



SPECIAL MEETING OF THE VOTING DIRECTORS OF
SINAI HEALTH SYSTEM (“Sinai Health”)

March 30, 2021

10:30 am to 11:00 am via Zoom

Minutes

Present:

Brent Belzberg
Paula Blackstien-Hirsch
Jonathan Bloomberg
Peter Cohen
Harry Culham
David Cynamon
Ira Gluskin
Andrew Hoffman
Debbie Kimel
Tom Kornya
Joseph Lebovic
Dr. Gary Newton
Richard Pilofof
Stephen Pustil

Philip Reichmann
Heather Reisman
Dani Reiss
Joel Reitman
Joanna Rotenberg
Robert A. Rubinoff
Allan Rudolph
Mark Saunders
Howard Sokolowski
Edward Sonshine
Kenneth Tanenbaum
Charles Winograd
Mark D. Wiseman

Regrets:

Maxine Granovsky Gluskin

Dr. L. Trevor Young

Also Present:

Ross DeBoni
Karen Hurlburt

Dee Perera

Guests:

John O’Connell

Recorder: Aja Dykes

1.0 CALL TO ORDER

Peter Cohen, Chair of the Board of Directors, called the meeting to order.

1.1. Quorum

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

1.2. Declaration of Conflicts of Interest Arising from the Agenda

Charles Winograd declared a conflict for agenda Item 2.1 as he is a Trustee of The Sinai Trust. He abstained from voting on this item.

1.3. Approval of Agenda

The agenda was approved as circulated.

2.0 APPROVALS

2.1. Transfer of Trust Businesses and Debt Repayment

Tom Kornya, Chair of the Business Trusts Review Special Sub-Committee, provided an overview.

The Resources Committee, along with the Business Trusts Review Special Sub-Committee (“the Sub-Committee”) and relevant Management, engaged in a detailed review of the businesses owned by Trust 2017 and Trust 2008 and certain other businesses owned by the Hospital. The Sub-Committee included membership from The Sinai Trust, the trustee of these Trusts. This review was inspired, in part, by challenges with the payment to the Hospital from Trust 2017 (and its subsidiary, Mount Sinai Fertility) under promissory notes issued to the Hospital. The Committees believe that for longer-term financial and structural reasons, the businesses owned by the Trust 2017 and Trust 2008 will be better positioned as Hospital owned and managed.

Each business will be placed in a portfolio that aligns with its operations, building on existing linkages between the business and similar Hospital operations. An Integration Steering Committee, led by Jane Merkley and Gary Newton as Executive Sponsors, has been formed to support the transition of the businesses to Hospital management.

Whereas:

- A. In 2020, the Resources Committee struck a sub-committee (the “**Subcommittee**”) to consider the viability of The Sinai Trust, The Sinai Trust 2016 and The Sinai Trust 2017 (the “**Trusts**”).
- B. After considering the report of the Subcommittee, the Resources Committee accepted its recommendation that the Trusts be wound-up and that their assets and liabilities be transferred to the Corporation directly or indirectly (i.e. possibly in at least one case, through a wholly-owned subsidiary) (the “**Transfers**”).
- C. The findings of the Subcommittee were shared with the directors of the Sinai Trustee Corporation (the “**Trustee Corp**”) who, based on conversations to date, are expected to cooperate in effecting the Transfers, either in satisfaction of amounts owed to the Corporation under various promissory notes (the “**Promissory Notes**”) or through

distributions to the Corporation in its capacity as a beneficiary of the Trust or a combination of both.

- D. In connection therewith, it is contemplated that the Corporation will acquire the following businesses currently operated by one or more of the Trusts (the “**Businesses**”):
 - (a) the Clinician Management and Reappointment System business (“**CMARS**”);
 - (b) the Rexall business;
 - (c) the Second Cup franchise; and
 - (d) the Dovigi Orthopaedic Sports Medicine Clinic.
- E. In addition, it is contemplated that the Corporation will acquire all of the issued and outstanding shares in the following corporations (the “**Shares**”):
 - (a) Mount Sinai Services Inc.;
 - (b) Mount Sinai Fertility Corp.; and
 - (c) 2234998 Ontario Inc.
- F. In order to complete these arrangements, it may be necessary for the Corporation to demand payment on the Promissory Notes.
- G. In addition, in connection with the distribution of certain assets to the Corporation by the Trusts, it will be necessary for the Corporation to deliver a release and indemnity in favour of the Trustee Corp (and its directors and officers, etc.) (the “**Release and Indemnity**”).
- H. Management has completed a preliminary review of the issues involved in completing the Transfers, including by considering the financial, legal, tax, human resources, reputational and business environment issues associated with each such Transfer and has obtained preliminary valuations of the Businesses and the Shares (the “**Due Diligence**”).
- I. Management has suggested that it will have completed the Due Diligence by March 30, 2021 and that, assuming the Due Diligence does not reveal any material risks or material disadvantages to the Corporation, the Corporation will be in a position to receive the CMARS and Rexall Businesses on March 31, 2021 (recognizing that various third party consents may be delivered afterwards) and the remaining Businesses and Shares shortly thereafter.

