Board Meeting Minutes (Open and Closed)

<table>
<thead>
<tr>
<th>Date</th>
<th>June 22 – 24, 2016</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>June 22: 1-4 p.m. CDT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>June 23: 8:30-5:30 p.m. CDT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>June 24: 8-3 p.m. CDT</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dial-in #</th>
<th>N/A</th>
<th>Conference ID</th>
<th>N/A</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Web meeting info</th>
<th>N/A</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Fort Garry Hotel</td>
</tr>
<tr>
<td></td>
<td></td>
<td>June 22: Club room</td>
</tr>
<tr>
<td></td>
<td></td>
<td>June 23: Crystal ballroom</td>
</tr>
<tr>
<td></td>
<td></td>
<td>June 24: La Verendrye room</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chair</th>
<th>Leah Hollins</th>
<th>Recording secretary</th>
<th>Cassandra Tavares, Senior Board Administrator</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Attendees</th>
<th>Board: Ms. Leah Hollins (Chair), Mr. Wayne Gladstone, Dr. Gary Glavin, Mr. Craig Knight, Mr. Henry Pankratz, Mr. Dunbar Russel, Ms. Suromitra Sanatani, Ms. Elaine Sibson, Mr. Mike Shaw, Mr. Bob Teskey, Dr. Jeff Scott, Dr. Kevin Glasgow, Ms. Kelly Butt.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EMT: Dr. Graham Sher (Chief Executive Officer); Mr. Jean-Paul Bédard (Vice-President, Public Affairs); Dr. Christian Choquet (Vice-President, Quality &amp; Regulatory Affairs); Dr. Dana Devine (Chief Medical and Scientific Officer); Mr. Rick Prinzen (Chief Supply Chain Officer); Mr. Andrew Pateman (Vice-President, Talent Management &amp; Corporate Strategy); Ms. Pauline Port (Chief Financial Officer, and Vice-President, Corporate Services); Mr. Mark Donnison (Vice-President, Donor Relations); Mr. Ralph Michaelis (Chief Information Officer); Mr. Watson Gale (Vice-President, General Counsel and Corporate Secretary).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Guests</th>
<th>Mr. Ron Vezina (Director, Corporate Reputation &amp; Health Policy) Ms. Cristiane Bourbonnais (President, Cohesion)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Joining by phone</th>
<th>N/A</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Absent</th>
<th>Dr. Kevin Glasgow – absent afternoon of June 24, 2016 Ms. Suromitra Sanatani – absent from 12:30 to 1:30 p.m. CDT on June 24, 2016</th>
</tr>
</thead>
</table>
The board convened on June 22, 2016 for a brief closed session of the board.

1. Leah Hollins, Chair, called the meeting to order at 1:11 p.m. CDT on June 22, 2016. The agenda was amended to include a de-brief on the open board meeting:

   *After review, ON MOTION duly made and seconded, the agenda was unanimously approved, as amended.*

2. On invitation from L. Hollins, no conflicts of interest were declared.

3. **Open board meeting de-brief** (JP. Bédard)

   Jean-Paul Bédard, Vice-President, Public Affairs, de-briefed the board on plans for the open board meeting. Twelve presenters were to be expected, and potentially contentious topics included labour relations and paid plasma. It was noted that June’s open meeting would not be broadcasted.

   - **ACTION (JPB):** Plan to broadcast at December’s open meeting.

4. **Value proposition framework** (JP. Bédard / R. Vezina)

   Jean-Paul Bédard, Vice-President, Public Affairs, and Ron Vezina, Director, Corporate Reputation & Health Policy, appeared before the board and provided an update on Canadian Blood Services’ value proposition framework. The value proposition framework is a tool for communicating Canadian Blood Services’ story through the use of data-driven facts and messages with key stakeholders and government. The framework tells the story under three broad themes: 1) improving patient outcomes; 2) improving health-system performance; and 3) optimizing cost efficiency. A hand-out on “How We Deliver Value”, providing messaging under the three themes, was distributed to the board at the meeting.

   The board expressed general satisfaction with the three broad themes, noting the messaging was very detailed and appropriate when targeting funders, but highlighted the need to use plain language when targeting donors, volunteers and the public. The board further stated a desire to obtain for further input from other health systems as to insight on how they are communicating value. R. Vezina noted that it is Canadian Blood Services intention to adapt messaging to the stakeholders being targeted. Dr. Graham Sher, CEO, will be presenting the framework to ABO colleagues in November and he has already solicited feedback from the Interagency Collaborative Group (ICG), of which Canadian Blood Services is a member.

