ATTACHMENT 6

KaufmanHall

EXETER HEALTH RESOURCES
The Art of Wellness

January 4th Board Primer

January 4, 2022 | Exeter, New Hampshire

January 4th Schedule & Attendees

7:30am – 9:00am	BILH Presentation
…	
9:30am – 11:00am	[redacted] Presetnation
…	
11:00am – 1:00pm	Exeter Board Debrief, Deliberation & Preliminary Decision(?)

Beth Israel Lahey Health

Attendees:

- Ann-Ellen Hornidge, JD | Board of Trustees, Chair
- Kevin Tabb, MD | President & CEO
- Michael Rowan | EVP Hospital/Ambulatory Services
- John Kerndl | EVP and CFO
- Peter Shorett | Chief Strategy & Integration Officer
- Jamie Katz | Chief General Counsel
- Dick Nesto, MD | Chief Medical Officer

[redacted]

Attendees:

- [redacted] | Board, Chair-[redacted]
- [redacted] | Board, Chair-[redacted]
- [redacted] | President and CEO
- [redacted] | EVP, Treasurer & CFO
- [redacted] | EVP, Chief Human Resources Officer
- [redacted] EVP, Chief Strategy & Growth Officer
- [redacted], MD | Chief Physician Executive
- [redacted] | EVP, General Counsel
- [redacted] | VP, Strategy and Growth [redacted] | President, [redacted]
- [redacted] | President & CEO, [redacted]
- [redacted] | CEO, [redacted]
- [redacted] | EVP, Chief Integration Officers
- [redacted] Chief Information & Digital Officer
- [redacted] | Manager of Business Analytics

Contents & Preliminary Agenda for Debrief Session

1. Board Discussion and Deliberation

2. Next Steps

A. Appendix
- Strategic Partnership Goals & Objectives
- Summary of Partner Interaction Workstreams
- Letter of Intent Summary
- Membership Substitution Model & Illustrative Org Charts
- Capital Commitment Analysis
- Overview of Key BILH and [redacted] Obligated Group Provisions
- November 8th/9th Site Visit Presentations to Exeter Executive Committee and Management

Board Discussion and Deliberation

Meeting Objectives

Objective #1	**Debrief from the finalist presentations, address outstanding questions and/or concerns, and prioritize next steps**
Objective #2	**Discuss key leadership takeaways from the 5 interaction workstreams conducted with both BILH and [redacted] during the current phase of the process**

The purpose of the meeting is to align on the approach for the Executive Committee and Management Team to pursue negotiations of a final Letter of Intent(s) to be approved at the January 28th Board Meeting

A Successful Partnership Should Achieve Exeter's Goals & Objectives

1. 
   Mission and Culture
2. 
   Strategy & Long-term Vision
3. 
   Clinical
4. 
   New Care Models and Quality
5. 
   Information Technology
6. 
   Physicians and Employees
7. 
   Financial Sustainability
8. 
   Branding
9. 
   Governance

Each potential partner should be evaluated in its compatibility with Exeter's mission/culture, and in how the partner proposes to achieve each of the essential goals & objectives

Illustrative Board Deliberation Questions

Question #1

Did the finalists articulate a clear vision for a partnership with Exeter and, specifically, the anticipated benefits to the community?

Question #2

What are the key differentiating factors between the BILH and [redacted]? Tradeoffs?

Question #3

In the Board's view, do the parties sufficiently align with our Partnership Goals & Objectives? Has a clear leading candidate emerged?

Question #4

Are there specific topics that warrant additional follow-up and/or consideration?

Preliminary Evaluation Grid

Beth Israel Lahey Health

Kaufman Hall View: Alignment Evaluation

Beth Israel Lahey Health

Mission and Culture	Alignment	Supporting Rationale
Community Focused, Mission Driven and Commitment to Exeter Region	High	Exeter would be the platform for a New Hampshire strategy to locally deliver and manage the full continuum of physical and behavioral health as a "first-tier" member of the BILH
Cultural Alignment	Moderate/ High	• Alignment of Exeter values with BILH Foundational Commitments (providing extraordinary care close to where patients live/work, strengthening local community-based care, investing in transformative research/education, keeping patients healthy in their communities, and containing rising care costs). • Range of moderate-to-high alignment exists across various dimensions

Strategy & Long-Term Vision	Alignment	Supporting Rationale		
Scalable Infrastructure for Population Health Management & Affordable Value-Based Accountable Care	High	**Beth Israel Lahey Health Performance Network ("BILHPN")** *Clinically integrated network including physicians (~4.6k), clinicians, and hospitals*		
		Purpose: comprehensive population health services, data analytics, and risk-based contracting infrastructure	**Annual Investment** $25M	**Dedicated FTEs** 160
Sustainability, Disruption Preparedness, and Innovation	High	**Health Technology Exploration Center ("HTEC")** *Department focused on exploring new, innovative, technology to evaluate scalability across BILH*	Collaborations with **Amazon** & **Google** to optimize processes and improve quality	

Clinical	Alignment	Supporting Rationale		
Sustain and Expand Breadth and Depth of Services Locally	High	**Community Hospital IP Discharges Increase:** • BID-Plymouth: 41% • BID-Milton: 36%	**Case Mix Index Increased** • Largest community hospitals observed 4% uptick (FY18 – FY21)	**Community Hospital Capabilities** • Examples: Advanced CV Care, Interventional Cardiology, Thoracic Surgery, Urology, GYN Oncology, Robotic Surgery
Access to High Quality Healthcare	High	**CMS Star Rating** *60% of BILH Hospitals Received a 5-Star Rating*	**Leapfrog** *80% of BILH Hospitals received an "A"*	**Joint Commission** *70% "Top Performer"*

Kaufman Hall View: Alignment Evaluation *(continued)*

New Care Models & Quality	Alignment	Supporting Rationale		
Value-Based Care Infrastructure & Pop Health Expertise	Moderate	**Covered Lives**	**Global Risk Budget**	**MSSP Performance**
		472K	$3.5B	$25.7M Savings ('20)
Consumer Strategy	Moderate	**Convenience** and **access to local care**: 75% of Eastern MA is within 5 miles of a BILH PCP	**Digital Front Door:** investments in system-wide online/mobile scheduling	

Information Technology	Alignment	Supporting Rationale	
IT Resources & EMR Implementation	High	**EMR Platform**	**Other Systems**
		Epic to be extended to all Exeter Facilities & Providers Implementation Timing: 24 months	• Workday • Office 365
Data and Business Analytics	High	**Data Connect:** data warehouse integrating data from 155 clinical feeds to improve quality, benchmarking, reporting capabilities, and VBC opportunities	

Physicians & Employees	Alignment	Supporting Rationale		
Recruitment & Retention Efforts	High	**PCP Recruitment Efforts**		**Retention Efforts**
		21% increase *(FY16 – FY19)*	• 430 Employed PCPs • 150 APPs	• 1.7% attrition (2021) • 8% PCP growth since COVID
Environment for Professional Development	Moderate	**Destination Employer** BILH strives to provide employees multiple career ladders, offering organizational longevity	**Leadership Model** 1. **Emotional Intelligence:** addresses 75% of issues 2. **Psychological Safety:** comfortable being one's true self 3. **Culture:** learning environment	
Provider Alignment & Collaboration	High	**Clinically Integrated Network – BILHPN**		**Pluralistic Medical Staff**
		• Beth Israel Performance Network ("BILPHN") serves as the joint contracting and population health network for BILH • ~4,600 Providers • 800+ PCPs		• ~6,500 active physicians on medical staff • ~2,500 employed (~1,300 HMFP) • Exclusive affiliation agreement with HMFP • Extensive resources available to providers regardless of employment status

Kaufman Hall View: Alignment Evaluation *(continued)*

Financial Sustainability	Alignment	Supporting Rationale				
Long-term Sustainability & Economies of Scale	High	**Revenue[1]**	**3 Yr. Revenue CARG[1]**	**Op. EBIDA[1]**	**Op. EBIDA Margin[1]**	**Days Cash on Hand[1]**
		$6.3B	23.8%	$335.5M	5.3%	189
Access to Capital	High	**Credit Rating[1] (M / S / F)**	**Unrestricted Cash[1]**	**Cash to Debt[1]**	**Debt to Capitalization[1]**	**MADS Coverage[1]**
		A3 / A / -	$3.1B	212%	38.0%	2.9X
Treatment of Board Designated Funds	Moderate	• In coordination with the BILH system, Exeter's Board and Executive Leadership will have a central role in determining the use of all existing Board Designated funds • $2M annual local community benefit allocation determined by Exeter Board & Leadership				

Branding	Alignment	Supporting Rationale
Brand Reputation/Differentiation	High	*To be reviewed separately at the January 20th Board Meeting with supplemental data*
Local Brand Continuity	High	• Exeter to maintain legacy name while adding a co-branded BILH component

Governance	Alignment	Supporting Rationale
Board Representation & Continuity	High	• Exeter to appoint one representative to BILH Board for period of 6 years following closing • Continuation of Exeter Board with addition of one BILH representation
Governance Philosophy & Local Influence	High	• Philosophy and structural approach to foster engagement among local and system Trustees • Trustees of the Exeter Board will have the opportunity to participate on BILH Board committees in a manner similar to other "first-tier" entities

Source: (1) Audited Financials, Moody's, S&P

Preliminary Evaluation Grid

[redacted]

Kaufman Hall View: Alignment Evaluation

[redacted]

Mission and Culture	Alignment	Supporting Rationale
Community Focused, Mission Driven and Commitment to Exeter Region	Moderate	Exeter platform for increased access to affordable care locally. Commitment to maintain facilities, clinical services, and programs for at least 10 years.
Cultural Alignment	Moderate/ High	• Mission driven organization to help people achieve better health and live their best lives, pushing the boundaries of what health care experiences can be. • Hardwiring a philosophy of servant leadership across the system, focused on "removing rocks" from caregiver's backpack. • Range of moderate-to-high alignment exists across various dimensions.

Strategy & Long-Term Vision	Alignment	Supporting Rationale	
Scalable Infrastructure for Population Health Management & Affordable Value-Based Accountable Care	Moderate	[redacted]	
		Critical Value-Based Care Support Services Offered: Medical Coding & Clinical Documentation Improvement, Referral Workflow & Management Support, Practice Advancement Consultants, Community Partnerships, Pharmaceutical Care & Cost Management, Behavioral Health Programs, Contracting & Payer Relations	
Sustainability, Disruption Preparedness, and Innovation	Moderate	**Pending and uncertain** [redacted]	**Subscale** relative to other systems in a highly-competitive area is a limiting factor

Clinical	Alignment	Supporting Rationale	
Sustain and Expand Breadth and Depth of Services Locally	High	**Distributed Academic Model** • Heart & Vascular: Surgical volumes +400% since 2017 at [redacted] • Intensivist: Volume & CMI increased significantly at [redacted] since 2017	**Clinical Services Growth Plan** • [redacted] • Develop an Ortho-focused ASC • Establish a Thoracic & Interventional Pulmonary program at Exeter
Access to High Quality Healthcare	Moderate	**CMS Star Rating** [redacted]	**Leapfrog** [redacted] *received "A"*

Kaufman Hall View: Alignment Evaluation *(continued)*

[redacted]

New Care Models & Quality	Alignment	Supporting Rationale			
Value-Based Care Infrastructure & Pop Health Expertise	High	**Covered Lives**	**MSSP Final Quality Score**	**PMPM Incentives**	[redacted]
		302K	92.2%	$21 – Commercial $30 – Medicare ACO	[redacted] & led by a pluralistic network of practitioners
Consumer Strategy	Moderate	Vision of frictionless experience for patients and clinical teams across the entire continuum by investing in a seamless digital experience – compelling, yet unproven approach			

Information Technology	Alignment	Supporting Rationale	
		EMR Platform	**Other IT Systems**
IT Resources & EMR Implementation	High	[redacted] – First organization to transition to Epic's cloud-based EMR Implementation Timing: 12 months	[redacted]
Data and Business Analytics	Moderate/ High	[redacted] data warehouse with the capability to connect to any source of data and conform the data to interoperability standards	

Physicians & Employees	Alignment	Supporting Rationale		
Recruitment & Retention Efforts	Moderate	**HR Centers for Excellence** Scale services at local level while maintaining system alignment	**Physician Recruitment** Centralized Physician Recruitment Efforts	**Employee Engagement** System-wide action planning efforts
Environment for Professional Development	High	**Leadership Development** • Specialized Physician Leadership Training • System-wide Leadership Competency Program to accelerate career trajectory		**Diversity, Equity & Inclusion** • "Blindspots" assessment • Alignment with leadership goals
Provider Alignment & Collaboration	High	[redacted] **Philosophy:** • Elevate the voice of physicians in decision-making • Sustain private and employed practices		**Pluralistic Medical Staff** [redacted]

Kaufman Hall View: Alignment Evaluation *(continued)*

[redacted]

Financial Sustainability	Alignment	Supporting Rationale				
		Revenue[1]	3 Yr. Revenue CARG[1]	Op. EBIDA[1]	Op. EBIDA Margin[1]	Days Cash on Hand[1]
Long-term Sustainability & Economies of Scale	Moderate	[redacted]	5.2%	[redacted]	4.0%	191
		Credit Rating[1] (M / S / F)	Unrestricted Cash[1]	Cash to Debt[1]	Debt to Capitalization[1]	MADS Coverage[1]
Access to Capital	Moderate	- / BBB+ / BBB+	$1.1B	125.0%	56.1%	2.3X
Treatment of Board Designated Funds	Low	• Proposal includes obligated group/[redacted] authority language – "system assets" philosophy • [redacted] to consider the recommendations from the Exeter Board regarding use of $20M • $2M annual local community benefit allocation determined by Exeter Board & Leadership				

Branding	Alignment	Supporting Rationale
Brand Reputation/Differentiation	Low/ Moderate	*To be reviewed separately at the January 20th Board Meeting with supplemental data*
Local Brand Continuity	Moderate	Combining overall appeal of [redacted] brand with the equity of the Exeter brand – Transition form [redacted] brand rollout remains TBD

Governance	Alignment	Supporting Rationale
Board Representation & Continuity	High	• Exeter to appoint two representative to [redacted], transitioning to one seat in 2024 • Continuation of Exeter Board
Governance Philosophy & Local Influence	Moderate	• Evolving philosophy as [redacted] transitions from holding company to operating company • Governance consultant on retainer to continue transition to governance best practice

Source: Audited Financials, Moody's, S&P

Next Steps

Preliminary Timeline of Near-Term Next Steps

	Activity	Timing
1.	Finalist Presentations and Board Deliberation • BILH: 7:30am – 9:00am • [redacted]: 9:30am – 11:00am • Deliberation/ Decision?: 11:00am – 1:00pm ***Direction given to Executive Committee and Leadership to negotiate LOI(s)***	***January 4th***
2.	Final LOI Negotiation led by Executive Committee & Management	***Early-Mid January***
3.	Locke Lord Update: Regulatory Process Overview	***January 20th***
3.	Formally Select Preferred Partner and Approve LOI Execution	***January 28th***
4.	Definitive Agreement Negotiation and Confirmatory Due Diligence	***February – April*** *(estimate)*

Appendix

Strategic Partnership Goals & Objectives

Strategic Partnership Goals & Objectives

1

Mission and Culture

- ***Ensure Exeter continues as a community focused*** *and* ***mission driven*** *organization* with a demonstrated long-term commitment to serve the evolving needs of the Exeter region
- ***Ensure cultural alignment*** with Exeter's core values continually emphasizing a steadfast commitment to service the community through access to the best possible healthcare for everyone

2

Strategy & Long-term Vision

- ***Enable Exeter to achieve scalable infrastructure and capabilities*** *required for rapid evolution and improved agility aimed at* ***enhancing population health management expertise*** *to ensure the delivery of* ***affordable value-based accountable care***
- *Position Exeter to enhance* ***long-term sustainability and disruption preparedness*** *through* ***consumer-focused innovation*** *and* ***transformational strategies***

3

Clinical

- ***Sustain, optimize and expand breadth and depth of scope of services*** provided locally in the service area, including (but not limited to) primary care, cardiology, vascular surgery, general surgery, gastroenterology, oncology, women's health, orthopedics, pediatrics and behavioral health
- ***Ensure access to high quality healthcare*** by enhancing sustainability of current programmatic offerings, supporting care network growth and regional access to expanded care, and improving virtual care capabilities

Strategic Partnership Goals & Objectives *(continued)*

4

New Care Models and Quality

- ***Provide value-based accountable care infrastructure and expertise*** to enhance clinical effectiveness and reduce costs through ***population health management*** and ***alternative payment models***
- ***Embrace the evolving quality, convenience and consumerism preferences*** of patients/consumers by accessing expertise to deploy related strategies in the communities served by Exeter and enhance patient engagement

5

Information Technology

- ***Provide Exeter with the IT resources and expertise*** to support the implementation of an integrated, leading, enterprise-wide IT strategy and EMR implementation by extending its own instance (or build) or by providing a new installation
- ***Enhance Exeter's data and business analytics capabilities*** required to support successful population health management and value-based care transformation driving improved health outcomes

6

Physicians and Employees

- ***Strengthen human capital by enhancing recruitment and retention*** of physicians, nurses, other providers and employees
- ***Provide an environment where Exeter employees can thrive;*** offering opportunities for professional development and long-term growth
- ***Continue the support of an aligned and engaged physician enterprise*** characterized by collaboration across the broader organization

Strategic Partnership Goals & Objectives *(continued)*

7

Financial Sustainability

- ***Ensure future long-term financial sustainability*** by accessing economies of scale and efficiencies to better manage the unit cost of delivering healthcare services and successfully deliver affordable care
- ***Enhance access to affordable capital*** to support future strategic investments, including commitments to the planned inpatient bed recapitalization project, and critical growth initiatives required for organizational evolution
- ***Ensure board designated and unrestricted funds*** held by Exeter may be spent only to advance the charitable purposes of Exeter for the benefits of the communities served by Exeter

8

Branding

- ***Achieve meaningful differentiation*** characterized by strong brand reputation that enhances and complements Exeter's existing brand
- ***Maintain an appropriate level of local branding*** for a period of time after completion of a transaction

9

Governance

- ***Maintain appropriate influence*** over local decisions and strategic direction to the extent possible considering partner commitments
- ***Seek partner demonstrating governance-management connectivity*** during transaction process
- ***Ensure appropriate governance-management connectivity*** with partner post-transaction

Summary of Partner Interaction Workstreams

WORKSTREAM #2: Peer-to-Peer Leadership Calls

WORKSTREAM #3: Community Hospital Virtual Meetings

WORKSTREAM #4: Board Reference Calls

WORKSTREAM #5: CEO / Board Chair Virtual Meetings

Overview of Partner Interaction Workstreams

Exeter leaders have dedicated 200+ hours to key partner interactions over the past two months

	Interaction	Key Objectives
#1	Partner Presentation & Exeter Site Visit	In-person meetings allowing Exeter's senior leadership and Board Executive Committee to increase familiarity with each organization – culturally, operationally, and strategically – via presentations detailing organizational overview, partnership vision, and ability to address Exeter's objectives *[November 8th/9th presentations from each party are included at end of Appendix]*
#2	Peer-to-Peer Leadership Calls	Calls among Exeter's and respective partner organization's subject matter leaders across 7 focus areas to develop a deeper perspective on how the partner organization operates
#3	Community Hospital Virtual Meetings	Virtual meetings allowing Exeter leadership to engage with management teams from community hospitals within the BILH and [redacted] systems with the goal of providing visibility into "life as a community hospital" within the broader system
#4	Board Reference Calls	Calls connecting Exeter's Executive Committee and CEO to board member counterparts at hospitals that previously joined BILH or [redacted] to better understand that hospital's rationale for partnership and experiences pre- and post-partnership with BILH or [redacted]
#5	CEO / Board Chair Virtual Meetings	Small group setting affording Exeter Board Chair and CEO the opportunity to engage with their peers at BILH and [redacted], respectively, with a particular emphasis on governance, leadership, and community commitment

WORKSTREAM #2:
Peer-to-Peer Leadership Calls

Overview: Peer-to-Peer Leadership Calls

Objective

To enable Exeter leaders, as subject matter experts, to identify the key characteristics of each organization that would differentiate each prospective party. These calls are not designed as a substitute for comprehensive due diligence

Deepen understanding of system philosophy and departmental structure/capabilities

Inform roles and responsibilities of each functional area within the system

Assess cultural compatibility across departmental areas within each organization

Peer-to-peer calls were conducted virtually throughout November and December with the Exeter management team connecting with counterparts at BILH and [redacted]

Peer-to-Peer Leadership Calls

Beth Israel Lahey Health

Date	Focus Area
11/15:	**Finance** *Exeter Lead: Allison Casassa*
11/15:	**Provider Organization** *Exeter Lead: Melanie Lanier*
11/16:	**Operations** *Exeter Lead: Deb Cresta*
11/16:	**Strategy** *Exeter Lead: Mark Whitney*
11/17:	**Hospital Physician/Provider** *Exeter Lead: Neil Meehan*
11/17:	**Human Resources** *Exeter Lead: Chris Callahan*
11/22:	**IT, Compliance & Security** *Exeter Lead: David Briden/ David Speilman*

[redacted]

Date	Focus Area
11/29:	**Finance** *Exeter Lead: Allison Casassa*
11/30:	**Operations** *Exeter Lead: Deb Cresta*
12/1:	**Strategy** *Exeter Lead: Mark Whitney*
12/2:	**Provider Organization** *Exeter Lead: Melanie Lanier*
12/7:	**Hospital Physician/Provider** *Exeter Lead: Neil Meehan*
12/8:	**Human Resources** *Exeter Lead: Chris Callahan*
12/14:	**IT, Compliance & Security** *Exeter Lead: David Briden/ David Speilman*

