



May 30, 2024

Oregon Health & Science University
3181 SW Sam Jackson Park Road
Portland, Oregon 97239-3098

Legacy Health
1919 NW Lovejoy Street
Portland, Oregon 97209

Re: Additional Terms related to Governance Matters Agreement and Health System Board

To whom it may concern:

Reference is hereby made to (a) that certain Governance Matters Agreement (as amended, restated, supplemented or otherwise modified, the “**Governance Matters Agreement**”), dated May 30, 2024, by and between OREGON HEALTH & SCIENCE UNIVERSITY, an Oregon statutory public corporation (“**OHSU**”), and LEGACY HEALTH, an Oregon nonprofit corporation (“**Legacy Health**”); and (b) to Exhibit A (Health System Board Charter) and Exhibit B (Health System Board Bylaws) referenced in and attached as Exhibits to the Governance Matters Agreement. Each of OHSU and Legacy Health may be referred to throughout this Agreement individually as a “**Party**” and collectively as the “**Parties**.” Capitalized terms used but not defined herein shall have the meanings given to them in the Governance Matters Agreement.

The Parties have determined, pursuant to this letter agreement (this “**Letter**”), to confidentially (to the extent permitted by law) agree to the additional terms set forth in this Letter.

Notwithstanding anything to the contrary set forth in the Governance Matters Agreement or any of the other Transaction Documents, the Parties hereby agree that:

- 1) In accordance with Section 2.1.2 of the Governance Matters Agreement, in the event the authorities of the Health System Board are revoked prior to the earlier of, (a) six (6) years following the Closing (as defined in that certain System Combination Agreement (as amended, restated, supplemented or otherwise modified, the “**System Combination Agreement**”), dated May 30, 2024, by and between OHSU and Legacy Health); or (b) the date the Capital Commitment (as defined in the System Combination Agreement) has been fully expended or earmarked (in either case, an “**Early Revocation**”), the Health System Board shall cease to exist and a new committee advisory to the OHSU Board (the “**OHSU Health System Committee**”) shall be established at the time of such Early Revocation. The OHSU Health System Committee shall be composed initially solely of appointees from the entity named, as of the date of this letter agreement, Legacy Health Foundation, an Oregon nonprofit corporation, or any successor thereto (the “**Foundation**”), except that

the OHSU President shall serve on the OHSU Health System Committee ex-officio, without vote, and shall Chair the OHSU Health System Committee.

- 2) In the event that the OHSU Health System Committee is established to replace the OHSU Health System Board due to (and at the time of) an Early Revocation, then a new Charter for the OHSU Health System Committee shall be adopted at such time to replace the Health System Board Charter attached as Exhibit A to the Governance Matters Agreement. Such replacement Charter is attached as Exhibit A to this letter.
- 3) In the event that the OHSU Health System Committee is established to replace the OHSU Health System Board due to (and at the time of) an Early Revocation, then new Bylaws for the OHSU Health System Committee shall be adopted at such time to replace the Health System Board Bylaws attached as Exhibit B to the Governance Matters Agreement. Such replacement Bylaws are attached as Exhibit B to this letter.
- 4) The Parties acknowledge and agree that after the sixth (6th) anniversary following the Closing or the date the Capital Commitment is fully spent or fully earmarked for spending on specific projects, whichever is earlier (i.e., six (6) years, unless the Capital Commitment amount is fully spent or fully earmarked for spending on specific projects more quickly), the Charter and the Bylaws of the Health System Board (if then still in existence) or the OHSU Health System Committee (if then established) may be amended by the OHSU Board, and the composition, authorities and operations of the Health System Board or the OHSU Health System Committee (as applicable) may change as a result, or the Health System Board or OHSU Health System Committee (as applicable) may be disbanded.
- 5) OHSU and Legacy Health acknowledge that neither the Health System Board nor the OHSU Health System Committee (if established) shall have any authority to act or bind OHSU as a public corporation and that the OHSU Board remains the public body of OHSU as a public corporation of the State of Oregon.
- 6) The definition of the term “Transaction Documents” in the System Combination Agreement shall include without limitation this letter and, only in the event that the OHSU Health System Committee is established to replace the OHSU Health System Board due to (and at the time of) an Early Revocation, also the documents set forth at Exhibit A and Exhibit B hereto.
- 7) The terms of this Letter shall be treated by the Parties as subject to the same terms and conditions as those set forth Article 12 of the System Combination Agreement, as if this Letter were part of the Agreement referenced therein. This Letter may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument. Facsimile or other electronically scanned and transmitted signatures, including by email attachment, shall be deemed originals for all purposes of this Letter. Signatures by electronic means shall have the same legal effect, validity, enforceability and admissibility as handwritten signatures.