   - **ACTION (JPB):** Take the current value proposition to other stakeholders in the health arena such as CIHI to gain feedback. Consideration for targeting the donor and using plain language.

The meeting adjourned at 4:06 pm CDT.
The meeting reconvened on June 23, 2016 for an open meeting of the board.

5. Leah Hollins, Chair, called the open meeting to order at 9:33 a.m. CDT. She commented on the format of the open meetings built on the principles of openness and transparency and an opportunity for Canadian Blood Services to interact with Canadians. L. Hollins highlighted the change to the MSM deferral criteria from five to one year recently approved by Health Canada, and which is to take effect on August 15, 2016. Finally, Ms. Hollins informed the public of Canadian Blood Services plan to increase plasma collections to address the growing need in the country, noting Canadian Blood Services does not intend to pay donors.

Ms. Hollins introduced members of the Board and EMT.

Due to the number of presenters in the afternoon, L. Hollins noted item 13 – Productivity and Efficiency Journey – would not be addressed at this meeting:

After review, ON MOTION duly made and seconded, the agenda was unanimously approved, as amended.

6. On invitation from Ms. Hollins, no conflicts of interest were declared.

7. It was noted that all business arising from the minutes would either be addressed in the agenda for the current meeting, or would form part of the agenda for future meetings

8. Report of the chair (L. Hollins)

Leah Hollins, Chair, commented on the recent successful meeting with British Columbia’s Minister Lake. She noted the board evaluations had been postponed and she would be discussing individual evaluations with each director following the meeting. Finally, she commented on the ICD course on risk oversight and encouraged directors to attend.

9. Report of the CEO (G. Sher)

Dr. Graham Sher, Chief Executive Officer, provided a presentation to the board and public on Canadian Blood Services performance over the past year (FY 2015-2016). G. Sher began by highlighting some of the year’s successes: Zika deferral implementation, successful contract negotiation of plasma products and efficiencies to CBS’ production site through partnership with Toyota. He also alluded to the challenges the year brought forward: negotiating the budget with PTs, maintaining a stable inventory, building a national clinical governance model, and the issue of paid plasma.

G. Sher presented Canadian Blood Services strategy map and spoke to progress made under each of the organizations seven key focus areas:

- **Earning Right to Serve**: Canadian Blood Services continues to garner public trust with 82% (target 80%) of Canadians surveyed stating they trust Canadian Blood Services to act in their best interests; key highlights under this area include Health Canada’s recent approval of the blood ineligibility criteria period for men who have sex with men from five years to one year as a step towards incremental change; and the implementation of the 21-day Zika deferral period (since
February 2016) as an excellent example of safety and risk based-decision making in action. Progress towards establishing a National Accountability Agreement is gradual but ongoing; a working group of ADM/DM’s alongside Canadian Blood Services have been assembled to define an appropriate governance framework.

- **Manufacturing Biological products:** Since 2012, the trend has been a decrease in demand for red cells internationally, largely due to improvements in medical and surgical therapies seen at a clinical level; the reverse is the case for immunoglobulin (IG) plasma protein products, which have seen a global increase in demand/utilization, in Canada as high as 6-8 percent increase year over year. As a result, Dr. Sher remarked on Canadian Blood Services plans to expand its plasma collection operations by an incremental 400,000 to 500,000 liters annually in a non-remunerated manner in Canada. Furthermore, this past year Canadian Blood Services’ cord blood bank received AABB accreditation, and this week will mark the organizations’ first sale of a cord blood product.

- **Provide transfusion and transplantation services:** Canadian Blood Services continues to participate in tackling the ongoing challenge of utilization as part of the Canadian Blood Utilization Collaborative. Work has been done to re-position the OneMatch Stem Cell and Marrow Network to reflect ethnic diversity and changing transplant practices. Canadian Blood Services is now operating one the highest quality cord blood banks in the world; the organ donation and transplantation ten year systems progress report is gearing up for public release.

- **Transform how we attract, interact and retain donors:** There has been a shift in donor appointments to digital platforms, translating into a higher attendance rate than those booked via other channels. Canadian Blood Services is ready to go live with the Automated Supply Chain initiative the long weekend in July.

- **Deliver products/services more efficiently:** In 2015-2016, Canadian Blood Services achieved $15.7 million in productivity savings and is committed to finding another $14 million in savings this year. Canadian Blood Services continues to drive productivity throughout its operations as demonstrated by its partnership with Toyota to improve its production and distribution. Through successful contract negotiation of plasma protein products, $60M in cost avoidance will be achieved by 2017-2018.