Peer-to-Peer Leadership Calls

Beth Israel Lahey Health

Focus Area	Date	Exeter Subject Matter Lead	BILH Attendees
Finance	11/15	Allison Casassa	• John Kerndl (CFO) • Rafael Hernandez (BILH Treasurer) • Peter Shorett (CSO)
Provider Organization	11/15	Melanie Lanier, DO	• Dr. Alexa Kimball (CEO, Harvard Medical Faculty Physicians) • Dr. David Longworth (Chair, BILH Primary Care; President, Lahey Hospital & Medical Center) • Dr. Betsy Johnson (CMO & SVP of Primary Care and Performance Network) • Peter Shorett (CSO)
Operations	11/16	Deb Cresta	• Marsha Maurer (SVP Patient Care Services at BIDMC) • Dr. Richard Nesto (EVP & CMO) • Michael Rowan (EVP for Hospital & Ambulatory Network) • Lina George (Chief Human Resources Officer) • Peter Shorett (CSO)
Strategy Formation and Implementation	11/16	Mark Whitney	• Peter Shorett (CSO) • John Kerndl (CFO)
Hospital Physician/ Provider	11/17	Neil Meehan, DO	• Dr. Richard Nesto (EVP & CMO) • Dr. David Longworth (Chair, BILH Primary Care; President, Lahey Hospital & Medical Center) • Dr. Betsy Johnson (CMO & SVP of Primary Care and Performance Network) • Dr. David Chiu (HMFP – VP Network Operations Emergency Medicine) • Dr. Timothy Liesching (CMO at Lahey Hospital & Medical Center) • Dr. Tenny Thomas (CMO at BID-Plymouth) • Peter Shorett (CSO)
Human Resources	11/17	Chris Callahan	• Lina George (Chief Human Resources Officers) • Peter Shorett (CSO)
IT, Compliance, Security, and Privacy	11/22	David Briden David Spielman	• Manu Tandon (Chief Information Officer) • Lori Dutcher (Chief Compliance Officer) • Mike Yamamoto (VP Cybersecurity) • Peter Shorett (CSO)

Note: Peer-to-Peer leadership calls are not intended a substitute for reverse due diligence

Peer-to-Peer Leadership Calls

[redacted]

Focus Area	Date	Exeter Subject Matter Lead	[redacted] Attendees
Finance	11/29	Allison Casassa	[redacted]
Operations	11/30	Deb Cresta	[redacted]
Strategy Formation and Implementation	11/1	Mark Whitney	[redacted]
Provider Organization	11/2	Melanie Lanier, DO	[redacted]
Hospital Physician/ Provider	12/ 7	Neil Meehan, DO	[redacted]

Note: Peer-to-Peer leadership calls are not intended a substitute for reverse due diligence

[redacted]

Peer-to-Peer Leadership Calls *(continued)*

Focus Area	Date	Exeter Subject Matter Lead	[redacted] Attendees
Human Resources	12/8	Chris Callahan	[redacted]
IT, Compliance, Security, and Privacy	12/14	David Briden David Spielman	[redacted]

Note: Peer-to-Peer leadership calls are not intended a substitute for reverse due diligence

Peer-to-Peer: Finance

	Beth Israel Lahey Health	[redacted]
Areas of Strengths	• Significant scale and access to resources and capabilities as a $6B+ system (2nd largest in New England) with an A/A3 rating[1] • Shared philosophy surrounding investment practices (not intended to fund operations rather support overall credit profile) • Investments in Epic and Workday expected to improve system-wide finance capabilities	• Collaborative approach to transition Exeter's legacy financial practices • Like Exeter, [redacted] opportunity to enhance scale/tiers with minimal disruption • Anticipate system credit rating upgrade post combination that may yield more efficient capital access relative to individual orgs today
Areas for Additional Consideration	• Inexperience with NH hospital system could present challenges relative to prior integrations • Eligibility to join CRICO as a non-Massachusetts entity • Funding status and approach to legacy pension plans	• Inexperience with [redacted] hospital system could present challenges relative to prior integrations • Details regarding overhead allocation process to be disclosed at next stage; "use" or "effort" methodology potentially beneficial to Exeter • Limited financial synergy results thus far across system-wide initiatives • Impact of [redacted] to revenue cycle and financial functions • "Big-bang" strategy for Epic go-live creates potential vulnerabilities (i.e., Rev. Cycle)
Key Takeaways	• Collegial conversation, addressing Exeter's key agenda topics in a thoughtful and straightforward manner • Mature and stable organization financially that would align nicely with Exeter's existing financial framework	• Topic dependent, the conversation varied between granular and summary level • Concern that Exetwill provide a larger financial benefit to [redacted] than vice versa

Note: (1) S&P / Moody's

Peer-to-Peer: Human Resources

	Beth Israel Lahey Health	[redacted]
Areas of Strengths	• Emphasizes the value of local expertise for situational awareness • Deliberate and measured approach to centralizing any HR functions or introducing new system-wide initiatives	• Committed to system-wide servant leadership principles and leadership development • System priority of Diversity, Equity, and Inclusion (DE&I), including hiring a Chief DE&I Officer, focused DE&I leadership training, and employee engagement DE&I feedback
Areas for Additional Consideration	• Ongoing evaluation of centralized vs. decentralized HR functions as BILH matures (i.e., employee engagement survey) • Exeter-specific roadmap identifying the key transition points as part of integration • General concern with contemplating intricacies of NH and how to expand or adapt existing practices to a new state	• Multitude of initiatives are underway, yet too soon to determine results / effectiveness • System-wide initiative to unify the core values of the organization • Opportunity to increase frequency of system-wide leadership meetings • General concern with contemplating intricacies of [redacted] and how to expand or adapt existing practices to a new state
Key Takeaways	• Corporate HR function continues to be developed at the system level • BILH receptive to Exeter maintaining local practices • Higher confidence in Exeter's ability to integrate into BILH in a manner that enhances long-term sustainability	• Highly qualified HR team has been assembled at the corporate level • Time and bandwidth remain limiting factors in HR related transitions as the organization evolves [redacted]

Peer-to-Peer: IT, Compliance, Security and Privacy

	Beth Israel Lahey Health	[redacted]
Areas of Strengths	• Appropriate balance between IT standardization and local autonomy • ERP implementation expected to be completed in 2022	• Currently standardizing privacy/compliance functions across the system • Highly seasoned CIO has led multiple Epic implementation at previous health systems
Areas for Additional Consideration	• Currently in process of converting individual member hospitals to Epic EMR • Epic implementation timing at Exeter relative to legacy hospital "go-lives"	• Evolution of governance and IT infrastructure as the [redacted] balances local vs. system IT presence • Understanding ERP strategy, selection, and implementation timeline • Concerns the proposed 12-month Epic go-live at Exeter is overly aggressive
Key Takeaways	• General compatibility with IT philosophy and approach • Confidence and general agreement with 24-month Epic go-live timeline per LOI • Compliance/Security/Privacy are centralized corporate functions with local liaisons • Identified cultural similarities speaking in terms of "we"	• Enthusiastic IT leadership in the process of creating standardization across [redacted] as the system transitions to an operating company model • Compliance/Security/Privacy are centralized corporate functions with local liaisons • Culturally, very proud and perspective of "I" in addressing questions – question compatibility with Exeter

Peer-to-Peer: Strategy

	Beth Israel Lahey Health	[redacted]
Areas of Strengths	• Clear that Exeter would be BILH platform for NH growth and instrumental in development of a broader NH strategy • Considers themselves a "Low arrogance, high humility organization" • Growth strategy has transitioned from "heads in beds" to serving patients across the entire care continuum	• Delivery of a distributed academic medicine model while providing "frictionless" care • Enthusiasm and confidence pursuing a "disruptor" role to accelerate a value-based care strategy in the New England region • Digital strategy to address consumerism and compete vs. non-traditional companies
Areas for Additional Consideration	• "Systemness" to ensure repeatability from a patient experience perspective as BILH continues to integrate post-formation • Lacked transparency of tangible initiatives/ investments related to consumer and digital health initiatives at this stage	• Execution risks associated with Epic and [redacted] integrations on the horizon • Success in value-based strategies may not translate seamlessly across state lines • Uncertainty of pending [redacted]
Key Takeaways	• Vision to build the future of NH healthcare, close to home • Natural camaraderie among leaders and viewed as a "like-minded" organization • Better positioned competitively, relative basis • Confidence BILH could replicate certain [redacted] strengths; however, not vice versa	• System strategy and scale could be substantially altered pending [redacted] • Less certain as to [redacted] long-term NH strategy, and Exeter's role within it • Lack of system proximity to Exeter presents threat given the surrounding competitive landscape • Uncertain ability to successfully transition to value-based case strategy in a way that creates a clear competitive advantage

Peer-to-Peer: Operations

	Beth Israel Lahey Health	[redacted]
Areas of Strengths	• Community hospitals operate within the framework of their legacy organizations, pursuing standardization when appropriate • High-quality organization (80% Leapfrog "A", 60% 5-Star) • Values local autonomy within daily operations	• Ability to keep patients local, providing high acuity care in communities vs. transfer to AMC • Day-to-day operations currently remains local • [redacted] - designated at [redacted] in-process at [redacted] • Leadership development program with structured curriculum targeted to all levels
Areas for Additional Consideration	• Varying physician alignment structures across the organization • Untapped cost savings to be realized as efforts to achieve "systemness" continue • Rationale for transitioning away from nationally recognized Lean culture • Accreditation switch from DNV to Joint Commission could be required	• An integrated EMR (April 2022) should alleviate many of the existing operational barriers • Lack of brand awareness among existing patients; instead, often associate community hospitals with legacy organizations • Unable to articulate a vision for "systemness" in same manner as BILH
Key Takeaways	• Integration of BILH has been significantly impacted due to COVID • BILH has already surpassed many of the conditions established by the MA Attorney General to approve the merger • Articulated a sustainable and deliberate clinical strategy and Exeter's role within it	• Exeter is more experienced in Lean framework • Operationally a strong organization despite challenges due to holding company • System-wide Epic go-live in April 2022 should accelerate transition to an operating company

Peer-to-Peer: Provider Organization

	Beth Israel Lahey Health	[redacted]
Areas of Strengths	• Engagement of physician leaders is evident throughout the system • Committed to value-based care; however, maintaining a fee-for-service strategy given current reimbursement landscape • Strong brand recognition that resonates with patients and providers • Breadth and depth of medical staff	• Development of [redacted] CIN ([redacted] physicians from legacy [redacted]) • [redacted] reports directly to the system rather than individual hospitals, prioritizing population health initiatives system-wide • Actively addressing burnout through physician surveys and added administrative time
Areas for Additional Consideration	• Success in value-based care initiatives has varied across the legacy entities • Further understanding of BILH Performance Network ("BILHPN") and Exeter's role within	• Ongoing efforts to pursue integration of ~1k employed physicians under one medical group • Details surrounding "secret sauce" related to alignment of provider incentives through [redacted]
Key Takeaways	• Highly professional organization that has the structure and foundation to better support Exeter and Core moving forward	• Despite establishing the [redacted] in 2021, tangible initiatives are underway to succeed in a value-based environment while "bringing joy back to the practice of medicine" • High cultural compatibility among the participants and broader organization

Peer-to-Peer: Hospital Physician / Provider

	Beth Israel Lahey Health	[redacted]
Areas of Strengths	• Physician Advisory Council: monthly meeting with equal physician representation for each hospital regardless of hospital size • Recruit and retain specialists in local communities, promoting the transition of tertiary care back to the community • Pluralistic medical staff across the system • Distributes Harvard Medical Faculty Physicians throughout the BILH system	• Embraces a pluralistic medical staff; especially at community hospitals ([redacted] ~75% independent) • Single EMR (April 2022) will enhance provider communication and delivery across care teams • Philosophy of "removing rocks from providers backpacks" to ensure high-quality care and drives the patient experience
Areas for Additional Consideration	• Potential expedited timeline to transition existing clinical affiliations (i.e., oncology) due to competitive dynamics • Limitations due to geographic proximity such as shared "on-call" practice • Organization demonstrated an advanced quality framework	• Patients lack [redacted] brand association within community hospitals • Bandwidth to seamlessly transition existing clinical affiliation without care disruption • Organization demonstrated an advanced quality framework
Key Takeaways	• Clear understanding of interaction between system, flagship/tertiary care facilities and community hospitals • Confidence that BILH has the resources and commitment to build around Exeter within NH	• Collaborative approach with providers across the [redacted] system, regardless of employment status • Culturally, very authentic group of providers, that resonated with Exeter's medical leadership

WORKSTREAM #3:
Community Hospital Virtual Meetings

Overview: Community Hospital Virtual Meetings

Objective

To gain insights into how a community hospital operates as a part of the BILH or [redacted] systems, virtual meetings were scheduled with community hospital leadership teams at similar hospitals already within the respective systems to discuss the following:

Day-to-day operations as a community hospital within the system

Realized and attributable benefits provided by the system

Opportunities for enhanced support system support to community hospitals

Virtual meetings occurred over November and December with the Exeter management team leading the interactions

Summary: Community Hospital Virtual Meetings

Beth Israel Lahey Health

Beth Israel Lahey Health Beth Israel Deaconess Milton

Date: December 7th

BILH Attendees:

- Richard Fernandez | President
- Angela Fenton | VP Ambulatory
- Peter Shorett | System CSO
- Sheila Barnett, MD | CMO
- Lynn Cronin | CNO
- Sheilah Rangaviz | CFO

Meeting Highlights:

- Clinical program development and specialist recruitment
- Opportunities for standardization and continued integration
- Community hospital + System leadership collaboration

Beth Israel Lahey Health Beverly Hospital

Date: December 8th

BILH Attendees:

- Tom Sands | President
- Connie Woodworth | CFO
- Craig Williams | COO
- Kim Perryman | CNO
- Hugh Taylor | Med Staff President
- Steve Salvo | Interim, VP HR
- Peter Shorett | System CSO

Meeting Highlights:

- Community hospital emphasis in BILH relative to legacy Lahey
- Medical Staff and provider recruitment
- Quality performance and capabilities

[redacted]

Date: December 6th

Meeting Highlights:

- Background and evolution of [redacted] (e.g., holding company to operating company)
- Collaborative relationship with [redacted]
- Benefits of a pluralistic medical staff
- Local perspective of potential [redacted] partnership
- Relationship between local and system leadership
- Individual member learnings/best practices shared across the system

Note: Exeter attendees for each meeting included the ET Team + Physician Leadership

Meeting Themes: BILH Milton

Beth Israel Lahey Health

Beth Israel Lahey Health Beth Israel Deaconess Milton	Key Takeaways
Process / Background	• Milton Hospital joined Beth Israel Deaconess Medical Center's in 2012 • As a 100-bed community hospital, Milton Hospital faced financial struggles in a highly competitive service area, less than 10 miles from Boston • Initial apprehension from Milton Hospital Medical Staff quickly subsided with expansion of clinical service offerings locally and increased familiarity of providers
Benefits Joining BILH	• Over 30 specialists from Beth Israel Deaconess Medical Center provide sub-specialty coverage at BID Milton for Women's Health pre/post-natal care, Robotic Surgery Program, and Joint Replacement • Economies of scale has enabled a proactive approach to capital allocation • Access to system-wide best practices such as quality forum, labor and human capital benchmarks, and bi-weekly leadership meetings
Opportunities	• Staffing challenges related to labor shortage and competition with greater Boston area • Limitations of existing systems (Meditech Expanse) will be alleviated following Epic implementation

BID Milton Attendees

- Rich Fernandez, *President*
- Sheila Barnett MD, *CMO*
- Lynn Cronin, *CNO*
- Angela Fenton, *VP Ambulatory*
- Sheila Rangaviz, *CFO*
- Peter Shorett, *System CSO*

Meeting Themes: BILH Beverly

Beth Israel Lahey Health

Beth Israel Lahey Health Beverly Hospital	Key Takeaways
Process / Background	• Beverly Hospital and Addison Gilbert Hospital (collectively "Northeast Hospital Corporation") joined Lahey Health in 2012 • Currently, Beverly Health and Addison Gilbert consist of 4 sites, 329 staffed beds, 3 urgent care centers, a medical staff of ~950 and ~2.8k employees
Benefits Joining BILH	• Epic implementation in 2015 following transition to Lahey Health • As part of Lahey Health, Beverly Hospital encountered barriers accessing capital; post-BILH formation Beverly has experienced significant improvement related to capital access • Standardization of ancillary services (pharmacy, lab, and imaging) has accelerated system integration • Embedding specialists locally, (i.e., six cardiologists) that are employed by Lahey Health, yet live and practice full-time in the Beverly community
Opportunities	• Not currently a Magnet Hospital, however exploring Pathway to Excellence • Explore opportunities to address staffing shortages across the system

BID Beverly Attendees

- Tom Sands, *President*
- Mark Gendreau MD, *CMO*
- Kim Perryman, *CNO*
- Craig Williams, *COO*
- Steve Salvo, *Interim VP HR*
- Connie Woodworth, *CFO*
- Hugh Taylor MD, *President of Medical Staff*
- Peter Shorett, *System CSO*

Meeting Themes: [redacted]

[redacted]

[redacted]	Key Takeaways
Process / Background	• [redacted] was established in [redacted] following [redacted] • The Board of [redacted] concluded that in order to succeed in a highly competitive [redacted], partnering with another system was critical • [redacted] was created in [redacted]
Benefits Joining [redacted]	• With limited capacity at [redacted], a distributed academic medicine model was deployed – resulting in higher acuity care remaining in local communities • Supports a pluralistic medical staff, emphasizing engagement of employed and independent physicians to create value-based care alignment through [redacted] • Increased access to capital and cost savings due to economies of scale
Opportunities	• System evolution from a holding company to an operating company • Standardization of disparate systems (i.e., EMR, ERP, etc.) to reduce dependence on human capital and improve interoperability

[redacted]

WORKSTREAM #4:
Board Reference Calls

Overview: Board Member Reference Call

Objective

To gain insights into the respective partnership approach of BILH and [redacted], reference calls were scheduled with community hospital board members of organizations that previously completed partnerships with each system to inform the following

The decision to partner and perception of interactions before and after the partnership

The qualitative and quantitative impacts of the partnership on the hospital/community

The health of those partnerships and their performance relative to expectations

Reference calls occurred over the last week of November and first week of December with the Exeter Board Executive Committee and Exeter CEO leading the interactions

Summary: Board Member Reference Calls

Beth Israel Lahey Health

Beth Israel Lahey Health Beth Israel Deaconess Needham

Date: November 30th

BILH Attendees:
- Stephen Vanourny | Board Member
- Peter Shorett | System Chief Strategy Officer

Meeting Highlights:
- Connectivity of local board and system governance structure
- Clinical expansion and revenue growth post-transaction
- Local balance sheet maintained
- Bottom-up local board role in key financial decisions (capital budget, legacy board designated funds, etc.)