(Signature page follows)

CONFIDENTIAL

IN WITNESS WHEREOF, the Parties hereto have caused this letter agreement to be executed by their authorized officers as of the date first set forth above.

**OREGON HEALTH & SCIENCE
UNIVERSITY**

By: Danny O. Jacobs

Printed: Danny O. Jacobs, M.D., M.P.H., FACS

Title: President

(Signature Page to Side Letter re: Health System Committee)

IN WITNESS WHEREOF, the Parties hereto have caused this letter agreement to be executed by their authorized officers as of the date first set forth above.

LEGACY HEALTH

By: Anna Loomis

Printed: Anna Loomis

Title: Interim CEO

(Signature Page to Side Letter re: Health System Committee)

Exhibit A

OHSU HEALTH SYSTEM COMMITTEE CHARTER

Effective Date: _____, _____

No: _____

PREAMBLE

The Board of Directors of Oregon Health & Science University (“OHSU Board”) is the governing body for Oregon Health & Science University (“OHSU”), including the following OHSU units: OHSU Hospital, Doernbecher Children’s Hospital, all OHSU ambulatory care practices (including primary and specialty care), Legacy Health and each of its subsidiaries and joint venture interests, the OHSU Practice Plan, the Joseph B. Trainer Health & Wellness Center and those units within the OHSU School of Nursing and the OHSU School of Dentistry involved in the delivery of clinical care (collectively, “OHSU Health System”). The OHSU Board has appointed the OHSU President to act on its behalf for the purposes of ensuring (i) high quality and safety in all clinical activities of the OHSU Health System (“Clinical Activities”), and (ii) compliance with all applicable Regulatory Requirements (defined below), including certain Regulatory Requirements that are required to be performed by a hospital governing body. As used in these bylaws, “Regulatory Requirements” means all applicable rules and regulations related to licensing or accreditation and issued by various regulatory agencies and associated commissions, including Centers for Medicare & Medicaid Services and the Oregon Health Authority.

The OHSU President, in turn, had previously delegated to the University Health System Board (“UHSB”): (a) the responsibility for overseeing professional staff privileging and quality assurance/performance improvement at all licensed facilities that conduct Clinical Activities as part of the OHSU Health System; and (b) the authority to make non-binding recommendations to the OHSU Board with respect to OHSU Health System strategy and proposed OHSU Health System expenditures (including expenditures of the Capital Commitment, as defined in that certain System Combination Agreement by and between OHSU and Legacy Health, dated May ____, 2024 (as amended, restated, supplemented or otherwise modified, the “SCA”)).

On _____, the delegated authorities of the UHSB were revoked. Consequently, and in accordance with that certain Governance Matters Agreement by and between OHSU and Legacy Health, dated May ____, 2024 (as amended, restated, supplemented or otherwise modified, the “GMA”), at that time, OHSU established a new committee advisory to the OHSU Board (the “OHSU Health System Committee”). The OHSU Health System Committee is composed initially solely of appointees from the entity previously named Legacy Health Foundation, an Oregon nonprofit corporation, or any successor thereto (the “Foundation”), except the OHSU President, who serves on the OHSU Health System Committee ex-officio, without vote, and Chairs the OHSU Health System Committee.

OHSU HEALTH SYSTEM COMMITTEE ROLE, DUTIES AND RESPONSIBILITIES

The OHSU Health System Committee shall make non-binding recommendations to the OHSU Board with respect to OHSU Health System strategy and proposed OHSU Health System expenditures (including expenditures of the Capital Commitment).

