

**ROSWELL PARK CANCER INSTITUTE CORPORATION
BOARD OF DIRECTORS**

A meeting of the Board of Directors of Roswell Park Cancer Institute Corporation was held on Friday, June 30, 2017 at 10:00 am in the Zebro Conference Room in the Center for Genetics & Pharmacology.

Present: Michael L. Joseph, Chairman, Presiding
Gregory Daniel, MD
Linda A. Dobmeier
Anne D. Gioia
Donna Gioia
Ken Manning
Gail Mitchell, Esq.
Elyse NeMoyer
R. Buford Sears
Dennis Szefel
Steven Weiss, Esq.
Candace S. Johnson, PhD, President & CEO

Excused: Hon. Salvatore R. Martoche, Esq.
Howard Zucker

**Present by
Invitation:** Betsy Doty-Lampson, Board Administrator
Errol Douglas, SPHR, SHRM-SCP, Vice President, Human Resources
Victor Filadora, MD, MS, MBA, Chief of Clinical Services
Ryan Grady, Vice President, Fiscal Administration
Shirley Johnson, MS, MBA, BSN, RN, Sr. Vice President of Nursing &
Patient Care Services
Laura Krolczyk, Director of State Relations
Boris Kuvshinoff, MD, Chief Medical Officer
Gregory A. McDonald, Chief Financial Officer
Adekunle Odunsi, PhD, MD Deputy Director & Chair of Gynecologic
Oncology
Kimberly Ritze, Chief Information Security Officer, Information Security
Thomas Schwaab, MD, PhD, Chief of Strategy, Business Development &
Outreach
David C. Scott, Director, Diversity & Inclusion
Michael B. Sexton, Esq., Chief Institute Operations Officer,
General Counsel and Corporate Secretary
Anthony Woods, Director, Classification & Compensation
Cynthia Yebernetsky, Executive Assistant, Human Resources

CHAIRMAN'S OPENING REMARKS

Mr. Joseph welcomed everyone and wished everyone a Happy 4th of July holiday. He also wanted to congratulate Dr. Candace Johnson on her 15 years at Roswell Park Cancer Institute.

MINUTES

Mr. Joseph called for approval of the minutes from the March 23, 2017 meeting and Special Board Meeting on June 16, 2017. *The minutes of the March 23, 2017 meeting and Special Board meeting were, on motion by Mr. Weiss, seconded by Ms. NeMoyer, unanimously approved.*

CONTRACT/CAPITAL EXPENDITURE PROJECTS (Consent)

There was a discussion about the following projects/contracts that were approved at the Finance Committee. After discussion the following were approved:

Interventional Radiology Equipment and Suite Renovation

A motion was made by Mr. Weiss and seconded by Mr. Manning to approve the IR Equipment and Suite Renovation at the cost of \$2,191,000, which was unanimously approved.

Substation Equipment/Building

A motion was made by Mr. Weiss, seconded by Ms. Ann Gioia to approve the Substation Equipment/Building costs at \$3,400,000, which was unanimously approved.

SOLE SOURCE/SINGLE SOURCE

BioMed Contract (Sole Source)

A motion was made by Ms. Dobmeier, seconded by Ms. Donna Gioia to approve the Sole Source BioMed Contract at a cost of \$995,000, which was unanimously approved.

Cerner Invision (Single Source)

A motion was made by Ms. Dobmeier, seconded by Mr. Manning to approve the Cerner Invision, Single Source contract, a clinical application, at a cost of \$1,430,000, which was unanimously approved.

Kaufman Hall Extension (Single Source)

A motion was made by Mr. Manning, seconded by Mr. Weiss to approve the Kaufman Hall Extension (Single Source) contract at a cost of \$565,000, which was unanimously approved.

Mr. Manning made a motion to move into Executive Session for the purpose of discussing Cybersecurity, Recruitment and Retention, Joint venture performance update, Community Outreach, a scientific update, Business Development update, Ambulatory Redesign, Legal report, said motion was seconded by Mr. Weiss and was unanimously approved.

