

~~foreign corporation for profit or not for profit, partnership, joint venture, trust or other enterprise, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred shall be indemnified by the Director or officer Corporation to the fullest extent now or hereafter permitted by applicable law in connection with such action, suit or proceeding if arising out of such Director or officer acted in good faith and in a manner he or she reasonably believed person's service to be in, or not opposed to, the best interest of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful or to such other corporation, partnership, joint venture, trust or other enterprise at the Corporation's request. The term "representative," as used in this Article VII, shall mean any director, officer or member of a committee created by or pursuant to these Bylaws, and any other person who may be determined by the Board of Directors to be a representative entitled to the benefits of this Article VII.~~

~~11.27.2 Mandatory Advancement of Directors and Officers. The Corporation shall pay expenses (including attorneys' fees) incurred by a Director or officer of the Corporation referred to in Section 1 of this Article XI in defending or appearing as a witness in any civil or criminal action, suit or proceeding described in Section 1 of this Article XI in advance of the final disposition of such action, suit or proceeding. The expenses incurred by such Director or officer shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding only upon receipt of an undertaking by or on behalf of such Director or officer to repay all amounts advanced if it shall ultimately be determined that the Director or officer is not entitled to be indemnified by the Corporation as provided in Section 4 of this Article XI. Permissive and Advancement of Expenses. The Corporation may, as determined by the Board of Directors from time to time, indemnify, in full or in part, to the fullest extent now or hereafter permitted by law **Right to Indemnification - Third Party Actions.** Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party or is threatened to be made a party to ~~or a witness in, or is otherwise involved in,~~ any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that ~~such person is he or she is or was an authorized a~~ representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another ~~domestic or foreign corporation for profit or not for profit, partnership, joint venture, trust or other enterprise, both as to action in his official capacity and as to action in another capacity while holding such office or position,~~ shall be indemnified by the Corporation against all expenses (including ~~attorneys' attorneys'~~ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by ~~such person in conjunction him or her in connection~~ with such action, suit or proceeding if ~~such person he or she~~ acted in good faith and in a manner ~~lie he~~ or she reasonably believed to be in, or not opposed to, the best ~~interest interests~~ of the Corporation, and, with respect to any criminal ~~action or~~ proceeding, had no reasonable cause to believe his or her conduct was unlawful. ~~The Corporation may, as determined by the Board of Directors from time to time, pay expenses incurred by any such person by reason of such person's participation in an action, suit or proceeding referred to in this Section 3 in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as provided in Section 4 of this Article XI. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its~~~~

equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

~~11.3— Scope of Indemnification. Indemnification under this Article shall not be made by the Corporation in any case where a court determines that the alleged act or failure to act giving rise to the claim for indemnification is expressly prohibited by Chapter 57, Subchapter D of the PNCL or any successor statute as in effect at the time of such alleged action or failure to take action.~~

~~11.4— Miscellaneous. Each Director and officer of the Corporation shall be deemed to act in such capacity in reliance upon such rights of indemnification and advancement of expenses as are provided in this Article. The rights of indemnification and advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which any person seeking indemnification or advancement of expenses may be entitled under any agreement, vote of members (if any), disinterested Directors, statute or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office or position, and shall continue as to a person who has ceased to be an authorized representative of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such person. Any repeal or modification of this Article by the members (if any) or the Board of Directors of the Corporation shall not adversely affect any right or protection existing at the time of such appeal or modification to which any person may be entitled under this Article.~~

~~11.5— Definition of Authorized Representative. For the purposes of this Article, the term, "authorized representative" shall mean a director, officer (including a former director of officer), or employee of the Corporation or of any corporation controlled by the Corporation, or a trustee, custodian, administrator, committeeman or fiduciary of any employee benefit plan established and maintained by the Corporation or by any corporation controlled by the Corporation, or person serving another corporation, partnership, joint venture, trust or other enterprise in any of the foregoing capacities at the written request of the Corporation. The term "authorized representative" shall not include money managers or investment advisors (or any employees thereof) hired by the Corporation, and shall not include agents of the Corporation unless indemnification thereof is expressly approved by the Board of Directors.~~

7.3 Funding to Meet Right to Indemnification - Derivative Actions. Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation; except, however, that indemnification shall not be made under this Section in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the Corporation unless and

only to the extent that the Court of Common Pleas of the county in which the registered office of the Corporation is located or the court in which such action, suit or proceeding was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the Court of Common Pleas or such other court shall deem proper.

**7.4 Advance of Expenses.** Unless in a particular case advancement of expenses would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code, expenses (including attorneys' fees) incurred by any representative of the Corporation in defending any action, suit or proceeding referred to in this Article VII shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the representative to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article VII or otherwise.

