

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

A meeting of the Board of Directors of Phoenix Bioinformatics Corporation (Phoenix) was held on July 22, 2014, at 3pm, Pacific time, upon notice duly given. The following directors, constituting a quorum for the transaction of business, were present, including directors present by means of conference telephone: Eva Huala, Bob Muller, Jonathan Dugan, Todd Vision, Arthur Grossman, Murray Phimester, and Eric Lyons. No directors were absent. The following persons were also present by invitation of the Board, Tanya Berardini, Donghui Li, and Brigit Kavanagh (legal counsel). Jonathan Dugan chaired the meeting and Tanya Berardini acted as secretary of the meeting.

The Chair called the meeting to order at 3:03 pm, and proceeded to the first order of business.

***Introductory Remarks***

Eva Huala gave a brief update on the status of Phoenix's new office lease, staffing changes, subscriptions, the paywall, scientific conference attendance, and registration of Phoenix with federal granting agencies. She also informed the board of Phoenix's receipt of a favorable determination letter from the IRS determining Phoenix as tax-exempt under Section 501(c)(3) and further classified as a public charity, retroactive to September 13, 2013.

***Approval of Previous Meeting's Minutes***

The second item of business was approval of the minutes of the two most recent Board meetings, held on April 29, 2014 and June 2, 2014. After a brief discussion, the Board approved the minutes of the meetings, as amended, and the Secretary was directed to prepare and sign amended minutes and file them in the corporation's minute book.

***Bylaws Amendments***

The Board next considered the corporation's Bylaws. Legal counsel prepared several amendments, attached as Exhibit A, to implement the previously discussed amendments. The proposed amendments on Exhibit A also reflect legal counsel's recommendations with respect to clarifying the indemnification available to the directors of a California nonprofit public benefit corporation, such as this corporation, as well as the non-liability of directors.

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 amend the bylaws as proposed on Exhibit A;

**NOW, THEREFORE, IT IS RESOLVED** that the proposed amendments to the bylaws, in substantially the form attached hereto as Exhibit A, are hereby approved.

**RESOLVED FURTHER** that the officers of this corporation are authorized and directed to take all such further actions as they may deem necessary or advisable to implement fully the foregoing resolution, including preparation of consolidated bylaws reflecting the amendments, and any such actions heretofore taken by any of such officers to such ends are ratified, approved, and confirmed.

**RESOLVED FURTHER** that the Secretary is directed to file a copy of such Bylaws with the minutes of this meeting.

### ***Director Agreement***

The Board next considered the proposed Director Agreement, attached as Exhibit B. 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 that the directors enter into a Director Agreement to evidence their understanding of their duties to this corporation and this corporation's duties to them, as provided on Exhibit B;

**WHEREAS** the Directors of this corporation wish to enter into the Director Agreement, as provided on Exhibit B;

**NOW, THEREFORE, IT IS RESOLVED** that the proposed Director Agreement, in substantially the form attached hereto as Exhibit B, is hereby approved.

**RESOLVED FURTHER** that the Executive Director of this corporation is authorized and directed to secure executed Director Agreements from each of the directors.

**RESOLVED FURTHER** that the officers of this corporation are authorized and directed to take all such further actions necessary or advisable to implement fully the foregoing resolution.

***Legal counsel left the teleconference after this portion of the meeting was completed. (3:29 pm)***

### ***Budget Presentation***

Bob Muller presented the Proposed Budget for the year 2014 to the rest of the Board, covering the Revenue Budget, the Expense Budget, the Labor Budget, and the Cash Flow Budget. After discussion, the directors unanimously approved the proposed 2014 budget.

### ***Marketing Presentation***

Donghui Li gave a presentation on Phoenix' marketing efforts at the country and academic institutional levels. Discussion among the meeting attendees followed the slide presentation.

***Next Meeting***

The Chair reminded the Board that the next meeting of the Board of Directors would take place at 3 pm, Pacific time on October 8, 2014, by teleconference. Directors were requested to submit any suggested agenda items for that meeting by October 1, 2014, to the Secretary.

***Adjournment***

There being no further business to come before the board, the meeting was adjourned at 5:03 pm, Pacific time.