- a. To the extent the OHSU Health System Committee's recommendations relate to sensitive business, financial or commercial matters of OHSU not customarily provided to competitors related to financings, mergers, acquisitions or joint ventures or related to the sale or other disposition of, or substantial change in use of, significant real or personal property, or related to health system strategies, the OHSU Health System Committee shall present its recommendations on proposed OHSU Health System expenditures to the OHSU Board annually in a private meeting to the extent consistent with Oregon Public Meetings Law, prior to the adoption by the OHSU Board of the annual OHSU Health System budget. To the extent the OHSU Health System Committee's recommendations do not relate to sensitive business, financial or commercial matters of OHSU not customarily provided to competitors related to financings, mergers, acquisitions or joint ventures or related to the sale or other disposition of, or substantial change in use of, significant real or personal property, or related to health system strategies, the OHSU Health System Committee shall present its recommendations on proposed OHSU Health System expenditures to the OHSU Board annually in a public meeting to the extent consistent with Oregon Public Meetings Law, prior to the adoption by the OHSU Board of the annual OHSU Health System budget.
- b. When making recommendations to the OHSU Board on proposed OHSU Health System expenditures (including with respect to the Capital Commitment), the OHSU Health System Committee will consider four critical OHSU goals (maintaining and improving quality, access and equity, and controlling costs).
- c. The OHSU Health System Committee shall present its recommendations on health system strategies to the OHSU Board at regular intervals throughout the year (i) in private meetings, to the extent such recommendations relate to sensitive business, financial or commercial matters of the University not customarily provided to competitors and consistent with Oregon Public Meetings Law, or (ii) in public meetings for any matters not provide for in the prior subsection (i).
- d. For avoidance of doubt, the OHSU Health System Committee shall be entitled to and invited to give significant input to OHSU management and the OHSU Board with respect to their determination in areas of overlapping/competing objectives as to which joint ventures and business relationships to prioritize based upon the degree to which they are accretive to the OHSU Health System's overall objectives.
- e. The OHSU Health System Committee shall have access to all information of the OHSU Health System reasonably appropriate for purposes of making recommendations on proposed OHSU Health System expenditures and strategy, and

providing input as to which joint ventures and business relationships to prioritize.

LIMITATIONS

1. All authorities for the OHSU Health System not enumerated above under “OHSU Health System Committee Role, Duties And Responsibilities” will reside with the OHSU Board (as the governing body for the OHSU Health System) or with the OHSU President through delegation from the OHSU Board. For avoidance of doubt, the OHSU Health System Committee shall not have any authority over (nor any role with respect to): (a) professional staff privileging and quality assurance/performance improvement at licensed facilities that conduct Clinical Activities as part of the OHSU Health System; or (b) the education, training or research activities of OHSU.
2. Without limiting the provisions of Section 1, immediately above, the OHSU Board directly shall have the following authorities with respect to the OHSU Health System: (a) the approval of all operating and capital budgets; (b) the adoption of all strategic plans; (c) amendments to the governance documents of OHSU (subject to OHSU’s enabling legislation) or any subsidiary legal entity, or any change to the corporate purposes of OHSU (subject to OHSU’s enabling legislation) or any subsidiary legal entity; (d) the right to appoint and remove the OHSU President; (e) the approval of new borrowings by any OHSU Health System legal entity; (f) the approval of any material acquisitions, divestitures or joint ventures; (g) the approval of any new lines of business or the discontinuation of then-current lines of business; (h) the creation of new subsidiaries; (i) any significant new affiliations and any dis-affiliations; (j) any decision to merge with or into another system; (k) any decision to dissolve an OHSU Health System legal entity or change its legal form or tax status; (l) the right to require OHSU Health System entities to participate in a range of centralized corporate services and programs; (m) professional staff privileging and quality assurance/performance improvement at licensed facilities that conduct Clinical Activities as part of the OHSU Health System; (n) except as set forth in the Governance Matters Agreement between OHSU and Legacy Health, as amended, restated, supplemented or otherwise modified, dated May ____, 2024, or in the OHSU Health System Committee Bylaws or this Charter, any amendments to the OHSU Health System Committee Bylaws or Charter; (o) any other powers mandated by law; and (p) any other powers customary for the governing body of a health system and not delegated to the OHSU President or expressly authorized for the OHSU Health System Committee pursuant to this Charter.

