

**MINUTES OF THE MEETING
OF THE
BOARD OF DIRECTORS
OF
PHOENIX BIOINFORMATICS CORPORATION**

A meeting of the Board of Directors (BOD) of Phoenix Bioinformatics Corporation was held on June 7, 2021 at 1 pm, Pacific Time, by conference call, upon notice duly given. All of the current board members were present at the start of the meeting: Liz Allen, Susan Au, Anne Haake, Eva Huala, Maliaca Oxnam, Mary Margaret Sprinkle, and Todd Vision. Tanya Berardini, Connie Ng, and Trilok Prithvi were present at the invitation of the board. Todd Vision chaired the meeting, and Tanya Berardini, as the Secretary of the Corporation, acted as secretary of the meeting.

The Chair called the meeting to order at 1:05 pm. The directors proceeded to the first order of business.

Approval of Previous Meeting's Minutes

The first item of business was approval of the minutes of the Annual Board meeting held on March 22 and 23, 2021. The meeting minutes were approved unanimously and the Secretary was directed to certify the minutes and have the minutes, so certified, inserted in the corporation's minute book.

Committee Review

The membership and charges of the various standing (Audit, Compensation, Board Recruitment) and ad hoc (Strategic Planning, Executive Director Recruitment) board committees were reviewed. Depending on the need, the committees are active, on hold, or will become active later this year.

Board Recruitment Committee Report

The Recruitment Committee reported on their efforts to replace Eric Lyons with a candidate with qualifications that would augment the strengths of the current board. An excellent candidate has been identified and is enthusiastically supported by all members of the recruitment committee.

Election of New Board Member

All board members on the call voted unanimously to elect Nick Peterson to the Phoenix board of directors.

Executive Director Recruitment Committee Report

The ED Recruitment Committee has drafted a job ad that will be disseminated through various paid and free outlets. After posting of the ad, the committee will review the applicants and coordinate the interview and selection process involving both the BOD and Phoenix staff at the appropriate stages.

Adoption of Written Policies for Cash Management and Operating Reserves

The Board next discussed the proposed written policies for the Operating Reserve and for Cash Management and Investment. The Operating Reserve Policy is new while the Cash Management and Investment Policy updates one previously in effect since its adoption in 2016.

After discussion, the directors unanimously adopted the following recitals and resolutions:

WHEREAS the Board has determined that it is in the best interests of this corporation to adopt written policies governing the operating reserve and cash management and investment as proposed in Exhibits A and B;

NOW, THEREFORE, IT IS RESOLVED that the proposed Operating Reserve Policy, in substantially the form attached hereto as Exhibit A, is hereby approved.

RESOLVED FURTHER that the proposed Cash Management and Investment Policy, in substantially the form attached hereto as Exhibit B, is hereby approved.

RESOLVED FURTHER that the Secretary is directed to file a copy of both policies with the minutes of this meeting.

Updates to the Board

Eva Huala reported on the status of various grant proposals that were submitted in the last nine months. She also presented a broad overview of potential grants that could be pursued by Phoenix, some independently and some in collaboration with other institutions. The board provided feedback and resources for consultation during the discussion that followed.

Financials of the various Phoenix-supported projects were reviewed and five year-projections revisited with the 2021 Q1 actuals included in the analyses.

Reminders

The Compensation Committee was reminded that their report is due by August 31st so that the results can be folded into the 2022 budget. Eva Huala will provide a copy of the most recent Guidestar report as well as the current compensation for the Executive Director and the CFO to assist in the committee's deliberations.

Next Meeting

The Board was reminded that the next Board of Directors conference call in September needed to be rescheduled. A poll will be sent out and results will be disseminated by email.

The next Annual Board meeting will be on March 7 and 8, 2022, with location to be determined.

Adjournment

There being no further business to come before the board, the meeting was adjourned at 2:25 pm, Pacific time.

Respectfully submitted,

Tanya Z. Berardini, Secretary

Approved during the board meeting call
on September 3, 2021.