Beth Israel Lahey Health Winchester Hospital

Date: December 6th

BILH Attendees:
- Jane Walsh| Board Member
- Peter Shorett | System Chief Strategy Officer

Meeting Highlights:
- Connectivity of local board and system governance structure
- Board autonomy to address local priorities such as philanthropy and foundation
- Brand value and community perception enhancement following Lahey Health transaction

[redacted]

[redacted]

Date: December 9th

[redacted] Attendees:
- [redacted]

Meeting Highlights:
- Initial combination with [redacted] required [redacted] to accept "[redacted] process takes time but is progressing
- Integrating the [redacted] system at an appropriate pace
- Integration resulted in reduction of duplicative positions
- Physician loyalty and access to [redacted]
- Support of the system enhances sustainability in face of strong competition relative to pre-transaction standalone status
- Building go-forward value-based care and population health management strategy in real time
- Legacy local assets are now treated as system assets under [redacted] control
- Local Board has input but [redacted] Board is ultimate decision maker

Note: Exeter attendees for each meeting included the Executive Committee (as available) and CEO

Reference Call Themes

Beth Israel Deaconess Needham
Winchester Hospital

Beth Israel Lahey Health

Impacts of BILH

- Revenue and volume growth (BID-Needham's revenue tripled over the past decade)
- Access to capital has accelerated investments otherwise unobtainable as an independent hospital
- Brand and reputational enhancement associated with BILH
- Enhanced medical staff development efforts

Governance & Culture

- Local board and committee structure (finance, quality, medical staff), maintaining oversight and engagement of board locally
- BILH merger strengthened communication between system and local boards
- Philanthropy efforts remain focused at the local level
- Bottom-up role in strategy and budget development

Clinician Support

- Access to system best practices through the Quality Forum
- Preservation or enhancement of legacy clinical affiliations post-transaction (e.g., Boston Children's, Neonatology)
- Extension of Harvard Medical Faculty Physicians to community setting to support local medical staffs

Board Member References

- Stephen Vanourny: BID-Needham Trustee
- Jane Walsh: Winchester Hospital Trustee; Beth Israel Lahey Health Trustee

Reference Call Themes

[redacted]

Impacts of [redacted]

- Initial combination required [redacted] to accept [redacted] identity" – process takes time but is progressing
- Intentional, paced integration resulted in reduction of duplicative positions
- Support of the system enhances sustainability in face of strong competition relative to pre-transaction status
- Building go-forward value-based care and population health strategy in real time

Governance & Culture

- Legacy local assets are now treated as system assets under [redacted] control
- Local Board has input but [redacted] Board is ultimate decision maker
- Continued governance evolution in process
- System remains focused on sourcing candidates with the experience required to support transformation and digital strategy

Clinician Support

- No disruptions to high quality care as a result of the combination
- Physician loyalty has remained strong post-combination
- Access to [redacted] physician network supports distributed academic medicine model
- Continued focus on expanding higher acuity care in the community setting

Board Member Reference

[redacted]

WORKSTREAM #5:
CEO / Board Chair Virtual Meetings

Overview: CEO / Board Chair Virtual Meetings

Objective

To create small group setting affording Exeter Board Chair and CEO the opportunity to engage with their peers at BILH and [redacted], respectively, with a particular emphasis on governance, leadership, and community commitment

Governance philosophy and role of the local board

Leadership dynamics and local-to-system connectivity

Mission-based philosophy and community to the communities served

Virtual meetings occurred in November and December with the Exeter Board Chair and CEO and their respective counterparts

CEO / Board Chair Overview

Organization	Date	Partner Attendees	Exeter Attendees
Beth Israel Lahey Health	December 6	• Ann-Ellen Hornidge | *Chair, Board of Trustees* • Kevin Tabb, MD | *Chief Executive Officer*	• Rob Eberle | *Chair, Board of Trustees* • Kevin Callahan | *Chief Executive Officer*

Summary Extract

- Operating company model to gain "systemness" benefits
- Governance philosophy emphasizing avenues for connectivity among local and system boards
- Local board effectiveness project designed to continually balance local vs. system roles and responsibilities
- Model of local board responsibility tied to system-level accountability (i.e., plant manager vs. federation analogy):
  - Bottom-up strategic planning and budgeting
  - Local management accountability
- Recognition of Exeter/NH differences requiring increased local involvement
- Emphasis on values alignment and cultural compatibility underpinning compelling NH growth strategy
- BILH combination producing significant brand value and ability to attract top talent

Organization	Date	Partner Attendees	Exeter Attendees
[redacted]	November 17	• [redacted] • [redacted]	• Rob Eberle | *Chair, Board of Trustees* • Kevin Callahan | *Chief Executive Officer*

Summary Extract

- Centralized system philosophy to access efficiencies and strategic position required to compete
- Local board-to-system board connectivity exists through local representation on system board (governance consultant on retainer to support continued evolution to independent parent board)
- Distributed academic medicine model to keep care local and support community hospital growth (physician coordination is essential)
- Overall strategy determined at system level with local input sourced through bottom-up approach
- Strategic priorities: value-based care, patient experience, system connectivity and improved financial performance
- Leadership incentives tied to system/local performance

Letter of Intent Summary

Orientation

- The following slides are intended to provide a side-by-side summary extract of the key business terms of the Letters of Intent as submitted by BILH and [redacted], respectively

- Exeter management completed a detailed review of the Letters of Intent and, resulting from that review, identified certain areas requiring clarification, consideration and potential enhancement – such areas are identified within the summary using annotated call-out boxes

- The annotated call-outs are intended to capture significant points requiring clarification for review with the Executive Committee and are not to be interpreted as a comprehensive list of all negotiating points and/or minor edits to the Letters of Intent

- The objective of the initial review by Exeter management was to aggregate a list of clarification/discussion items to better inform Exeter's interpretation of the Letter of Intent proposals and, ultimately, better inform the development of an initial negotiating response following the December Board Meeting

= denotes clarification / consideration / area of enhancement

Letter of Intent Summary

Key Term	Beth Israel Lahey Health	[redacted]
Affiliation Structure (Sections 2 & 3)		
Form of Transaction *(Section 2)*	• Membership substitution whereby BILH will become the sole corporate member of Exeter Health Resources • Exeter Health Resources will become a "first tier" entity of BILH consistent with other first-tier entities – Beth Israel Deaconess Medical Center and Lahey Clinic Foundation • *See Appendix for illustrative Org Chart*	• Membership substitution whereby [redacted] will become the sole corporate member of Exeter Health Resources • Exeter Health Resources will be a direct subsidiary of [redacted] consistent with other entities – [redacted] • *See Appendix for illustrative Org Chart*
Included Assets, Liabilities and Operations *(Section 3)*	• All assets, liabilities (both known and unknown) and operations associated with Exeter shall be included	• All assets, liabilities (both known and unknown) and operations associated with Exeter shall be included

= denotes clarification / consideration / area of enhancement

Letter of Intent Summary *(continued)*

Key Term	Beth Israel Lahey Health	[redacted]
Financial Commitments (Sections 4 & 5)		
Liabilities and Long-Term Debt *(Section 4)*	• Exeter to join BILH Obligated Group as soon as practicable after closing • BILH to ensure Exeter meets all obligations	• Exeter to join [redacted] as soon as practicable after closing • [redacted] to ensure Exeter meets all obligations
Capital Commitment *(Section 5)* **Beth Israel Lahey Health** **Enhancement:** proposed strategic/routine capex through year 5 is $40M lower than capital needs estimate [redacted] **Enhancement:** reinsert "minimum" before $290M **Consideration**: as proposed, insertion of "subject to review" language can be interpreted that entire capital commitment is subject to change post-closing	• Minimum of $375M over 10 years comprised of: – First 5 years following Closing: – Up to $165M for Exeter's inpatient bed recapitalization project – Up to $35M for IT & EMR – Minimum of $50M for routine/strategic – Years 6-10 following Closing: – $125M in aggregate • 5 year capital plan specifying overall categories to be included in Affiliation Agreement • Investments not contemplated in the 5 year capital plan will be funded separate from capital commitment • IT & EMR costs in excess of $35M specified in capital plan to be funded solely by BILH	• $340M over 10 years comprised of: – First 5 years following Closing: – $160M for Exeter's inpatient bed recapitalization project – $50M for IT & EMR – $80M for routine/strategic, subject to approval by [redacted] and Exeter Boards – Years 6-10 following Closing: – Up to $25M annually, not less than $10M • 5 year capital plan to be included in Affiliation Agreement • Physician recruitment, service line developments, and material ambulatory expansion not included in 5 year capital plan funded sperate from capital commitment • IT & EMR costs in excess of $50M specified in capital plan to be funded solely by [redacted]

= denotes clarification / consideration / area of enhancement

Letter of Intent Summary *(continued)*

Key Term	Beth Israel Lahey Health	[redacted]
Financial Commitments (Sections 6 & 20)		
Information Technology *(Section 6)* **Enhancement**: potentially specify certain key software/systems	• Commitment to install clinical and financial Epic EMR system across all Exeter sites within 24 months following closing • BILH to transition Exeter to other enterprise resource planning software and systems utilized across BILH	• Commitment to install clinical and financial EpicEdge EMR system across all Exeter sites within 12 months following closing • [redacted] to transition Exeter to other enterprise resource planning software and systems utilized across [redacted]
Community Programs and Initiatives *(Section 20)*	• Exeter Board and Exeter Executive Leadership Team shall be responsible for identifying needs, developing plans, and determining the use of $2M annually to be used specifically in support of community benefit programs advancing Exeter's mission in the communities served • $2M to be adjusted annually according to inflation escalator	• Exeter Board shall be responsible for identifying needs, developing plans, and determining the use of $2M annually to be used specifically in support of community benefit programs advancing Exeter's mission in the communities served • $2M to be adjusted annually according to inflation escalator

= denotes clarification / consideration / area of enhancement

Letter of Intent Summary *(continued)*

Key Term	Beth Israel Lahey Health	[redacted]
Financial Commitments (Section 21)		
Philanthropy, Donor Funds, and Board Designated/ Unrestricted Funds *(Section 21)*	• All funds raised in NH will remain and will be used only in NH • All philanthropic funds raised in the State of NH, both restricted and unrestricted, will remain subject to oversight of the Exeter Board and shall be deployed in a manner consistent with the direction of donors and in support of Exeter's charitable mission • Legal title to Board Designated funds will not change as a result of the Affiliation and shall only be spent to advance the charitable purposes of Exeter • The Exeter Board and Exeter Executive Leadership Team, in coordination with the BILH system, will have a central role in determining the use of all existing Board Designated and unrestricted funds for the Exeter charitable mission in NH	• All funds raised in NH will remain and will be used only in NH • All philanthropic funds raised in the State of NH, both restricted and unrestricted, will remain subject to oversight of the Exeter Board and shall be deployed in a manner consistent with the direction of donors and in support of Exeter's charitable mission • Legal title to Board Designated funds will not change as a result of the Affiliation and shall only be spent to advance the charitable purposes of Exeter • All philanthropic monies raised on behalf of or by Exeter will remain the exclusive domain of the Exeter Board • As a result of joining [redacted], requirement for all Exeter's assets (excluding donor restricted) to be under [redacted] control • [redacted] to give due consideration to Exeter Board recommendations regarding use of $20M portion of the Exeter Board designated funds

Beth Israel Lahey Health

Clarification: intended meaning of "central role"?

[redacted]

Clarification: Appears to contradict language included elsewhere within this section and within the LOI more broadly

= denotes clarification / consideration / area of enhancement

Letter of Intent Summary *(continued)*

Key Term	Beth Israel Lahey Health	[redacted]
Governance (Section 7)		
Exeter Board *(Section 7)* **Beth Israel Lahey Health** **Enhancement**: capture process for filling vacancies during the initial commitment period **Consideration**: proposal contemplated change from 5 consecutive 2-year terms to 3 consecutive 3-year terms [redacted] **Enhancement**: capture process for filling vacancies during the initial commitment period **Consideration**: proposal contemplated change from 5 consecutive 2-year terms to 3 consecutive 3-year terms	• Post-closing, Exeter Board comprised of up to 15 trustees • Exeter Health Resources and Exeter Hospital continue to have "mirror" boards • Initial post-closing Board to be comprised of all trustees serving at closing plus one ex-officio BILH representative • Initial Exeter trustees continue for remainder of current term and eligible for at least one full 3-year renewal term *(term limits subject to diligence)* • A governance and nominating committee of the Exeter Board shall be responsible for nominating Exeter trustees for BILH approval following the initial period • Post-closing, Exeter trustee eligible to serve three consecutive 3-year terms • Exeter Board will retain local standing committees consistent with "first tier" entities • Exeter Board shall be composed of persons who are members of communities served by Exeter	• Post-closing, Exeter Board comprised of up to 15 trustees • Exeter Health Resources and Exeter Hospital continue to have "mirror" boards • Subject to diligence, initial post-closing Board to be comprised of all trustees serving at closing • Initial Exeter trustees continue for remainder of current term and eligible for at least one full 3-year renewal term • A governance and nominating committee of the Exeter Board shall be responsible for nominating Exeter trustees for [redacted] approval following the initial period • Post-closing, Exeter trustee eligible to serve three consecutive 3-year terms • Exeter Board will retain local standing committees consistent with NH law and other [redacted] entities • Exeter Board shall be composed of persons who are members of communities served by Exeter

= denotes clarification / consideration / area of enhancement

Letter of Intent Summary *(continued)*

Key Term	Beth Israel Lahey Health	[redacted]
Governance (Section 7)		
Exeter Board ***(continued)*** *(Section 7)* **Beth Israel Lahey Health** **Consideration**: as proposed, BILH has unilateral ability to amend Exeter bylaws after closing without Exeter approval **Enhancement**: determine language providing Exeter with appropriate assurances on post-closing rights and authority	• The amended and restated bylaws of Exeter shall delegate the following rights and authority to the Exeter Board: – Reviewing Exeter strategic plans and operating/capital budgets and recommending approval by BILH Board – Consultation, via Exeter's Board Chair, regarding hiring/removal of Exeter President – Reviewing and recommending approval by BILH Board of amendments to the articles of agreement and bylaws of Exeter – Oversight of philanthropy – Oversight of quality, safety, and risk management programs – Oversight of licensure credentialing and medical staff matters (bylaws, membership) – Recommending appointment of Exeter trustees for BILH approval – Recommending and nominating Exeter Representative to BILH Board – Oversight of $2M local community benefit funds	• The amended and restated bylaws of Exeter shall delegate the following rights and authority to the Exeter Board: – Reviewing Exeter strategic plans and operating/capital budgets and recommending approval by [redacted] Board – Consultation regarding hiring/removal of Exeter President – Approval of amendments to the articles of agreement and bylaws of Exeter for 5 years following closing – Oversight of philanthropy – Oversight of quality, safety, and risk management programs in accordance with [redacted] standards – Oversight of licensure credentialing and medical staff matters (bylaws, membership) – Recommending appointment of Exeter trustees for [redacted] approval – Recommending Exeter Representative to [redacted] Board – Oversight of $2M local community benefit funds

= denotes clarification / consideration / area of enhancement

Letter of Intent Summary *(continued)*

Key Term	Beth Israel Lahey Health	[redacted]
Governance (Section 8)		
Exeter Representation on Parent Board *(Section 8)*	• Exeter to appoint one representative to BILH Board for a period of 6 years following closing • Exeter representative will have same rights and responsibilities as all other trustees serving on the BILH Board • Trustees of Exeter Board will have opportunity to participate on BILH Board committees in a manner similar to other "first tier" entities	• Exeter to appoint two representatives to [redacted] Board – Chairperson of Exeter Board to serve ex-officio on the [redacted] Board – Exeter and [redacted] collaborate to nominate another Exeter representative • Exeter representatives will have same rights and responsibilities as all other trustees serving on the [redacted] Board • Exeter representees will have opportunity to participate on [redacted] Board committees in a manner similar to all other [redacted] trustees • Exeter representatives will be reduced from 2 to 1 in 2024 consistent with the number of representatives provided to all [redacted] member hospitals • Exeter to nominate participating physicians to the [redacted] Board

= denotes clarification / consideration / area of enhancement

Letter of Intent Summary *(continued)*

Key Term	Beth Israel Lahey Health	[redacted]
Integration and Operations (Sections 9, 10 & 11)		
Integration Committee *(Section 9)* **Enhancement**: potentially tie to certain milestones	• Integration Committee consisting of an equal number of representatives from each party for a period of at least 12 months following closing or until integration is substantially complete	• Integration Committee consisting of an equal number of representatives from each party for a period of at least 12 months following closing or until integration is substantially complete
Operating Commitments *(Section 10)*	• Exeter to have access to all BILH operating and clinical resources, expertise and innovations on par with other BILH entities • Integration Committee to determine extension of resources to Exeter • Methodology by which Exeter will be charged for system services to be set forth	• Exeter to have access to all [redacted] operating and clinical resources, expertise and innovations on par with other [redacted] entities • Integration Committee to determine extension of resources to Exeter • Methodology by which Exeter will be charged for system services to be set forth
Quality and Safety *(Section 11)*	• Exeter to have access to all BILH quality resources, data collection and financial tools/systems to enhance care quality • BILH will share its scientific evidence-based best practices with Exeter to enhance quality	• Exeter to be a full member of [redacted] Patient Safety Organization (currently being designed) • Exeter to have access to all [redacted] patient safety data, analytics, system forums, quality resources, data collection and financial tools/systems to enhance care quality • [redacted] will share its scientific evidence-based best practices with Exeter to enhance quality • [redacted] to learn from Exeter's lean system

= denotes clarification / consideration / area of enhancement

Letter of Intent Summary *(continued)*

Key Term	Beth Israel Lahey Health	[redacted]
Clinical Commitments (Section 12 & 13)		
Commitment to Maintain Facilities, Services, and Programs *(Section 12)*	• For a period of time to be determined, BILH to continue operating substantially all existing Exeter facilities, services and programs in a manner consistent with Exeter's mission and operations immediately preceding closing • Any changes to be made under oversight of Exeter Board and BILH Board according to a process to be determined **Enhancement**: time period and process should be defined	• For 10 years following closing, [redacted] to continue operating substantially all existing Exeter facilities, services and programs in a manner consistent with Exeter's mission and operations immediately preceding closing • Any changes to be made under oversight of Exeter Board and authority of the [redacted] Board **Clarification**: rationale for deleted language "Exeter assets to remain dedicated to promoting health of community"
Clinical Growth Initiatives *(Section 13)* **Enhancement**: capture role of the Integration Committee in develop of Clinical Services Growth Plan	• BILH and Exeter to develop Clinical Services Growth Plan to expand breadth and depth of services provided locally in Exeter's service areas including access to tertiary & quaternary services • Such services will include, at minimum, primary care, cardiology, vascular surgery, general surgery, gastroenterology, oncology, women's health, orthopedics, pediatrics, behavioral health, urgent care, ambulatory site development, extension of clinical trials, and extension of medical education programs	• [redacted] and Exeter to develop Clinical Services Growth Plan to expand breadth and depth of services provided locally in Exeter's service areas including access to tertiary & quaternary services • LOI specifies detailed goals for : oncology, general surgery, orthopedic surgery, maternal and fetal medicine, pediatrics, thoracic services, and heat and vascular care • Clinical Services Growth Plan will also include primary care, intensivist care, behavioral health, gastroenterology, urgent care, ambulatory sites, clinical trails, & [redacted] teaching hospital programs

= denotes clarification / consideration / area of enhancement

Letter of Intent Summary *(continued)*

Key Term	Beth Israel Lahey Health	[redacted]
Clinical Commitments (Section 14)		
Exeter's Existing Clinical Affiliations *(Section 14)*	• Principle to minimize any disruption to the care Exeter provides and the community receives • Principle to ensure that the access to and the quality of the services provided are maintained • BILH to develop a Clinical Affiliation Plan to maintain, enhance or replace existing clinical affiliations • To the extent certain clinical affiliations are replaced by BILH, the Clinical Affiliation plan shall ensure the replacement programs are equivalent to such programs currently provided and disruptions to physicians, employees and patient care are minimized	• Principle to minimize any disruption to the care Exeter provides and the community receives • Principle to ensure that the access to and the quality of the services provided are maintained • [redacted] to develop a Clinical Affiliation Plan to maintain, enhance or replace existing clinical affiliations • To the extent certain clinical affiliations are replaced by [redacted], the Clinical Affiliation plan shall ensure the replacement programs are equivalent to such programs currently provided and disruptions to physicians, employees and patient care are minimized

= denotes clarification / consideration / area of enhancement

Letter of Intent Summary *(continued)*

Key Term	Beth Israel Lahey Health	[redacted]
Medical Staff (Section 15)		
Medical Staff *(Section 15)* **Enhancement**: modify language to state "will support Exeter's maintenance of"	• Principle that physician disruption be minimized under the Affiliation • Medical staff members in good standing shall maintain privileges at Exeter facilities • Unless mutually agreed upon, Core shall remain a subsidiary of Exeter Health Resources for at least 3 years following closing • BILH to support and integrate Core over time as determined by the Integration Committee and Clinical Services Growth Plan • BILH to support medical staff development efforts by providing Exeter with recruitment assistance • Exeter employed physicians to access same resources as BILH employed physicians • BILH to maintain existing employment contracts for Exeter employed physicians through current term of such agreements • BILH to provide independent physicians access to programs and services consistent with BILH independent physicians	• Principle that physician disruption be minimized under the Affiliation • Medical staff members in good standing shall maintain privileges at Exeter facilities • Unless mutually agreed upon, Core shall remain a subsidiary of Exeter Health Resources for at least 3 years following closing • Intent to integrate Core into [redacted] employed physician group with shared leadership • [redacted] to support medical staff development efforts by providing Exeter with recruitment assistance • Exeter employed physicians to access same resources as [redacted] employed physicians • [redacted] to maintain existing employment contracts for Exeter employed physicians through current term of such agreements • [redacted] to provide independent physicians access to programs and services consistent with [redacted] independent physicians

= denotes clarification / consideration / area of enhancement

Letter of Intent Summary *(continued)*

Key Term	Beth Israel Lahey Health	[redacted]
Employees and Management (Sections 16 & 17)		
Employees *(Section 16)*	• Retain all employees on consistent terms for 24 months following closing, subject to customary employment screenings and other diligence • Materially comparable benefit offerings should employees transition to BILH benefit plans • BILH to honor prior service credit for benefit eligibility and accrued vacation	• Retain all employees on consistent terms for 24 months following closing • Materially comparable benefit offerings should employees transition to [redacted] benefit plans • [redacted] to honor prior service credit for benefit eligibility and accrued vacation
Management *(Section 17)* **Beth Israel Lahey Health** **Enhancement**: add language describing approach to management reporting relationships	• Exeter leadership team to continue post-closing in current roles • BILH to honor any employment, retention or severance agreements, subject to diligence • Opportunities to participate in broader system leadership roles • Active role in developing strategic plans and operating/capital budgets • Anticipate certain Exeter leaders to transition to BILH employment over time consistent with other "first tier" entities	• Exeter leadership team to continue post-closing in current roles with equivalent responsibilities • [redacted] to honor any employment, retention or severance agreements • Opportunities to participate in broader system leadership roles • Exeter leaders will have dual reporting structure to Exeter President and system counterpart • Active role in developing strategic plans and operating/capital budgets • Exeter President to serve on [redacted]

= denotes clarification / consideration / area of enhancement

Letter of Intent Summary *(continued)*

Key Term	Beth Israel Lahey Health	[redacted]
Other (Sections 18, 19 & 23)		
Branding *(Section 18)*	• Exeter will be co-branded post closing • Approach to be determined in Affiliation Agreement	• Exeter will be co-branded post closing • Approach to be determined in Affiliation Agreement
Care to Vulnerable Populations *(Section 19)*	• Abide by policies that are no less generous than existing Exeter policies • Any change to policies must comply with applicable state law **Enhancement**: reinsert language regarding clear role of Exeter Board in approval process for changes	• Abide by policies that are no less generous than existing Exeter policies • Any change to policies subject to Exeter Board approval and must comply with applicable state law
Post-Closing Enforcement *(Section 23)*	• Affiliation Agreement to set forth applicable provisions for an appropriate period of time post-closing regarding the monitoring and enforcement of all commitments contained in the Affiliation Agreement	• Affiliation Agreement to set forth applicable provisions for an appropriate period of time post-closing regarding the monitoring and enforcement of all commitments contained in the Affiliation Agreement

Membership Substitution Model & Illustrative Org Charts

Member Substitution: *The Basics*

OVERVIEW	The larger system becomes the sole corporate member of the smaller system thereby absorbing its full balance sheet and bearing ultimate responsibility for its operational performance

Often best suited for two not-for-profit health systems that desire to fully integrate.