AMENDMENTS

This Charter may be amended by the OHSU Board but shall not be amended without the consent of the majority of all members of the OHSU Health System Committee until the earlier of (a) six (6) years following the Closing (as defined in the SCA); or (b) the date the Capital Commitment has been fully expended or earmarked.

Exhibit B

OHSU HEALTH SYSTEM COMMITTEE BYLAWS

Effective Date: _____, _____

No: _____

PREAMBLE

The Board of Directors of Oregon Health & Science University (“OHSU Board”) is the governing body for Oregon Health & Science University (“OHSU”), including the following OHSU units: OHSU Hospital, Doernbecher Children’s Hospital, all OHSU ambulatory care practices (including primary and specialty care), Legacy Health and each of its subsidiaries and joint venture interests, the OHSU Practice Plan, the Joseph B. Trainer Health & Wellness Center and those units within the OHSU School of Nursing and the OHSU School of Dentistry involved in the delivery of clinical care (collectively, “OHSU Health System”). The OHSU Board has appointed the OHSU President to act on its behalf for the purposes of ensuring (i) high quality and safety in all clinical activities of the OHSU Health System (“Clinical Activities”), and (ii) compliance with all applicable Regulatory Requirements (defined below), including certain Regulatory Requirements that are required to be performed by a hospital governing body. As used in these bylaws, “Regulatory Requirements” means all applicable rules and regulations related to licensing or accreditation and issued by various regulatory agencies and associated commissions, including Centers for Medicare & Medicaid Services and the Oregon Health Authority.

The OHSU President, in turn, had previously delegated to the University Health System Board (“UHSB”): (a) the responsibility for overseeing professional staff privileging and quality assurance/performance improvement at all licensed facilities that conduct Clinical Activities as part of the OHSU Health System; and (b) the authority to make non-binding recommendations to the OHSU Board with respect to OHSU Health System strategy and proposed OHSU Health System expenditures (including expenditures of the Capital Commitment, as defined in that certain System Combination Agreement by and between OHSU and Legacy Health, dated May ____, 2024 (as amended, restated, supplemented or otherwise modified, the “SCA”).

On _____, the delegated authority of the OHSU Health System Committee was revoked. Consequently, and in accordance with that certain Governance Matters Agreement by and between OHSU and Legacy Health, dated May ____, 2024 (as amended, restated, supplemented or otherwise modified, the “GMA”), at that time, OHSU established a new committee advisory to the OHSU Board (the “OHSU Health System Committee”). The OHSU Health System Committee shall have such role, duties and responsibilities set forth in the OHSU Health System Committee Charter.

INITIAL COMPOSITION

1. The OHSU Health System Committee shall be comprised initially solely of appointees from the from the entity previously named Legacy Health Foundation, an Oregon nonprofit corporation, or any successor thereto (the “Foundation”), except that the OHSU President

shall serve on the OHSU Health System Committee ex-officio, without vote.

2. The OHSU Health System Committee shall have six (6) voting members (who need not be members of the OHSU Board), each of whom who may be appointed by the Foundation at its discretion and for whatever terms (and pursuant to whatever replacement processes) and for whatever positions (other than Chair) the Foundation may establish in its discretion.
3. The OHSU President shall be the Chair of the OHSU Health System Committee. A Vice-Chair of the OHSU Health System Committee shall be appointed by a majority of the voting members of the OHSU Health System Committee.

