that compose the Kendal System. Since its founding in 1970, the Kendal System has grown to include 12 affiliated nonprofit organizations serving older adults in eight states and three subsidiaries—Kendal Charitable Funds, Kendal Outreach, and Kendal Research.

“This period of my life and career has been immensely stimulating and satisfying,” Diffey said in a letter to Board Chair Joan Countryman. “Kendal’s *Values and Practices*, Kendal’s people—residents, staff, and board members—and Kendal’s mission and vision together have provided an absolutely special and wonderful context in which to serve.” Commenting on the timing of his retirement, he noted: “Many of the important agenda items within the Kendal System are reaching natural points of closure or significant milestones. A new paradigm of health care in the United States is developing. A next generation of Kendal

leaders is ready to assume greater responsibility.”

The Kendal Corporation’s Board of Directors has established a special Search Committee to assist the Board in identifying Diffey’s successor. “The Search Committee has begun to design and schedule the various milestones of the search process,” Board Chair Joan Countryman said. “We are going to be busy; still, I am confident that in the coming weeks and months, working together, we will meet our challenges and find the path that ensures Kendal’s continued vitality.”

Over his 40-year career, Diffey has served on the Board of Directors of the 6000+ member nonprofit association LeadingAge, as chair of its committee on Continuing Care Retirement Communities, as a founding co-chair of its leadership development program, as President of its North Carolina affiliate, and as Vice Chair of the Continuing Care Accreditation Commission. Based on contributions to his field, John received LeadingAge’s highest recognition in 2006, its Award of Honor. He also has served on numerous other boards in both the for-profit and not-for-profit sectors. John received his MBA from Emory University in Atlanta, and his B.A. (History) from Duke University, Durham, N.C.

February 23, 2014

Joan Countryman  
Philadelphia, PA

Dear Joan,

In keeping with succession plans and related conversations over the past decade and, more specifically, with our conversations in The Kendal Corporation Board's executive sessions over the past two years, I present this formal letter confirming my intent to step down from the position of President and Chief Executive Officer of The Kendal Corporation in mid-2016, on or sometime after June 30, 2016. We can work together on the precise timing and will want to consider several factors as we get closer to that time. In particular, and as we discussed in executive session, I am quite willing to be flexible with respect to extending the timing of my departure in order to accommodate the recruitment and transition of my successor, should such an extension be desired.

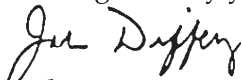
I have appreciated your and the Board's counsel as we have approached this time in Kendal's life and in my career. Having given this transition the thought and care together we have, I am confident that it will be healthy for Kendal and my successor, as well as for my wife and me.

There will be more that I will want to say closer to the time when I step away. For now, please know that this period of my life and career has been immensely stimulating and satisfying. Kendal's *Values and Practices*, Kendal's people—residents, staff, and board members—and Kendal's mission and vision together have provided an absolutely special and wonderful context in which to serve. If it were in Kendal's best interests for me to stay on longer, I would do so with gladness.

There is a time for each of us to go, and I am increasingly conscious of nearing my time to leave. Many of the important agenda items within the Kendal System are reaching natural points of closure or significant milestones. A new paradigm of health care in the United States is developing. A next generation of Kendal leaders is ready to assume greater responsibility. And Martha and I, having married and raised our family later than most, have some things we want to do while we still are able.

I conclude this letter with deep thanksgiving for the nearly twenty-five years of encouragement and support from The Kendal Corporation Board and the Kendal System as a whole, and with great personal resolve to do my best to serve the transition process in full and open partnership with you, the Board as a whole, and our colleagues throughout the Kendal System. What will delight us all most will be Kendal's thriving throughout its next fifty years and beyond; and it is toward that objective that we all will want to be pointed.

Most gratefully yours,



John A. Diffey  
President and Chief Executive Officer  
JAD/ees

Dear Friends,

The Kendal System has had remarkable stability in leadership over its 40-year history. The founding CEO, Lloyd Lewis, served Kendal for more than two decades. Many of the staff members of The Kendal Corporation have served for two, three, and even four decades. Among Kendal affiliates a number of executive directors and members of their leadership teams have similarly long tenure. As we prepare to bid farewell to John Diffey, we note that he too will have served Kendal for more than two decades and will be concluding a career of 40 years of service in the not-for-profit sector. We have been fortunate, indeed, in having very committed and capable leaders throughout the Kendal family.