**7.5 Procedure for Effecting Indemnification.** Unless ordered by a court, any indemnification under Sections 7.1, 7.2 or 7.3 of these Bylaws shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such subsections. Such determination shall be made:

(a) By the Board of Directors by a majority of a quorum consisting of directors who were not parties to such action, suit or proceeding; or

(b) If such a quorum is not obtainable, or if obtainable and a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

**7.6 Indemnification Not Exclusive.** The indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any other provision of these Bylaws, agreement, vote of disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office shall continue as to a person who has ceased to be a representative of the Corporation and shall inure to the benefit of the heirs and personal representatives of such person.~~Obligations. Subject to the approval of the Member, the Board of Directors shall have the power to borrow money on behalf of the Corporation, including the power to pledge the assets of the Corporation, from time to time to discharge the Corporation's obligations with respect to indemnification, the advancement and reimbursement of expenses, and the purchase and maintenance of insurance for the benefit of the Corporation and any person indemnified pursuant hereto. Upon the approval of the Member, the Corporation may, in lieu of or in addition to the purchase and maintenance of insurance, establish and maintain~~

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**7.7 When Indemnification Not Made.** Indemnification pursuant to this Article VII shall not be made in any case where (a) the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness or (b) indemnification would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of

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the Code.

**7.8 Grounds for Indemnification.** Indemnification pursuant to this Article VII, under any other provision of these Bylaws, agreement, vote of directors or otherwise may be granted for any action taken or any failure to take any action and may be made whether or not the Corporation would have the power to indemnify the person under any provision of law except as otherwise provided in this Article VII and whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Corporation. The provisions of this Article VII shall be applicable to all actions, suits or proceedings within the scope of Section 7.1, Section 7.2 or Section 7.3 of these Bylaws, whether commenced before or after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof.

**7.9 Power to Purchase Insurance.** The Corporation may purchase and maintain insurance on behalf of any person who is or was a representative of the Corporation or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article VII.

**11-67.10 Creation of a Fund to Secure or Insure Indemnification.** The Corporation may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising under or pursuant to this Article Article VII or otherwise.

#### **Article XII**

#### **AMENDMENTS OF THESE BYLAWS AND/OR THE ARTICLES OF INCORPORATION OF THE CORPORATION**

~~The power to amend, modify, alter or repeal these Bylaws or the Articles of Incorporation, is hereby exclusively vested in the Member of the Corporation subject, however, to Section 9 of Article III, and with respect to amendments of the following provisions in the bylaws and Articles of Incorporation of the Corporation, subject to prior notice to the Attorney General and the prior approval of the Orphans' Court: (i) provisions setting forth the purposes of the Corporation; (ii) provisions setting forth the powers reserved exclusively to the Member; (iii) provisions describing the manner in which the assets of the Corporation are to be distributed upon termination, dissolution or winding up of the Corporation; and (iv) provisions requiring notice to the Attorney General or approval of the Orphans' Court prior to the taking of certain action by the Corporation.~~

#### **Article XIII**

#### **SUBVENTIONS**

~~The Corporation shall be authorized by resolution of the Board of Directors or the~~

~~Member to accept subventions from the Member or nonmembers on terms and conditions not inconsistent with PNCL § 5542, and to issue certificates therefor. The resolution of the Board of Directors or the Member may provide that the holders of subvention certificates shall be entitled to a fixed or contingent periodic payment out of the corporate assets equal to a percentage of the original amount or value of the subvention. The rights of holders of subvention certificates shall at all times be subordinate to the rights of creditors of the Corporation.~~

**~~WEST PENN ALLEGHENY HEALTH SYSTEM  
CANONSBURG GENERAL HOSPITAL AMBULANCE SERVICE~~**

**~~Resolved that the following board of directors be recommended for an additional three year term:~~**

~~Three Year Term – Term Expires June 30, 2012~~

~~David Burkey, M.D.  
William Burt  
Carole Pankas  
William Thomeier, M.D.~~

**~~Resolved that the following Officers of the Board of Directors be appointed for an additional one year term:~~**

~~Joseph A. Macerelli, Chair  
Kim Malinky, President & CEO  
Judy J. Hlafesak, Secretary  
Roy T. Santarella, Treasurer  
Sharon M. Loftus, Assistant Secretary  
Thomas A. Albanesi, Assistant Treasurer~~

**~~Canonsburg General Hospital Ambulance Service~~**

7.11 Status of Rights of Indemnities. The rights to indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall (a) be deemed to create contractual rights in favor of each person who serves as a representative of the Corporation at any time while this Article VII is in effect (and each such person shall be deemed to be so serving in reliance on the provisions of this Article), and (b) continue as to a person who has ceased to be a representative of the Corporation.

7.12 Applicability to Predecessor Companies. For purposes of this Article VII, references to the "Corporation" includes all constituent corporations or other entities which shall have become a part of the Corporation by consolidation or merger or other similar transaction and their respective current and former affiliates, and references to "representatives" shall include members of any such corporation, entity or affiliate, so that any person who was a member, director, officer, committee member or other representative of such a corporation, entity or affiliate or served as a member, director, officer, committee member or other representative of another corporation, partnership, joint venture, trust or other enterprise at the

request of any such corporation, entity or affiliate shall stand in the same position under the provisions of this Article VII with respect to the Corporation as he or she would if he or she had served the Corporation in the same capacity. Without limitation of the foregoing, each member, director, officer and committee member of each predecessor to the Corporation shall have the same contract rights as are afforded pursuant to Section 7.11 of these Bylaws.