Exhibit A

PHOENIX BIOINFORMATICS CORPORATION

OPERATING RESERVE POLICY

I. PURPOSE

The purpose of this Operating Reserve Policy for Phoenix Bioinformatics Corporation is to build and maintain an adequate level of net assets to support the organization's day-to-day operations in the event of unforeseen shortfalls. The reserve may also be used for one-time, nonrecurring expenses that will build or maintain long-term capacity or invest in infrastructure. Operating reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. The organization intends for the operating reserves to be used and replenished within a reasonable period of time. This Operating Reserve Policy will be implemented in conjunction with the other financial policies of the organization and is intended to support the goals and strategies contained in those related policies and in strategic and operational plans.

II. DEFINITIONS AND GOALS

The Operating Reserve Fund is defined as the designated fund set aside by action of the Board of Directors. The minimum amount to be designated as operating reserves will be established in an amount sufficient to maintain ongoing operations and programs for a set period of time, measured in months. The operating reserve serves a dynamic role and will be reviewed and adjusted in response to internal and external changes.

The initial target minimum Operating Reserve Fund is equal to four months of average recurring operating costs, with a long term goal of six months average recurring operating costs. In addition to calculating the actual operating reserve at the fiscal year-end, the operating reserve fund target minimum will be calculated each year after approval of the annual budget. These reserves will be reported to the Executive Committee and the Board of Directors.

III. ACCOUNTING FOR RESERVES

The Operating Reserve Fund will be recorded in the accounting system and financial statements as Board Designated Operating Reserve. The Operating Reserve Fund will be funded and available in cash or cash equivalents. Operating reserves will be commingled with the general cash and investment accounts of the organization.

IV. FUNDING OF RESERVES

The Operating Reserve Fund will be funded with unrestricted surplus operating funds. The Board may, from time to time, direct that a specific source of revenue be set aside for operating reserves. The Executive Director and/or Chief Financial Officer will identify the need for access to reserve funds and

confirm that the use is consistent with the purpose of the reserves as described in this Operating Reserve Policy. Determination of need requires analysis of the sufficiency of the current level of reserve funds, the availability of any other sources of funds before using reserves, and evaluation of the time period for which the funds will be required and replenished.

V. AUTHORITY TO USE OPERATING RESERVES

The Executive Director will submit a request to use operating reserves to the Executive Committee. The request will include the analysis and determination of the use of funds and plans for replenishment. The organization's goal is to replenish the funds used within twelve months to restore the Operating Reserve Fund to the target minimum amount. If the use of operating reserves will take longer than twelve months to replenish, the request will be scrutinized more carefully. The Executive Committee will either (1) approve or modify the request and authorize transfer from the Operating Reserve Fund or (2) the Executive Committee will recommend the request to the Board.

VI. REPORTING AND MONITORING

The Executive Director is responsible for ensuring that the Operating Reserve Fund is maintained and used only as described in this Policy. Upon approval of the use of operating reserve funds, the Executive Director and Chief Financial Officer will maintain records of the use of funds and plan for replenishment. They will provide regular reports quarterly to the Executive Committee of progress to restore the fund to the target minimum amount. The Executive Director will annually discuss what additional risk factors might be considered for the organization and the impact of budgeting on operating reserve levels.

VII. REVIEW OF POLICY

This Policy will be reviewed by the Executive Committee when warranted by internal or external events or changes. Changes to the Policy will be recommended by the Executive Committee to the Board for approval.

Exhibit B



Cash Management and Investment Policy

Adopted on June 7, 2021

Introduction

Phoenix Bioinformatics has established a recurring revenue stream that generates cash that is not immediately required to fund short-term operations. The goal of the Cash Management and Investment Policy is to generate additional funds that can be used to further the mission of Phoenix Bioinformatics while preserving capital and minimizing risk. This document defines:

- Cash to be invested
- Where the funds will be invested
- How the asset allocation will be monitored and maintained
- Funds selected for investment

Investment Plan

In selecting how to invest available funds, the balance between risk and return must be considered. Phoenix Bioinformatics has determined that the goal of capital preservation is of primary importance and that only a small percentage of investable funds will be allocated to investments with a higher possible return. All investments will be made in liquid securities. Liquid securities are those that have a broad market and can be converted to cash quickly.