- **Advance and mature our quality management system:** Canadian Blood Services met 7 out of 8 indicators at year end on its quality index, with two quarters during the year meeting 8 out of 8. The organization is now putting an increased emphasis on adopting a green strategy and reducing its carbon footprint.

- **A high-commitment, high-performance culture:** Employee engagement in the organization is high overall.

G. Sher walked the board through the financial performance of the organization over the past year. In particular, he noted a $9.4 million loss relating to a CBSI claim on Grifols IVIG product. In addition, a $25M unrealized loss on forward currency contracts was reported as a result of higher exchange rate than predicted (1.37 versus 1.30). An increased volume and foreign exchange rate has resulted in an increase in the cost of plasma protein products, offset by a $12 million benefit in improved pricing. Canadian Blood Services continues to face challenges with receivables, particularly from Ontario, with negative four days operating cash on hand.
During and after the presentation, the board posed several questions to management on the following themes:

- **Notable shifts in the political front:** G. Sher commented on the positive shift in the federal landscape with the new Liberal government in terms of a renewed commitment to health care in Canada. Canadian Blood Services has had several productive meetings with federal Minister Philpott in the last few months. In general, G. Sher noted the working relationship with provincial governments continues to be good, despite a few challenges with budget renewal and moving forward with a NAA. The board stressed the need for Canadian Blood Services to emphasize organ donation and transplantation and focus on priority areas when communicating with the federal government.

- **Canadian Blood Services relationship with Héma-Québec:** There was a new CEO appointed last year in May (Serge Maltais); Dr. Sher and S. Maltais have a strong working relationship thus far, which has enabled collaboration on key issue this year, including Zika and MSM.

- **Traction made towards a national pharmacare program:** Dr. Sher noted that it remains high priority on the national agenda. The Standing Committee on Health has been meeting on this issue, and Canadian Blood Services was invited to attend in April/May to present their bulk purchasing PPP model.

- **Factors causing demand for IG to spike:** Management noted indications for which IG is effective continues to grow and wider off-label (but not necessarily inappropriate) use is resulting in the increase in usage.

- **How Canadian Blood Services compares to other countries digitally:** Canadian Blood Services is in line with other blood operators as the global industry as a whole shifts into the digital space. Canadian Blood Services’ has been investing time and effort into both the technology and the understanding of behavioural changes with donors via digital channels.

- **The challenge with receivables:** Canadian Blood Services challenge is primarily with Ontario due to its TPAD agreement and bureaucratic internal approvals; however, Canadian Blood Services received a commitment from Ontario year end that the balance owed is coming.

**10. Cord blood: State of the industry and our current program (H. Elmoazzen)**

Dr. Heidi Elmoazzen walked the Board, EMT and public through a presentation on recent trends, issues, opportunities and challenges for the international Canadian cord blood banking industry. The cord blood banking industry continues to quickly evolve as part of the rapidly expanding field of cellular therapy. Canadian Blood Services is presently regarded as a high quality bank internationally. Some of the organizations’ recent milestones include reaching just over 10,000 cord blood units collected in Canada (1,682 bankable; 1,304 listed internationally) and receiving AABB accreditation in December 2015. Most notable, however, is Canadian Blood Services has just received notification of its first cord unit for international sale.

- **ACTION (W. Gale):** Post H Elmoazzen’s presentation to Diligent.
Following the presentation, the board had a discussion and the following points were raised:

- **Economic value of cord blood bank**: H. Elmoazzen noted cord treatment is often used as a last resort and can be costly; however, no banks internationally are self-sufficient and by focusing on a higher quality sample, Canadian Blood Services has increased the likelihood the banked samples will be deemed suitable by transplant centres around the world.

- **Success in meeting with various ethnic groups, such as the First Nations**: Canadian Blood Services has partnerships with Aboriginal nurses and continues to look for opportunities to increase the banking of those ethnically diverse.

- **Demand and cost of cord versus adult stem cells**: Adult stem cells are typically first choice, and haploidentical transplants are resulting in more adult matches. Long term healthcare costs are still under investigation, but overall, cord blood transplants are most costly because engraftment time is longer.

- **Top challenges**: Top challenges include raising awareness of cord blood banking in general and recruiting as many moms as possible.

11. **MSM policy update** (D. Devine)

In the interest of time, this item was not presented as it had already been addressed under the presentation of the CEO. The board was invited to submit any questions and/or provide feedback.