### **ARTICLE VIII**

#### **CONTRACTS, LOANS, CHECKS AND DEPOSITS**

**8.1 Contracts.** Subject to Section 3.3 of these Bylaws, the Board of Directors may authorize any officer or officers or agent or agents to enter into any contract or execute or deliver any agreement or instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

**8.2 Loans.** Subject to Section 3.3 of these Bylaws and Section 7.6 of the Affiliation Agreement, the Board of Directors may authorize the borrowing by the Corporation of such sum or sums of money as the Board of Directors may deem advisable, and to mortgage or pledge any or all of the real or personal property and any or all of the other available assets of the Corporation in order to secure the payment of the principal amount of any such borrowing and the interest thereon and any and all such other amounts as may become due on account thereof.

**8.3 Checks.** All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness shall be issued in the name of the Corporation and shall be signed by such officer or officers or agent or agents of the Corporation and in such manner as from time to time shall be determined by the Board of Directors.

**8.4 Deposits.** All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may approve

### **ARTICLE IX**

#### **NOTICE AND CONDUCT OF MEETINGS**

**9.1 Written Notice.** Except as otherwise provided in these Bylaws, whenever written notice is required to be given by any person under the provisions of any statute or these Bylaws, it may be given by sending a copy thereof through the mail or overnight delivery or by hand delivery, in each case with charges prepaid, or by facsimile transmission confirmed by one of the foregoing methods, to the individual's address appearing on the books of the Corporation or supplied by the individual to the Corporation for the purpose of notice.

**9.2 Written Waiver of Notice.** Whenever any written notice is required as set forth in these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

9.3 Waiver of Notice by Attendance. Attendance of a person in person at any meeting shall constitute a waiver of notice of such meeting except when a person attends the meeting for the express purpose of objecting to the transaction of any business because the meeting has not been lawfully called or convened.

9.4 Procedure. All meetings of the Board of Directors and the committees thereof shall be conducted in an orderly manner with a view to affording full and fair discussion of the matters properly before such meetings.

## ARTICLE X

### MISCELLANEOUS

10.1 No Contract Rights. Except as specifically set forth in Section 7.11 of these Bylaws, no provision of these Bylaws shall vest any property or contract right in any person.

10.2 Corporate Seal. The Board of Directors shall prescribe the form of a suitable corporate seal, which shall contain the full name of the Corporation and the year and state of incorporation.

10.3 Fiscal Year. The fiscal year of the Corporation shall end on such day as shall be fixed by the [UPE].

## ARTICLE XI

### AMENDMENTS

11.1 Amendments. These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted, only by ~~the~~ [UPE], except as expressly set forth in Section 3.3(d)(ii) of these Bylaws.

## ARTICLE XII

### CONFLICTS OF INTEREST

12.1 Disclosure. In connection with any actual or possible conflict of interest, an interested person must disclose the existence and nature of his or her financial interest to the Board of Directors and any relevant committee members. For this purpose, an interested person shall include any director, officer, or member of a committee of the Corporation or an entity affiliated with the Corporation who has a direct or indirect financial interest in a proposed transaction. A financial interest shall include: (a) an ownership or investment interest in any entity with which the Corporation has a proposed transaction or arrangement; (b) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a proposed transaction or arrangement; and (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. If a person is an interested person with respect to any entity in the health care system of which the Corporation is a part, he or she is an interested

person with respect to all entities in the health care system.

~~13.1~~**12.2 Recusal and Investigation.** After disclosure of the financial interest, the interested person shall leave the Board of Directors or committee meeting while the financial interest is discussed and voted upon. The remaining directors or committee members shall decide if a conflict of interest exists. If a conflict of interest exists, the following procedures shall be followed: (a) the Chief Executive Officer shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement; (b) after exercising due diligence, the Board of Directors or committee shall determine whether the Corporation could obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest; and (c) if a more advantageous transaction or arrangement is not reasonably attainable, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interests and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall decide as to whether to enter into the transaction or arrangement in conformity with such determination.

**12.3 Failure to Disclose.** If a director or committee member has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, he shall inform the interested person of the basis of such belief and afford the interested person an opportunity to explain the alleged failure to disclose. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board of Directors ~~Term Expires June 30, 2010~~ (or until or committee determines that the interested person has in fact failed to disclose an actual or possible conflict of interest, the Board appointments are made in 2010, whichever is later) of Directors shall take appropriate steps to protect the Corporation.

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Charles LaBelle  
Joseph Macerelli, Esq.