Member Substitution: *Merits and Considerations*

MERITS

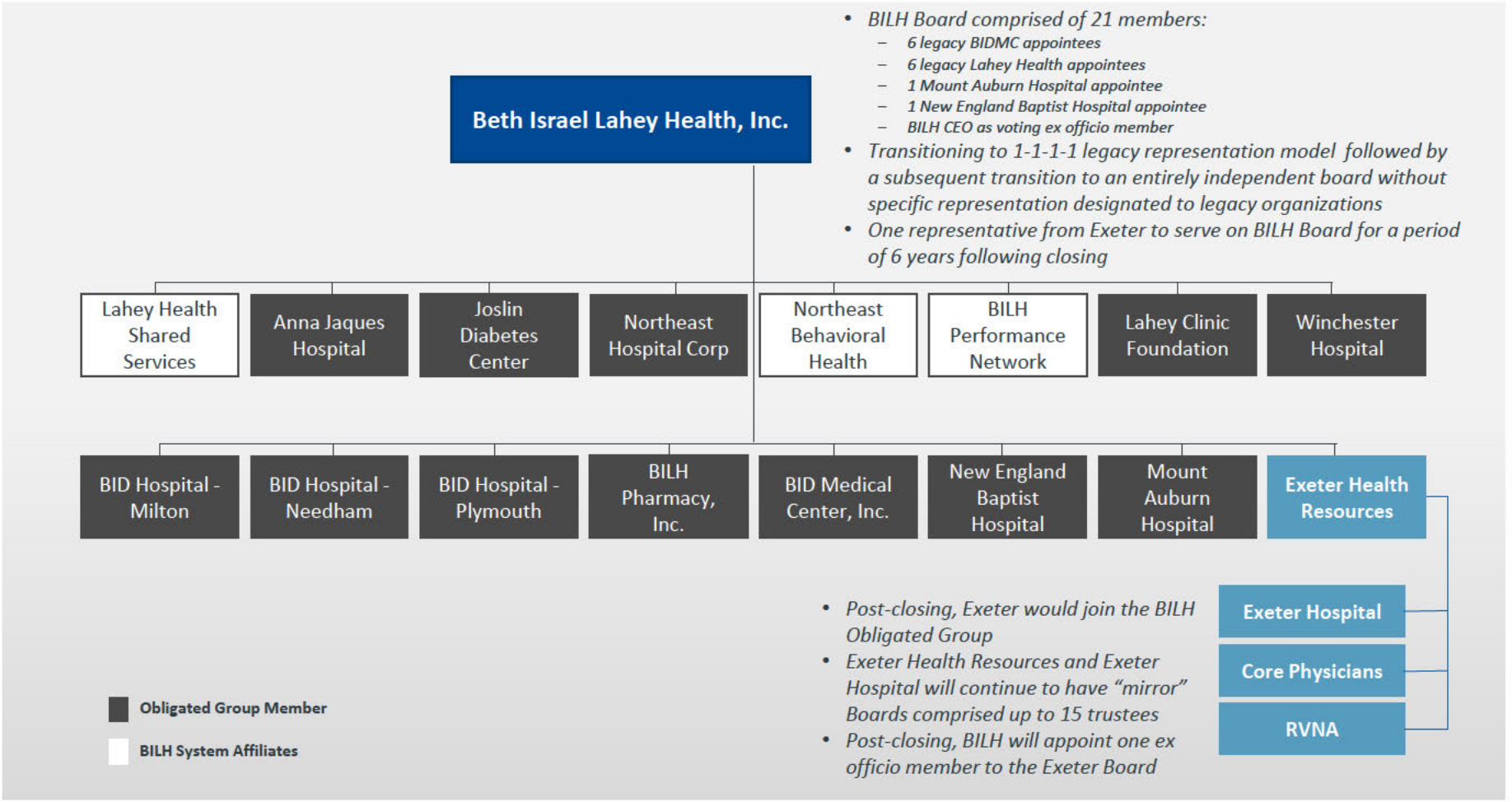
- Typically smaller health system receives capital and/or other resource commitments
- Smaller organization may retain certain local board rights and authority or a fiduciary local health system board
- Relatively streamlined transaction documentation and faster time to execute
- No contractual consent needed, contracts stay in place
- Larger health system typically assumes successor liabilities, both known and unknown
- Potential for realization of operating/financial synergies
- Flexibility on personnel issues

CONSIDERATIONS

- Consideration in the form on capital/resource commitments
- Typically no explicit upfront purchase price or payment structure similar to an asset purchase
- Post-closing, larger health system may have the ability change organizational structure of the smaller system
- Larger health system assumes operational risk
- Larger organization may seek greater control over decision making. governance, and operations

Illustrative Org Chart

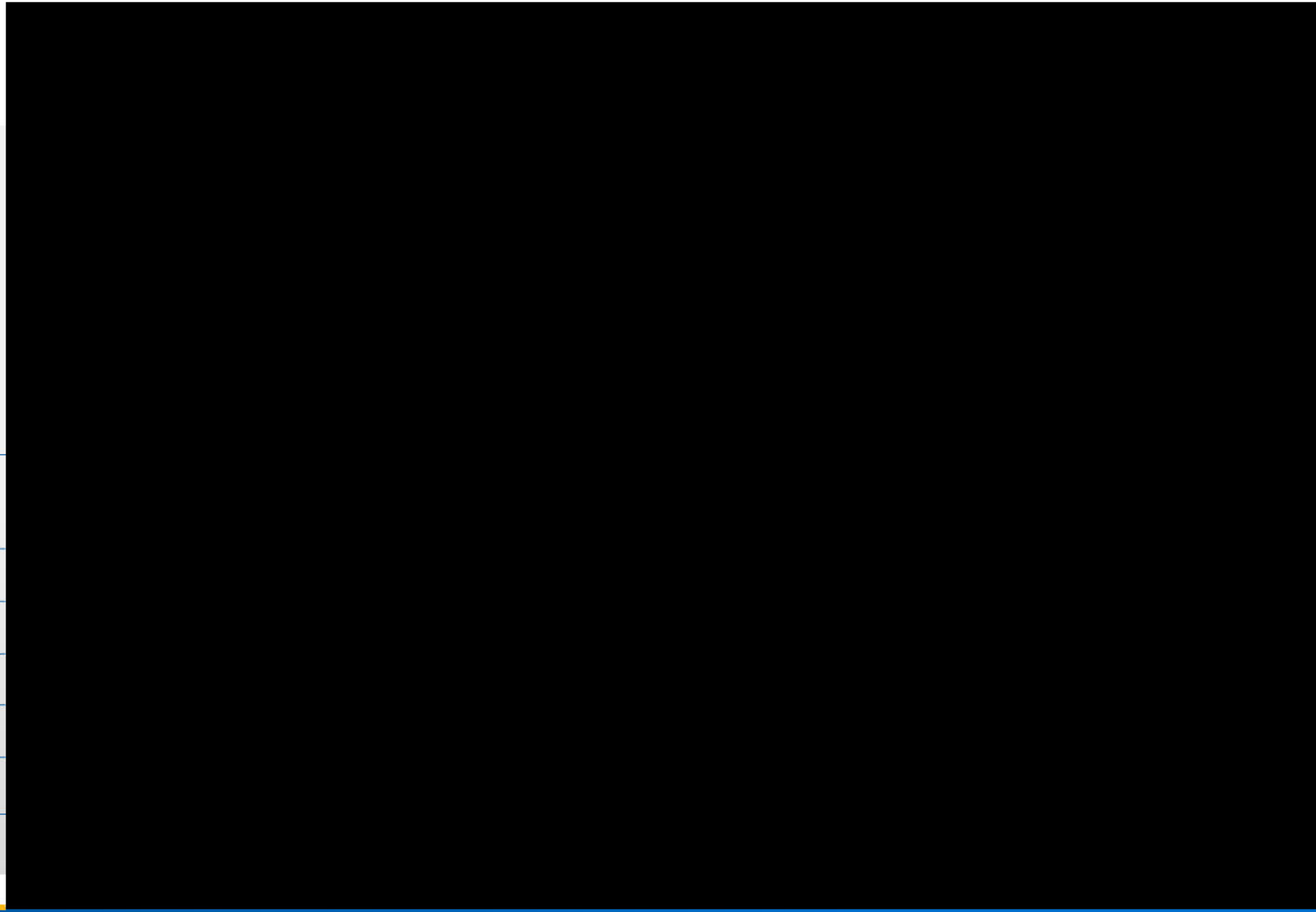
Beth Israel Lahey Health



- *BILH Board comprised of 21 members:*
  - *6 legacy BIDMC appointees*
  - *6 legacy Lahey Health appointees*
  - *1 Mount Auburn Hospital appointee*
  - *1 New England Baptist Hospital appointee*
  - *BILH CEO as voting ex officio member*
- *Transitioning to 1-1-1-1 legacy representation model followed by a subsequent transition to an entirely independent board without specific representation designated to legacy organizations*
- *One representative from Exeter to serve on BILH Board for a period of 6 years following closing*

- *Post-closing, Exeter would join the BILH Obligated Group*
- *Exeter Health Resources and Exeter Hospital will continue to have "mirror" Boards comprised up to 15 trustees*
- *Post-closing, BILH will appoint one ex officio member to the Exeter Board*

Sources: BILH Indication of Interest, BILH Letter of Intent BILH website, BILH OS 2019



Capital Commitment Analysis

Summary of Capital Commitment NPV Analysis Scenarios

- Kaufman Hall conducted a Net Present Value ("NPV") analysis of the Capital Commitments proposed by BILH and [redacted], respectively
- Two distinct scenarios were included in the analysis in order to illustrate a holistic view and understanding of the NPV of the proposed Capital Commitments
- Description of the two scenarios are as follows:

Scenario	Assumption
#1 "as proposed"	NPV calculated based on the Capital Commitment as proposed by the potential partners, with no additional modifications included (i.e., does not incorporate any capital expenditures following specified 10-year Commitment Period)
#2 "upside scenario"	Maximum Capital Commitment through the end of a 10-year period disregarding proposed language qualifiers that limit capital expenditure assurances for Exeter

Capital Commitments are only one component of each proposal, and the analysis herein should be considered within the broader context of each party's proposed terms

Notes

(1) Historical depreciation of Exeter is approximately $16.7M and historical capital expenditure at Exeter has been $22.8M on average from FY2018 to FY2020

Scenario 1: Proposed Capital Commitment

Beth Israel Lahey Health

Commentary

- Cost overruns on IT & EMR covered by BILH
- Cost overruns on Inpatient Bed project may reduce routine/strategic capex
- Minimum of $375M not subject to change
- First 5-year total $37M below Exeter need estimate
- $125M routine/strategic total from year 6-10 spend flexible YoY

Capital Commitment			Exeter Need Estimate	Surplus/ Deficit vs. Need
Commitment Period	10 years			
Components (years 1-5)				
Inpatient Bed Recpitalization	$165	--->	*$162*	$3
IT & EMR	$35	--->	*$35*	*$0*
Routine and Strategic	$50	--->	*$90*	-$40
Components (years 6-10)			Total:	-$37
Routine and Strategic	$125			
Total				
Commitment Amount *($ in millions)*	$375			
Net Present Value *($ in millions)*	$231			

Year-by-Year										
1	2	3	4	5	6	7	8	9	10	
$33	$33	$33	$33	$33	-	-	-	-	-	
$7	$7	$7	$7	$7	-	-	-	-	-	
$10	$10	$10	$10	$10	-	-	-	-	-	
-	-	-	-	-	$25	$25	$25	$25	$25	
$50	$50	$50	$50	$50	$25	$25	$25	$25	$25	Annual Total
$45	$40	$36	$32	$28	$13	$11	$10	$9	$8	Present Value

[redacted]

Commentary

- $340M with $80M designated for strategic/ routine capital subject to approval by [redacted] and Exeter Boards [funding risk]
- Frist 5-year total matches Exeter's estimated needs in aggregate with variation among categories
- Insufficient replacement capex in years 6-10 as $10M annually is <50% of anticipated depreciation

Capital Commitment			Exeter Need Estimate	Surplus/ Deficit vs. Need
Commitment Period	10 years			
Components (years 1-5)				
Inpatient Bed Recpitalization	$160	--->	*$162*	-$2
IT & EMR	$50	--->	*$35*	$15
Routine and Strategic	$80	--->	*$90*	-$10
Components (years 6-10)			Total:	$3
Routine and Strategic	$50			
Total				
Commitment Amount *($ in millions)*	$340			
Net Present Value *($ in millions)*	$230			

Year-by-Year										
1	2	3	4	5	6	7	8	9	10	
$32	$32	$32	$32	$32	-	-	-	-	-	
$10	$10	$10	$10	$10		-	-	-	-	
$16	$16	$16	$16	$16	-	-	-	-	-	
-	-	-	-	-	$10	$10	$10	$10	$10	
$58	$58	$58	$58	$58	$10	$10	$10	$10	$10	Annual Total
$52	$46	$41	$37	$33	$5	$5	$4	$4	$3	Present Value

Notes

(1) Assumes straight line deployment of minimum Capital Commitment over the respective periods
(2) Assumes discount rate of 12%
(3) Any modifications to the assumptions above would impact both proposals equally

Scenario 2: Upside Scenario *[Pending LOI Language Refinement]*

Beth Israel Lahey Health

Commentary

- No change relative to Scenario 1
- Minimum of $375M not subject to change
- First 5-year total $37M below Exeter need estimate
- $125M routine/strategic total from year 6-10 spend flexible YoY
- $40M less than upside proposal form [redacted]

Capital Commitment			Exeter Need Estimate	Surplus/ Deficit vs. Need
Commitment Period	10 years			
Components (years 1-5)				
Inpatient Bed Recpitalization	$165	--->	*$162*	$3
IT & EMR	$35	--->	*$35*	*$0*
Routine and Strategic	$50	--->	*$90*	-$40
Components (years 6-10)			Total:	-$37
Routine and Strategic	$125			
Total				
Commitment Amount *($ in millions)*	$375			
Net Present Value *($ in millions)*	$231			

Year-by-Year	1	2	3	4	5	6	7	8	9	10
	$33	$33	$33	$33	$33	-	-	-	-	-
	$7	$7	$7	$7	$7	-	-	-	-	-
	$10	$10	$10	$10	$10	-	-	-	-	-
	-	-	-	-	-	$25	$25	$25	$25	$25
Annual Total	$50	$50	$50	$50	$50	$25	$25	$25	$25	$25
Present Value	$45	$40	$36	$32	$28	$13	$11	$10	$9	$8

[redacted]

Commentary

- Treating years 6-10 at maximum value of $25M annually, [redacted] total is $415M
- Frist 5-year total matches Exeter's estimated needs in aggregate with some variation among categories
- $40M greater than BILH commitment; however, BILH commitment doesn't include contingency language

Capital Commitment			Exeter Need Estimate	Surplus/ Deficit vs. Need
Commitment Period	10 years			
Components (years 1-5)				
Inpatient Bed Recpitalization	$160	--->	*$162*	-$2
IT & EMR	$50	--->	*$35*	$15
Routine and Strategic	$80	--->	*$90*	-$10
Components (years 6-10)			Total:	$3
Routine and Strategic	$125			
Total				
Commitment Amount *($ in millions)*	$415			
Net Present Value *($ in millions)*	$260			

Year-by-Year	1	2	3	4	5	6	7	8	9	10
	$32	$32	$32	$32	$32	-	-	-	-	-
	$10	$10	$10	$10	$10		-	-	-	-
	$16	$16	$16	$16	$16	-	-	-	-	-
	-	-	-	-	-	$25	$25	$25	$25	$25
Annual Total	$58	$58	$58	$58	$58	$25	$25	$25	$25	$25
Present Value	$52	$46	$41	$37	$33	$13	$11	$10	$9	$8

Notes

(1) Assumes straight line deployment of minimum Capital Commitment over the respective periods
(2) Assumes discount rate of 12%
(3) Any modifications to the assumptions above would impact both proposals equally

Observations

- Historical capital expenditures at Exeter averaged approximately $22.8M per year for FY2018 to FY2020

- Annual depreciation expense at Exeter was approximately $16.7M for FY2020

- Each of the two proposals contemplate annual capital expenditures in excess of recent historical levels at Exeter
  - BILH's commitment represents CapEx at ~299% of depreciation for the first 5 years and ~125% of estimated depreciation for years 6-10
  - [redacted] commitment represents CapEx at ~347% of depreciation for the first 5 years and ~50% of estimated depreciation for years 6-10
  - For context, the Moody's median for the "A-rated" category is 120%

- ***Scenario #1 "As Proposed"***: the capital commitments are nearly identical, with BILH's proposal resulting in the higher present value of $231M compared to [redacted] present value of $230M

- ***Scenario #2 "Upside Scenario"***: assuming full upside of the [redacted] proposal and removal of the contingency language, [redacted] proposal results in the highest present value commitment of $260M

Obligated Group Overview

Context

1. At the request of Exeter's Board Executive Committee, a preliminary overview of the Obligated Groups of Beth Israel Lahey Health ("BILH") and [redacted] was prepared

2. The purpose of the overview is to establish a fact base related to each organization's Obligated Group membership and key covenants/provisions

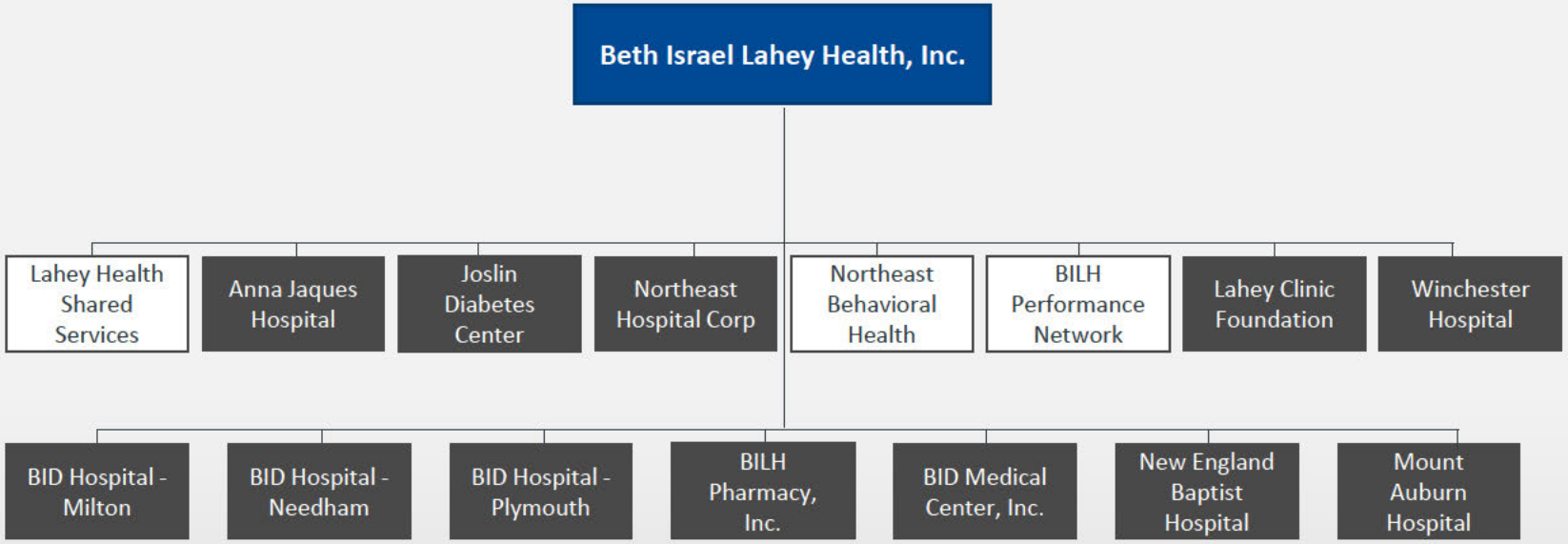
3. The information herein was sourced from each organization's most recent public bond offering documents (BILH 2019, [redacted])

4. Additional diligence would be required to identify and account for updates (if any) since the time of issuance most recent public debt issuance

5. Preliminary review of the obligated group covenants binding on each party does not disclose material differences with respect to requirements for control by the parent company board over the expenditure of board-designated or unrestricted cash or investments held by a subsidiary. Any differences between the two proposals with respect to control over such funds do not appear to be rooted in the covenants contained in their respective bond financing documents
(comprehensive bond counsel review required)

BILH Obligated Group Overview

Beth Israel Lahey Health



Obligated group members comprise:

- ***87% of BILH's Total Revenue***
- ***93% of BILH's Total Assets***

Sources: BILH Indication of Interest, BILH Letter of Intent BILH website, BILH OS 2019