Discussion revolved around the implementation of a behavioral based model and a comparison of other countries worldwide. Management noted the change to a one year deferral period is viewed as a step towards incremental change and any further changes to the policy will be data-driven and will thus take time to gather the information. Canadian Blood Services is planning a meeting in November, which will bring together researchers to help frame the research approach and questions to be answered to help inform the feasibility of a behavioral based model.

12. **Zika virus update** (D. Devine)

In the interest of time, the board was asked to refer to the briefing note and as there were no questions, the discussion moved along to the public presentation portion of the meeting.

13. **Public presentations – Morning sessions**

1. **Tanya Herrell, President, Nova Scotia Union of Public and Private Employees**: T. Herrell presented, on behalf of her colleagues, on the implications of the P.E.I. strike for clinic workers, donors. She raised a number of matters for the Board’s consideration, including the concern that loss of benefits, should this occur, exposes employees to risk given the work they do with biological materials. L. Hollins thanked T. Herrell for her presentation and did clarify that worker’s compensation is the primary method of receiving compensation through injuries sustained in the workplace. Ms. Hollins further clarified for all that the board cannot be viewed as a bargaining mechanism/unit. G. Sher encouraged the bargaining unit to meet with management by getting back to the bargaining table.
2. **Kim Storebo, President, Canadian Union of Public Employees (CUPE) Local, Calgary:** K. Storebo voiced CUPE’s position on paid plasma: they welcome Canadian Blood Services’ plans to expand plasma collections but only on a non-remunerated, voluntary basis. Furthermore, K. Storebo spoke to concerns associated with Canadian Blood Services’ restructuring and cuts. Dr. Sher re-iterated the point made in his presentation about the declining demand of whole blood and the linkage with the consolidation and closure of sites. He further spoke to possible future plans for expansion in plasma collections, including in high performing regions, such as Calgary. Finally, G. Sher re-iterated Canadian Blood Services intent not to pay donors for plasma.

3. **Cathy Bergman-Richards, Ontario Public Service Employees Union (OPSEU) division representing Canadian Blood Services workers:** C. Bergman-Richards presented on the culture at Canadian Blood Services from a worker’s perspective, and stressed OPSEU support for a volunteer, unpaid blood donation system. L. Hollins stressed Canadian Blood Services commitment to a publically funded blood system in Canada. G. Sher clarified that Canadian Blood Services is not privatizing the blood system, and is fully committed to the principle of a publicly funded and publicly accountable system.

4. **Jonathan Niemczak, President, Pride Winnipeg:** J. Niemczak shared his positive involvement in the Men Who Have Sex with Men (MSM) Working Group to date and his participation in Pride events, ally clinics and related activities. He urged Canadian Blood Services to continue to engage stakeholders and look at continual progress towards a behavioural-based screening. J. Niemczak also made a recommendation to Canadian Blood Services to make MSM items on the website more easily searchable. L. Hollins and G. Sher stressed Canadian Blood Services commitment to working with patient groups and the LGBTQ community to solicit feedback, and to looking into MSM information provided on the website.

- **ACTION** (R. Michaelis): Canadian Blood Services to look into making the MSM topic more searchable/easy to find on the website.

Members of the board and the public took a break for lunch.

The meeting was reconvened at 1:00 p.m. CDT.

14. **Missing type campaign** (M. Donnison)

Mark Donnison, Vice-President, Donor Relations, delivered a presentation on an exciting global recruitment campaign entitled “Missing Type” to be launched in August 2016. The campaign will be deployed across 23 participating countries and is an expansion of a highly successful campaign that was done in the United Kingdom in 2015.

The board expressed general support for Canadian Blood Services’ involvement in the global campaign, and further offered their help with recruiting companies to participate. Canadian Blood Services will share its list of companies with the board so that they may pass along any further leads. The board questioned the measure of success being modest at a target of 20,000 people and a 40% conversation rate. They further suggested that Canadian Blood Services be ambitious and raise its target to 50%. Management noted the rate was based on the UK’s target of 50% and then adjusted to account for its newness and different ask to Canadians.
15. Organ Donation and Transplantation System Progress Report update (D. Devine)

Dr. Dana Devine, Chief Medical & Scientific Officer presented an update to the board on the activities leading up to the release of the Organ Donation and Transplantation System Progress Report, which highlights a decade’s worth of data on system-level opportunities, challenges and successes. The report is scheduled for public release in early September 2016. PTs were presented with the draft report at the PT BLC meeting in June and will be discussing the report with their ministries. Canadian Blood Services will meet with provincial ministries over the next eight weeks to walk them through the report and seek further feedback.