Term Expires June 30, 2011

Michael Alterio  
David A. Celko, M.D.

Term Expires June 30, 2012

David Burkey, M.D.  
William Burt  
Carol Pankas  
William Thomeier, M.D.

Ex Officio

Kim Malinky  
Christopher T. Olivia, M.D.

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### **Officers**

**Joseph A. Macerelli, Chair**  
**Kim Malinky, President & CEO**  
**Judy J. Hlafesak, Secretary**  
**Roy T. Santarella, Treasurer**  
**Sharon M. Loftus, Assistant Secretary**  
**Thomas A. Albanesi, Assistant Treasurer**

**12.4 Record of Actions.** The minutes of the Board of Directors and all relevant committees shall contain the following: (a) the names of persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' or committee's decision as to whether a conflict of interest in fact existed; and (b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

**12.5 Compensation.** Special procedures shall be in effect with respect to compensation issues. A voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation. Physicians who receive compensation from the Corporation, whether directly or indirectly or as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.

**13.212.6 Annual Statements.** Each interested person shall annually sign a statement that affirms that such person (a) has received a copy of the conflicts of interest policy, (b) has read and understands the policy, (c) has agreed to comply with the policy, and (d) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes. This policy shall be reviewed annually for the information and guidance of members of the Board of Directors, and any new director or committee member shall be advised of the policy upon entering into the duties of his or her office. In addition, the Corporation shall conduct periodic reviews of its activities, including any transactions or arrangements with interested persons, to ensure that its activities in the aggregate promote and further the Corporation's exempt charitable, scientific, and educational purposes.

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AMENDED AND RESTATED BYLAWS

OF

ALLEGHENY SPECIALTY PRACTICE NETWORK

**Pittsburgh, Pennsylvania**  
**As Revised September 18, 2008**

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**Previous Revisions:**  
**August 9, 2000**

**BYLAWS  
OF  
ALLEGHENY SPECIALTY PRACTICE NETWORK**

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**ARTICLE I**

**NAME AND ~~LOCATION~~ PURPOSES**

1.1 **Name.** The name of the Corporation is Allegheny Specialty Practice Network (hereinafter, the "Corporation").

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~~1.2 Principal Office.~~ The principal office of the Corporation shall be located at 320 Fast North Avenue, Pittsburgh, Pennsylvania 15212 or at such other address as the Board of Directors shall determine.

**ARTICLE II**

**PURPOSE; ~~participation IN SYSTEM~~**

1.2 **Purpose/Purposes.** The Corporation is ~~formed and is to be operated exclusively for the following charitable, scientific and organized under the Pennsylvania Nonprofit Corporation Law (the "Nonprofit Corporation Law") for scientific, educational and charitable purposes; within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); supporting, benefiting and carrying out the functions of a~~ and in this connection is organized:

~~2.1(a) To operate as part of the nonprofit regional health care system, comprised of corporations, each of which (x) has a sole corporate member that is also the sole corporate member of the Corporation, (y) either (governed by [Ultimate Parent], a Pennsylvania nonprofit corporation ("Ultimate Parent"), and support a health care provider network comprised of the Member and those corporations and other entities over which the Member exercises governance control, each of which (i) operates, raises funds for, or conducts activities otherwise ancillary to the operation of, health care facilities in Western Pennsylvania order to extend health care to sick, injured and disabled persons, without regard to age, sex, race, religion, national origin or sexual orientation, or (ii) carries on educational and/or scientific research activities related to the causes, diagnosis, treatment, prevention or control of physical or mental diseases and impairments of persons, and (z) is described in sections 501(c)(3) and either 509(a)(1) or 509(a)(2) of the Code (all health care facilities operated by such corporations are referred to herein as the "Constituent Hospitals", and such corporations are referred to herein as the "Constituent Corporations") by each of which is an organization exempt from taxation under Section 501(c)(3) of the Code and classified as other than private foundations under Section 509(a)(1), 509(a)(2) or 509(a)(3) of the Code;~~

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~~(a)(b) maintaining~~To maintain and ~~operating~~operate programs ~~rendering that~~ render diagnostic ~~and~~, clinical and other health care ~~services~~ and health related services in support of clinical programs, education and research in the Western Pennsylvania community;

~~(b)(c) providing~~ To provide health care for sick, injured, disabled, indigent, or infirm persons in the Western Pennsylvania community;\_

~~(e)(d) supporting~~ To support or carrying on ~~carry out~~ research and educational activities of ~~the Constituent Hospitals and Constituent Corporations,~~ hospitals and other health care facilities operated by the Member or subsidiaries of the Member related to the rendering of care to the sick, injured and disabled, the furthering of knowledge in the medical arts and in promotion of health;\_

~~(d)(c) assisting the Constituent Hospitals and Constituent Corporations~~ To assist ~~the hospitals and other health care facilities operated by the Member or subsidiaries of the Member~~ in their residency training programs in various medical specialties and related teaching programs; **and**

