

MEETING OF THE BOARD OF DIRECTORS
SINAI HEALTH SYSTEM (“SHS”)
Wednesday, October 26, 2016
MSH Executive Board Room, 19-317
4:00 – 7:00 p.m.

Minutes

Present:

Mr. Brent Belzberg, Chair
Mr. David Denison, Vice Chair
Ms. Paula Blackstien-Hirsch
Mr. Lawrence Bloomberg
Mr. Peter Cohen
Mr. Bernard Ghert
Mr. Ira Gluskin
Mr. Jay Hennick
Dr. Rita Kandel
Ms. Debbie Kimel
Mr. Joseph Lebovic

Ms. Jane Merkley
Dr. Gary Newton
Mr. Stephen Pustil
Mr. Joel Reitman
Mr. Robert Rubinoff
Mr. Mark Saunders
Mr. Lawrence Tanenbaum
Rt. Hon. John Turner
Mr. Charles Winograd
Dr. Trevor Young

Via Teleconference:

The Hon. Linda Frum, Senator
Mr. Allan Rudolph

Mr. Mark Wiseman

Regrets:

Mr. John Cieslak
Mr. Paul Gallagher
Mr. Tom Kornya
Mr. David Leith
Dr. Mirek Otremba
Mr. Philip Reichmann

Ms. Heather Reisman
Ms. Joanna Rotenberg
Mr. Tom Schwartz
Ms. Honey Sherman
Mr. Edward Sonshine

SHS Attendees:

Mr. Terry Caputo
Mr. George Georgiadis
Mr. Stephen Goldsmith
Mr. Jason Rutland
Dr. Maureen Shandling

Ms. Joan Sproul
Mr. John Toogood
Mr. Marc Toppings
Ms. Jordana Warner
Dr. Jim Woodgett

1.0 CALL TO ORDER

Mr. Brent Belzberg, Chair, called the meeting to order.

1.1 Quorum

The Chair noted that a quorum was present and the meeting was duly constituted.

1.2 Declaration of Conflicts of Interest Arising from the Agenda

No Declarations of Conflicts of Interest were declared.

1.3 Approval of Agenda

The agenda was approved as circulated.

2.0 OMNIBUS APPROVAL OF MINUTES

2.1 Minutes of a Meeting

The previous meeting minutes of the Board of Directors of SHS from Tuesday, June 14, 2016 and Monday, August 22, 2016 were pre-circulated, copies of which are appended to the original minutes. The following resolution was put forward and approved by the SHS Board:

- o **Be it resolved that** the Board of Directors of SHS approves the meeting minutes as circulated.

3.0 INTRODUCTION BY CHAIR

Mr. Brent Belzberg, Chair, welcomed the Board members to the first combined Board meeting of Sinai Health System ("SHS" or "Hospital"), Bridgepoint Health ("BH"), and The Bridgepoint Collaboratory for Research and Innovation ("BCRI") for F2017. Mr. Belzberg outlined the meetings' agendas, noting that the meetings would respectively address three separate companies: SHS, BH, and BCRI.

The Chair's Report to the Board of Directors, a copy of which is appended to the original minutes, included an update and the next steps resulting from the September 7, 2016 strategy session; an overview of changes to the governance framework and committee structure; an overview of the new format for Board meetings; and an introduction of the Hospital's new President and CEO, Dr. Gary Newton.

4.0 CEO UPDATE

Dr. Gary Newton, President and CEO, presented his initial views on priorities and strategies for SHS. Dr. Newton updated the Board on the Hospital's upcoming initiatives related to care, philanthropy and government relations to provide perspective on what the Hospital is working on and why. Dr. Newton noted that he and his leadership team are working to refresh the corporate organization chart. Dr. Newton highlighted two areas of clinical focus that reflect his vision for the Hospital's integrated cancer program and the establishment of a fully integrated palliative care initiative.

Dr. Newton also updated the Board on the status of the Renew Sinai project, which is anticipated to begin construction in 2017; the Hospital's upcoming accreditation review scheduled for June 2017; and continued efforts focused on external engagement and focus on provincial priorities such as primary and community care reform. Dr. Newton noted that SHS is currently recruiting for a VP of Strategy and the CEO for Circle of Care, who will report to Circle of Care's Board and who will also be appointed as VP of SHS, directly reporting to the SHS CEO.