BILH Obligated Group Overview *(cont.)*

Beth Israel Lahey Health

Key Covenants	Summary Description[1]
Joint and Several Obligation	• Each member is jointly and severally obligated to pay all amounts due under obligations of the Obligated Group
Security	• Lien on Gross Receipts (all revenues, rents, profits, etc.)
Debt Service Coverage	• Required to maintain a Debt Service Coverage Ratio ("DSCR") of at least 1.10x, measured annually – If less than 1.10x at the end of any two consecutive Fiscal Years, the Obligated Group covenants to retain a consultant to make recommendations to increase DSCR
Default	• DSCR is less than 1.00x at the end of any Fiscal Year
Entrance into Obligated Group	• Among various other standard requirements for entry into the Obligated Group, satisfaction of one of the following tests: – Satisfaction of Long-Term Indebtedness Test – Projected DSCR greater than if transaction had not occurred – Projected DSCR for the pro forma Obligated Group is >1.40x (or >1.25x for two consecutive years following entrance) – Admission of new entrant improves financial stability of Obligated Group – 1 year historical pro forma DSCR >1.20x assuming transaction occurred
Disposition of Assets	• Will not dispose of any part of its Property in any Fiscal Year with a value in excess of 10% of the Property of the Obligated Group, subject to common exceptions
Issuance of Additional Long-term Indebtedness	• Satisfaction of one of the following tests: – Issuance of debt to 15% of Adjusted Annual Operating Revenue (continual basket test) – Historical pro forma DSCR >1.10x – Projected DSCR >1.20x – Long-term Debt to Cap not to exceed 67%

(1): Intended as a summary of select terms and provisions; not a comprehensive list of all terms and provisions

[redacted]

Overview

[redacted]

[redacted] Overview *(cont.)*

Key Covenants	Summary Description[1]
Joint and Several Obligation	• Each member is jointly and severally obligated to pay all amounts due under obligations of the Obligated Group
Security	• Pledge of Gross Receivables (all accounts, etc.) • Mortgage on certain property
Debt Service Coverage	• Required to maintain a Debt Service Coverage Ratio ("DSCR") of at least 1.10x, measured annually – If less than 1.10x at the end of any Fiscal Year, the Obligated Group covenants to retain a consultant to make recommendations to increase DSCR
Default	• DSCR is less than 1.00x for any two consecutive Fiscal Years
Entrance into Obligated Group	• Among various other standard requirements for entry into the Obligated Group, satisfaction of one of the following tests: – Satisfaction of Long-Term Indebtedness Test
Disposition of Assets	• Will not dispose of any part of its Property in any Fiscal Year with a value in excess of 10% of the Property of the Obligated Group, subject to common exceptions
Issuance of Additional Long-term Indebtedness	• Satisfaction of one of the following tests: – Issuance of debt to 10% of Total Revenues (continual basket test) – Historical pro forma DSCR >1.20x – Projected DSCR >1.20x – Maximum annual debt service does not increase more than 10% post issuance

(1): Intended as a summary of select terms and provisions; not a comprehensive list of all terms and provisions

November 8th/9th Site Visit Presentations to Exeter Executive Committee and Management

Note: remaining *content is from early November and may not fully reflect current evolution of each potential partner's respective thinking regarding partnership vision, approach, and proposal*

Partner Presentation & Exeter Site Visit

Beth Israel Lahey Health

Date: November 8th

Location: Exeter Hospital

BILH Attendees:
- Ann-Ellen Hornidge, JD | Board of Trustees, Chair
- Kevin Tabb, MD | President & CEO
- Michael Rowan | EVP Hospital/Ambulatory Services
- John Kerndl | EVP and CFO
- Peter Shorett | Chief Strategy & Integration Officer
- Jamie Katz | Chief General Counsel
- Dick Nesto, MD | Chief Medical Officer

Exeter Attendees:
- Board Executive Committee
- ET Team + Physician Leadership

Meeting Highlights:
- Organizational capabilities, resources, and expertise
- Partnership vision, particularly Exeter/NH strategy
- Cultural compatibility
- Commitment to successful partnership execution

[redacted]

Date: November 9th

Location: Exeter Hospital

[redacted] **Attendees**:

[redacted]

Exeter Attendees:
- Board Executive Committee
- ET Team + Physician Leadership

Meeting Highlights:
- Approach to relationship wit[redacted]
- Value-based care and population health efforts
- Distributed academic medicine

Exeter Health Resources and Beth Israel Lahey Health

A Shared Vision for New Hampshire

November 8, 2021

Beth Israel Lahey Health

Purpose of Today's Session

Beth Israel Lahey Health

1 **Introduce Beth Israel Lahey Health**

2 **Discuss a shared vision for partnership with Exeter Health Resources**

3 **Highlight our unique value proposition**

Beth Israel Lahey Health

Our Foundational Commitments

Beth Israel Lahey Health

we will measure success by the difference we make in people's lives.

Beth Israel Lahey Health

An integrated healthcare system committed to:

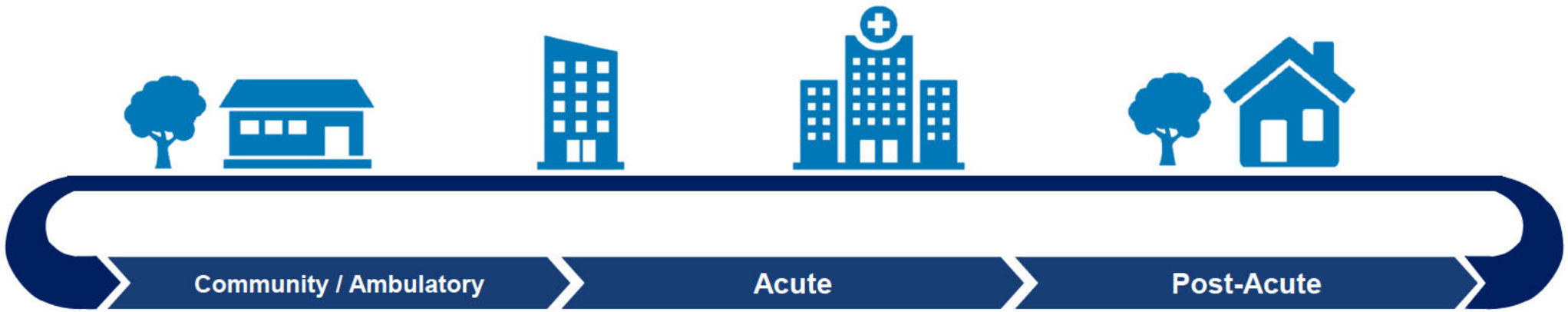
- Providing **extraordinary care** close to where our patients live and work
- Investing in and **strengthening local and community-based care**
- Advancing the science and practice of medicine by investing in **transformative research and education**
- Working to **keep our patients healthy** and care for them **in their communities**
- Embracing a new model of care that helps **contain rising healthcare costs**

Beth Israel Lahey Health

A Comprehensive System of Care

Beth Israel Lahey Health

A comprehensive, high-value system of care across Eastern Massachusetts and Southern New Hampshire



- Primary Care
- Specialty Care
- Behavioral Health
- Ambulatory Surgery

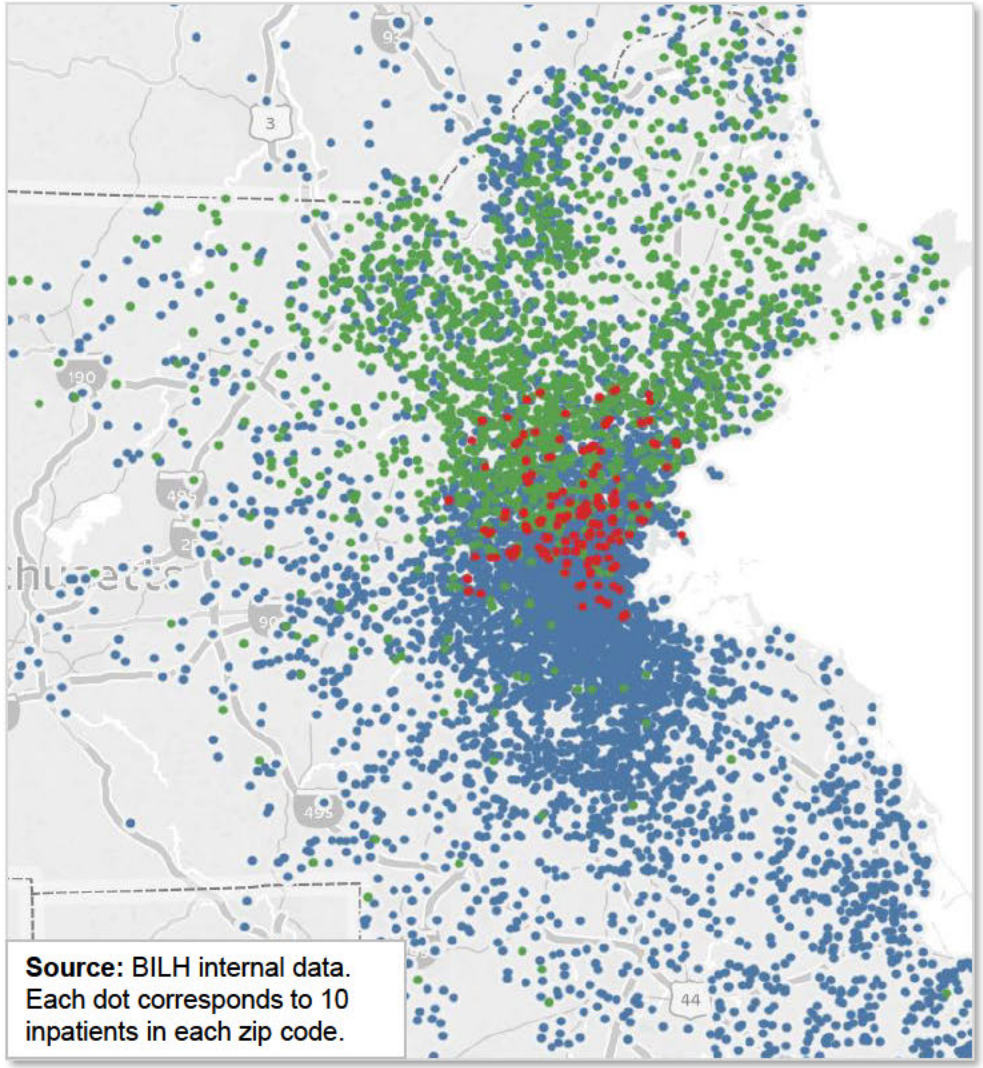
- Community Hospitals
- Tertiary and Academic Hospitals

- Home Care
- Hospice & Palliative Care
- Preferred SNF Network

Population Health Management

Beth Israel Lahey Health
Key Facts

Beth Israel Lahey Health



Source: BILH internal data. Each dot corresponds to 10 inpatients in each zip code.

Facilities	Hospitals	13
	Major Ambulatory Facilities	25
Clinicians	BILHPN PCPs	850
	Total BILHPN Physicians	4,300
	Nurses	9,000
	Estimated Paneled Lives	1.3 million
Clinical Operations	Operating Revenue	$6 billion
	Employees	35,000
	Discharges	152,000
	ED Visits	380,000
	Outpatient Encounters	4.8 million

Beth Israel Lahey Health

Our Track Record of Integration and Growth

Beth Israel Lahey Health

Clinical Integration & Care Retention

Create a comprehensive, high-value system of care & re-capture out-migration

Consumer Choice & Preference

Leverage our brand value and reputation for excellence

Population Health & Payor Collaboration

Bring innovative payor products to market & transform our pop health management infrastructure

Clinical Support Services

Integrate and expand pharmacy, laboratory, & clinical engineering as system clinical services

Cost & Shared Service Synergies

Realize economies of scale & cost efficiencies as a combined system

Despite the disruptions of COVID-19, BILH achieved 75% of its 5-year integration target of $128 M in FY 2021, well ahead of schedule

Partnership with Exeter

A Shared Vision for New Hampshire

Beth Israel Lahey Health

We envision a partnership that builds on our shared commitment to community-focused, value-based care to establish Exeter as BILH's destination center in New Hampshire

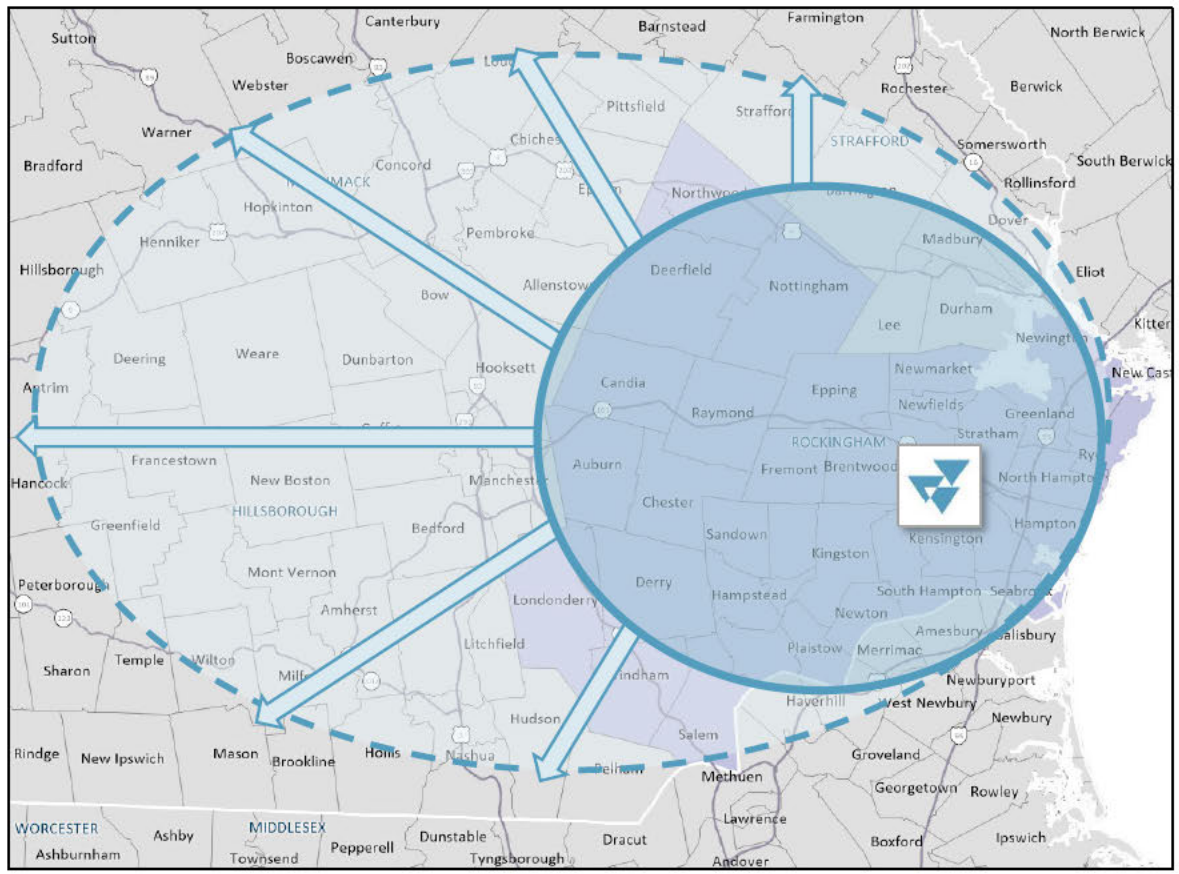
Today		Tomorrow
Preserve & Reinforce Exeter's Strong Foundation		***Establish Exeter as BILH's Destination Center in NH***
Care for existing BILH and Exeter patients closer to where they live and work	***Community-focused care***	Actively pursue regional growth strategy to extend Exeter's geographic reach across NH
Engage and strengthen the Exeter physician workforce and ensure continuity of services	***Next-level clinical capabilities***	Advance Exeter's destination programs in partnership with BIDMC and Lahey
Extend BILH's scalable infrastructure to manage value-based care	***Next-generation value-based care***	Locally deliver and manage the full continuum of physical and behavioral health
Together, design and implement a comprehensive integration plan	***Collaborative integration***	Achieve rapid economies of scale and enhanced infrastructure

Partnership with Exeter

Pursuing a Regional Growth Strategy

Beth Israel Lahey Health

Exeter as the Anchor for Regional Growth in NH



Exeter as BILH's Destination Center for NH

- Enhance the depth and breadth of services available at Exeter, in partnership with our top tier academic and tertiary institutions
- Locally deliver and manage the full continuum of physical and behavioral health in a seamless, coordinated, cost-effective manner
- Position Exeter as the destination center of the BILH system for the entire New Hampshire region in key destination programs such as:
  - Cardiovascular
  - Cancer
  - Orthopedics
  - Women's Health
  - Many other areas
- Expand the regional primary care network in alignment with Core Physicians to support long-term growth

Partnership with Exeter

Strengthening Exeter's Clinical Capabilities

Beth Israel Lahey Health

Invest in Local Programs & Facilities

- To fully serve the region's patients locally, our partnership would build upon Exeter's strong foundation to create **greater breadth and depth of destination programs based in the community**
- Without competing strategic interests in the market, **Exeter would be our sole focus for strategic investment**

Extend BILH's Sub-Specialty Expertise

- Our sub-specialty capabilities at BIDMC and Lahey can **further expand the breadth and depth of tertiary services available locally**
- Our focus would **extend beyond traditional service lines** to enhance access to behavioral health, clinical trial networks, and the graduate medical education workforce

Ensure Continuity of Current Services

- We recognize the value of **Exeter's current specialty care relationships** and long-standing affiliations
- BILH is committed to **ensuring continuity of care delivery and creating seamless transitions** where necessary over time
- **We have a track record of maintaining quality and retaining talent** – including recent transitions in neonatology and maternal-fetal medicine

As BILH's destination center in New Hampshire, investing in Exeter's clinical programs would be central to our vision of keeping care in the local community and our regional growth strategy

Partnership with Exeter

Commitment to Collaborative Integration and Growth

Beth Israel Lahey Health

Our Commitment

Following definitive agreements and prior to close, we will commit to embark on a comprehensive, collaborative process with Exeter to develop a detailed roadmap for integration and growth

A Comprehensive Approach

This process would involve significant time and resource investment as we develop integration goals and growth priorities across all areas with the goal of maximizing value to the community. We have translated our long history of community hospital integrations into a well-structured process.

Our Unique Value Proposition

Summary

Beth Israel Lahey Health

What capabilities are most important to achieving our shared vision?

- Strong balance of both tertiary and community care
- Track record of strengthening community health systems
- Fostering technology-focused innovative partnerships
- Breadth and depth of behavioral health capabilities
- Outstanding quality performance built on collaboration
- Scalable infrastructure for value-based care
- Primary care as a foundation for success and growth
- Backed by a strong balance sheet, financial position, and access to capital
- System and local governance designed to support an integrated system of care

Our Unique Value Proposition
Destination Clinical Programs

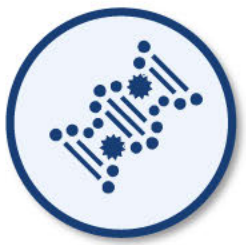
Beth Israel Lahey Health

Heart & Vascular

- Nationally renowned programs and #1 market share in structural heart, EP, interventional & TAVR
- 2,000 surgeries
- 100 clinical trials

Musculoskeletal

- 230 orthopedic and spine surgeons
- 40%+ market share -- #1 in Eastern MA
- Leveraging Baptist as system center of excellence



Cancer

- 10,000+ new cancer cases (28% market share)
- Founding member of Dana-Farber / Harvard Cancer Center
- 90 medical oncologists, 30 radiation oncologists, and 80 surgeons in 11 sites of care

Transplant

- Nationally recognized liver, kidney and pancreas transplant programs
- 211 total transplant cases per year

Digestive Disease

- Comprehensive programs in GI, endoscopy, colorectal surgery, hepatology, and cancer specialties
- Leading programs in IBD and hepatobiliary surgery

OB, MFM & Neonatology

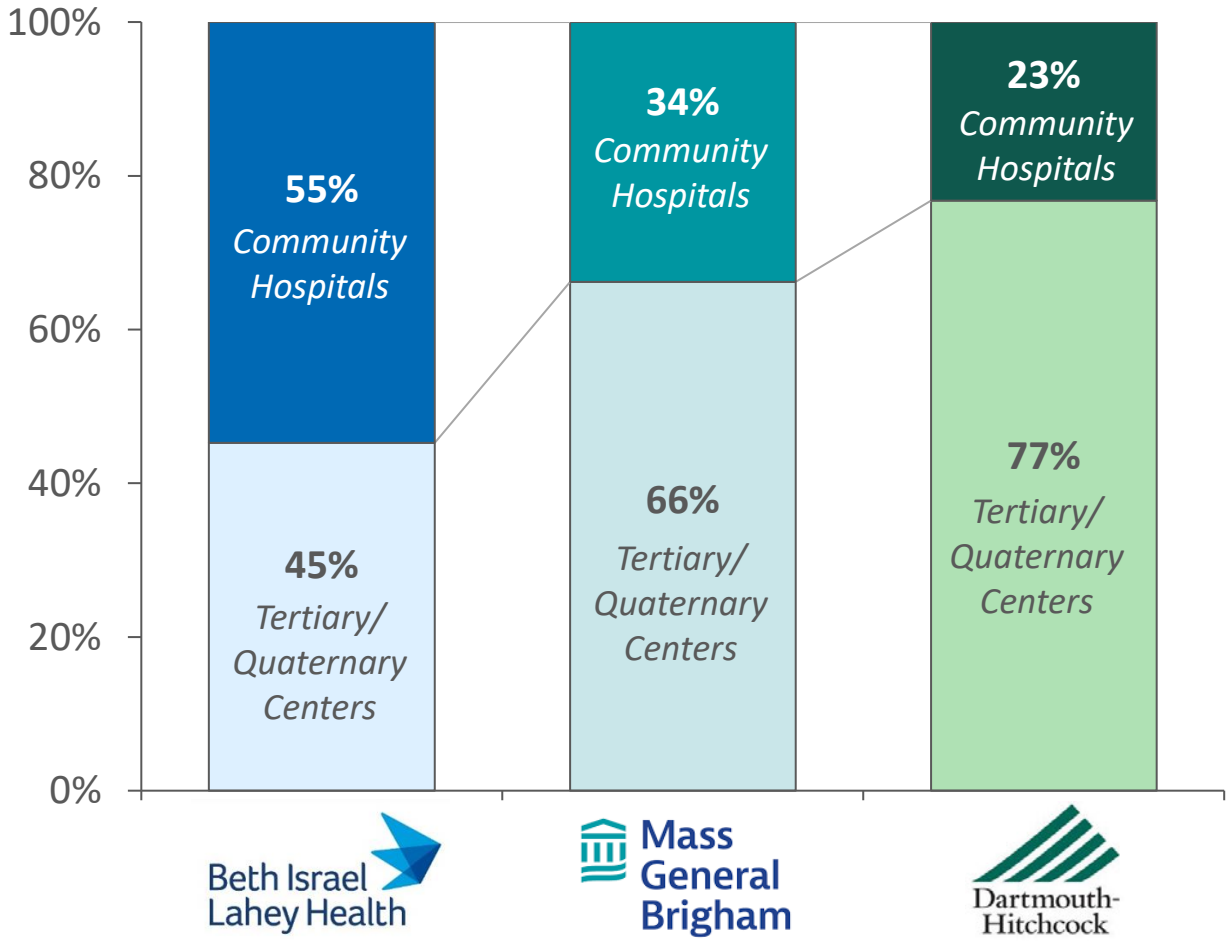
- 15,000 deliveries in six locations
- 2,500 NICU and special care nursery patients
- One system-wide model for maternal-fetal medicine and NICU