Cybersecurity & Information Security Program Update

Kimberly Ritze gave a presentation on the work being done to prevent ransomware attacks. She discussed internal and external vulnerabilities, which she believes are at manageable levels.

LEADERSHIP REPORT

Dr. Johnson gave an update on the recruitment of 39 new clinical faculty, the retention of 37 faculty and discussed the current vacancies in Surgery, Medicine, Dermatology, Pathology and Radiology. Dr. Johnson updated the committee on the status of the Strategic Plan process.

Scientific Update

Dr. Odunsi discussed status of major projects in the science departments. He is anticipating approval of a 5-year, \$20 million grant to support science that will inform FDA's regulatory mission on tobacco control. He reported on science recruitment of 8 new faculty and discussed the significant growth in immunotherapy clinical trials at RPCI.

Community Outreach

Mr. Scott gave an overview of the Diversity mission and outreach efforts including job fairs and resume work shops. The Board would like to know what Diversity is doing to change the perception of Roswell in the community. Mr. Joseph asked for an update at the next meeting.

Chief Medical Director Update

Dr. Kuvshinoff spoke of the document completion policy, its 7-day turnaround timeframe and how it will be tied to COLA's as an incentive/penalty for clinicians. He discussed the coming role of clinical pathways, positive ratings on morbidity, infections and length of stays.

Business Development

Dr. Schwaab gave an update on Roswell's community medical practice, which currently has 6 sites throughout WNY.

He also updated the Board on progress on the Cuba negotiations. Progress has been slow, and the remaining issues are difficult. The legal costs for the project were discussed, and Dr. Schwaab noted they have been much higher than expected, due to the difficulty of negotiating with the Cubans, the trust problems and the current negative political climate. Additional legal and other costs will be incurred in order to complete the contract negotiations and implement the deal.

Ambulatory Redesign

Ms. Shirley Johnson stated the volume of the Assessment and Treatment Center exceeded the previous numbers allowing patients to be treated here and not in emergency rooms or as admissions. The new Nurse Triage Center has received 800 calls and is expanding into daytime hours expecting to receive thousands of calls with tools to do so.

Clinical Operations/Peds Update

Due to time Dr. Filadora did not present.

Government Affairs

Informational Only materials on Directors Desk.

Compensation Committee Report

Mr. Sears gave an update on Institute goals - variable pay plan and Dr. Johnsons' goals.

Legal/Institute Operations Report

Mr. Sexton gave an update on Omniseq.

On a motion by Ms. Mitchell, seconded by Mr. Szeffel, Mr. Sexton was authorized to act as point person for Roswell on this transaction, and the terms outlined in the Term Sheet with were approved. Mr. Manning, Mr. Sears and Dr. Johnson abstained from the vote.

Litigation Report

Mr. Sexton advised the Board that one EEOC case has been successfully resolved. Legal continues to work through mediation on the other case. There was discussion about the status of the cases.

A motion was made by Mr. Manning and seconded by Mr. Weiss to return to Open Session and was unanimously approved.

Policy & Procedures Committee

Mr. Sexton was not requesting an approval. These documents are available for review at any time.

Contract Signing Authority

On motion by Mr. Szeffel, seconded by Ms. NeMoyer, contract signing authority for Shirley Johnson and Dr. Thomas Schwaab was unanimously approved.

Bylaw Amendments Mr. Sexton reviewed proposed bylaw amendments that had been reviewed and approved by the Governance Committee. Below are the Sections that were updated