In conclusion, Dr. Newton stated that in addition to creating improved systems to address strategy, partnership, and external relations, he has set as an early priority personal engagement with external partners to seek out opportunities for participation by SHS.

5.0 SHS FINANCIAL OVERVIEW

Mr. Peter Cohen and Mr. Mark Saunders, Co-Chairs of the Resources Committee, provided an overview of the long term financing strategy; an update on Renew Sinai Phase 3A; and an update on a potential opportunity to purchase real estate adjacent to 60 Murray Street. The Co-Chairs introduced Ms. Joan Sproul, EVP, Finance (CFO) and COO, and Mr. Jason Rutland, VP, Finance and Operational Effectiveness, who presented the SHS Long Term Financial Model and Financial Strategy, a copy of which is appended to the original minutes.

The purpose of the presentation was to provide the Board with a fulsome financial overview of the entire system. The overview highlighted the risks and opportunities within each business line of the System and focused specifically on those risks and opportunities outside of normal hospital operations with which the Board can engage and provide oversight. The presentation also included an overview of the Cash Model, which included the consolidated financial view for 2016/17; the integrated financial planning model; and an overview of the debenture proceeds and the capital plan.

Mr. Stephen Goldsmith, VP, Business Development, presented an in-depth review of the Business Development portfolio, including an overview of the Sinai Trusts. Mr. Goldsmith articulated the objective of the Business Development portfolio, which is to create and develop innovation and value for the benefit of the Hospital via clinical expertise and business acumen. Mr. Goldsmith also presented the BD Contribution Margin; provided examples of clinically driven business development; and highlighted the plans in progress for The Sinai Trust.

6.0. PATIENT SAFETY AND QUALITY UPDATE

Ms. Paula Blackstien-Hirsch, Co-Chair of the Patient Safety and Quality Committee, provided the Board with an update on the Hospital's quality plan; critical incident analysis; critical risk areas, and the accreditation process. Ms. Blackstien-Hirsch introduced Ms. Jane Merkley, EVP, Patient Services, Quality and Chief Nursing Executive, who presented 'Defining our Program of Quality at Sinai Health System', a copy of which is appended to the original minutes.

Ms. Merkley's presentation gave the Board perspective on the defining characteristics of quality in a health care setting and how quality links to operational effectiveness. Ms. Merkley advised the Board as to how Management translates perspectives on quality into a set of quality aims for the Hospital and a focused program of work, with the goal of building a culture of performance and accountability related to quality.

7.0 AUDIT AND RISK UPDATE

Mr. Bernard Ghert, Co-Chair of the Audit and Risk Management Committee, provided an overview of Enterprise Risk Management ("ERM") framework in place at the Hospital and introduced Mr. Marc Toppings, General Counsel and Corporate Secretary, to present an update on ERM, a copy of which is appended to the original minutes.

The presentation included an overview of ERM implementation at the Hospital to date. Mr. Toppings discussed the value proposition of ERM and its importance; methodology and framework; ERM governance and oversight, which highlighted the areas of oversight and the standing committees of the Board responsible for them; and an action plan regarding ongoing risk monitoring, tracking and reporting.

8.0 BOARD COMMITTEE REPORTS

Omnibus Motion Emanating from Board Committee Reports:

8.1 Audit and Risk Management Committee

The Report of the Audit and Risk Management Committee had been pre-circulated, a copy of which is appended to the original minutes. The Report was based on a meeting held on Thursday, September 29, 2016. The following resolutions were put forward and approved by the SHS Board:

- ✓ Terms of Reference
 - **Whereas** the Audit and Risk Management Committee has recommended that the Board of SHS approve updated Committee terms of reference (the "Revised Terms of Reference") to align with the fact that the Committee is now a committee in common as among SHS, BH and BCRI;
 - **Be it resolved that** the Board of SHS approves the Revised Terms of Reference as presented.
- ✓ Operations
 - Financial Statements for the Five Months Ended August 31, 2016
 - **Whereas** the Audit and Risk Management Committee has reviewed the Financial Statements for the Five Months Ended August 31, 2016, and recommends approval by the Board of SHS;
 - **Be it resolved that** the Board of SHS approves the Financial Statements for the Five Months Ended August 31, 2016 as presented.