L. Hollins and the board thanked D. Devine and her team for the hard work and dedication towards continual progress. The conversation with the board revolved around questions concerning the nature of the relationship with PT governments and their support for release of the report. It was noted that all references to Call to Action had been removed as per PT feedback in January, and no further concerns were voiced by PTs at the June meeting. Management further reminded the board of Canadian Blood Services mandate given in 2008 by governments to report on system performance of organ donation and transplantation, and the criticality of making this information publicly available from an accountability perspective.


Rick Prinzen, Supply Chain Officer, presented to the board on the National Facilities Redevelopment Program, including: NFRP Phase I – Brampton testing addition; and NFRP Phase IIa – Saskatoon, Regina, Edmonton, and Calgary. Both projects are on budget and on time. The construction of the testing unit in Brampton is nearing completion. Next steps for Phase IIa include continuing negotiations with Alberta Infrastructure and Alberta Health to extend the lease agreement and submitting a proposal to Saskatchewan Health for prenatal testing out of Winnipeg.

The board was satisfied with the update and one question was raised about the Calgary collection site being built in less than a year. R. Prinzen clarified the collection site is a leased facility, as opposed to the new production and testing site, which will be a greenfield construction project.

17. Productivity and Efficiency Program (P. Port)

It was noted at the start of the meeting that this item would be postponed to another meeting, due to the large volume of public presenters.

18. Public presentations – Afternoon sessions

5. David Page, National Executive Director, Canadian Hemophilia Society (CHS): D. Page presented on CHS’ perspective of plasma collection and its implications for patients, noting that the collection of source plasma from paid donors in a properly regulated environment is not a patient safety issue. He also urged all stakeholders to the plasma issue to focus on facts, evidence and data rather than opinion and misinformation.

6. Andrew Cummings, Tainted blood survivor, co-infected with HIV and Hepatitis C: A. Cummings shared his personal perspective as someone impacted by tainted blood, and voiced his
Meeting Minutes

Board Meeting Minutes
06-2016-133
June 22 – 24, 2016

position against paying donors for plasma. Ms. Hollins re-iterated Canadian Blood Services's commitment to a publicly funded and publicly accountable blood system in Canada.

7. **Kat Lanteigne, Executive Director and Co-founder, BloodWatch.org:** K. Lanteigne communicated BloodWatch.org’s strong position against the payment of donors for plasma. She made a number of assertions regarding the plasma situation in Canada, both present and future. L. Hollins responded that Canadian Blood Services has no arrangements to purchase plasma from Canadian Plasma Resources. L. Hollins further emphasized the organization must work alongside members, who ultimately fund Canadian Blood Services and who may or may not have specific positions of their individual governments with respect to the for-profit plasma industry. Dr. Sher commented on the speculative nature of some of the comments presented, and emphasized that facts and evidence must be accurate and current when informing policy matters. The board re-enforced their support for Canadian Blood Services’ approach to the plasma situation in Canada, and strongly endorsed the leadership of Dr. Sher in his capacity of Chief Executive Officer.

8. **Adrienne Silnicki, Canadian Health Coalition:** A. Silnicki presented on her organization’s views on plasma and privatization of service delivery. During her presentation, A. Silnicki expressed her concern on paid plasma donations, noting a need for Canadian Blood Services to clarify the message on this issue. She further provided four recommendations to the board and management, and she was asked to provide these to Canadian Blood Services after the meeting.

9. **Sandra Azocar, Executive Director, Friends of Medicare:** S. Azocar presented on the privatization of plasma collection, specifically as it pertains to public health care system in Alberta. The board and EMT asked S. Azocar to submit her recommendations to the board following the meeting. Due to the sheer volume of presentations on the issue of paid plasma, a member of the board suggested that management submit a formal response in writing to each presenter.

- **ACTION (JP, GS):** Formally write a letter to each presenter providing a response to the common theme and issue of paid plasma.

10. **Bill Bees, Vice-President, Plasma Technologies, ProMetic:** B. Bees presented on the safety of plasma collected from paid donors in 2016 and its importance for meeting patient demand now and in the future. ProMetic’s plasma resources division includes a specialty plasma collection centre in Winnipeg, and this operation has been paying donors for more than 30 years, without any major health concerns. The board stressed the importance of healthy debate on this issue.

