

KAIROS HEALTH ARIZONA, INC.

**Minutes of the Meeting of the Board of Directors
August 28, 2018**

A meeting of the board of directors of Kairos Health Arizona, Inc., was held on August 28, 2018 at 333 East Osborn Road, Suite 300, Phoenix, AZ 85012.

Members present: Lana Berry
Sandy Cooper
Rudy Rodriguez

Members absent: David Tharp

Staff present: John Ashton: Ashton Tiffany, LLC
Mike Tiffany: Ashton Tiffany, LLC
Tracy Foss: Ashton Tiffany, LLC
Jennifer Darnall: Ashton Tiffany, LLC
Tanya Edwards: Ashton Tiffany, LLC
Jennifer Gabriel: Ashton Tiffany, LLC
Lori Jundt: Ashton Tiffany, LLC
Jeremy Larson: Ashton Tiffany, LLC
Tara Zika: Ashton Tiffany, LLC
Peter Gregory: Ashton Tiffany, LLC
Norm Hall: Ashton Tiffany, LLC
Wes Gates: Ashton Tiffany, LLC
Hannah Olson: Ashton Tiffany, LLC
Ken Muth: BCBSAZ
Tom Marreel: MSI
Terri O'Brien: MSI
Scott Iwanowski: MSI
Tom Palmer, Claremont Capital
Patrick Kohnen, Claremont Capital

A. Opening of the Meeting

1. Call to order

Rudy Rodriguez called the meeting to order at 12:06 p.m.

2. Welcome visitors

There were no visitors present.

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B. General Business

1. A motion was made to approve the agenda for August 28, 2018.

Sandy Cooper, moved
Lana Berry, seconded
Motion passed

2. A motion was made to approve the regular minutes from June 14, 2018.

Lana Berry, moved
Sandy Cooper, seconded
Motion passed

3. Management report

The following items were discussed in the management report:

- Kairos first year reflection;
- wellness update;
- educational videos;
- marketing update on industry events and branding workshops;
- plan material distribution;
- the 2017/2018 annual report;
- board of directors manual;
- Association of Governmental Risk Pools fall conference; and
- future meeting schedule.

4. Financial report

Lori Jundt presented preliminary financial statements as of and for the period ended July 31, 2018. She also advised that the year-end statements were under review and would be presented as part of the financial audit at the annual meeting of the board.

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C. Old Business

1. Approval of contribution guidelines

Tracy Foss provided an update on the proposed corporate contribution guidelines for requests from members and vendor partners seeking financial support for various causes. She noted that staff was proposing a maximum annual contribution of \$12,000—as stated in the Kairos authority matrix—with no applicant or organization to be allocated more than 20% of the annual contributions budget.

A motion was made to approve the contribution guidelines.

Lana Berry, moved
Sandy Cooper, seconded
Motion passed

D. New Business

1. Discussion and approval of vacancies and appointment of board directors

John Ashton addressed current board representation. He requested that the board consider: (1) filling the vacancies on the board under Tier 1 and Tier 2; (2) increasing the authorized number of directors in Tier 1 to preserve the classes of the directors; and (3) nominating the directors in the Tier 1 position for re-election at the upcoming annual meeting of the members.

A motion was made to approve filling the vacancies under Tier 1 and Tier 2 with Mr. Jeff Gadd and Mr. Chris Knutsen, respectively.

The motion further included an increase in the number of authorized directors in Tier 1, and the appointment of Dr. Michael Wright to the newly expanded tier.

Finally, the motion included nomination of all directors in Tier 1 positions for re-election at the annual meeting of the members.

Mr. Ashton then clarified that the new appointments would be effective as of August 29, 2018.

Lana Berry, moved

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Sandy Cooper, seconded
Motion passed

2. Discussion of 2019/2020 plan design and benefit offerings

Tanya Edwards presented the proposed 2019/2020 plan design and benefit offerings for the board to begin reviewing. No formal board action was taken. Ms. Edwards advised that staff will present formal recommendations for approval at the next board meeting.

3. Discussion and approval of Kairos investment policy statement

Lori Jundt presented the Kairos investment policy statement, which governs the investment of funds for Kairos. She advised that the statement is reviewed annually, and that there were no recommended revisions at this time.

A motion was made to approve the Kairos investment policy statement.

Lana Berry, moved
Sandy Cooper, seconded
Motion passed

4. Discussion and approval of KIP investment policy statement

Lori Jundt presented the Kairos Investment Pool (KIP) policy statement, which governs the investment of funds for KIP. She advised that the statement is reviewed annually, and that there were no recommended revisions at this time.

A motion was made to approve the KIP investment policy statement.

Lana Berry, moved
Sandy Cooper, seconded
Motion passed

5. Discussion and approval of KIP participation agreement

Lori Jundt presented two amendments to the Kairos Investment Pool (KIP) participation agreement. She advised that staff was recommending that: (1) Kairos invest funds received in excess of current cash flow needs in the short-term investment account; and (2) Kairos make automatic withdrawals from a member's KIP account to satisfy the member's self-funded obligation or pay any delinquent premiums.

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A motion was made to approve the amendments to the KIP participation agreement.

Lana Berry, moved
Sandy Cooper, seconded
Motion passed

E. Executive Session

A motion was made to enter executive session at 1:38 p.m.

Sandy Cooper, moved
Rudy Rodriguez, seconded
Motion passed

Items discussed during executive session included:

1. review of the minutes of the June 14, 2018 executive session; and
2. update on the private letter ruling.

A motion was made to exit executive session at 1:54 p.m.

Sandy Cooper, moved
Lana Berry, seconded
Motion passed

F. Open Session

1. A motion was made to approve the minutes of the June 14, 2018 executive session.

Sandy Cooper, moved
Lana Berry, seconded
Motion passed

2. A motion was made directing the Executive Director of Kairos Health Arizona to cease all efforts related to the pursuit of a private letter ruling.

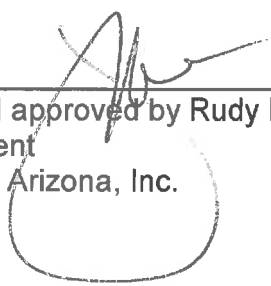
Lana Berry, moved
Sandy Cooper, seconded
Motion passed

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G. Adjournment

A motion was made to adjourn the meeting at 1:58 p.m.



Received and approved by Rudy Rodriguez
Board President
Kairos Health Arizona, Inc.