

**MINUTES OF THE MEETING OF
THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA
Atlanta, Georgia
March 31, 2023**

CALL TO ORDER

The Board of Regents of the University System of Georgia met telephonically at 8:00 a.m. on Friday, March 31, 2023, and accessible in Room 8026 of the Board's offices, 270 Washington St., SW, Atlanta, Georgia. Board Chair Harold Reynolds called the meeting to order. Present, in addition to Chair Reynolds, were Vice Chair Erin Hames; Regents Doug Aldridge; Tom Bradbury; Richard T. Evans; W. Allen Gudenrath; Samuel D. Holmes; Bárbara Rivera Holmes; C. Thomas Hopkins, Jr.; James M. Hull; Cade Joiner; Patrick Jones; Sarah-Elizabeth Langford; Lowery Houston May; Jose R. Perez; Neil L. Pruitt, Jr.; T. Dallas Smith; and James K. Syfan, III. Regent C. Everett Kennedy III was excused. Chancellor Sonny Perdue was also present.

EXECUTIVE SESSION

Upon a motion made by Regent Jose Perez and seconded by Vice Chair Erin Hames, the Board members present unanimously voted to enter executive session at 8:02 a.m. to discuss a potential commercially valuable plan, real estate-related matters, and matters of attorney-client privilege and attorney work product, as well as personnel matters. An affidavit regarding this executive session is on file in the Office of the Secretary to the Board.

RECONVENE AND AU HEALTH SYSTEM TRANSACTION

Following the executive session, Chair Reynolds reconvened the Board in its regular session at 9:00 a.m. and announced that no action had been taken.

After discussion of a proposed transaction involving AU Health System, Inc. and Wellstar Health System, Inc., Regent James M. Hull made a motion that the Board of Regents adopt a proposed resolution approving the transaction between AU Health System, Inc. and Wellstar Health System, Inc. by which Wellstar Health System, Inc. would become the sole corporate member of AU Health System, Inc. and authorizing the Chancellor or his designee to negotiate and execute the necessary documents and to take other appropriate actions to complete the transaction. The motion was seconded by Regent T. Dallas Smith. The motion was approved unanimously by the Board members present and voting. A copy of the resolution is attached hereto. Regents C. Thomas Hopkins, Jr.; Cade Joiner, and Neil L. Pruitt, Jr. recused themselves from the vote.

ADJOURNMENT

Upon a motion made by Regent Bárbara Rivera Holmes and seconded by Regent Lowery Houston May, the Board members present unanimously voted to adjourn at 9:07 a.m.



Harold Reynolds
Chairman, Board of Regents
University System of Georgia



Christopher A. McGraw
Secretary, Board of Regents
University System of Georgia

**RESOLUTION OF THE BOARD OF REGENTS OF
THE UNIVERSITY SYSTEM OF GEORGIA**

Dated March 31, 2023

WHEREAS, AU Health System, Inc., a Georgia nonprofit corporation ("AUHS") is the sole corporate member of AU Medical Center, Inc., a Georgia nonprofit corporation ("AUMC"), AU Medical Associates, Inc., a Georgia nonprofit corporation that is the faculty practice plan for the Medical College of Georgia ("AUMA"), Roosevelt Warm Springs Rehabilitation & Specialty Hospitals, Inc., a Georgia nonprofit corporation ("RWSH"); together with AUHS, AUMC and AUMA, the "AUHS System";

WHEREAS, collectively, the AUHS System (1) operates the 632-licensed bed AU Medical Center, the 154-licensed bed Children's Hospital of Georgia, the clinical arm of the Georgia Cancer Center, and certain outpatient sites; (2) operates a comprehensive rehabilitation health center including a 32-bed licensed long term acute care hospital known as Roosevelt Warm Springs Long Term Acute Care Hospital and a 52-licensed bed inpatient rehabilitation hospital known as Roosevelt Warm Springs Rehabilitation Hospital, located in Warm Springs, Georgia; and (3) manages the clinical operations associated with the Medical College of Georgia ("MCG") at Augusta University ("Augusta University");

WHEREAS, the Board of Regents oversees the 26 public colleges and universities that comprise the University System of Georgia (the "USG"), which includes MCG at Augusta University;

WHEREAS, from time to time the Board of Regents directly or indirectly appoints certain members of the board of directors of AUHS (the "AUHS Board"), of which currently four AUHS Board members are Regents;

