

**Minutes and Other Documents Evidencing the Decision of the Board of WDH;
Steps for Complying with RSA 7:19-b, II(g)**

**WDH Deliberation Process Leading to Decision to
Enter Into Proposed Affiliation with Exeter Health Resources, Inc. and Exeter Hospital**

Effective January 1, 2017, Wentworth-Douglass Hospital (“WDH”) entered into an affiliation with MGH (the “MGH-WDH Affiliation”) whereupon MGH became the sole member of WDH. The Boards of Wentworth-Douglass Health System (“WDHS”) and Wentworth-Douglass Hospital (“WDH”) undertook extensive due diligence on that proposed affiliation. At that time, the WDH Board fully anticipated the likelihood that MGH would expand its footprint in the Seacoast area in the future. One of the express tenets of the joint vision and goals of the MGH-WDH Affiliation was for WDH to become the “first MGH anchor in New Hampshire and Maine and the principal anchor in the Seacoast Region.” Thus, in entering into the MGH-WDH Affiliation, the WDH Board was fully aware that it was becoming part of a larger health system with the vision of transforming care in the Seacoast Region and, as discussed further herein, had already favorably contemplated a relationship with EHR.

Accordingly, the Board’s due diligence with regard to the proposed affiliation with EHR (the “Proposed Affiliation”) focused on ensuring that WDH would be appropriately represented under the newly proposed governance structure, that the Proposed Affiliation with EHR would be consistent with its mission and that it would be in the best interest of the communities WDH serves. In reaching its conclusion to support the Proposed Affiliation, the WDH Board relied upon its own positive experience of being a member of the MGH family. Without limiting the foregoing, since the MGH-WDH Affiliation, WDH has implemented expanded clinical partnerships with MGH enabling the provision of new, higher acuity, clinical services in the Seacoast, cost savings through system services including purchasing supplies and pharmaceuticals, and access to improved IT systems. The WDH Board also worked with expert consultants, McKinsey & Company, to assist in evaluating the Proposed Affiliation. Through this process, the WDH Board concluded that the Proposed Affiliation with EHR would allow the provision of better care to patients in the Seacoast region than either organization could provide independently. McKinsey assisted the WDH Board in identifying a number of specific opportunities for enhanced collaboration including the delivery of more acute, high-risk services locally, the establishment of a Level 2 NICU at WDH, and the ability to create a single IT platform to participate in population health initiatives.

WDHS played a significant role in the negotiation process on behalf of WDH. Prior to entering into MGH-WDH Affiliation in 2017, WDHS was the parent organization and sole member of WDH. After that affiliation, WDHS remained in place to provide oversight to the integration process and to enforce the Governance Agreement for a three year period expiring on December 31, 2019 and one option to extend for an additional three years to December 31, 2022.

When WDHS was informed by MGH of pending discussions with EHR, it exercised its option to extend. The potential addition of EHR and the creation of the regional network was first presented to the WDHS Board at a meeting held on December 4, 2017. The WDHS Board was informed that EHR had contacted MGH about a potential acquisition. MGH immediately consulted with WDH and confirmed WDH's interest in pursuing discussions with EHR about the Proposed Affiliation. The WDHS Board heard a presentation on the proposal made by EHR to MGH, including benefits, challenges, and organizational models. The WDHS Board then discussed the advantages and disadvantages to WDH of the Proposed Affiliation including: (i) the resources necessary to evaluate the opportunity, (ii) the differences and synergies in the cultures of WDH and EHR, (iii) the impact on other WDH initiatives, (iv) the services WDH would want to retain and enhance, (v) and how conversations would evolve with various audiences. Following these discussions, the WDHS Board agreed to continue discussions with MGH and EHR.

The WDHS Board engaged outside legal counsel, Horthy, Springer & Mattern, P.C. ("Horthy Springer") to provide ongoing assistance regarding the terms and conditions of the Proposed Affiliation. WDHS also appointed a five-person negotiating committee who, along with Horthy Springer, took an active role in negotiation meetings with MGH, EHR and WDH, representing the interests of the communities served by WDH with an aim to assuring that commitments made by MGH in its Governance Agreement with WDH would be fulfilled.

Discussions among MGH, WDH, WDHS and EHR continued in 2018. Board leaders from MGH, WDH, WDHS and EHR were brought together on March 28, 2018. Attendees discussed potential goals and synergies for a NH-based regional healthcare system.

At a meeting on April 2, 2018, the WDHS Board looked at the strategic advantages, potential risks, and areas for clinical alignment in connection with the formation of a regional network with EHR. Also at the meeting, the WDHS Board heard a presentation on the historical connection between WDH and Exeter Hospital ("EH"). In 2013, WDHS had considered EH as the best potential local partner for a local strategy because EHR is a well-regarded and substantially sized healthcare system, its location in the center of Seacoast Region is in a strategically attractive marketplace, it was actively developing a collaborative relationship with MGH, its geographic proximity makes it a viable local partner in a regional strategy, and affiliation with EHR will provide opportunity to reduce costs through operational and clinical economies of scale. These factors make EHR an attractive candidate for affiliation in 2018.