Section 5.1 Appointment of Committee Amendments

Committees of the Board shall include standing committees, advisory committees and special committees. A standing committee is one whose functions are determined by a continuous need. An advisory committee is one whose functions are to review certain Institutional issues or inefficiencies under that committee's jurisdiction, as determined by the Board, and advise the Board on best practices or recommendations to remedy the issues or inefficiencies. Any recommendation from an advisory committee shall be considered by the Board of Directors, which in its authority, may accept or decline such recommendation. The function and duration of a special committee shall be determined by its specific assignment, as stated in a resolution of the Board creating it. Standing committees of the Board shall include an Executive Committee, a Finance Committee, a Compensation Committee, and a Medical Staff Credentials Committee. Advisory committees of the Board shall include a Governance Committee, an Audit Committee, a Corporate Compliance Committee, a Technology Transfer Committee and a Business Development Committee. The Board is also represented on the Hospital Quality Assurance Committee. Except as otherwise provided in these Bylaws, the chairpersons and all members of these committees shall be nominated annually by the Governance Committee at the annual meeting for election by the Board. The Board shall staff all standing committees with a majority of Board members, but may appoint non-board member community individuals to committees, each of whom shall have the right to a vote, provided that such non-member committee members shall at all times be a minority of the committee roster. The Board shall staff all advisory committees with a majority of Board members, but may appoint non-board member community individuals to advisory committees, each of whom shall have the right to a vote, provided that such non-member committee members shall at all times be a minority of the committee

roster. The Chairperson of the Board shall be an *ex-officio* voting member of all committees except the Audit Committee.

Section 5.3: Committee Meetings

At all committee meetings, a quorum shall be equal to a majority of the voting members of the committee. Notwithstanding the foregoing, a quorum of the Executive Committee shall require the presence of the President or the Treasurer acting as the voting designee of the President. A vote by a majority of the voting members present at a duly organized standing committee meeting shall constitute the action of the committee. A vote by a majority of the voting members present at a duly organized advisory committee meeting shall determine whether a, or which, recommendation shall be submitted to the Board of Directors for its review and approval or declination. Meetings of committees of the Board will be further governed by the provisions of Sections 2.7 (Special Meetings of the Board; Notice) and 2.8 (Waiver of Notice) and Subsections 2.11.2 (Action by Unanimous Written Consent) and 2.11.3 (Telephonic Meetings) of Article 2 of these Bylaws. Each committee shall submit to the Board a summary of its proceedings and minutes of its meetings shall be made available to the entire Board. Except as specified otherwise in these Bylaws, standing committees, advisory committees and special committees shall meet with such frequency as is necessary to accomplish their purpose and at such times and places as the chairperson of the committee determines and the notice of the meeting specifies.

Section 5.5 Governance Committee

- 5.5.1 The Governance Committee shall (i) provide assistance to the Board in fulfilling its obligation to ensure that the Corporation is operated in accordance with prudent and responsible corporate governance standards and principles, including keeping the Board informed of current best governance practices and trends; (ii) review and recommend periodic improvement to the Corporation's bylaws; (iii) assist in the identification of qualified and independent nominees for Board membership, including to advise appointing authorities on the skills and experiences required of potential Board members; (iv) monitor and evaluate Board effectiveness and review Board self-evaluations; (v) recommend to the Board Chairman nominees for Board committee assignments, and (vi) promote fulfillment of Director fiduciary duties and address through recommendation to the Board potential ethical and conflict of interest issues among Board members.

Section 5.7 Audit Committee

The Audit Committee shall assist the Board in fulfilling its oversight responsibilities regarding the integrity of the Corporation's financial statements, the evaluation, qualifications, selection and retention of the independent auditors, the performance of the annual audit of financial statements, and the performance of the Corporation's internal audit functions relative to financial and regulatory record-keeping, reporting and compliance

Section 5.8 Corporate Compliance Committee

The Corporate Compliance Committee shall consist of at least three (3) members of the Board; provided, however, that it shall not include as members either the President of the Corporation or the Commissioner of Health *ex-officio* director. The Corporate Compliance Committee shall be responsible for inspections of and investigations within the Institute, as well as fraud and abuse investigations. It shall participate with staff in the maintenance of a Corporate Compliance Policy, a policy which shall foster efficient management, provide guidance in reimbursement areas, recommend compliance standards, policies and procedures, identify opportunities to improve quality and reduce waste, develop a central coordinating source for information and guidance on Federal

and State regulations, procedures and conditions of participation, provide open lines of communication to identify improper conduct and clarify policies, include effective education programs, use monitoring and auditing to detect non-compliance and improve quality, develop appropriate corrective action initiatives and disciplinary guidelines, and propose oversight responsibility be assigned to an appropriate individual; all of which the Board may accept or decline in its sole discretion.