8.2 Medical Advisory Committee

The Report of the Medical Advisory Committee had been pre-circulated, a copy of which is appended to the original minutes. The Report was based on meetings held on Wednesday, September 14, 2016 and Wednesday, October 5, 2016. The following resolution was put forward and approved by the SHS Board:

- ✓ Medical Staff
 - **Whereas** the Medical Advisory Committee has completed a review of the changes to professional staff, new appointments, reinstatement of privileges, retirement, and temporary privileges in accordance with the Professional Staff By-Law, and recommends SHS Board approval;
 - **Be it resolved that** the Board of Directors of SHS accepts the recommendation of the Medical Advisory Committee and accordingly approves the changes to professional staff, new appointments, reinstatement of privileges, retirement, and temporary privileges recommended by the Medical Advisory Committee in accordance with the Professional Staff By-Law.

8.4 Resources Committee

The Report of the Resources Committee had been pre-circulated, a copy of which is appended to the original minutes. The Report was based on a meeting held on Friday, September 23, 2016. The following resolutions were put forward and approved by the Board:

- ✓ Terms of Reference
 - **Whereas** the Resources Committee has recommended that the Board of Directors of SHS approve updated Committee terms of reference (the "Revised Terms of Reference") to align with the Committee's mandate and the fact that the Committee is now a committee in common as among SHS, BH and BCRI;
 - **Be it resolved that** the Board of Directors of SHS approves the Revised Terms of Reference as presented.
- ✓ Governance and Use of Debenture Proceeds
 - Governance Framework
 - **Whereas** the Resources Committee has developed a governance framework in respect of the debenture proceeds, including the allocation process, approval process and reporting structure (the "Governance Framework");
 - **Be it resolved that** the SHS Board of Directors approves the Governance Framework as presented.
 - Investment of Unused Debenture Proceeds
 - **Whereas** the Resources Committee has identified a total of \$174M in unused debenture proceeds available for investment over a nine year period, with varying investment horizons;
 - **Whereas** an Investment Committee of the SHS Board is being struck to plan and oversee SHS investments;
 - **Be it resolved that** the SHS Board of Directors:
 - i) Approves the use of \$174M in unused debenture proceeds for investment over a nine year period, in accordance with the investment horizons identified by management;
 - ii) Directs the Investment Committee to develop an investment policy and investment plan for a total of \$174M in unused debenture proceeds over a nine year period, in accordance with the investment horizons identified by management.
- ✓ 2016/17 and 2017/18 Capital Plan
 - **Whereas** the Resources Committee has identified and validated an additional \$32M in priority capital expenditures for 2016/17 and 2017/18 and confirmed the resources available to fund these expenditures;
 - **Be it resolved that** the SHS Board of Directors approves an additional \$32M in capital expenditures for 2016/17 and 2017/18.
- ✓ Contracts
 - Non-Competitive Procurement and Contract: Lab Automation
 - * Approval of Non-Competitive Procurement
 - **Whereas** the Resources Committee has reviewed the request for approval of a non-competitive procurement of specimen management, automated incubation and digital microbiology equipment (the "**Equipment**") for use in the UHN/SHS shared microbiology laboratory located at SHS;
 - **And whereas** Management has completed the requisite diligence to ensure the appropriateness and suitability of such non-competitive procurement;
 - **And whereas** the Board is required to approve such non-competitive procurement;
 - **Now therefore be it resolved that** the SHS Board of Directors approves the non-competitive procurement of the Equipment as presented.
 - * Approval of Contract
 - **Whereas** the SHS Board of Directors has been presented with the business case regarding the purchase of the Equipment and the request by Management and the Resources Committee to approve a contract for the purchase of the Equipment;