NOW THEREFORE subject to the completion by management of the Due Diligence and on the condition that such Due Diligence does not reveal any material risks or material disadvantages to the Corporation, it is resolved that:

1. the acquisition of the Businesses and Shares from the Trusts whether in exchange for the amounts due under the Promissory Notes or as distributions to the Corporation in its capacity as a beneficiary of the Trusts is hereby authorized and approved;
2. the Corporation is authorised to take all steps required to complete the Transfers including without limitation by delivering a Release and Indemnity and to the extent necessary by demanding payment on the Promissory Notes; and
3. and any two directors or officers of the Corporation are hereby authorized to execute (whether under the seal of the Corporation or otherwise) and deliver on behalf of the Corporation all such documents and to take all such steps as such persons determine are necessary to complete the Transfers.

2.2. Extension of Hospital & Multi-Sector Service Accountability Agreements

Joanna Rotenberg, Co-Chair of the Audit and Risk Management Committee and the Resources Committee, provided an overview.

In May 2020, as the Ministry and the Healthcare sector continued to manage through the COVID-19 pandemic, the Ministry extended the 2019/20 H-SAA and M-SAA to March 31, 2021 to allow additional time to develop and negotiate new service, financial and performance commitments.

To provide financial stability to Hospitals, the Ministry is extending the H-SAA and M-SAA for one additional year. The agreement extensions do not modify the performance targets and schedules as agreed upon in April 2019.

Motion #1: H-SAA Approval

Whereas the Toronto Central LHIN and SHS agree on performance, funding and accountability measures that are similar to the previous year, for the 2021/22 fiscal year, with the intention to enter into a new Hospital Service Accountability Agreement (“H-SAA”) effective April 1, 2021;

And whereas Management anticipates that the terms and performance targets in the schedules of the 2021-2022 H-SAA Amending Agreement will be substantially the same as the terms in the existing H-SAA agreement and targets in the Hospital’s Annual Planning Submission (“HAPS”);

And whereas the SHS Board must approve the H-SAA prior to the Toronto Central LHIN flowing funds starting April 1, 2021;

Now therefore, subject to the completion by Management of all requisite legal diligence and confirmation that the H-SAA will not create any material legal risks or disadvantages to SHS other than as presented, such confirmation to be provided to the Board Chair;

Be it resolved that

- (i) the SHS Board of Directors approves the H-SAA and any two of the Board Chair, Treasurer, President and CEO, and VP, Finance and Chief Financial Officer, are hereby authorized to execute and deliver on behalf of the Corporation the H-SAA in respect of the 2021-2022 funding year with such changes therein, or additions, deletions, alterations or amendments thereto as the persons signing may approve, such approval, and the fact that the H-SAA is authorized to be executed and delivered by this resolution, to be conclusively evidenced by such execution; and
- (ii) any of Board Chair, Treasurer, President and CEO, and VP, Finance and Chief Financial Officer is hereby authorized and directed on behalf of the Corporation, to do all such further and other acts to execute and deliver or cause to be executed and delivered on behalf of the Corporation, such further and other instruments, agreements, certificates, directions, acknowledgements, declarations, documents, undertakings and other writings as they may in their sole discretion approve or consider necessary or desirable to give effect to this resolution.

Motion #2: M-SAA Approval

Whereas the Toronto Central LHIN and SHS agree on performance, funding and accountability measures for the 2021/22 Multi-Sector Accountability Agreement (M-SAA) effective April 1, 2021 (the “2019-2022 M-SAA Amending Agreement”);

And whereas Management anticipates that the terms and performance targets of the 2019-2022 M-SAA Amending Agreement will be substantially the same as the terms in the existing M-SAA agreement and targets in the Hospital's Community Annual Planning Submission ("CAPS");

Now therefore, subject to the completion by Management of all requisite legal diligence and confirmation that the 2019-2022 M-SAA Amending Agreement will not create any material legal risks or disadvantages to SHS other than as presented, such confirmation to be provided to the Board Chair;

Be it resolved that

- (i) the SHS Board of Directors approves the 2019-2022 M-SAA Amending Agreement and any two of the Board Chair, Treasurer, President and CEO, and VP, Finance and Chief Financial Officer, are hereby authorized to execute and deliver on behalf of the Corporation that agreement with such changes therein, or additions, deletions, alterations or amendments thereto as the persons signing may approve, such approval, and the fact that such agreement is authorized to be executed and delivered by this resolution, to be conclusively evidenced by such execution; and
- (ii) any of Board Chair, Treasurer, President and CEO, and VP, Finance and Chief Financial Officer is hereby authorized and directed on behalf of the Corporation, to do all such further and other acts to execute and deliver or cause to be executed and delivered on behalf of the Corporation, such further and other instruments, agreements, certificates, directions, acknowledgements, declarations, documents, undertakings and other writings as they may in their sole discretion approve or consider necessary or desirable to give effect to this resolution.

3.0 DATE OF NEXT MEETING

The next scheduled meeting of the Boards of Directors is Tuesday, April 27, 2021 from 4:00 pm to 5:30 pm via Zoom.

4.0 ADJOURNMENT

There being no further business, the meeting was adjourned at 10:47 am.



Peter F. Cohen
Chair of the Board



Dr. Gary Newton
Secretary of the Board