WHEREAS, the Board of Regents is the owner of certain real property comprising approximately 90% of the facilities of AUMC and located on the Augusta University campus and, pursuant to that certain Master Lease Agreement, the Board of Regents leases certain facilities to AUHS and AUMC for a term ending July 1, 2065;

WHEREAS, the AUHS Board has determined that it is in the best interest of AUHS and the Georgia healthcare industry at large for AUHS to enter into a merger or acquisition with a potential strategic partner (the "Strategic Acquisition");

WHEREAS, the AUHS Board, with the help of Ponder & Co. (a consulting firm with proven healthcare expertise and extensive experience advising on similar transactions) determined that the best potential partner for the Strategic Acquisition would be Wellstar Health System, Inc. ("Wellstar");

WHEREAS, the AUHS Board directed its management to enter into exclusive negotiations with Wellstar to further negotiate and finalize a letter of intent with Wellstar (the "LOI"), which such LOI was finalized and executed on December 27, 2022 (effective as of December 28, 2022) and contemplated further discussion between the parties to develop terms and conditions for a potential business transaction pursuant to which Wellstar would become the sole corporate member of AUHS (the "Transaction");

WHEREAS, pursuant to the LOI, the Board of Regents believes that the proposed Transaction will (1) support and enhance the commitment to the provision of high-quality health care services locally and throughout the State of Georgia and better provide health care services to underserved populations; (2) expand the clinical platform, including a new state-of-the-art hospital in Columbia County, using the newest technology and equipment to prepare future healthcare professionals to practice in the changing healthcare environment; (3) support the vision of MCG, allowing it to carry out and expand its health science educational missions and objectives; and (4) provide resources to enhance the recognition of Augusta University as a best-in-class research university;

WHEREAS, the entities or the subsidiaries thereof that comprise the AUHS System, as applicable, will transfer certain real property to the Board of Regents in furtherance of the Transaction;

WHEREAS, the AUHS Board's evaluation of the Transaction concludes that the Transaction will provide significant and material quantitative and qualitative benefits to the community served by the USG;

WHEREAS, the Board of Regents believes that, as a result of the proposed Transaction, all levels of care will be better coordinated, resources will be more efficiently utilized, and the USG will be able to provide improved access to high quality health care to the residents of the State of Georgia;

WHEREAS, in connection with the Transaction, the Board of Regents has been presented with that certain (1) Master Affiliation Agreement, by and between the Board of Regents, AUHS and Wellstar (the "MAA"), (2) Cooperation Agreement, by and between the Board of Regents, AUHS and Wellstar, in substantially the form attached hereto as Exhibit "A" (the "Cooperation Agreement") and (3) such other related agreements, including those set forth at Schedule 1 attached hereto (together with the MAA, the "Transaction Documents");

WHEREAS, the Board of Regents has carefully considered and understands the Transaction Documents and the transactions contemplated thereby;

WHEREAS, the Transaction is subject to regulatory review, including but not limited to that by the Georgia Attorney General pursuant to OCGA §§ 31-7-401 through 31-7-412 (the "GA Code") and the requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended and the rules and regulations promulgated thereunder (the "HSR Act");

WHEREAS, pursuant to the GA Code, AUHS and its respective affiliates must submit certain information to the Georgia Attorney General (the "AG Filing");

WHEREAS, AUHS may not execute the Transaction Documents prior to the Attorney General's review of the Transaction and issuance of a report of findings in accordance with the GA Code;

WHEREAS, contingent upon the completion of the AG Filing and upon the issuance of a favorable Report of Findings by the Georgia Attorney General, and satisfaction of all other necessary regulatory review, the Board of Regents deems it to be advisable and in the best interests of the Board of Regents and in furtherance of the above-stated objectives and observations, to enter into the Transaction Documents and desires to approve in all respects the form, terms, provisions and performance of, and the transactions and obligations contemplated by, the Transaction Documents on behalf of the Board of Regents;

WHEREAS, the Board of Regents has carefully considered and understands the Cooperation Agreement and the transactions contemplated thereby; and

WHEREAS, the Board of Regents deems it to be advisable and in the best interests of the Board of Regents and in furtherance of the above-stated objectives and observations, to enter into the Cooperation Agreement.