- **Subject to** confirmation that there are no material legal or business risks in the contract once prepared and no material changes to the business case as presented, and subject to confirmation that that the final negotiated cost for the agreement does not exceed \$2.7M by more than 10%, such confirmation to be provided to the Resources Committee's Co-Chairs by Management prior to execution;
- **Now therefore, be it resolved that** the SHS Board of Directors approves the Hospital entering into an agreement for the purchase of the Equipment.
- ✓ Business Development Subcommittee
 - Mount Sinai Allograft Technologies (MSAT - Bone Bank) – Amnion
 - **Whereas** the Resources Committee has completed a review of the Amnion Business Case (the "Business Case");
 - **Now therefore, subject to:**
 - A. Confirmation by Management to the Chairs of the Business Development Subcommittee of the Resources Committee of the Board that there are no outstanding material legal or reputational risks with the Business Case, and
 - B. Health Canada approval regarding the recovery and sale of Amnion pursuant to the Business Case;
 - **Be it resolved that the SHS Board of Directors:**
 - i. approves the Business Case as presented, and
 - ii. authorizes Management, in consultation with the Business Development Subcommittee Co-Chairs, to do and to perform or cause to be done or performed, any and all acts to execute the Business Case and any non-material adjustments and/or alternatives to same.
- ✓ Arthritis Research Foundation: Memorandum of Understanding
 - **Whereas** the Resources Committee has reviewed the business case regarding the potential alignment of the Arthritis Research Foundation ("ARF") with the Sinai Health System Foundation (the "Foundation") and SHS, and the request by Management to approve a memorandum of understanding ("MOU") outlining the terms of such alignment;
 - **Subject to** confirmation that there are no material legal or business risks in the MOU once prepared and no material change to the business case as presented, such confirmation to be provided to the Resources Committee's Co-Chairs by Management prior to execution;
 - **Now therefore be it resolved that** the SHS Board of Directors approves SHS entering into the MOU.

8.5 Governance Committee

The Report of the Governance Committee had been pre-circulated, a copy of which is appended to the original minutes. The Report was based on a meeting held on Friday, October 21, 2016. The following resolutions were put forward and approved by the Board:

- ✓ Governance Matters: Appointments
 - Confirmation of CEO as ex-officio non-voting Director
 - **Whereas** Dr. Gary Newton ("**Dr. Newton**") was appointed President and CEO of Sinai Health System ("**SHS**") by the SHS Board of Directors at its Special Meeting on August 22, 2016, such appointment to be effective as of October 3, 2016;
 - **And whereas** the Governance Committee of the SHS Board approves, and recommends that the SHS Board of Directors approve that Dr. Newton be confirmed as an *ex-officio* non-voting Director of SHS.

- **Be it resolved that** the SHS Board of Directors accepts the recommendation of the Governance Committee of the Board and approves that Dr. Newton be confirmed as an *ex-officio* non-voting Director of SHS.
- Appointment of SHS Officers: Secretary and Treasurer
 - **Whereas**, pursuant to By-Law No. 1 of SHS, it is deemed desirable and in the best interests of the Corporation that the following action be taken by the Directors of the Corporation;
 - **And whereas** the Governance Committee of the Board approves and recommends that the SHS Board of Directors hereby consent to, approve and adopt the following:
 - Appointment of Officers**
 - Be it resolved that**, effective as of the date hereof, the following individuals, being the only persons nominated for such positions, be and they hereby are appointed officers of SHS for a term lasting until the next annual general meeting of the Corporation or until his or her successor is appointed, subject to the provisions of the Corporation's By-Law No. 1:
 - Dr. Gary Newton, Secretary
 - Mr. Peter Cohen, Treasurer
 - **Be it resolved that** the SHS Board of Directors accepts the recommendation of the Governance Committee of the Board and hereby consents to, approves and adopts the appointment of officers as presented.
- Special Appointments: Approval of Directors of Bridgepoint Family Health Team
 - **Whereas** the Directors of SHS and BH, as Class B Members of Bridgepoint Family Health Team, elect two persons annually to serve as Directors of Bridgepoint Family Health Team;
 - **And whereas** the Boards of Directors of SHS and BH approved the nomination of Marian Walsh, former Associate CEO and Chief Transformation Officer of SHS, as one of those Directors at its meeting on Tuesday, June 14, 2016;
 - **And whereas** Marian Walsh has confirmed that she no longer wishes to serve in the above-referenced capacity for Bridgepoint Family Health Team;
 - **And whereas** Dr. Gary Newton, President & CEO, SHS, has agreed to have his name stand as a Class B member of the Board of Directors of Bridgepoint Family Health Team;
 - **And whereas** the Governance Committee of the Board of Directors of SHS approves and recommends that the SHS Board of Directors approve the nomination of Dr. Gary Newton as noted above;
 - **Be it resolved that** the SHS Board of Directors and the BH Board of Directors, respectively, approve the nomination of Dr. Gary Newton as noted above.
- Appointment of SHS Board Committee Chairs, Co-Chairs and Members
 - **Whereas** the Corporation's By-Law No. 1 contemplates that the SHS Board will have standing committees and may establish additional committees from time to time
 - **And whereas**, pursuant to By-Law No. 1 of SHS, it is deemed desirable and in the best interests of the Corporation that the following action be taken by the Directors of the Corporation;
 - **And whereas** the Governance Committee of the Board approves and recommends that the SHS Board of Directors approve the SHS Board Committee Chairs, Co-Chairs and members as per the attached Committee overview for the following Committees:
 - Audit and Risk Management Committee
 - Governance Committee
 - Patient Safety & Quality Committee