~~(e)(f) exercising~~ To exercise such powers in furtherance of the foregoing purposes as are now or may be granted hereafter by the Nonprofit Corporation Law ~~of the Commonwealth of Pennsylvania,~~ as amended from time to time, or any successor legislation ~~(the "PNCL");~~.\_

~~2.2 — Participation in System. The Corporation is a constituent entity of the health care system serving Western Pennsylvania known as West Penn Allegheny Health System (the "System") which, as of the date of the adoption of these bylaws, is comprised of affiliated hospitals and certain other affiliated organizations. These Bylaws, among other things, establish the relative authority and responsibility of the entities and individuals participating in the governance and management of the Corporation in its capacity as part of the System.~~

### **ARTICLE III**

#### **MEMBER**

~~3.1 — Member. Subject to Section 9 of this Article III, the sole voting member of the Corporation shall be West Penn Allegheny Health System, Inc. (the "Member"), acting through its Board of Directors (the "Member Board"), or through its Executive Committee (the "Member Executive Committee") or designated officers of the Member (the "Designated Representatives") to the extent that the Member has, pursuant to its Bylaws or by resolution duly adopted by the Member Board, delegated its authority herein to the Member Executive Committee or to a Designated Representative; provided, however, that neither the Member Executive Committee nor any Designated Representative shall have the authority to act on behalf of the Member with respect to any of the actions identified in Section 2.B of this Article III.~~

#### ~~3.2 — Powers and Rights of Member:~~

~~(i) — The Member shall have such powers and rights as are set forth in the PNCL and the Articles of Incorporation of the Corporation. Without limiting and in addition to such powers and rights, the Member shall have the exclusive authority to exercise the following powers:~~

~~(A) — Adopt and/or approve and interpret the statement of mission and philosophy of the Corporation, and require the Corporation to operate in conformance with its statement of mission and philosophy;~~

~~(B) — Adopt and/or approve amendments or restatements of the bylaws and Articles of Incorporation of the Corporation, subject, however, to Section 9 of this Article III, and with respect to amendments of the following provisions in the bylaws and Articles of Incorporation of the Corporation, subject to prior notice to the Attorney General and the prior approval of the Orphans' Court: (i) provisions setting forth the purposes of the Corporation; (ii) provisions setting forth the powers reserved exclusively to the Member; (iii) provisions describing the manner in which the assets of the Corporation are to be distributed upon termination, dissolution or winding up of the Corporation; and (iv) provisions requiring notice to the Attorney General or approval of the Orphans' Court prior to the taking of certain action by the Corporation;~~

~~(C) — Fix the number of, and elect, appoint, fill vacancies in and remove, with or without cause, the Directors; and elect and remove, with or without cause, the Chair and Vice-Chair of the Board of Directors of the Corporation, and the Secretary and Treasurer of the Corporation; provided that no Director or officer shall be removed by the Member without 10 days prior notice of such removal from the Member to the Board of Directors;~~

~~(D) — Designate the administrative structure of the Corporation and, after consultation with the Board of Directors of the Corporation, elect and remove, with or without cause, the President and Chief Executive Officer and all vice presidents and other officers of the Corporation, provided that no officer shall be removed by the Member without 10 days prior notice of such removal from the Member to the Board of Directors;~~

~~(E) — Cause or approve any merger, consolidation, division, conversion, or dissolution of the Corporation, or the filing of a petition in bankruptcy or execution of a deed of assignment for the benefit of creditors;~~

~~(F) — Approve or cause the Corporation to engage in any acquisition or any sale, lease, exchange, mortgage, pledge or other alienation of any personal property of the Corporation having a value in excess of an amount to be fixed from time to time by the Member or any real property of the Corporation;~~

~~(G) — Adopt and/or approve any capital or operating budgets of the Corporation, and approve or direct any unbudgeted expenditure to be undertaken individually or collectively by the Corporation and any affiliated corporations controlled by the Corporation (other than unbudgeted expenditures which are required in order for the Corporation to be in compliance with applicable laws, rules and regulations, and state licensing and accreditation requirements), where the cumulative amount of such unbudgeted expenditures is in excess of an amount to be fixed from time to time by the Member;~~

~~(H) — Adopt and/or approve any operating plan or financial plan with respect to the Corporation, and require the Corporation to comply with such operating or financial plan;~~

~~(I) — Approve and/or cause the Corporation to undertake or engage itself in respect of any bond issuance or any other Indebtedness for borrowed money of the Corporation, or any lending of funds by the Corporation to an unrelated person, corporation or other legal entity, including without limitation any capital leases (other than indebtedness to provide funds for expenditures necessary in order for the Corporation to be in compliance with applicable laws, rules and regulations, and state licensing and accreditation requirements, to the extent such funds are not otherwise reasonably available), representing obligations of the Corporation in excess of an amount per annum in the aggregate established from time to time by the Member;~~