Section 5.9 Compensation Committee

The Compensation Committee shall consist of not less than four (4) Directors. The Committee Chair shall be designated by the Chairman of the Board and shall serve until replaced. The Committee shall be supported by the Corporation's Vice President of Human Resources and the Director of Classification and Compensation. It shall establish the compensation and benefits philosophy, strategy and performance levels for the Corporation's Chief Executive Officer (CEO); determine the compensation benefits for the Corporation's employees who directly report to the CEO and other "key executives"; review and approve all new hire offer packages whenever the compensation (base salary and/or any incentive or salary supplement) exceeds \$750,000; oversee the development and administration of the variable compensation program; and review reports from the CEO, management, external consultants and others on trends and developments, including legal and regulatory updates, in healthcare compensation and benefits

Section 5.12 Business Development Committee

5.12.1 The Business Development Committee is appointed by the Board of Roswell Park Cancer Institute ("Roswell Park" or the "Corporation") to provide guidance to the Board in overseeing the expenditure of resources on business development, to provide advisement and insight into business development trends in the Healthcare industry, and to provide a conduit for Board interaction with those managing the business development and strategic outreach functions at Roswell Park, namely the Strategy, Business Development and Outreach team.

5.12.2 The Business Development Committee shall be composed of not less than five (5) members, no less than four (4) of whom shall be Directors. Committee members shall be selected because of specific or unique contributions each may be able to make to the fulfillment of the Committee purposes. Committee members shall be appointed by the Chairman of the Board, and shall serve until replaced. The Committee Chair shall be designated by and serve at the pleasure of the Chairman of the Board. The Corporation's Secretary shall serve as secretary to the Committee. Committee members shall qualify for service on the Committee based primarily upon their ability to further the Committee's purposes and to assist the Committee in advising the Board; and

On motion by Ms. D. Gioia and seconded by Mr. Weiss the above changes were approved to the Bylaws and were unanimously approved.

Financial Highlights

4th Qtr Combined Financial Statements

On motion by Dr. Daniels, seconded by Mr. Weiss, 4th Qtr Combined Financial Statements were unanimously approved.

4th Qtr Investment Activity

On motion by Ms. D. Gioia, seconded by Ms. NeMoyer, 4th Qtr. Investment Activity was unanimously approved.

Annual Review of Investment Policy

On motion by Mr. Weiss, seconded by Ms. D. Gioia, Annual Review of Investment Policy was unanimously approved.

NYS Annual Report

On motion by Mr. Sears, seconded by Ms. NeMoyer, NYS Annual Report was unanimously approved.

Audit Committee Report

Mr. Szeffel reported the audit was clean. He congratulated Greg McDonald and his group for a great job. It was also noted that we are lucky to have Mr. Szeffel as the Chair. *On motion by Mr. Weiss, seconded by Ms. NeMoyer, the Audit Committee Report was unanimously approved.*

Governance Report

Ms. D. Gioia complimented Ms. Krolczyk on her governance report and thanked her.

Self-Evaluation Survey

Ms. D. Gioia reported Ms. Doty-Lampson is currently looking at places for the retreat. Ms. Gioia expressed how important it is to complete the survey. Mr. Joseph also encouraged everyone to participate.

Policy Open Meetings Law No. 129.1

On motion by Ms. D. Gioia, seconded by Ms. NeMoyer the Policy Open Meetings Law No. 129.1 was unanimously approved.

Annual Review of Finance Charter

On motion by Ms. Dobmeier, seconded by Ms. NeMoyer the Annual Review of Finance Charter was unanimously approved.

Medical Staff Report

Informational Only

Nursing Report

Informational Only

Clinical Operations Report
Informational Only

OTHER BUSINESS

There being no further business, a motion was made for adjournment by Dr. Daniels, seconded by Ms. D. Gioia and was unanimously carried.

A handwritten signature in cursive script, appearing to read "Michael B. Sexton".

Michael B. Sexton, Secretary