Our Unique Value Proposition

A Unique Balance of Tertiary and Community Care

Beth Israel Lahey Health

Community vs. Tertiary/Quaternary Hospital Site of Care by Health System – FY19



- BILH is the region's only large-scale academic health system where the majority of care is delivered in community institutions
- We see this balance of tertiary and community care as a key point of strength and differentiation
- In developing our long-range strategic plan, we are actively looking for opportunities that reinforce and benefit from this balance of care

Source: 2019 CHIA Inpatient Discharge Dataset, Adults Only (18+), BILH Service Area, BILH Inpatient Service Line Definition based on MS-DRGs; M/S excludes Psychiatry, OB, Neonates, Normal Newborns.
NH Acute Care Hospital Patient Origin Report 2019- Discharges from NH Hospitals – Office of Health Statistics & Informatics

Our Unique Value Proposition
Proven Results

Beth Israel Lahey Health

We have a proven track record for growing community care within our system

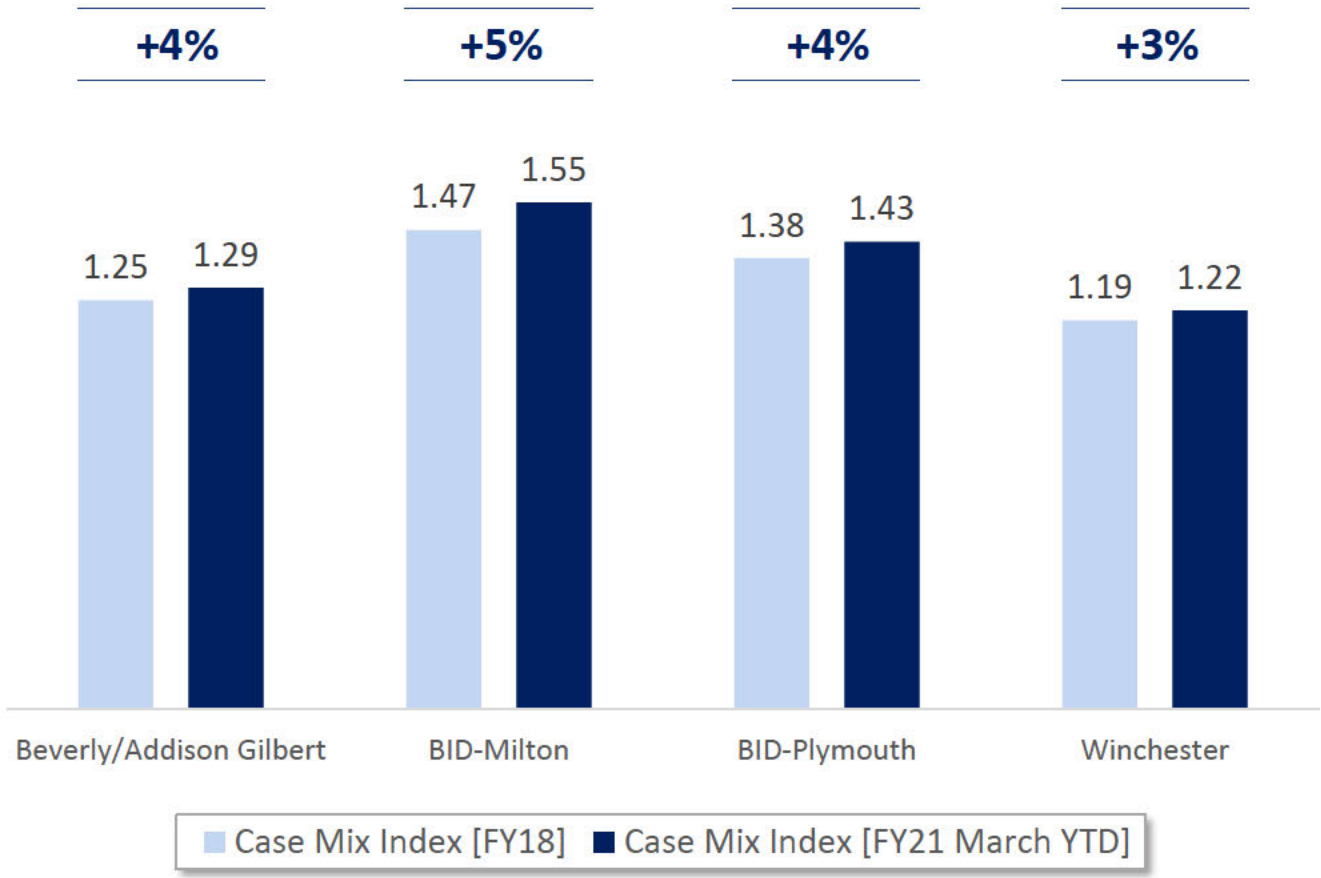
- Since joining BILH, our community hospitals have **expanded local capabilities, improved financial margins,** and **grown hospital and physician volume**
- Community hospital growth from efforts to **advance destination clinical programs, expand primary care, and retain care** within the most appropriate setting
- We actively shift volume away from our tertiary/quaternary care centers and into our community hospitals**; no other potential partner has a documented track record of delivering on this vision**
- We have achieved a **strong market position based on our academic brand and reputation for high-value care** across our system
- Our physician enterprise model **engages, encourages and supports clinical integration**. BILH works collaboratively with both employed and independent physicians, both of which are integral to the overall success of the system.

Our Unique Value Proposition

Track Record of Strengthening Community Hospitals [1 of 2]

Beth Israel Lahey Health

Increasing Case Mix Index Across BILH's Largest Community Hospitals



Elevating Community Hospital Capabilities

- In general, **BILH's largest community hospitals increased overall case mix by 4% between FY18 and FY21 March YTD**, signaling the health and strength of BILH's community hospital network.
- **BILH continues to build community capability**:
  - Beverly: Advanced Cardiovascular Care
  - BID-Plymouth: Interventional Cardiology, Thoracic Surgery, Urology
  - Winchester: Cancer Center, GYN Oncology, Robotic Surgery

Source: BILH Finance [All discharges CMS weights]

Our Unique Value Proposition

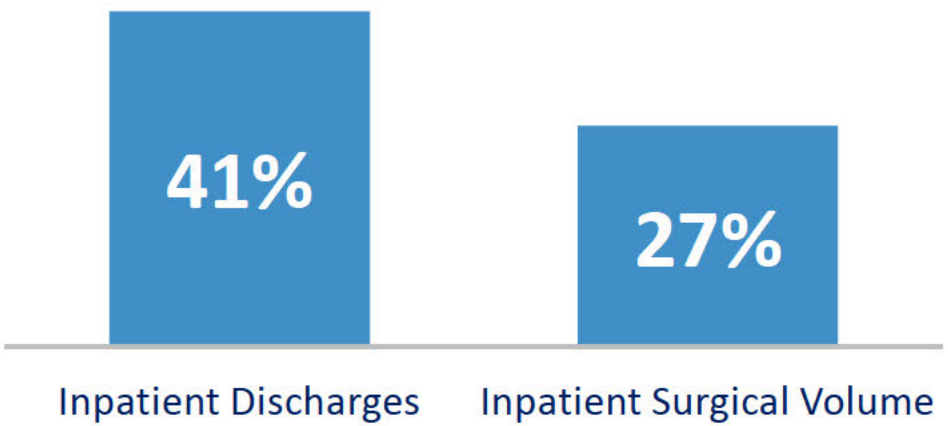
Track Record of Strengthening Community Hospitals [2 of 2]

Beth Israel Lahey Health

Beth Israel Lahey Health

Beth Israel Deaconess Plymouth

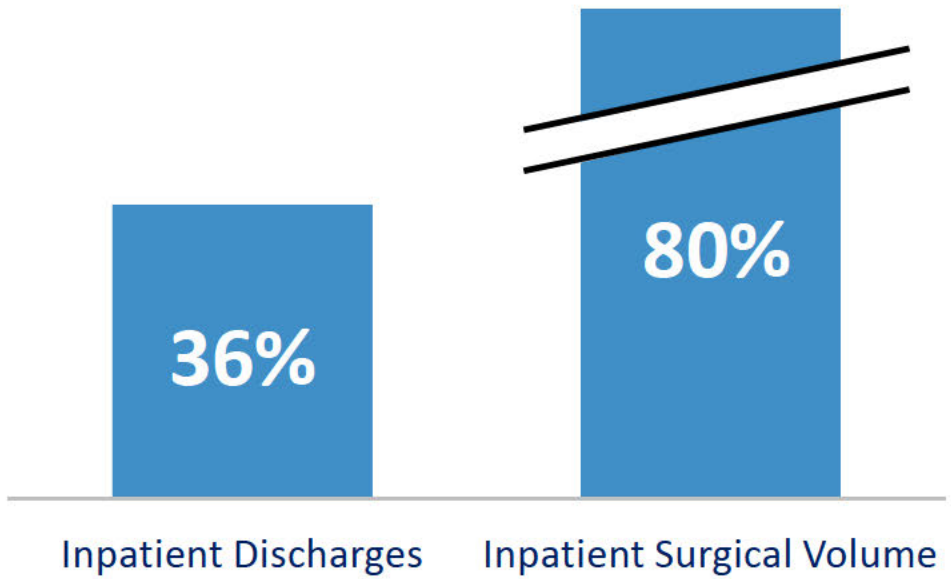
Growth FY2013 – FY2019



Beth Israel Lahey Health

Beth Israel Deaconess Milton

Growth FY2011 – FY2019



Our Unique Value Proposition

Breadth and Depth of Behavioral Health Capabilities

Beth Israel Lahey Health

Beth Israel Lahey Health Behavioral Services

Personal, compassionate, state-of-the-art, integrated behavioral care that makes a difference in the lives of the people and communities we serve

Inpatient	Ambulatory	Community-Based
▪ Nearly 500 inpatient psychiatric and addiction beds within BILH	▪ 50 sites of behavioral health – primary care integration, with the goal of 100% of practices by 2024	▪ Services Across 55 Communities
▪ 19 programs in 17 facilities	▪ 14 outpatient mental health & substance use disorder programs	▪ 10 Emergency Departments
▪ Dedicated psychiatric specialty hospital (BayRidge)		▪ 13 Police Departments
		▪ Home-based, school-based, community outreach & peer services

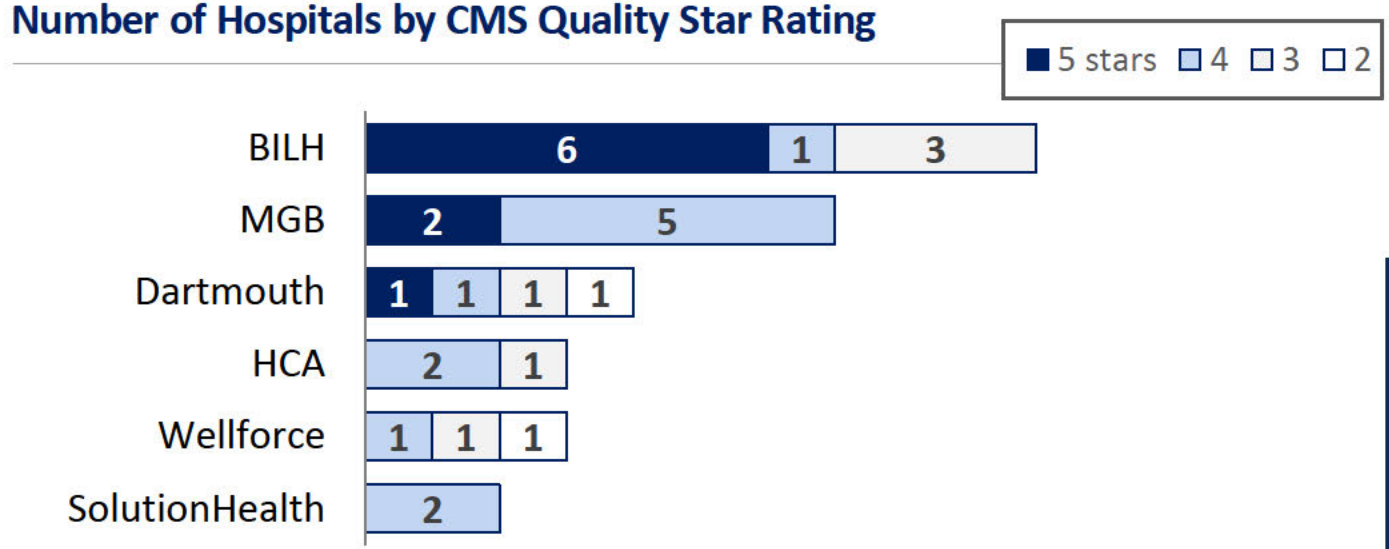
Our Unique Value Proposition

Outstanding Quality Built on Clinical Collaboration

Beth Israel Lahey Health

CMS CENTERS FOR MEDICARE & MEDICAID SERVICES
5-Star Quality Rating System

Number of Hospitals by CMS Quality Star Rating



LEAPFROG HOSPITAL SAFETY GRADE

80% of BILH hospitals have a Leapfrog Grade of "A"

THE JOINT COMMISSION NATIONAL QUALITY APPROVAL

70% of BILH hospitals received "Top Performer" from The Joint Commission

*The BILH system quality program was operational from day one of our inception and is **designed to foster clinical leadership collaboration amongst all of our member institutions***

Our Unique Value Proposition

Scalable Infrastructure for Value-Based Care

Beth Israel Lahey Health

BILH Performance Network is a clinically integrated network of physicians, clinicians, and hospitals

- ***472,000 covered lives under risk-based arrangements across Commercial, Medicare and Medicaid products***
- ***Comprehensive population health services, data analytics, and risk-based contracting infrastructure***
- ***Consistent high performer in Medicare Shared Savings Program ($25.7m in savings in 2020)***
- ***Approximately 160 dedicated FTEs and $25 million annual investment***

More than 4,600 physicians, including 800+ PCPs

13 participating hospitals in eastern Massachusetts

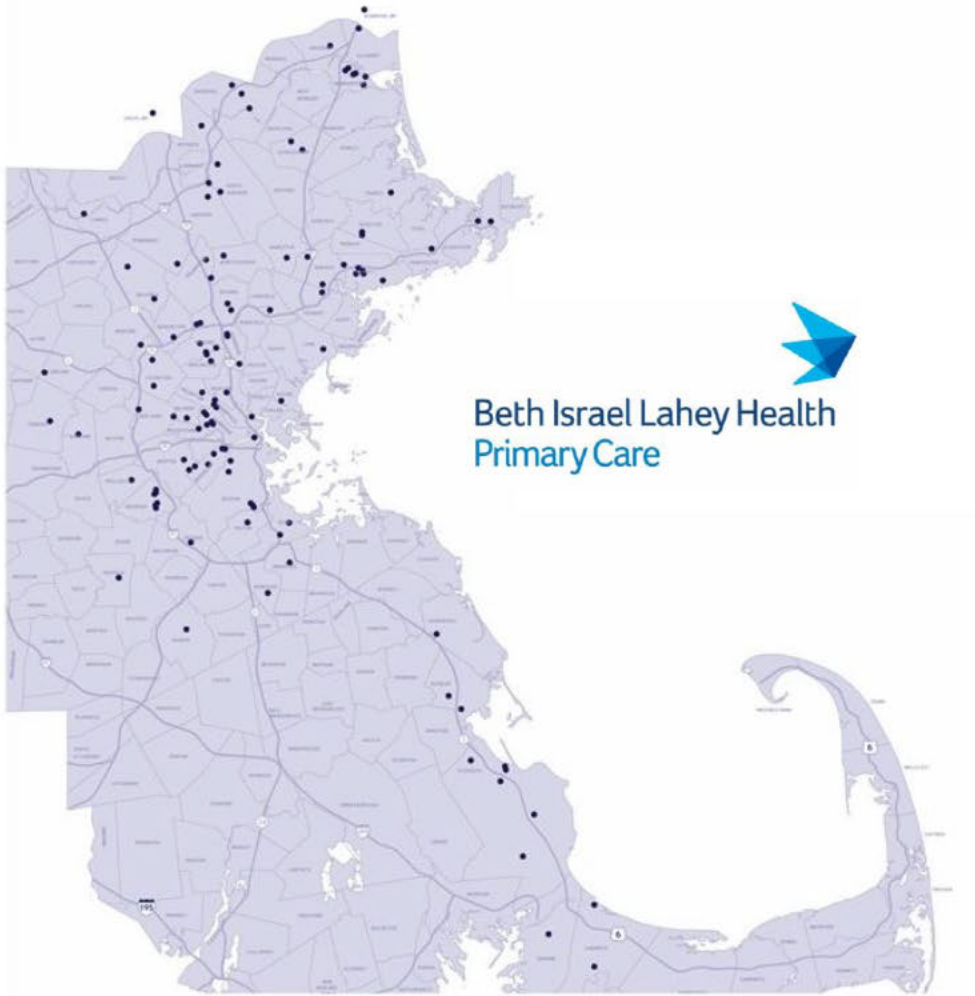
$3.5 billion global risk budget

Joint contracting and population health network for Beth Israel Lahey Health

Our Unique Value Proposition

Primary Care as the Foundation for Success

Beth Israel Lahey Health



EXCEPTIONAL ACCESS TO LOCAL CARE

- **75%** of Eastern MA is within 5 miles of a BILH PCP
- **87** BILH Primary Care practices, ranging almost 100 miles from Salem, NH to Cape Cod

PROVEN RECRUITMENT & ENGAGEMENT

- **+21%** growth in BID and Lahey in PCP base between FY16 and FY19
- **430** employed PCPs
- **150** advanced practice providers

ONGOING SUCCESS AMIDST COVID

- **1.7%** PCP attrition in 2021
- **+8%** growth to PCP base during the pandemic and aftermath

Our Unique Value Proposition

Backed by a Strong Financial Position and Access to Capital

Beth Israel Lahey Health

- ☑ History of consistently positive operating margins
- ☑ Over $6 billion in annual operating revenue
- ☑ Strong balance sheet with $2.5 billion in unrestricted net assets
- ☑ A-rated credit ratings from both S&P and Moody‘s
- ☑ Currently investing over $700 million in three facility-based capital expansions

Our Unique Value Proposition
Governance Model and Approach

Beth Israel Lahey Health

BILH governance model designed to support the vision of an integrated system of care by marrying organizational scale with local knowledge and perspective

High degree of inter-board communication, interaction and participation

- First tier board members on BILH system board committees
- Board-to-Board (B2B) quarterly newsletter to all system Boards of Trustees
- Topic-specific retreats to share best practices
- All Boards retreats and town halls
- BILH Hour with the Experts
- All Board Chair dinners
- Select joint endeavors such as recent Board Effectiveness Assessment Project

Next Steps

Proposed Approach to Achieve Exeter's Objectives

Beth Israel Lahey Health

- Exeter will become a **first-tier member** of the BILH system
- Exeter's Board will have the same roles and responsibilities as other first-tier entities, including BIDMC and Lahey
- Exeter would **realize key advantages** as part of the system including:
  - Economies of Scale
  - Access to Capital and System Resources
  - Academic Brand Reputation
  - Information Technology
  - Resources to Manage Population Health
- BILH would propose to extend its instance of **EPIC** to Exeter facilities and providers
- BILH is prepared to make the capital commitments necessary to ensure **Exeter's long-term financial and organizational success**

Next Steps

Beth Israel Lahey Health

1. **Continue to collaboratively refine our vision for partnership**

2. **Complete the Letter of Intent to ensure alignment with our shared vision**

3. **Build trust, confidence and shared understanding through leadership and peer-to-peer conversations**

Exeter Health Resources

Leadership Meeting Discussion

November 9, 2021

[redacted]

[redacted]

EXETER HEALTH RESOURCES

The Art of Wellness

[redacted]

- Mission and Culture
- Governance
- Strategy and Long Term Vision
- Employees and Physicians
- Clinical Programs
- New Care Models and Quality
- Information Technology
- Financial Sustainability
- Branding

[redacted]

