

**BEAUFORT MEMORIAL HOSPITAL BOARD OF TRUSTEES OPEN SESSION
MEETING MINUTES
WEDNESDAY, DECEMBER 8, 2021
4:35 P.M. – BOARD ROOM**

Mr. LaBruce made a motion, which was seconded by Mr. Himmelsbach, for the Board of Trustees (the "Board") of Beaufort Memorial Hospital (the "Hospital") to go into open session. Such motion was unanimously approved.

The following Trustees were present:

1. Vernita F. Dore
2. Stephen F. Larson, M.D. (Secretary)
3. William Himmelsbach (Vice-Chair)
4. Eric Billing, M.D.
5. E. Richardson LaBruce
6. David House (Chairperson)

Jane Kokinakis, D.O. was absent.

Mr. David House, as Chairperson, then re-confirmed that a quorum of the Board was present, with all such Trustees participating via Zoom. Mr. House advised the Board that the open session was to address the proposed new compensation for Mr. Russell Baxley which was listed as an agenda item for the Board meeting.

Mr. House introduced Don Meyer of Moore & Van Allen PLLC, as outside corporate counsel for the Hospital. Mr. Meyer participated, through Zoom, in the open session.

Mr. Meyer reviewed with the Board the requirements for the Trustees and Mr. Baxley to qualify for the IRS rebuttable presumption protection against the imposition of excise taxes. Mr. Meyer then reviewed the proposed compensation for Mr. Baxley, including but not limited to, changes from Mr. Baxley's current compensation, and a one-time supplemental bonus in addition to his incentive bonus.

Mr. Meyer advised the Trustees that Mr. Jeff Sprague, a Senior Consultant with SullivanCotter, provided comparable key executive compensation information in a written report to the Hospital related to the financial aspects of the proposed compensation for Mr. Baxley. Mr. Sprague has also provided fair market value confirmation and a certification required for rebuttable presumption protection on behalf of the Trustees and Mr. Baxley. Mr. Himmelsbach pointed out that the Hospital has historically used SullivanCotter, because of its expertise and quality, for such fair market value opinions and the Board does not seek to procure opinions from multiple sources to "shop around."

A motion was made by Mr. LaBruce to approve the new compensation and bonuses for Mr. Baxley, which was seconded by Mr. Himmelsbach. No Trustee had a conflict of interest on voting on the motion. The motion was approved unanimously.

A motion was made by Mrs. Dore to adjourn the meeting, which was seconded by Dr. Billig. The motion to adjourn was approved unanimously.

Signature: _____

Name: Stephen F. Larson, M.D.

Title: Secretary of Board of Trustees

Date: December 8, 2021