11. **Whitney Goulstone, Director, Communications, Canadian Immunodeficiency Patient Organization (CIPO) and Chair, Network of Rare Blood Disorder Organizations (NRBDO):** W. Goulstone presented on plasma products used by CIPO and NRBDO constituents and the threat to security of supply of these products, when IG use in Canada is only expected to rise. She also presented on behalf of Richard Thompson, who is part of Canadian Blood Services’ National Liaison Committee. This patient organization is supportive of paid plasma, as long as it is compliant with federally regulated standards, recognizing that without the global paid-plasma industry, there would be significant product shortages and patients would not have access to care they currently do have.

On behalf of the board, L. Hollins thanked all presenters for their time, noting that the open meeting provides transparency, openness and good insight into what the public is thinking. Canadian Blood Services will continue to host these open meetings to provide a forum for the public to voice their feedback and concerns.
The open meeting adjourned at 4:11pm CDT.

***

The meeting re-convened on June 24, 2016 at 8 a.m. CDT for an in-camera session, with and without the CEO. Following the in-camera session, the board convened for a closed meeting.

**19. Discussion on open meeting** (All)

Dr. Graham Sher, CEO, thanked board members for their support with a few of the controversial presentations and topics during the open meeting, noting the importance of fostering respectful dialogue. On the topic of paid plasma, G. Glavin recommended the board adopt a motion to acknowledge its unanimous and unwavering support for the CEO with respect to the overall performance of the organization and to the support of the blood system.

**WHEREAS:**

- During the portion of the meeting of the board of directors which is open to the public certain presentations were made to the Board relating to the emergence of a paid plasma enterprise in Canada
- Several presentations on the issue of paid plasma were critical of Canadian Blood Services and, in particular, the CEO of Canadian Blood Services, Dr. Graham Sher
- Such criticisms were, in the view of the Board, based upon mis-information and erroneous conclusions alleging support by Canadian Blood Services for a paid plasma industry in Canada, such being based, in part, on statements which merely supported the important issue of the safety of paid plasma
- Canadian Blood Services and its CEO are clear in the importance of non-remunerated plasma donation and collection system for Canada

**NOW THEREFORE IT IS RESOLVED THAT:**

1. Canadian Blood Services strongly supports the importance of non-remunerated donation and collection of plasma in Canada;
2. The Board of Directors expresses its continuing and unequivocal support for the position taken by the organization in regards to the developing nature of plasma collection in Canada and, in particular, for the performance and integrity of the Chief Executive Officer, Dr. Graham Sher.

The board encouraged management to continue moving forward on the plasma initiative with a high degree of urgency. Management understands the urgency, and is devoting the necessary resources towards developing a plasma policy statement and business plan. The target date to bring forward a policy statement is September and the timeline to provide a final plasma business plan to the board is set for October. It was further suggested that Canadian Blood Services send a formal letter to all Ministers of Health stressing the importance of non-remunerated donation and collection of plasma in Canada.

- **ACTION** (R. Prinzen): Bring forward to the board: plasma policy statement in September; plasma business plan in October.
• **ACTION** (JP. Bédard): Draft a letter to P/T Ministers of Health to outline Canadian Blood Services’ position re non-remunerated donation and collection of plasma in Canada, as a follow-up to the previous letter sent.

20. **Report of the CEO** (G. Sher)

**Q4 2015-2016 CEO report to the board**

The board agreed the CEO presentation from the open meeting covered the substantial topics, so further discussion on the Q4 2015-2016 CEO report was deemed unnecessary.

**Q4 2015–2016 portfolio overview**

The board was asked to provide feedback on the newly developing portfolio report. The board expressed positive feedback about this report noting that it was useful, succinct, and they found the executive summary to be of value.

21. **Automated Supply Chain: go-live update** (R. Prinzen)

Rick Prinzen, Chief Supply Chain Officer, appeared before the board to provide a status update as to the state of readiness to go live with the Automated Supply Chain (ASC) changes over the weekend of July 2-3, 2016. Canadian Blood Services has been successful with the mitigation plans put in place, and has exceeded its upper level for targeted inventory (18,000 units). Furthermore, an arrangement has been made with Héma-Québec to receive 200 units of platelet concentrates during the week of July 4. The final check of all contingencies will occur at the June 28 EMT meeting.

The board expressed their eagerness with moving forward with ASC, and requested a status update after the June 28 EMT meeting. A question about the readiness of staff was posed and management characterized the attitude of staff as generally accepting and anxious to move forward, despite the clear path towards a leaner workforce. Management highlighted Canadian Blood Services policies and practices in place to assist with potential lay-offs, including career bridging and career counseling.