- Research Committee
- Resources Committee
- **Be it resolved that** the SHS Board of Directors accepts the recommendation of the Governance Committee of the Board and accordingly approves the SHS Board Committee Chairs, Co-Chairs and members as per the attached Committee overview for the following Committees, as noted above.
- ✓ Government Relations Committee
 - Establishment of Government Relations Committee
 - **Whereas** the Corporation's By-Law No. 1 contemplates that the SHS Board may establish committees from time to time in addition to standing committees;
 - **And whereas**, pursuant to By-Law No. 1 of SHS, it is deemed desirable and in the best interests of the Corporation that the following action be taken by the Directors of the Corporation;
 - **And whereas** the Governance Committee of the Board approves the following and recommends that the SHS Board of Directors approve the following:
 1. A Government Relations Committee of the Board be established;
 2. The Chair of the Government Relations Committee will be Brent Belzberg;
 3. The initial membership of the Government Relations Committee is proposed to consist of the following individuals, final confirmation to be at the discretion of the Government Relations Committee Chair:
 - Brent Belzberg (Chair)
 - David Denison
 - Lawrence Bloomberg
 - Peter Cohen
 - Alan Hibben
 - Joel Reitman
 - Lawrence Tanenbaum
 - **Be it resolved that** the SHS Board of Directors accepts the recommendation of the Governance Committee of the Board and accordingly approves the motion as presented.
- ✓ Investment Committee
 - **Whereas** the Corporation's By-Law No. 1 contemplates that the SHS Board may establish committees from time to time in addition to standing committees;
 - **And whereas**, pursuant to By-Law No. 1 of SHS, it is deemed desirable and in the best interests of the Corporation that the following action be taken by the Directors of the Corporation;
 - **And whereas** the Governance Committee of the Board approves the following and recommends that the SHS Board of Directors approve the following:
 1. An Investment Committee be established, such committee to be a common committee with the Sinai Health System Foundation and the Bridgepoint Foundation;
 2. The Investment Committee will be a sub-committee of the Resources Committee of the SHS Board;
 3. The initial Chair of the Investment Committee will be Charles Winograd;
 4. Until such time as the SHS Board has approved and ratified an investment policy and terms of reference in respect of the Investment Committee, the Investment Committee shall not make any investment decisions on behalf of SHS; and
 5. The initial membership of the Investment Committee is proposed to consist of the following individuals, final confirmation to be at the discretion of the Investment Committee Chair:
 - Charles Winograd (Chair)
 - Brent Belzberg