~~(J) — Approve and/or direct the allocation and transfer of the Corporation's excess cash (as determined by the Member) among those charitable nonprofit health care organizations operating in Western Pennsylvania of which the Member is the sole Member, which organizations are exempt from federal income taxation under Section 501(a) of the Code because they are organizations described in Section 501(c)(3) of the Code, provided that any such allocation and transfer shall be in furtherance of the Corporation's charitable purposes;~~

~~(K) — Establish and/or approve the criteria for, and conduct the evaluation of, the performance of the President and Chief Executive Officer and all vice presidents and officers of similar rank of the Corporation;~~

~~(L) — Approve and/or cause the adoption by the Corporation of proposed settlements of litigation when such settlements exceed applicable insurance coverage or the amounts reserved in respect thereof of any applicable self-insurance fund;~~

~~(M) — Approve and/or cause the adoption by the Corporation of any contracts between the Corporation and any managed care organization (including without limitation any health maintenance organization or independent practice association) or insurance company;~~

~~(N) — Approve and/or cause any corporate reorganization of the Corporation or the establishment or dissolution of any subsidiary organizations, including corporations, partnerships or other entities, of the Corporation;~~

~~(O) — Adopt and/or approve the strategic plan of the Corporation; and~~

~~(P) — Approve or direct the taking of any other action outside of ordinary course of business and such matters as are required to be submitted to corporate members of a Pennsylvania nonprofit corporation.~~

~~Except as otherwise required by the PNCL, and subject to Section 9 of this Article III, the action of the Member with respect to each of the foregoing actions shall be sufficient to approve such actions, no action by the Board of Directors of the Corporation shall be required with respect to any such actions, and, to the full extent permitted by law, no action of the Board of Directors with respect to any such actions shall be effective for any purpose without the approval of the Member.~~

~~(ii) — Each of the following actions may be approved by the Member only through action of the Member Board, and not through action of the Member Executive Committee or any Designated Representative:~~

~~(A) — The adoption or approval of a statement of mission and philosophy of the Corporation;~~

~~(B) — The adoption or approval of any amendments of the Bylaws or Articles of Incorporation of the Corporation;~~

~~(C) — The approval of any merger, consolidation, division, conversion, or dissolution of the Corporation, or the filing of a petition in bankruptcy or execution of a deed of assignment for the benefit of creditors, or the sale or other disposition of all or substantially all of the assets of the Corporation;~~

~~(D) — The election, appointment and removal of the Directors, the Chair and Vice Chair of the Board of Directors of the Corporation, and the Secretary and Treasurer of the Corporation;~~

~~(E) — The approval of any bond issuance or incurrence of any other indebtedness for borrowed money of the Corporation, or any lending of funds by the Corporation to an unrelated person, corporation or other legal entity, including without limitation any capital leases; and~~

~~(F) — The approval and/or direction of the allocation and transfer of the Corporation's excess cash (as determined by the Member) among those charitable nonprofit health care organizations operating in Western Pennsylvania of which the Member is the sole Member.~~

~~3.3 — Meetings of Member. Meetings of the Member may be held at such place within the Commonwealth of Pennsylvania as the Member may from time to time determine, or as may be designated in the notice of the meeting.~~

~~3.4 — Annual Meeting of the Member.~~

~~(i) — Unless otherwise fixed by the Member, the annual meeting of the Corporation shall be held in June of each year. At each annual meeting, (i) the Board of Directors shall present to the Member an annual report regarding the financial performance of the Corporation, and (ii) the Member shall appoint the Board of Directors of the Corporation in accordance with Article IV and all officers that pursuant to the Bylaws are then to be appointed by the Member. If the annual meeting shall not be called and held within one (1) month of the date specified in this Article III, Section 4 or fixed by the Member in accordance with this Article III, Section 4, as applicable, any members of the Board of Directors and any officers theretofore appointed by the Member shall continue to serve unless removed by the Member (or unless the applicable member of the Board of Directors or officer resigns), and a special meeting may be held in place thereof with the same force and effect as the annual meeting, and in such case all references in these Bylaws, except in this Article III, Section 4, to the annual meeting of the Corporation shall be deemed to refer to such special meeting. Any such special meeting shall be called and notice given as provided in Article III, Sections 5 and 7, as applicable.~~

~~(ii) — Immediately after each annual appointment of the Board of Directors by the Member at the annual meeting or a special meeting, the Board of Directors of the Corporation~~

~~shall meet for the transaction of business to be conducted by the Board of Directors at the place where the annual or special meeting of the Member was held. Notice of such meeting need not be given. If such meeting is to be held at any other time or place, notice thereof shall be given as provided in Article V, Section 2 for special meetings of the Board of Directors.~~

(g) To carry out such other acts and to undertake such other activities as may be necessary, appropriate or desirable in furtherance of or in connection with the conduct, promotion or attainment of the foregoing purposes, provided, that none of such activities shall be undertaken which would cause the Corporation to lose its status as an organization described in Section 501(c)(3) of the Code, or as an organization contributions to which are deductible under Section 170(c)(2) of the Code; and

(h) To otherwise operate exclusively for charitable, scientific or educational purposes within the meaning of Section 501(c)(3) of the Code.