Mission and Culture

Shared Mission, Vision, and Values

Both organizations exist to positively impact the health of its patients and communities, through steadfast focus on local care, innovation, teamwork, and unmatched care experiences

EXETER HEALTH RESOURCES
The Art of Wellness

The Road Forward

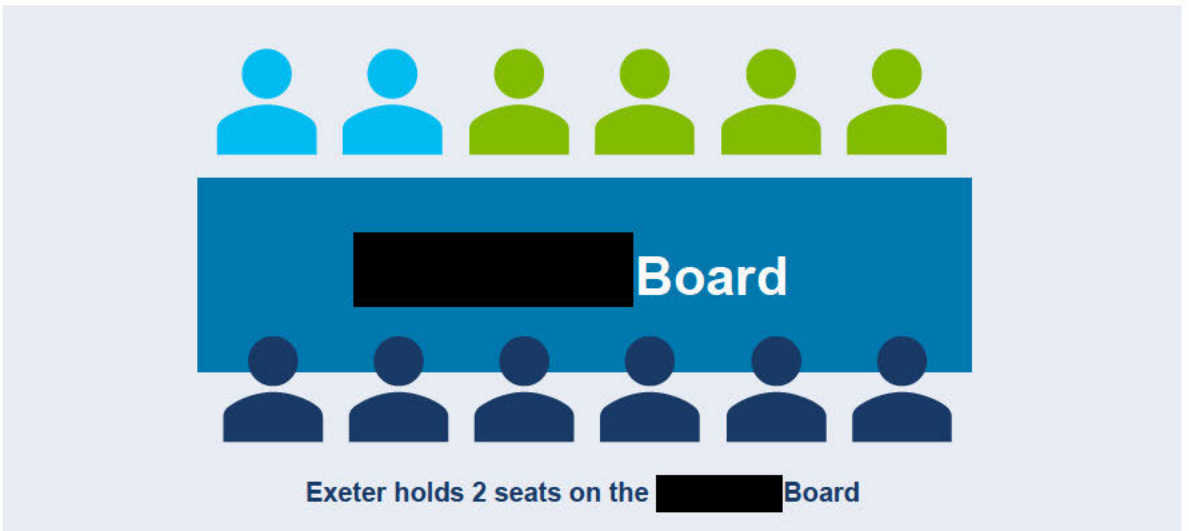
An Accelerating Arc of Change

2014	2015	2016	2017	2018	2019	2020

Governance

System Strength and Local Dynamic Delivery

Our proposed partnership structure, through a member substitution process, assures tight, go-forward alignment between Exeter and [redacted] in pursuit of common strategic goals



Critical success factors

- Hardwired commitment to local Boards significant involvement in directing and overseeing the performance of the local hospital and clinical assets
- Align Exeter's private-practice and employed physicians into the [redacted] for [redacted] contracting purposes
- Integration of our respective home health and hospice companies that are licensed to operate in New Hampshire, to achieve economies of scale and expanded capabilities

[redacted]

Strategy and Long-Term Vision

The Market Imperative

The disruptive “why” behind our motivation to partner with Exeter Health Resources

New England is among the **highest cost markets** in the U.S., with total health care spending per resident continuing to exceed the HPC cost growth benchmark

Hospital-centric systems dominate the market, driving inpatient and outpatient cost increases through legacy **FFS volume-based payment models**

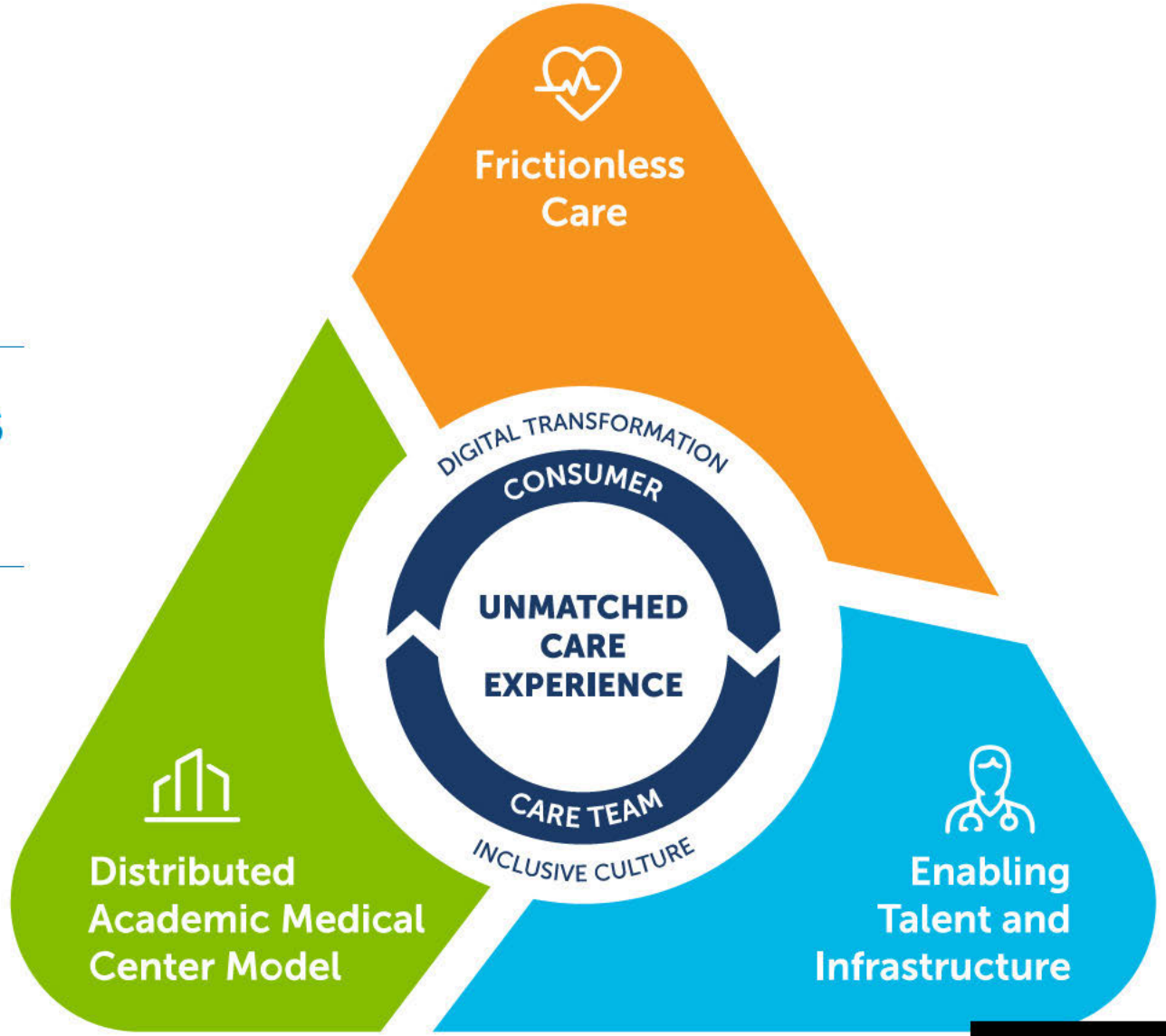
Physician networks are organized as referral channels to **grow hospital admissions and procedures**, rather than to deliver high-value care and to sustain practices

Disjointed customer experiences and **fragmented** management across episodes of care frustrates patients, physicians and care teams and drive-up costs

Vision & Strategy

Transform care in drive towards value and population health

Our Disruptive Antidote to the Market Status Quo



Strategic Vision Enabled by Key Priorities

INVEST IN OUR PEOPLE

Create an Work Environment Where all Can Thrive and Excel

- Enable a resourced & supportive work environment built on a culture of inclusion and collaboration
- Optimize integration efforts to ensure operational excellence and propel us towards our vision
- Generate sustainable operating cash flows to fuel needed operating and capital investments

DELIVER FRICTIONLESS CARE

Transform the Care Experience for Consumers and Care Teams

- Seamlessly integrate and orchestrate care across the entire continuum
- Execute our digital transformation roadmap to elevate consumer and care team experience
- Transform Care in the Home

EXTEND OUR REACH

Advance as a Learning Health System to Improve the Health of the Diverse Communities We Serve

- Identify and execute on growth & partnership opportunities that extend our reach and lower the total cost of care
- Increase the impact of our academic missions across the health system
- Elevate quality outcomes, high reliability and health equity for all populations

ALIGN SYSTEM VALUES AND IMPROVE LEADERSHIP COMMUNICATION ACROSS THE SYSTEM

Emerging Alliance Between [redacted]

[redacted]

Innovation Collaboration Design	Value Based Care Acceleration Alignment	[redacted]	Go-to-Market Collaboration Design	M&A Support
Center for Applied Innovation Innovation Pipeline Spin-In / Spin-Out	[redacted]Readiness Assessment & Design Payer Partnerships Clinical Network Growth	Revenue Cycle Management Information Technology Analytics Supply Chain Management & Workforce Optimization Care Optimization Strategic Portfolio Services	Explore how to create and go-to-market with services together through a co-designed structure	Support as needed for [redacted]M&A activities

Physician Leader Involvement

People and Culture

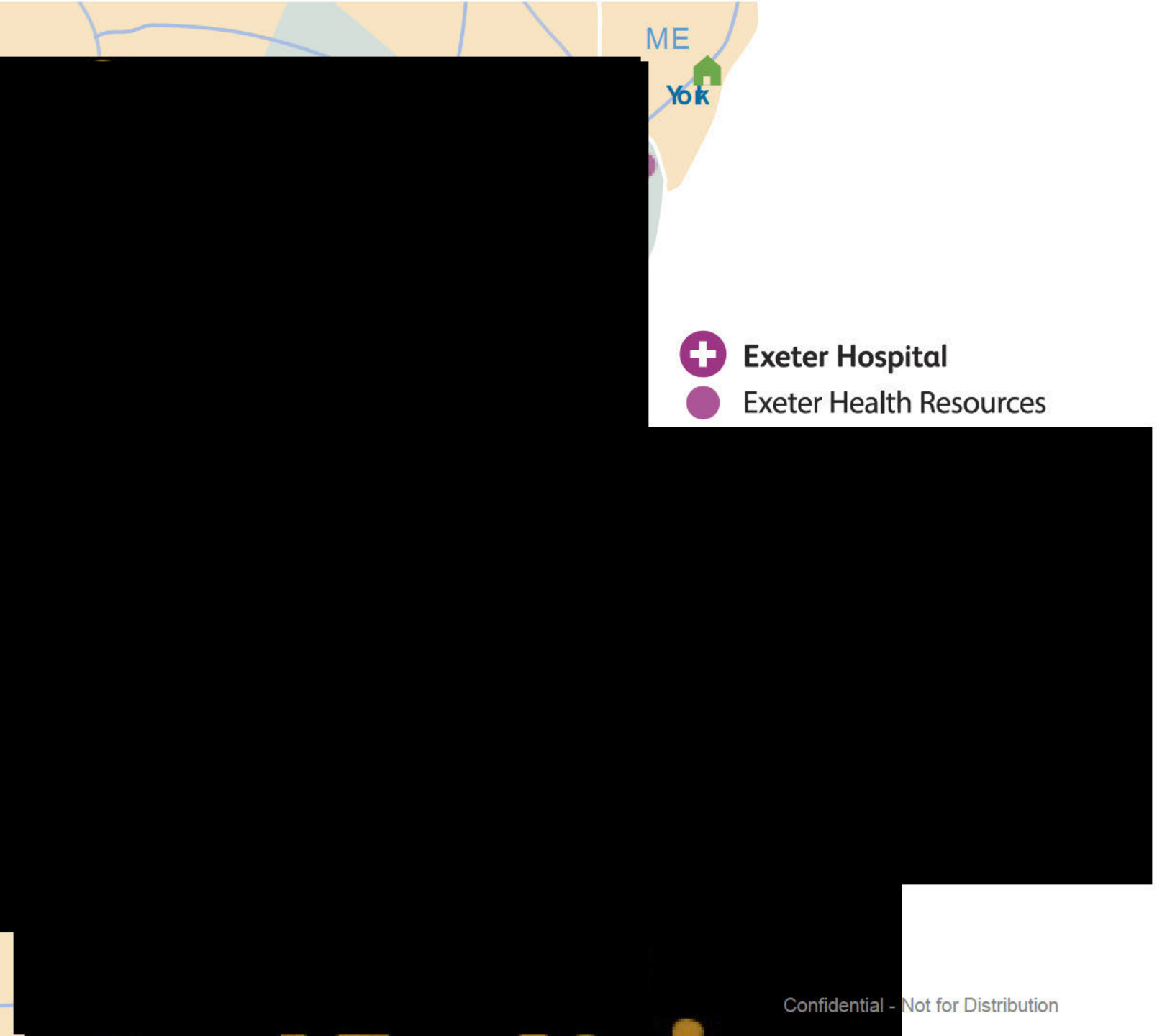
[redacted]

Alliance Value Based Care Acceleration & Alignment

Accelerate [redacted] value-based care strategy, aligned to its growth ambitions to move market share and serve as a protagonist to breakdown the FFS reimbursement methodology and advance the market toward value.

- **Specifically, we will:**
  - Help identify the right balance of risk sharing to create alignment across [redacted] system and bend the cost curve and improve quality of care
  - Identify payer partners and offer new products that can accelerate strategy, maintain relevance, and help mitigate financial risk
  - Elevate the physicians voice and respect the pluralistic nature of the physician community
- **Key activities and deliverables include:**
  - **Diagnosis of Market Opportunities** through analysis and review of existing strategic plan/readiness assessments
  - **Identify Strategic Options** and develop business case/value propositions
  - **Review Findings, Options and Initial Recommendations** via collaborative workshop
  - **Finalize Strategic Roadmap** including Value-Based Care capabilities and ambulatory growth/expansion strategy

[redacted]

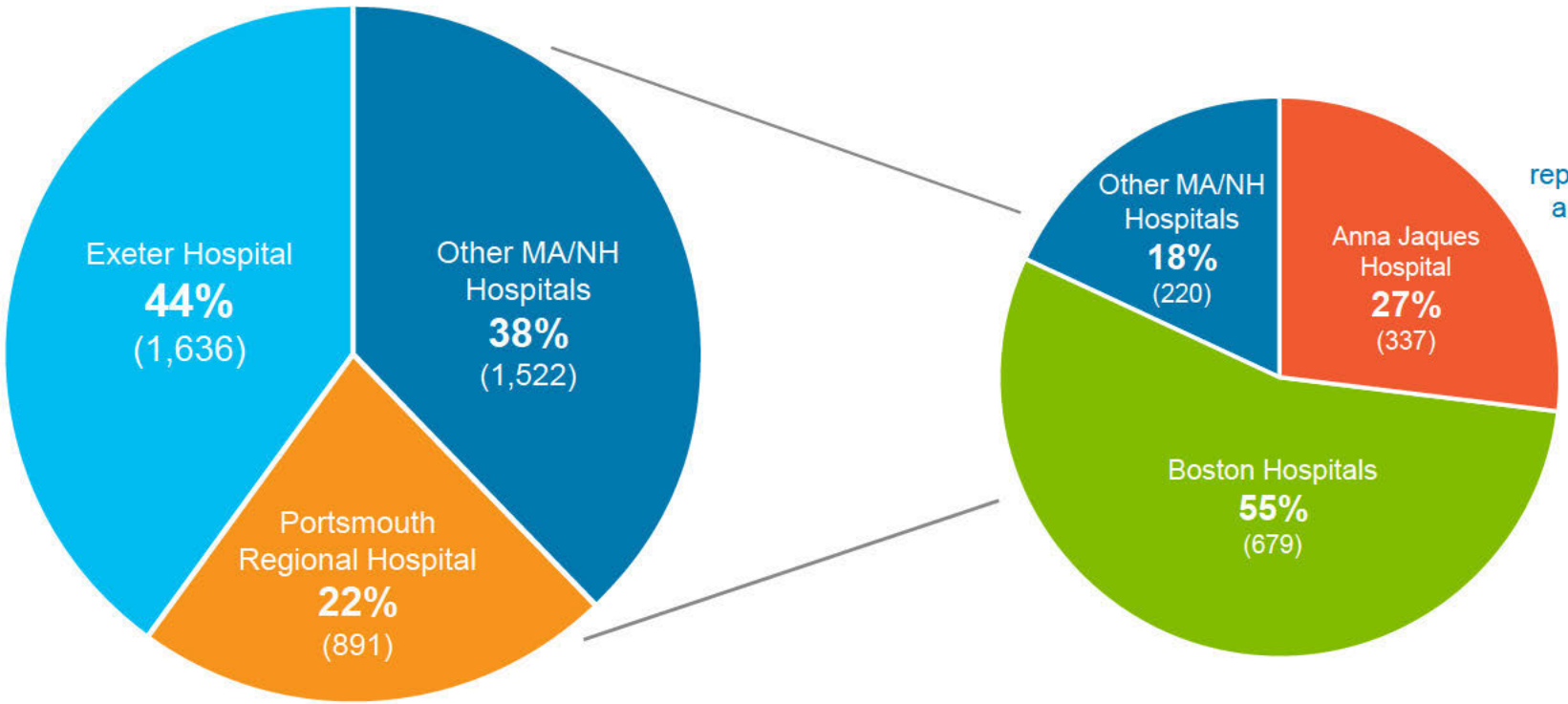


[redacted] & Exeter Health Resources: Strategic Growth

- Contiguous geographical expansion
- Regional physician structure
- Advancement of value-based care, ambulatory, and homecare delivery

Exeter Hospital – Market Position

(FY19 IP Market Share From the Towns of Exeter and Hampton, NH Combined)



The 2 largest service lines represented in Anna Jaques volume are General Medicine (54%) and Cardiovascular (12%)

- Roughly 28% of all Exeter Hospital FY19 IP volume was from patients who reside in Exeter or Hampton, NH
- The most common service lines represented in the 'Boston Hospitals' volumes are General Medicine (22%), Cardiovascular (16%), General Surgery (14%), and Orthopedics (11%). **These present opportunities to keep more care at Exeter via the** [redacted]

[redacted]

Source: NHHA website; NH_Market_Share_Report_CY2019.pdf; MHDC Spotlight - FY19 IP discharges; Boston Hospitals include: MGH, BIDMC, BMC, The Brigham, NEBH, Lahey, St. E's, and Tufts MC

Physicians and Employees

[redacted]

Goals

Enable
data-driven decision making

Empower & Engage
our workforce

Enhance
the employee experience

Evolve
to meet future needs

Requirements

Centralized, High Functioning HR

Investment in HR & People

Transformation Mindset

Structure

Centers of Excellence

HR Operations	Talent Management	Total Rewards	Local Entity HR
Empowering employees and managers through technology enhancement	Attracting, developing and retaining the best talent	Retaining talent through a competitive total rewards package	Deploying localized HR strategy and providing site-specific HR support

[redacted]

Our Mission and Vision

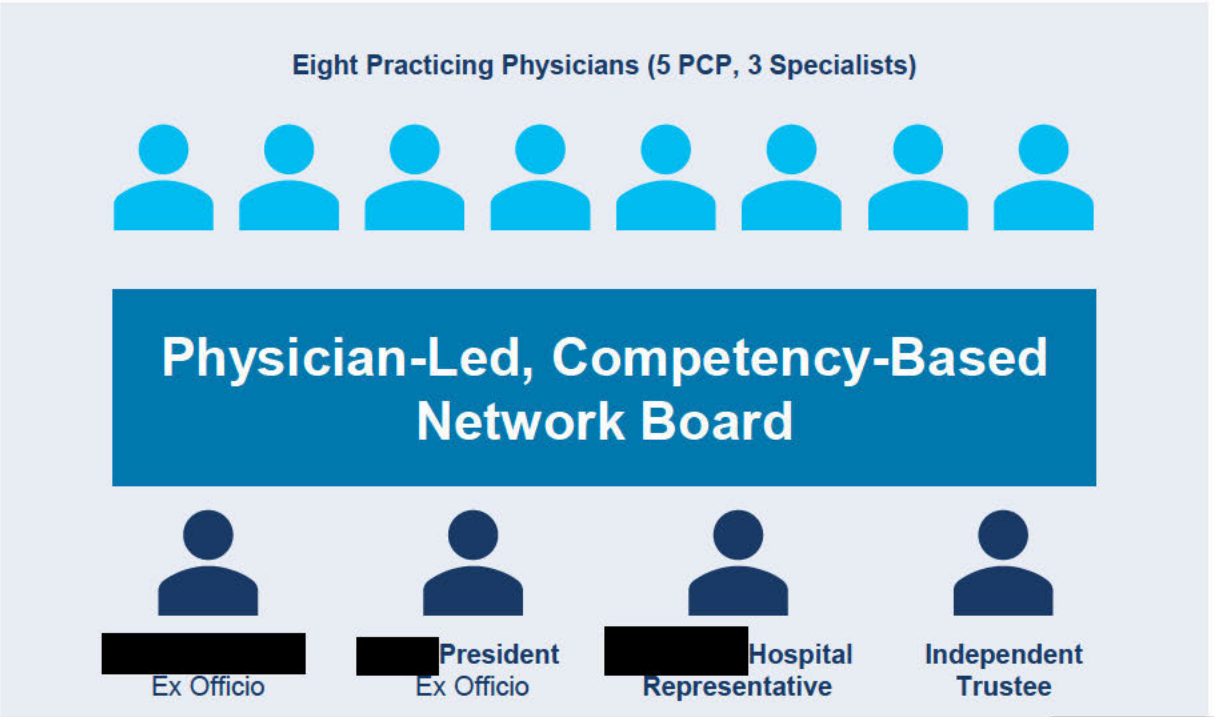
Our Network's **mission** is to bring

Our **vision** is to make the communities we serve healthier. We aspire to have our aligned physicians experience greater professional and personal satisfaction because we effectively manage outcomes and cost in value-based care, and we deliver distinctive care experiences that drive volume-based growth in our markets.