Asset Allocation Strategy

After reviewing performance and risk characteristics of various asset classes the following Asset Classes were selected to meet the objectives for Phoenix Bioinformatics:

Asset Class	Fund	Target Asset Allocation %
Fixed Income		70%
	SCHO Short-Term US Treasury ETF	50%
	SCHZ US Aggregate Bond ETF	20%
Equity		30%
	Large Cap Equity: SCHX US Large-Cap ETF	25%
	Small Cap Equity: SCHA US Small-Cap ETF	5%
		100%

Allocation of invested assets outside of the guidelines shown above will require approval by the Board of Directors. A variance of less than +/- 5% is not considered to be outside the above guidelines.

Cash Management

The CFO, in consultation with the ED, will monitor fund balances in the operations account and periodically move funds not needed for operations in the next twelve months into the investment account. Funds will be moved from the investment account to the operations account when necessary to fund operations, with the prior approval of the executive committee.

Maintenance and Monitoring of Asset Allocation

The incoming and outgoing funds flow will be used to adjust the asset allocation towards the target allocation percentages. On an annual basis, the asset allocation for all categories will be reviewed. If the asset allocation is more than +/- 5% of the Target, the assets will be re-balanced.

Investment Description and Performance

The Phoenix Investment strategy will use Schwab Exchange-Traded Funds (ETF) that represent the Asset Class as a tradable equity tracking a relevant index. Schwab ETFs trade without commissions and exchange fees and provide nearly the same return as the index or asset class they represent.

Fixed Income: SCHO Short-Term US Treasury ETF

The majority of the investable funds (Target: 50%) shown in the Asset Allocation Strategy section would be placed in this ETF.

The SCHO ETF seeks to track as closely as possible, before fees and expenses, the price and yield performance of the Bloomberg Barclays U.S. 1-3 Year Treasury Bond Index. The fund will invest at least 90% of its net assets in securities included in the index. The index includes all publicly-issued U.S. Treasury securities that have a remaining maturity of greater than or equal to one year and less than three years, are rated investment grade, and have \$300 million or more of outstanding face value. The securities in the index must be denominated in U.S. dollars and must be fixed-rate and non-convertible.

Fixed Income: SCHZ US Aggregate Bond ETF

The SCHZ ETF seeks to track as closely as possible, before fees and expenses, the total return of the Bloomberg Barclays U.S. Aggregate Bond Index. The fund will invest at least 90% of its net assets in securities included in the index. The index is a broad-based benchmark measuring the performance of the U.S. investment grade, taxable bond market, including U.S. Treasuries, government-related and corporate bonds, mortgage pass-through securities, commercial mortgage-backed securities, and asset-backed securities that are publicly available for sale in the United States.

Equity: Large Cap Equity - SCHX US Large-Cap ETF

The SCHX ETF seeks to track as closely as possible, before fees and expenses, the total return of the Dow Jones U.S. Large-Cap Total Stock Market Index. To pursue its goal, the fund generally invests in stocks that are included in the Dow Jones U.S. Large-Cap Total Stock Market Index. The index includes the large-cap portion of the Dow Jones U.S. Total Stock Market Index actually available to investors in the marketplace. The Dow Jones U.S. Large-Cap Total Stock Market Index includes the components ranked 1-750 by full market capitalization. The index is a float-adjusted market capitalization weighted index.

Equity: Small Cap Equity - SCHA US Small-Cap ETF

The SCHA ETF seeks to track as closely as possible, before fees and expenses, the total return of the Dow Jones U.S. Small-Cap Total Stock Market Index. The fund generally invests stocks that are included in the index. The index includes the small-cap portion of the Dow Jones U.S. Total Stock Market Index actually available to investors in the marketplace. The Dow Jones U.S. Small-Cap Total Stock Market Index includes the components ranked 751-2500 by full market capitalization. The index is a float-adjusted market capitalization weighted index. The fund will invest at least 90% of its net assets in these stocks.