We will have more to say later to John and about John. For now, I simply want to follow his announcement promptly so that you will know of the preparation that has preceded his letter, the steps we have taken to recruit his successor, and the further steps in that process, including the ways you will be asked to contribute to it.

For almost the entirety of John's tenure with Kendal, he and the Board have maintained a plan for succession that contemplated (a) choosing a leader to act in John's absence in the event of some form of emergency, and (b) choosing a successor in the event of his orderly resignation or retirement. That plan has been revisited and revised approximately every two years in the course of the Board's appraisal of John's performance.

In recent years, John has given the board increasingly specific guidance about the period in which he felt that it would be in Kendal's and his best interests for a transition in his position to occur. The Board has reviewed his proposed timeline and rationale appreciatively and critically each time. Together, we and John have mapped out a transition and, as I will explain, have begun to enact it.


Two years ago, John let us know that he was beginning to focus on the end of 2016 as the probable time of his retirement, largely influenced by project-timelines for The Admiral at the Lake, Chandler Hall, Collington, Vitalize 360, the expansions and renovations taking place at most other Kendal affiliates, and the several promising explorations of potential new opportunities. Last year, John suggested that we move his tentative retirement date up to mid-2016. We concurred in that plan, and we went right to work.

The Board established a special Search Committee to assist the Board in its work to identify John's successor. The charge for this Committee is shown on the next page.

Last fall, after consultation with John and with members of the Board, I asked Hal Craft, Porter Dawson, J. Harry Hammond, Anne Page, Richard Schramm, and Susan Temple to serve on a CEO Search Committee. J. Harry Hammond agreed to chair that committee. The purpose of the committee was to select a search firm and prepare to coordinate its activities. After reviewing a list of search consultants, we selected three for interviews. In January, we reviewed proposals and heard presentations from each and then selected Witt/Kieffer, an executive search firm with considerable experience in not-for-profit organizations.

Since then, working with Witt/Kieffer representatives Jennifer Bauer, Paul Bohne, and Kathleen Gillespie, the Search Committee has begun to design and schedule the various milestones of the search process. We are going to be busy; still, I am confident that in the coming weeks and months, working together, we will meet our challenges and find the path that ensures Kendal's continued vitality.

Sincerely yours,



Joan Countryman

The Chief Executive Officer Search Committee is charged to conduct a national search to identify qualified persons to serve as Chief Executive Officer of The Kendal Corporation. The Search Committee shall work with the search firm Witt / Kieffer to develop a large, diverse pool of qualified applicants, screen applicants for the position to determine those appropriate for an initial interview, develop a short list of viable candidates to participate in campus visits, and assess the strengths and weaknesses of each of these candidates. Through interviews, detailed reference checks, and feedback from key stakeholders, the Search Committee will then winnow this field to a recommended candidate of choice who will be presented to the Board of Directors for ratification.

The search must be conducted with careful attention to and significant input from Kendal's many constituencies. Toward that end, the Search Committee will design a search process which includes an opportunity for affiliates and key stakeholders to share their views on qualities to seek in candidates, opportunities and expectations of leadership, and to nominate specific individuals. Internal candidates should be welcomed and encouraged to apply.

It is the aim of the Committee to conduct a search whose process is thoroughly transparent, but with the understanding that the identities of those applying for the position must be kept completely confidential. Accordingly, throughout the process, and forever after, the Search Committee and its staff will commit to complete confidentiality as to the names of the candidates, the nature of the committee's deliberations, and the details pertaining to the selection. Subject to this constraint, the Search Committee chair will make periodic reports to the members of the Kendal community about the progress of the search. Only the Search Committee chair will comment outside committee meetings on any aspect of the search.

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Anyone who wants to be considered as a candidate, or wants to recommend a candidate, for the position of President and CEO of The Kendal Corporation is encouraged to contact one of these representatives of the executive search firm, Witt/Kieffer:

- Jennifer G. Bauer, Senior Associate, Bethesda, MD, 301-654-5070
- Paul Bohne, Managing Partner, Eastern Region, Burlington, MA, 781-272-8899
- Kathleen Gillespie, Of Counsel Adviser, Oak Brook, IL, 630-990-1370