NOW THEREFORE, THE BOARD HEREBY RESOLVES AS FOLLOWS:

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the Transaction, in substantially the same terms and conditions as set forth in the Transaction Documents, is hereby approved, ratified and affirmed by the Board of Regents.

FURTHER RESOLVED, that contingent upon the completion of the AG Filing and upon the issuance of a favorable Report of Findings by the Georgia Attorney General, and the satisfaction of other applicable legal findings, the entry into, execution, delivery and performance by the Board of Regents of the Transaction Documents and consummation of the transactions contemplated thereby are hereby confirmed, authorized and approved in all respects and, accordingly, that the Board of Regents enters into, executes and delivers the Transaction Documents and perform its obligations thereunder.

FURTHER RESOLVED, that the Chancellor of the Board of Regents and/or his designee(s) (each, the "Authorized Person"), is hereby authorized on behalf of the Board of Regents (1) to negotiate and execute the Transaction Documents, including all exhibits and schedules attached thereto and with any modifications (including, without limitation, any additions, deletions or changes to any schedules or exhibits thereto) that such Authorized Person may deem necessary or appropriate to effect the consummation of the Transaction Documents, (2) to negotiate and execute the Cooperation Agreement in substantially the same form as presented to the Board, including all exhibits and schedules attached thereto and with any modifications (including, without limitation, any additions, deletions or changes to any schedules or exhibits thereto) that such Authorized Person may deem necessary or appropriate to effect the consummation of the Cooperation Agreement, (3) execute and deliver such documents, certificates, instruments, and other agreements as such Authorized Person may deem necessary or appropriate to consummate the Transaction Documents and the Cooperation Agreement (such items, together with the Transaction Documents, the "Authorized Documents") (with the execution and delivery of each Authorized Document by such Authorized Person constituting conclusive evidence as to the determination of such Authorized Person that such modifications of the Authorized Documents are necessary or appropriate to effect the consummation of the Authorized Documents), (4) to take action and execution of documents as such Authorized Person may deem necessary or appropriate to consummate or accept real property in furtherance of the Transaction, and (5) to pay or cause to be paid on behalf of the Board of Regents such fees and expenses, in each case as may be necessary or advisable in order to carry out and comply with the terms and provisions of the foregoing resolutions.

FURTHER RESOLVED, that each Authorized Person is hereby authorized and directed to take such action from time to time on behalf of the Board of Regents as such Authorized Person may deem necessary, advisable or proper to carry out and perform the obligations of the Board of Regents under the Authorized Documents, including but not limited to the performance of all actions necessary to negotiate and deliver all agreements and documents necessary to close the Transaction consistent with the terms set forth in the Transaction Documents.

FURTHER RESOLVED, that any action heretofore taken or deed done by any Authorized Person, and any person or persons designated and authorized to act by an Authorized Person, to facilitate the actions contemplated by these resolutions is hereby approved, ratified, confirmed and adopted, and such Authorized Person is authorized to take and do such further acts and deeds, and to execute and deliver, for and in the name of the Board of Regents, such other agreements, documents, papers, and instruments as such Authorized Person deems to be necessary, appropriate, advisable or required in order to effectuate the purpose and intent of these resolutions and to consummate the actions contemplated by these resolutions and the Authorized Documents and the taking of any such acts and deeds, and the


execution and delivery of any such agreements, documents, papers and instruments are hereby approved, ratified, confirmed and adopted.

General Authority

RESOLVED, that the Authorized Persons be, and hereby are, authorized and directed to take any and all actions, execute any and all documents, agreements and instruments, make any and all filings and expenditures and take any and all steps deemed by them to be necessary, desirable or appropriate in order to carry out the purpose and intent of and to consummate any of the actions contemplated by any of the foregoing resolutions in the name of and on behalf of the Board of Regents.

RESOLVED, that the Chair of the Board of Regents is hereby authorized to certify true copies of the foregoing resolutions, as well as any other documents and papers which may from time to time be necessary, proper or convenient to be delivered in connection with the Transaction Documents and to attest signatures of any officer executing and delivering the Transaction Documents, and any related agreements approved in the foregoing resolutions.

PASSED, ADOPTED, SIGNED, APPROVED AND EFFECTIVE this 31st day of March 2023.



HAROLD REYNOLDS
Chair, Board of Regents of the University System of Georgia