• **ACTION** (R. Prinzen): Management to send an update to the board after the June 28 EMT meeting regarding the readiness of ASC before the long weekend.

22. **Board evaluation update** (W. Gale): This item was deferred until September’s meeting.

23. **Information Technology update: Information assets and major applications** (R. Michaelis)

Ralph Michaelis, Chief Information Officer, appeared before the board to present an IT update on information assets and major applications. The board voiced satisfaction the technology is headed in the right direction at Canadian Blood Services. A presentation on cybersecurity is planned for September. Michael Foster, Director, Internal Audits, has been invited to attend the session. The investment in IT infrastructure was requested to come back to the board.

• **ACTION** (R. Michaelis): A session on cybersecurity is to come back to the board in September. Michael Foster, Director, Internal Audits, will be invited to attend.
• **ACTION** (R. Michaelis, P. Port): Provide information on the investment in IT infrastructures back to the board.

### 24. Enterprise Risk Management (A. Pateman)

Andrew Pateman, Vice-President, Talent Management and Corporate Strategy, appeared before the board and provided an update on Enterprise Risk Management, including:

1. Annual risk policy review
2. Corporate risk profile
3. Q4 2015-2016 corporate risk report
4. ERM change agenda 2010-2015

#### Annual risk policy review

A. Pateman noted the risk policy has remained unchanged from last year, with the exception of the addition of a risk exposure plot contained in Appendix D. The board made a suggestion to include a sentence in the policy to reflect the process of each committee reporting respective assigned risks to the board, in order to close the loop from an external point of view.

• **ACTION** (A. Pateman): Consideration of including a sentence in the policy to reflect the process of each committee reporting respective assigned risks to the board.

The board’s approval was sought for the ERM policy and risk exposure plot. Following review and discussion, the board unanimously adopted the proposed resolution, as presented:

**WHEREAS:**

• Canadian Blood Services’ enterprise risk management (ERM) policy, inclusive of the risk exposure plot, is to be reviewed on an annual basis to capture any changes to the ERM program and the organization’s risk appetite;
• Changes to both the ERM policy and the included risk exposure plot are proposed and have been reviewed by the Board.

After review and discussion, **ON MOTION** duly made, seconded and unanimously carried, **IT IS RESOLVED THAT**: the enterprise risk management policy, including the risk exposure plot, as updated, is approved.

#### Corporate risk profile

Board approval of the corporate risk profile 5.0 was requested. A. Pateman noted three risks had been added, four modified and four removed to reflect the natural evolution of the corporate risk profile. Following review and discussion, the board unanimously adopted the proposed resolution, as presented:

**WHEREAS:**

• The Corporate Risk Profile (CRP) for the organization has been updated and version 5.0 has been presented to the Board;
• The Board has considered and discussed the CRP and is satisfied it reflects the risks and approaches thereto appropriate to Canadian Blood Services.
After review and discussion, ON MOTION duly made, seconded and unanimously carried, IT IS RESOLVED THAT: the Corporate Risk Profile version 5.0 is approved.

Q4 2015–2016 corporate risk report

A. Pateman commented on the six risks delegated to the full board, and provided commentary on the three risks which were rated as high:

- **Risk A Organizational culture and mindset** – A. Pateman noted this risk as being only just above Canadian Blood Services’ risk appetite, and in a good state of control; the risk was rated as high due to Automated Supply Chain implementation in July.
- **Risk B Operational independence** – A. Pateman noted this risk continues to remain the same, as the relationship with government has remained fairly stable.
- **Risk F Execution of strategic initiatives** – Management offered the board assurance that effective mitigation has been put in place.

The board expressed concern over the many issues at play, primarily the agility to respond to plasma, but agreed that all important issues had been flagged during the course of the meeting. A suggestion was made to review the definition of **Risk D Awareness of and response to external factors influencing the products and services we provide** to ensure it captures all risk associated with products and services, including the consideration of plasma and other external factors influencing products and services.

- **ACTION** (A. Pateman): Review definition of Risk D Awareness of and response to external factors influencing the products and services we provide to ensure it captures all risk associated with products and services, including the consideration of plasma and other external factors.

ERM change agenda 2010-2015

A. Pateman requested the board’s approval to formally close the 2010-2015 change agenda. The board acknowledged that the change agenda has been addressed and can now be formally closed.