Respectfully submitted,

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Tanya Berardini, Secretary

Meeting minutes approved on: October 8, 2014

**EXHIBIT A**  
**Bylaws Amendments**

**Article 3, Section 1**, is hereby replaced in its entirety with the following:

NUMBER

The number of directors shall be not less than 7 nor more than 12, with the exact authorized number of directors to be fixed from time to time by resolution of the Board of Directors.

**Article 3, Section 3**, is hereby replaced in its entirety with the following:

DUTIES

Directors act as often as necessary to manage the Corporation and fulfill their fiduciary duties. Generally, directors attend meetings of the Board of Directors, either in person or via conference call, and act between meetings via unanimous written consent. The Board is responsible for overall direction and management of the Corporation's activities and affairs, although the Board is permitted to delegate with supervision. Directors may be asked to sign a Director Agreement or similar document evidencing the director's understanding of his or her obligations to the Corporation.

**Article 3, Section 13**, is hereby replaced in its entirety with the following:

QUORUM FOR MEETINGS

A majority of the total number of directors then in office shall constitute a quorum, provided that in no event shall the required quorum be less than one-fifth of the authorized number of directors or two directors, whichever is larger. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

**Article 3, Section 18**, is hereby replaced in its entirety with the following:

STANDARD OF CARE; NON-LIABILITY OF DIRECTORS

A director shall perform the duties of a director, including duties as a member of any Board Committee on which the director may serve, in good faith, in a manner such director believes to be in the best interest of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(i) one or more officers or employees of this corporation whom the director believes to be reliable and competent as to the matters presented;

(ii) counsel, independent accountants, or other persons as to matters which the director believes to be within such person's professional or expert competence; or

(iii) a committee upon which the director does not serve that is composed exclusively of any combination of directors or persons described in (i) or (ii), as to matters within the committee's designated authority, provided that the director believes such committee merits confidence;

so long as in any such case, the director acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in Section 5233 of the California Nonprofit Public Benefit Corporation Law, a person who performs the duties of a director in accordance with this Section shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which a corporation, or assets held by it, are dedicated.

**Article 3, Section 19**, is hereby replaced in its entirety with the following:

**INDEMNIFICATION BY CORPORATION OF DIRECTORS, OFFICERS,  
EMPLOYEES, AND OTHER AGENTS**

(a) **Right of Indemnity.** To the fullest extent allowed by Section 5238 of the California Nonprofit Public Benefit Corporation Law, this corporation shall indemnify its agents, in connection with any proceeding, and in accordance with Section 5238. For purposes of this Article, "agent" shall have the same meaning as in Section 5238(a), including directors, officers, employees, other agents, and persons formerly occupying such positions; "proceeding" shall have the same meaning as in Section 5238(a), including any threatened action or investigation under Section 5233 or brought by the Attorney General; and "expenses" shall have the same meaning as in Section 5238(a), including reasonable attorneys' fees.

(b) **Approval of Indemnity.** On written request to the Board of Directors in each specific case by any agent seeking indemnification, to the extent that the agent has been successful on the merits, the Board shall promptly authorize indemnification in accordance with Section 5238(d). Otherwise, the Board shall promptly determine, by a majority vote of a quorum consisting of directors who are not parties to the proceeding, whether, in the specific case, the agent has met the applicable standard of conduct stated in Section 5238(b) or Section 5238(c), and, if so, shall authorize indemnification to the extent permitted thereby.

(c) **Advancing Expenses.** The Board of Directors may authorize the advance of expenses incurred by or on behalf of an agent of this corporation in defending any proceeding prior to final disposition, if the Board finds that:

(i) the requested advances are reasonable in amount under the circumstances; and

(ii) before any advance is made, the agent will submit a written undertaking satisfactory to the Board to repay the advance unless it is ultimately determined that the agent is entitled to indemnification for the expenses under this Article.

The Board shall determine whether the undertaking must be secured, and whether interest shall accrue on the obligation created thereby.

New **Article 3, Section 21**, is hereby added, as follows:

#### EXECUTIVE COMPENSATION REVIEW

The Board of Directors (or a Board Committee) shall review any compensation packages (including all benefits) of the President or the chief executive officer and the Treasurer or chief financial officer, regardless of job title, and shall approve such compensation only after determining that the compensation is just and reasonable. This review and approval shall occur when such officer is hired, when the term of employment of such officer is renewed or extended, and when the compensation of such officer is modified, unless the modification applies to substantially all of the employees of this corporation.