- Richard M. Cooper
 - Jerry Cukier
 - David Kaufman
 - Ira Gluskin
 - Robert F. Grundleger
 - Moti Jungreis
 - Peter Levitt
 - Fred A. Litwin
 - Mark Nashman
 - Neil Petroff
 - Ariella Rohringer
 - Meir Rotenberg
 - Larry Ullman
 - Joseph Lebovic
- **Be it resolved that** the SHS Board of Directors accepts the recommendation of the Governance Committee of the Board and accordingly approves the motion as presented.
- ✓ **Operational Effectiveness Subcommittee and Information Technology Subcommittee**
- **Whereas** the Corporation's By-Law No. 1 contemplates that the SHS Board may establish committees from time to time in addition to standing committees;
- **And whereas**, pursuant to By-Law No. 1 of SHS, it is deemed desirable and in the best interests of the Corporation that the following action be taken by the Directors of the Corporation;
- **And whereas** the Governance Committee of the Board approves the following and recommends that the SHS Board of Directors approve the following:
1. The Operational Effectiveness Subcommittee of the Resources Committee of the SHS Board and the Information Technology Subcommittee of the Resources Committee of the SHS Board are hereby joined to form one Board Subcommittee;
 2. The newly formed Subcommittee shall report to the Patient Safety & Quality Committee of the SHS Board;
 3. The Chair of the newly formed Subcommittee shall be Joanna Rotenberg; and
 4. The membership of the newly formed Committee shall be subject to final approval of the SHS Board.
- **Be it resolved that** the SHS Board of Directors accepts the recommendation of the Governance Committee of the Board and accordingly approves the motion as presented.
- ✓ **Signing Authority**
- Approval of SHS and BH Signing Officers
 - **Whereas** an Omnibus Motion Emanating from attached resolutions in respect of SHS and Bridgepoint Health banking and investment institutions was put forward and approved by the Governance Committee and recommended for approval by the SHS and BH Boards of Directors, as applicable.
 - **Be it resolved that** the SHS and BH Boards of Directors, as applicable, approve the Omnibus Motion as presented.
 - Signing Authority for Plenary
 - **Whereas** SHS is required to submit Monthly Service Payments ("MSPs") to Plenary Group per the terms of the Bridgepoint Hospital 30-year Project Agreement;
 - **And whereas** these payments exceed the signing authority of certain individuals pursuant to Board-approved policy;

- **And whereas** Management recommends that any two of the following individuals be granted special signing authority in conjunction to execute such MSPs to Plenary Group:
 - Dr. Gary Newton, President & CEO
 - Joan Sproul, EVP Finance (CFO) & Chief Operations Officer
 - Dr. Maureen Shandling, EVP Academic & Medical Affairs
 - Jane Merkley, EVP Patient Care, Quality & Chief Nurse Executive
 - Jason Rutland, VP Finance & Operational Effectiveness
- **And whereas** the Governance Committee of the Board accepts Management's recommendation and recommends that the SHS Board of Directors approve same;
- **Be it resolved that** the SHS Board of Directors accepts the recommendation of the Governance Committee of the Board and accordingly approves the motion as presented.

Other Report:

8.3 Patient Safety and Quality Committee

The Report of the Patient Safety and Quality Committee had been pre-circulated, a copy of which is appended to the original minutes. The Report was based on a meeting held on Wednesday, September 28, 2016.

9.0 IN-CAMERA WITH CEO AND GENERAL COUNSEL

The Board met in-camera with the CEO and General Counsel.

10.0 IN-CAMERA WITHOUT CEO AND GENERAL COUNSEL

11.0 OTHER BUSINESS

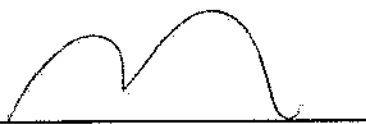
No other business was brought forward.

12.0 DATE OF NEXT MEETING


Thursday, December 15, 2016
 3:30 – 6:00 pm
 MSH Executive Board Room
 Executive Board Room 19-317 - 600 University Avenue, Toronto, ON

13.0 ADJOURNMENT

There being no further business, the meeting adjourned at 7:00 p.m.



 Brent Belzberg
 Chair of the Board



 Marc Toppings
 Corporate Secretary