At its May 7, 2018 meeting, the Board of WDH voted to enter into the Letter of Intent with EHR and MGH. WDHS joined in that Agreement with respect to provisions that affected it.

At an August 6, 2018 meeting, the WDHS Board examined an outline of terms for the definitive Affiliation Agreement and provided feedback. Due diligence among the parties and preliminary service line planning was occurring in parallel with negotiation of the terms of the

Affiliation Agreement. On May 31, 2018, WDH and MGH requested that EHR provide documents and information in several categories, including corporate organization and governance, tax and finance matters, compliance, regulatory and payer matters, physician agreements and other contracts, insurance matters, medical staff and other personnel, material litigation, quality and safety, and population health management (the “Due Diligence Request List”). A copy of the Due Diligence Request List is attached as **Exhibit A**. WDH began the process of reviewing and evaluating the responses to the Due Diligence Request List in September 2018.

Also at that time, a term sheet was developed among counsel for each of WDH, MGH, and EHR. Negotiating teams for each of the parties to the Proposed Affiliation met and started to negotiate terms for a definitive affiliation agreement (the “Affiliation Agreement”). The first meeting of the parties’ respective Negotiating Committees was held on September 25, 2018. The Negotiating Committee’s met numerous times over the course of the next several months before reaching agreement on the final terms of the Affiliation Agreement. On October 23, 2018, members of the WDH, WDHS and EH Executive Committees met to discuss an issue of particular concern, selecting a proposed governance structure for the regional network that would ensure adequate community representation and participation.

On March 4, 2019, the WDH Board voted unanimously to enter into the Affiliation Agreement with MGH and EHR. The WDHS Board also unanimously approved entering into the Affiliation Agreement at a separate meeting on March 4, 2019.

WDH Board minutes supporting the Board’s decision as required under NH RSA 7:19-b are attached as **Exhibit B**. Additional minutes evidencing the WDH Board’s exercise of due diligence as well as minutes evidencing the WDHS Board’s consideration of the transaction are submitted under separate cover and marked as “CONFIDENTIAL.”

Steps for Complying with RSA 7:19-b, II(g)

WDH took several measures to ensure that reasonable public notice of the proposed Affiliation and its terms were provided to the residents of the Seacoast Community and its various stakeholders. On May 15, 2018, a joint press release from the parties announced that WDH, MGH, and EHR entered into the Letter of Intent with respect to the proposed Affiliation. (See **Exhibit C**). Also on May 15, 2018, Gregory J. Walker, President and CEO of WDH issued a memorandum to all WDH employees and medical staff announcing the signing of Letter of Intent and describing the proposal to develop a new regional network. (See **Exhibit D**). Mr. Walker also attended five (5) employee open forums and met with the WDH Medical Executive Committee and attended a Wentworth Health Partners All Provider Meeting for the purpose of discussing the proposed Affiliation.

WDH (together with EHR and MGH) provided joint notice to the public of two community forums held at EH on October 2, 2018, and at WDH on October 9, 2018. They ran

half-page advertisements in the Seacoast area newspaper, *Foster's Daily Democrat*, on October 2, 2018, and October 4, 2018. (See **Exhibit E**). The advertisements gave a brief description of the proposal to develop a regional network.

Additionally, WDH promoted the October 9, 2018 community forum on its website calendar, and posted on social media about the forums on its Facebook page on September 27, 2018 as well via Twitter on both September 27 and October 2, 2018 (See **Exhibit F**).

WDH sought input from the Seacoast community to inform the WDH Board's deliberations about the Proposed Affiliation. The Proposed Affiliation was the subject of two (2) community forums, one held on October 2, 2018 at EH and the second held on October 9, 2018 at WDH. At the October 9, 2018 community forum held at WDH, approximately 75 guests attended, representing the following towns: In New Hampshire—Barrington, Dover, Durham, Exeter, Greenland, Hampton, Madbury, Manchester, New Castle, Newfields, Newington, North Hampton, Newmarket, Portsmouth, Rochester, Somersworth, Strafford, and Wolfeboro; and in Maine—Berwick, Eliot, Old Orchard Beach, and South Berwick; and in Massachusetts—Boxford, Lincoln, and Waban. The presentation slides from the WDH community forum are attached as **Exhibit G**. There was overall positive feedback from the community forum in response to the presentation on the Proposed Affiliation. Following the public forums, the WDHS and WDH Boards reviewed the feedback. WDHS continued its deliberations regarding the terms of the Affiliation Agreement after first reviewing and considering the feedback from the community forums.