New **Article 13, Section 1**, is hereby added as follows:

#### FOUNDERS

(a) **Founders.** The Corporation's founders are: Eva Huala, Robert Muller, Tanya Berardini, and Donghui Li (the "Founders"). In recognition of their service, generosity, and leadership, the Founders hold the title of Founders. Founders may, but need not, serve simultaneously as directors of the Corporation.

(b) **Service to the Corporation.** Founders shall have the right to receive notices of and to attend meetings of the Board of Directors and meetings of Board Committees, unless the Board or Board Committee (as the case may be) determines, in its sole discretion, that a meeting or portion of a meeting should exclude such persons. Founders may serve on any Advisory Committee constituted in accordance with Article 5, Section 2 of these Bylaws.

(c) **No Vote or Fiduciary Duties.** No Founder shall be deemed a director or officer of the Foundation by virtue of being a Founder. Founders may be elected to the Board of Directors or as an officer of the Corporation in accordance with the procedures set forth

in these Bylaws. A Founder so elected shall have the vote and fiduciary duties attendant with the Founder's position as a director or officer, as the case may be.

## **EXHIBIT B**

### **DIRECTOR AGREEMENT**

By signing this Director Agreement (this “Agreement”) I hereby consent to my election as a director of Phoenix Bioinformatics Corporation (“PBC”) and agree to serve during the term for which I was elected.

The charitable mission and goal of PBC is to provide stable long-term support for curated scientific data resources and tools. As a director, I have a legal and ethical responsibility to ensure that PBC does the best work possible in pursuit of this goal and I will act responsibly and prudently as a steward of PBC. My behavior as a board member will be consistent with the values and mission of PBC.

As a director, I agree to the following:

1. I will adhere to the procedures of PBC as set forth in the bylaws, a copy of which I have received.
2. I understand that I will have no personal liability in connection with my service as a Director as set forth in and subject to the limitations of Article 3, Section 18 of the bylaws.
3. I understand that I am entitled to indemnification as provided in Article 3, Section 19 of the bylaws.
4. I will act in the best interests of PBC, and excuse myself from discussions and votes where I have a conflict of interest or as otherwise may be required by law.
5. I owe fiduciary duties to PBC. It is my duty to become familiar with our budget and take an active part in the budget planning process.
6. I am legally responsible to PBC. I am responsible to know and approve or appropriately delegate all policies and programs and to promote their successful implementation.
7. I will interpret PBC's work and values to the community, represent the organization, and act as an ambassador.
8. I will attend (in person or by phone) board meetings and meetings of any committees on which I serve, with a commitment to attend at least 75% of those meetings.
9. I will indicate my attendance at or absence from board or committee meetings at least seven days prior to such meeting by letting either the Executive Director (for board meetings) or the committee chair (for committees on which I serve), as appropriate, know of my attendance or absence.
10. I will stay informed about the activities and current issues of PBC. I will ask questions and request information. I will participate in and take responsibility for making decisions on issues, policies, and other matters for consideration by the board.
11. I will work in good faith with staff and other directors as partners towards achievement of PBC's goals.

In turn, PBC will be responsible to me in several ways:

1. I will be sent an agenda and backup materials, if any, at least seven days prior to meetings of the board of directors.
2. I will be provided with an orientation to PBC, during regular business hours, so that I can witness and participate, as appropriate, in the daily work of PBC and discuss PBC's programs and activities with the staff and the Executive Director. I can also request such opportunities.
3. Directors, officers, and staff will respond in a straightforward fashion to questions that I feel are necessary to carry out my fiscal, legal, and moral responsibilities to PBC. Directors, officers, and staff will work in good faith with me towards achievement of our goals.
4. If PBC does not fulfill its commitments to me, I can call on the Executive Director to discuss PBC's responsibilities with me.
5. PBC will carry directors and officers' liability insurance.

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Director's Signature

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Date

*Executive Director's Acceptance*

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Executive Director's Signature

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Date

*Instructions to Executive Director*

Each director should sign and return two originals of this Agreement at the beginning of each term for which he / she is elected. The Executive Director should sign both and return one fully-executed original to the signing director.