## **ARTICLE II**

### **OFFICES**

2.1 **Registered Office.** The registered office of the Corporation shall at all times be within the Commonwealth of Pennsylvania at such address as may be established by the Board of Directors.

2.2 **Business Offices.** The Corporation may have business offices at such places permitted by law as the business of the Corporation may require.

## **ARTICLE III**

### **MEMBERS**

3.1 **Member.** The Corporation shall have one member, which shall be West Penn Allegheny Health System, Inc. ("WPAHS" or the "Member"). There shall be no other members or classes of membership. The Chief Executive Officer or the President of the Member shall be entitled to vote on behalf of the Member in accordance with the authority granted to the Chief Executive Officer or the President of the Member unless the Member notifies the Corporation in writing that another officer is authorized to vote on behalf of the Member. The Member may voluntarily transfer its membership, subject to the reserved powers of the [Ultimate Parent] as set forth in these Bylaws.

### 3.2 **Meetings.**

(a) **Annual Meeting.** The annual meeting of the Member of the Corporation shall be held at such date, time and place as the Member may determine to transact such other business as may come before the meeting.

~~3.5(b) **Special Meetings of the Member.** Special meetings of the Member shall may be held whenever called by the Chairperson of the Board of Directors of the Corporation, Member or by written demand one-third (1/3) of the members of the Board of~~

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Directors of the Member and shall be held at such date, time and place as shall be set forth in the notice of special meeting.

(c) ~~Action Without a Meeting~~ Notice of Meetings. Notice of any meeting of the Member shall be given by, or at the direction of, the Secretary of the Corporation at least ten (10) days prior to the day named for a meeting that will consider a fundamental change under Chapter 59 of the Nonprofit Corporation Law or five (5) days prior to the day named for the meeting in any other case.

3.6(d) Written Consent. Any action which may be taken at a meeting of the Member may be taken without a meeting if a consent in writing setting forth the ~~actions~~ action so taken shall be signed by the Member; and filed with the Secretary ~~of the Corporation~~.

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3.7 Notice of Meetings; Participation by Conference Telephone.

~~(i) Unless otherwise provided in these Bylaws, whenever written notice is required to be given the Member under the provisions of the Articles of Incorporation, these Bylaws, or the PNCL, it may be given by sending a copy thereof first class mail, postage prepaid, by personal delivery, or in the case of notices other than notices of meetings, by telecopy with confirmed receipt to the address of the Member appearing on the books of the Corporation. If the notice is sent by mail, it shall be deemed to have been given to the Member entitled thereto when deposited in the United States. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by law or these Bylaws, and, unless the meeting is an annual meeting, shall indicate that the notice is being issued by or at the direction of the person(s) calling the meeting. Notice of each meeting of the Member shall be given not less than five days before the date of the meeting, except in the case where fundamental changes to the Corporation under Chapter 59 of the PNCL will be considered, in which case such notice shall be given not less than ten days before the date of the meeting. Every such notice shall state the date, time and place of the meeting, and notices of special meetings of the Member shall also set forth the general nature of the business to be conducted at such meeting.~~

~~(ii) When a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting and of the business to be transacted at an adjourned meeting in accordance with the provisions of this Article III, Section 7 if the day, time and place to which the meeting is adjourned is announced at the meeting at which the adjournment is taken.~~

~~(iii) Whenever notice of a meeting is required, such notice need not be given to the Member if a written waiver of notice executed by the Member is filed with the records of the Corporation. Attendance by the Member at any meeting of the Member shall constitute a waiver by the Member of notice of such meeting, except where the Member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.~~

~~(iv) One or more persons may participate in a meeting of the Member by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.~~

~~3.8 — Resolutions. Whenever the language of a proposed resolution is included in a written notice of a meeting of the Member, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.~~

~~3.9 — Additional Members. Notwithstanding anything herein to the contrary, upon the occurrence of a Triggering Event (as defined below), then effective immediately and automatically upon the occurrence of such Triggering Event and without further action by the Member, the voting members of the Corporation shall include, in addition to the Member identified in Section 1 of this Article III hereof, all of the then-current members of the Board of Directors of the Corporation, and any reference in these bylaws to "the Member" shall be deemed to be a reference to "the Members" as identified in this Article III, Section 9, each of whom shall have one vote, and all of whom together shall have the authority that, but for operation of this Article III, Section 9, would be vested in the Member. From and after the occurrence of a Triggering Event (i) a majority of the Members shall constitute a quorum at any meeting of the Members and (ii) the affirmative vote of two-thirds (or greater) of the whole number of Members shall be required to approve any matter to be voted on by the Members. For purposes of this Section, "Triggering Event" shall mean any of the following occurrences:~~