25. 2016 Canadian Blood Services Lifetime Achievement Award (D. Devine)

Dr. Dana Devine, Chief Medical & Scientific Officer, appeared before the board to request approval of the nomination of Dr. David Lillicrap for the 2016 Canadian Blood Services Lifetime Achievement Award. Following review and discussion, the board unanimously approved the proposed resolution:

WHEREAS: Recipients of the Canadian Blood Services Lifetime Achievement Award are selected based on contributions to Canada’s blood system and recognition in the field of transfusion medicine or transplantation;

After review and discussion, ON MOTION duly made, seconded and unanimously carried, IT IS RESOLVED THAT: Dr. David Lillicrap be awarded the 2016 Canadian Blood Services Lifetime Achievement Award.

Finance and Audit: W. Gladstone noted the Finance and Audit committee met on July 22, 2016 and three recommendations were presented to the board for approval as follows:

WHEREAS:

1. The Finance and Audit committee recommends to the Board the approval of the Consolidated Financial Statements for the year ended March 31, 2016;
2. The Finance and Audit committee, with the support of the Governance committee, jointly recommend to the Board the disbanding of the Pensions committee and approval of the revised Finance and Audit committee’s Terms of Reference; and
3. The Finance and Audit committee recommends for Board approval the following with regards to net assets:
   • A restriction of net assets be established for the accumulation of unrealized gains and/or losses relating to changes in fair value of forward foreign exchange contracts;
   • The restriction on net assets will be released once the unrealized gains and/or losses become realized; and
   • The Chief Financial Officer, or as she may delegate, is authorized to enter into and execute such agreements, instruments and documents as may be reasonably required to evidence and give effect to the matters arising from the foregoing resolution.

THEREFORE after review and discussion, ON MOTION, duly made, seconded and unanimously carried, IT IS RESOLVED THAT: these items be and are hereby approved.

Pensions: W. Gladstone noted the Pensions committee met on July 22, 2016. The committee has completed its review of the three pension plans for which it was originally created, and therefore, recommended the committee be dissolved as per the Resolution #2 passed under the Finance and Audit committee. All further pension matters arising will be discussed under the Finance and Audit committee.

CBSI/E: There were no substantial CBSI/E issues to report.

Safety, Research and Ethics: G. Glavin affirmed the Safety, Research and Ethics committee met on July 22, 2016. The report on the Centre for Innovation was unanimously praised by the committee and formally accepted for transmission to Health Canada. With a few suggestions noted during the meeting, the committee is satisfied that all duties have been discharged and fulfilled satisfactorily.

Talent Management: C. Knight affirmed the Talent Management committee met on July 21, 2016 and confirmed the committee is satisfied that all duties had been discharged and fulfilled satisfactorily.

Governance: H. Pankratz affirmed the Governance committee met on July 21, 2016 and confirmed the committee is satisfied that all duties had been discharged and fulfilled satisfactorily. W. Gale highlighted the committee’s discussion on Risk E Awareness of and response to the legislative, statutory and regulatory environments (including standards of care), noting the committee’s suggestion to remove this risk from the Corporate Risk profile; further consideration will be made by management and will come
back to the board in September. H. Pankratz notified the board of an attempt at a new committee reporting format and this will discussed through the governance committee.

- **ACTION (W. Gale):** W. Gale to provide justification re keeping Risk E or deleting it entirely from the risk profile.
- **ACTION (W. Gale):** W. Gale to discuss the new format for committee reports with H. Pankratz through the governance committee.

**National Liaison:** R. Teskey affirmed the National Liaison Committee met on March 21, 2016 and recommended the appointment of Lanre Tunji-Ajayi. The board unanimously approved the proposed resolution to accept the appointment, as presented:

> After review and discussion, **ON MOTION duly made, seconded and unanimously carried, IT IS RESOLVED THAT:** the Board of Directors appoint Lanre Tunji-Ajayi to a three-year term on the National Liaison Committee, effective September 1, 2016, as per appended information and as per recommendation of the NLC co-chairs Bob Teskey and Kevin Glasgow.

**Board Report on Fulfillment of Functions:** R. Teskey affirmed all duties had been discharged and fulfilled satisfactorily for the full board.

27. **Consent matters/Information updates:** There were no questions raised on any of the consent items.

General consensus was expressed by the board for a condensed meeting package moving forward. This would include a focus on a few substantive items, with all other items falling under the consent agenda. Management will work to incorporate this feedback into future meeting packages.

L. Hollins expressed her gratitude to the board, management and all staff for the hard work in preparation for the June meeting. The next meeting will be held in Ottawa on September 13-15, 2016.

The closed board meeting adjourned at 2:18 p.m. CDT for a brief in-camera session with the board.

***