Physician Role in Strategy

Elevating Physician Authority

- **Private practice and employed, community- and academic-based physicians** working together to build healthy communities in sustainable practices
- An **ownership culture** that vests authority in physicians and succeeds because physicians and local care teams hold each other accountable



[redacted]

Clinical Programs

Distributed Academic Model

Core elements of the Distributed Academic Model:

1. **Do No Harm:** Identify clinical programs/partnerships that are high functioning and align on short- and long-term goals with these programs
2. **Identify gaps in service and talent and partner with the local care providers** to mitigate those gaps
3. **Invest to build clinical programs** that meet local population health needs while providing reliable tertiary/quaternary referral services

Distributed Academic Model

Examples

- The [redacted] has implemented a system-wide **Vascular** program, including physicians from all [redacted] hospitals, that is projected to yield 176 additional community discharges [redacted] in the next 3 years
- [redacted] is pursuing the [redacted] program to further complement and enhance the robotics capabilities at [redacted] **(General Surgery)**
- **Behavioral Health** strategy investing in scalable centralized services and utilizing the existing resources and capabilities at each member location to re-imagine a more comprehensive, unified service
- The [redacted] **oncology** service in the [redacted] service area provides multiple subspecialty clinics, joint tumor boards, and research clinical trials in the community, has helped the infusion volume grow by 28% from FY20 to FY21
- System approach to **intensivist care** keeps higher acuity critical care patients at [redacted] and [redacted] with CMI increases of .06 and .07 respectively from FY17 to FY19

New Care Models & Quality

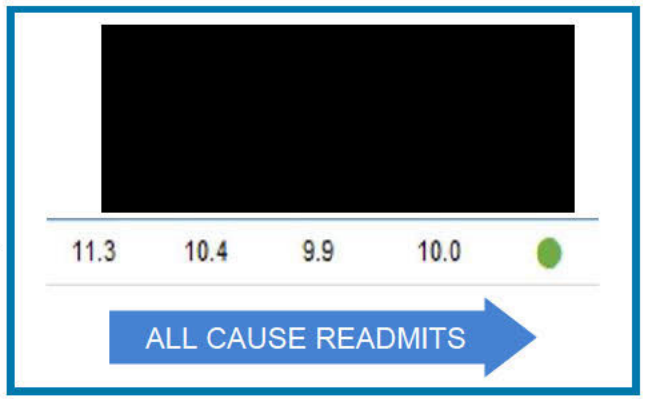
- [redacted] Quality
- Value-Based Care Vision, Opportunities and Growth

Quality & Safety

Top Performance in Domains Across the System

[redacted]

[redacted]



[redacted]

Two High Performing Medicare ACOs		
	MSSP * Domain Score (%)	**Next Gen **** Domain Score (%)
Patient/Caregiver Experience	94.75	87.00
Preventive Health	96.25	100.00
At Risk Population	100.00	95.00
Final Quality Score	92.17	88.78

[redacted]

Star rating	Overall rank	Overall score
★★★★	26	59.68%

[redacted]

Connecting Excellence System-wide

Lean Management and a Commitment to High Reliability

	Principles	Leadership	Management	Front-line
ALIGN	**Create value for the patient** **Create constancy of purpose** **Think systemically**	**Establish Direction** **Develop** a vision and strategies to achieve that vision. **Set** high but reasonable targets. **Communicate** the direction on a regular basis.	**Organizing & Translating** **Establish** a structure to achieve the plan. **Organize** and **allocate** resources. **Monitor** structure to ensure consistency and alignment to plan.	**Setting & Achieving Goals** **Identify** meaningful goals that can be accomplished in their area that directly affect the overall vision and strategy. Daily **report** on status and needed support.
ENABLE	**Lead with humility** **Respect every individual** **Learn continuously**	**Motivate, Mentor, Inspire** **Energize** people to develop and overcome barriers to change. **Daily be in** the work area to **listen** to understand. **Embrace** failure; **celebrate** success.	**Empower, Involve & Coach** **Empower** authority within parameters of area to improve and solve problems. **Break-down** silos by **involving** cross-functional teams to solve value stream issues. **Coach** problem solving daily.	**Develop & Share** Be a self-developer. **Find** opportunities to grow and develop to better support the organization. **Share** with others what is working and what is not working.
IMPROVE	**Embrace scientific thinking** **Flow & pull value** **Understand & manage variation** **Assure quality at the source** **Seek perfection**	**Break-through Thinking** Continuously **learn** by listening, seeing and translating observations. Support new models of care delivery developed by front line.	**Monitor & Maintain Predictability** **Monitor** the outputs of each system to ensure stability and a standard outcome. Continuously **challenge** the process to identify areas of improvement.	**Adapt & Adjust** **Adapt** the tools by making incremental adjustments that all shifts agree with. **Treat** tools as a countermeasure not a solution. Structurally **solve** area problems daily.

[redacted]

Value-Based Care Performance

[redacted]

[redacted] lives in value-based commercial and Medicare risk contracts, including Medicare Advantage

Risk-Based Contract	[redacted]
Commercial	
Medicare (ACO/MA)	
Medicaid	
Total	

2019 Weighted Average Incentive Payments

[redacted] PMPM for Commercial Plans

[redacted] PMPM for Medicare ACO

[redacted] **was built for value-based care and measures success as incentive dollars returned to our physicians.**

[redacted]

Payment Innovation

Alternative Payment Methodologies

- [redacted] is committed to accelerating the shift to **value-based care**.
- We are built to **disrupt hospital-centric systems** and **legacy payment models** that do not align with our vision for quality care and healthy communities.

Current Payment Innovation Prototypes in our Pipeline

[redacted]

Direct Primary Care Model with [redacted] on a 2022 pilot basis

[redacted]

Clinical Innovation

Two New Programs Saved [redacted] an Estimated $4.5M in Avoided Admissions, Readmissions & ED Visits in 2021

[redacted]

Coordinates handoffs for patients with complex care needs between providers, programs and sites along their care pathways.
Launched November 2020

- Four active condition-specific clinics focus on: Heart Failure, Complex Care, Palliative Care and Pharmacy Programs (SUD, Diabetes & COPD)
- Current referral sources from enterprise-wide care planning
- Our clinic generated approx. $2M in cost savings in 2021 and we expect that to grow as our Complex Care clinic matures

Field paramedicine program dedicated to providing care to patients in their own homes.
Launched March 2020

- An average of 75 patients per month are served with in-home paramedic visits
- Patient referrals come from: PCP, SNF's, and [redacted] Hub with expansion plans
- Prevented over 1,000 readmission/ED visits since launch. Estimate approx. $2.5M in cost savings has been generated in 2021

[redacted]

Innovation in Action: [redacted] & Exeter

Possible approach to accelerate value and differentiate in the NH market

Exeter Health to anchor a newly formed **fourth Region (New Hampshire)** **for the** [redacted] with a Clinical Council to oversee care model innovation

[redacted] to host an **Innovation Boot Camp** and intensive in Q1 2022 (CY) to build innovation as a core competency and accelerate the pace from ideas to impact

[redacted] North Region and Exeter to partner on development of an **integrated lifestyle medicine-primary care residency** with Blue Zones to create distinctive recruitment value proposition

Exeter [redacted] ***Project*** — primary care transformation accelerator — formed and staffed to engage a cohort of adult PCP and pediatric practices in design-build and deployment of innovation prototypes

[redacted]

Information Technology

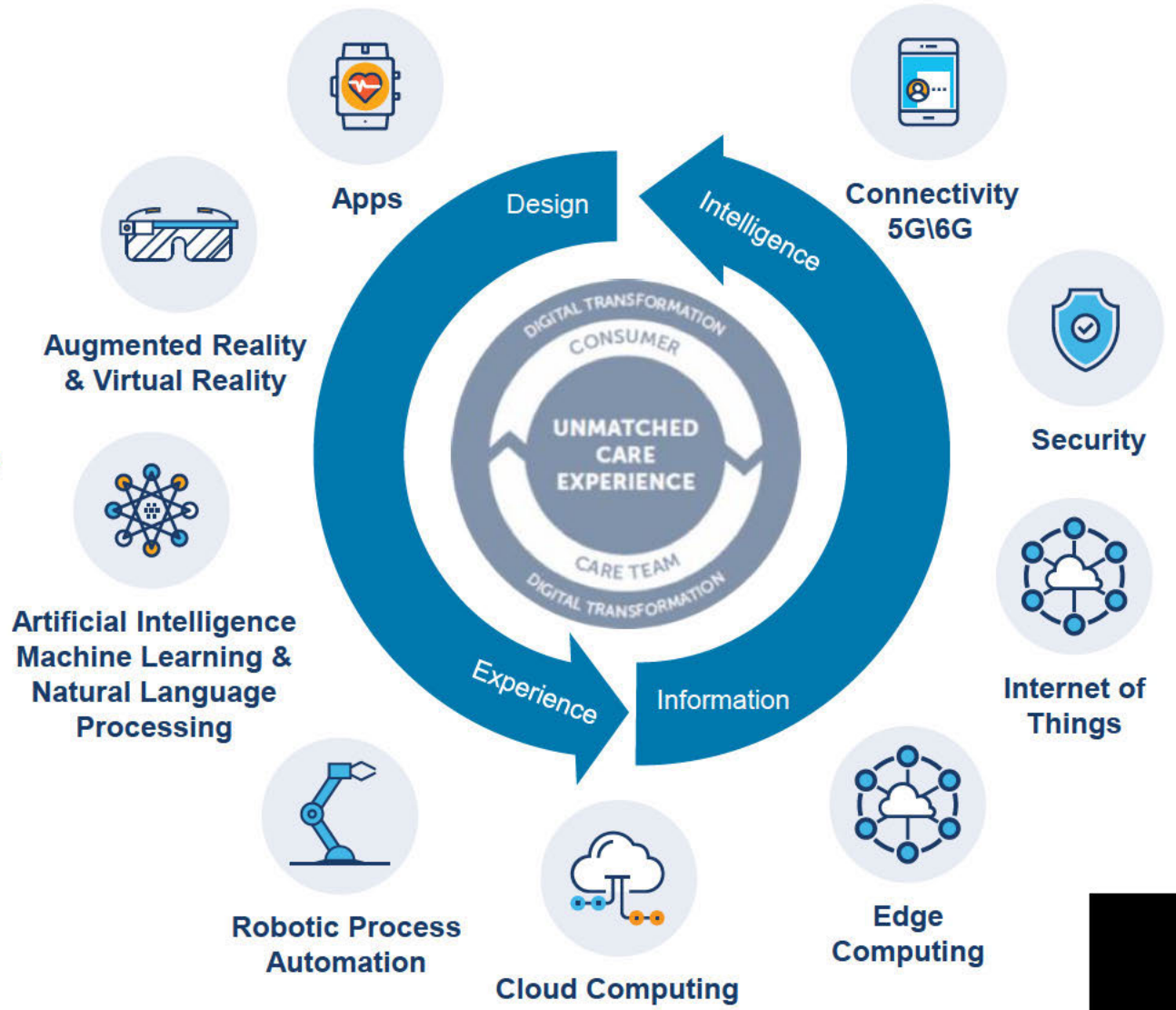
The Fabric of Enterprise Digital Transformation

Enterprise Resource Planning

Customer Relationship Management

Epic
Healthcare Application Ecosystem
(PACS, Research, Quality, etc.)

Channeling Data Fueling Wisdom and Insights



Building the Digital Transformation

Common Electronic Health Record

Common Analytics & Business Intelligence Platform –
Center for Advanced Analytics, Quality, & Patient Safety

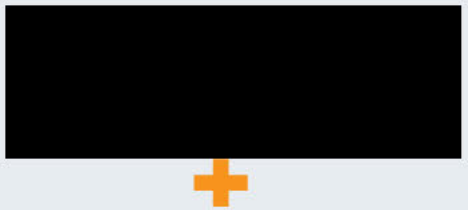
Common Digital Experience & Interoperability Platform

Payers and Virtual Care

Financial Sustainability

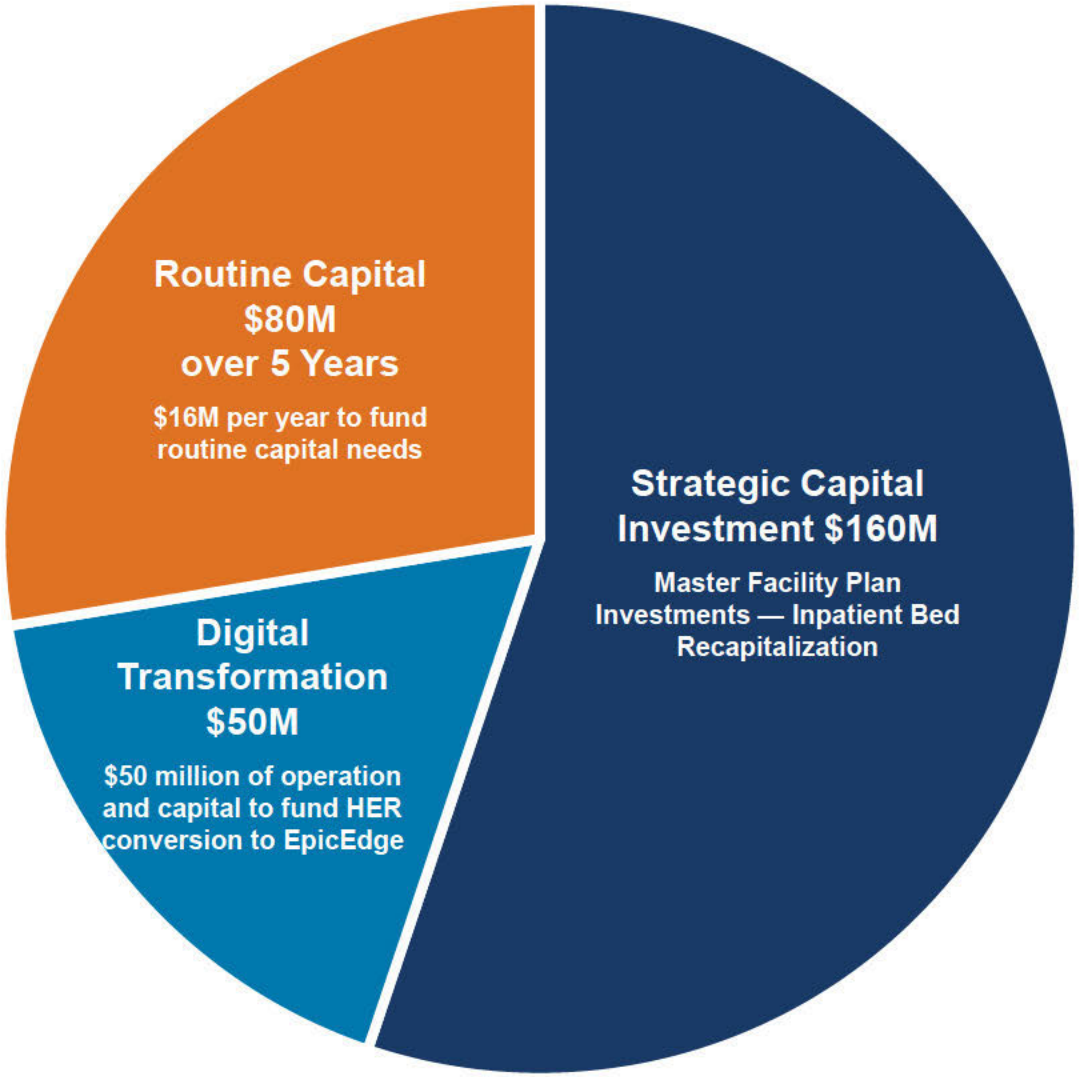
Together We are Financially Stronger

- **$1.20B in liquidity** on hand or 200 days
- Created **$255+M in value** for its members
- Executing on plan to generate **> 8% OCFM**



- **2.6B revenue base**
- Financials will merit an **upgrade by S&P and Fitch to the "A" category**
- **$650 million of debt capacity** to finance strategic capital needs

A Collaborative Approach to Strategic Capital



- [redacted] prepared to **invest $290M**
- Exeter debt capacity without [redacted] would likely be rated Baa2

[redacted]

Branding

Brand Strength

[redacted] is currently planning a consumer brand launch

- Consumer research shows the strength of the [redacted] brand
- Will combine the overall appeal of the [redacted] brand with the equity of the local hospital name
- 3 in 4 people in our service area would be more likely to use hospitals/medical centers if they were associated with [redacted]

What will the new brand become synonymous with?

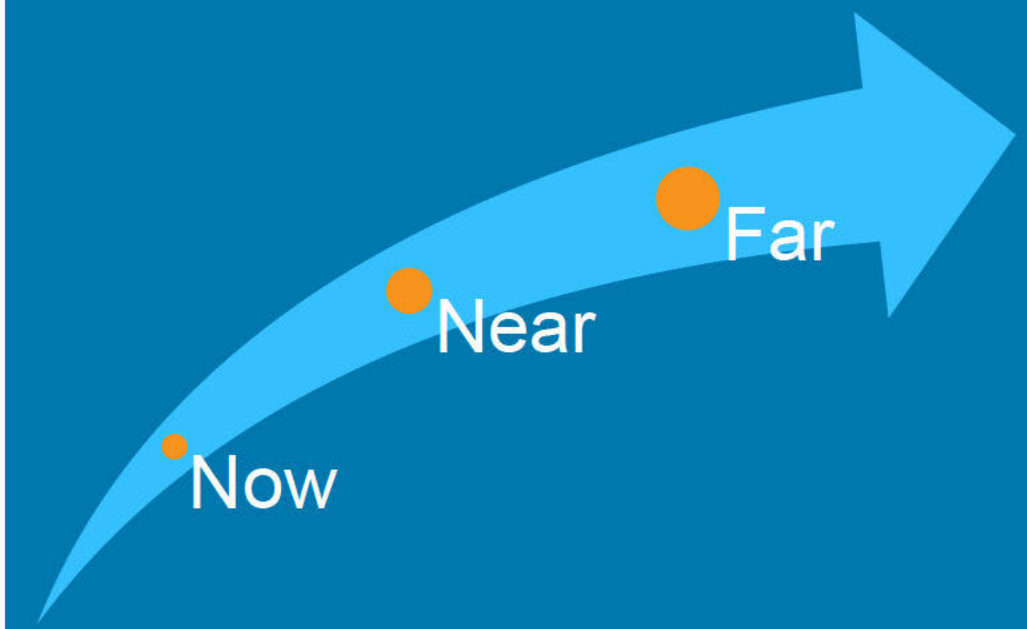
- Maverick in our market – an alternative to the ivory tower
- Solving (clinical or operational) problems with unmatched tenacity
- Dedicated to provide excellent care with every member of our community
- No egos or red tape, making things happen together

[redacted]

Conclusion

Implementation philosophy

Collaborative & tactical



Integration committee potential scope

The Exeter Health Resource "Fit"

The Power of Complementary Strengths and a Shared Vision

[redacted]

Appendix

Exeter Hospital – Market Position

(FY19 IP Market Share by Town)

City/Town Name	Hospital	MA/NH Discharges	% of MA/NH Discharges
Exeter, NH		**1,753**	**100**
	Exeter Hospital	**1,010**	**57.6%**
HCA	Portsmouth Regional Hospital	203	11.6%
MGB	Massachusetts General Hospital	90	5.1%
BI Lahey	Anna Jaques Hospital	54	3.1%
MGB	Brigham and Women's Hospital	52	3.0%
MGB	Wentworth Douglass Hospital	43	2.5%
	Dartmouth-Hitchcock Medical Center	35	2.0%
Hampton, NH		**2,296**	**100**
	Portsmouth Regional Hospital	688	30.0%
	Exeter Hospital	**626**	**27.3%**
BI Lahey	Anna Jaques Hospital	283	12.3%
MGB	Massachusetts General Hospital	152	6.6%
BI Lahey	Lahey Hospital & Medical Center	70	3.0%
BI Lahey	Beth Israel Deaconess Medical Center	67	2.9%
MGB	Brigham and Women's Hospital	63	2.7%

City/Town Name	Hospital	MA/NH Discharges	% of MA/NH Discharges
Epping, NH		**806**	**100**
	Exeter Hospital	**373**	**46.3%**
HCA	Portsmouth Regional Hospital	86	10.7%
SolutionHealth	Elliot Hospital	70	8.7%
MGB	Wentworth Douglass Hospital	57	7.1%
MGB	Massachusetts General Hospital	37	4.6%
GraniteOne	Catholic Medical Center	30	3.7%
MGB	Brigham and Women's Hospital	26	3.2%
Raymond, NH		**1,028**	**100**
	Exeter Hospital	**358**	**34.8%**
SolutionHealth	Elliot Hospital	234	22.8%
GraniteOne	Catholic Medical Center	122	11.9%
HCA	Portsmouth Regional Hospital	72	7.0%
MGB	Massachusetts General Hospital	33	3.2%
HCA	Parkland Medical Center	32	3.1%
	Dartmouth-Hitchcock Medical Center	24	2.3%

- Of the total Exeter and Hampton, NH volumes going to Boston hospitals (excluding Anna Jaques), the most common service lines are General Medicine (22%), General Surgery (14%), Cardiovascular (16%) and Orthopedics (11%).
  These present opportunities to keep more care at Exeter via the [redacted]

[redacted]

Source: NHHA website; NH_Market_Share_Report_CY2019.pdf; MHDC Spotlight - FY19 IP discharges

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