QUALIFICATIONS/COMMITMENT TO DEIB

1. The OHSU Health System Committee shall support the OHSU Health System’s objectives of diversity, equity, inclusion and belonging (“DEIB”) and the Foundation shall incorporate these principles in the selection of its OHSU Health System Committee appointees. At such time (if ever) as the OHSU Health System Committee Charter and these Bylaws are amended (pursuant to the provisions of the Governance Matters Agreement, the OHSU Health System Committee Charter and these Bylaws), and if pursuant to any such amendment, the composition of the OHSU Health System Committee changes, the entity(ies) appointing members to the OHSU Health System Committee will continue to promote DEIB objectives in its/their selection of new members.
2. Without limiting the generality of Section 1, the Foundation, when exercising its discretion appoint members to the OHSU Health System Committee, shall endeavor to select appointees such that the OHSU Health System Committee is diverse with respect to competencies, demographics, experience, perspectives and other matters. Similarly, at such time (if ever) as the OHSU Health System Committee Charter and these Bylaws are amended, and if pursuant to any such amendment, the composition of the OHSU Health System Committee changes, the entity(ies) appointing members to the OHSU Health System Committee shall continue to appoint individuals who reflect such diversity. Factors to be considered include but are not limited to age, ethnicity, educational experience, work experience and governance experience, as well as varied experience with health care operations, finances, fundraising, staffing, quality, reimbursement, compliance, community outreach, health equity and information technology, among other things. During the period prior to any such amendment, OHSU and the Foundation will consult with one another in connection with the Foundation’s appointments to the OHSU Health System Committee in order to endeavor to achieve the desired diversity. At such time (if ever) as the OHSU Health System Committee Charter and these Bylaws are amended, and if pursuant to any such amendment, the composition of the OHSU Health System Committee changes, OHSU and any other entity(ies) appointing members to the OHSU Health System Committee shall consult with one another in connection with each such entities’ appointments to the OHSU Health System Committee in order to endeavor to continue to achieve the desired diversity.

MEETINGS

1. The OHSU Health System Committee shall meet no less often than four (4) times per year. The meeting schedule will be established by the OHSU Health System Committee. However, special meetings may be called by the Chair, or upon the written request of three (3) or more OHSU Health System Committee members, the Chair shall call a special meeting of the OHSU Health System Committee.
2. On invitation of the OHSU Health System Committee Chair or any three (3) or more OHSU Health System Committee members, additional individuals may be invited to attend OHSU Health System Committee meetings as non-voting staff. The OHSU Health System Committee will be staffed by OHSU Healthcare Administration.

QUORUM AND VOTING

1. Attendance at a meeting by a majority of the voting members of the OHSU Health System Committee shall constitute a quorum.
2. The presence and the affirmative vote of a majority of the OHSU Health System Committee members at any meeting at which a quorum is present shall be required for action by the OHSU Health System Committee.
3. In the event a OHSU Health System Committee member is unable to attend a meeting, the member may vote electronically in advance of the meeting or by proxy by designating in writing another OHSU Health System Committee member to vote on the absent member's behalf. The written designation shall be provided to the Chair of the OHSU Health System Committee or his or her designee electronically in advance of the meeting and must clearly outline whether the proxy has authority to vote on all matters or particular matters. A member who chooses to vote by proxy or vote electronically in advance of the meeting shall be counted towards the quorum necessary to vote on the matter(s) specified by the absent board member.

CONFIDENTIALITY AND CONFLICTS OF INTEREST

All members of the OHSU Health System Committee have such fiduciary duties as are provided for by applicable law and must act for the benefit of the OHSU Health System as provided for by such applicable law.

Members of the OHSU Health System Committee shall disclose to the Chair of the OHSU Health System Committee any situation wherein such member has a conflict of interest that could possibly cause that member to act in other than the best interest of the OHSU Health System. In any such situation, the member shall abstain from acquiring any information developed by the OHSU Health System and from participating in any discussion or voting related to such situation. Upon a finding by a majority of the OHSU Health System Committee members that a member has a conflict as to a particular matter before the OHSU Health System Committee, the OHSU

Health System Committee members may vote to require that such member abstain from voting on the matter.

All members of the OHSU Health System Committee shall keep confidential all sensitive information of every kind including the strategic goals of departments or divisions within the OHSU Health System to the extent permitted by law. Members of the OHSU Health System Committee shall abide by all confidentiality and conflict of interest policies and programs adopted by OHSU from time to time.

AMENDMENT

These Bylaws may be amended by the OHSU Board but shall not be amended without the consent of the majority of all members of the OHSU Health System Committee until the earlier of (a) six (6) years following the Closing Date; or (b) the date the Capital Commitment has been fully expended or earmarked.