~~(A) — a Final Determination (as defined below) shall have been entered denying the Member's application for recognition as an Exempt Organization (as defined below) or revoking the Member's status as an Exempt Organization;~~

~~(B) — the Member shall have taken all corporate action necessary to approve (x) the dissolution of the Member or (y) the filing by the Member of a voluntary petition in bankruptcy;~~

~~(C) — the Member shall have admitted in writing its inability to pay its debts as they come due; or~~

~~(D) — an involuntary petition for the dissolution and winding up of the Member shall have been filed, which such petition is not dismissed within 60 days of the filing thereof~~

~~"Final Determination" shall mean a decision, judgment, decree or other order by the Internal Revenue Service or a court of competent jurisdiction which is final and unappealable, or which has become unappealable because the time for instituting an appeal has expired. "Exempt Organization" shall mean an organization exempt from federal income taxation pursuant to Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code. Notwithstanding anything herein to the contrary, amendment of this Section 9 shall require approval of both the Member and at least two-thirds of the entire Board of Directors of the Corporation.~~

~~3.10 — Operating Reports. The Board of Directors of the Corporation shall submit operating reports to the Member in such form and on such schedule as shall be established by the Member. Such operating reports shall reflect the results of operations of the Corporation and of any affiliates of the Corporation that are controlled by the Corporation.~~

**ARTICLE IV**

**THE BOARD OF DIRECTORS**

~~3.3 Powers and Responsibility. Subject to Article III hereof and to the other rights and powers of the Member specified herein or in the Articles of Incorporation or otherwise provided hereby or in the Articles of Incorporation or by law, the Board of Directors shall have charge, control, and management of the administrative affairs, property and funds of the Corporation and shall have the power and authority to do and perform all acts and functions not inconsistent with these Bylaws, the Articles of Incorporation, and applicable law, in each case as amended from time to time. Such responsibility shall include without limitation: implementation of any operational or financial plan adopted by the Member and institutional management and planning. Without limiting the generality of the foregoing, the Board of Directors shall have power and authority to, and shall be responsible to, **Powers.**~~

(a) Reserved Powers of Member.

(i) For so long as such rights and powers do not result in the revocation of the Corporation's status as an organization described in Section 501(c)(3) of the Code, the Member shall have the right and power to make recommendations to [Provider Subsidiary Entity] and [Ultimate Parent] with respect to actions by [Provider Subsidiary Entity] and [Ultimate Parent] on matters reserved to [Provider Subsidiary Entity] and [Ultimate Parent] under Sections 3.3(b) and 3.3(c) of these Bylaws. [Provider Subsidiary Entity] and [Ultimate Parent] shall have no obligation to approve any such recommendations, and may take actions that have not been recommended by, or that are contrary to recommendations of, the Member; and

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(ii) The Board of Directors of the Member shall have plenary authority with regard to the following:

(a) To determine the number of directors that will comprise the Board of Directors of the Corporation and its subsidiaries;

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(b) To elect the directors of the Corporation and the directors of its subsidiaries; and

(c) To remove any of the directors of the Corporation and any of the directors of its subsidiaries, and to replace such directors for the unexpired portion of his or her term.

(b) Reserved Powers of [Provider Subsidiary Entity]:

The [Provider Subsidiary Entity] shall have the right and power to make recommendations to [Ultimate Parent] with respect to actions by [Ultimate Parent] on the matters reserved to [Ultimate Parent] under Section 3.3(c) of these Bylaws. [Ultimate Parent] shall have no obligation to approve any such recommendations, and [Ultimate Parent] may take actions that

have not been recommended by, or that are contrary to recommendations of, [Provider Subsidiary Entity].

**(c) Reserved Powers of [Ultimate Parent]:**

(i) To approve the election, re-election and removal of all officers, including the President and Chief Executive Officer, of the Corporation and its subsidiaries;

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(ii) To amend, revise or restate the Corporation's Articles of Incorporation and Bylaws and approve all amendments or revisions to the Corporation's Articles of Incorporation and Bylaws that may be proposed or approved by [Provider Subsidiary Entity], the Member or Board of Directors of the Corporation; provided however, that [Ultimate Parent] shall have no power to amend, revise or restate Section 3.3(a)(ii) or this proviso of Section 3.3(c)(ii) of these Bylaws, each of which may be amended only upon the concurrent approval of both (a) a majority of those Directors of the Member that are elected by UPE to serve as Directors of the Member, voting as a class, and (b) a majority of the Self-Perpetuating Directors (as defined in the Member's Bylaws) of the Member, voting as a class;

(iii) Subject to Section 7.5(i) of the Affiliation Agreement dated as of October 31st, 2011, among [Ultimate Parent], [Provider Subsidiary Entity], Highmark Inc., WPAHS, Canonsburg General Hospital, Alle-Kiski Medical Center and the other WPAHS Subsidiaries as defined therein (the "Affiliation Agreement"), to adopt or change the mission, purpose, philosophy or objectives of the Corporation or its subsidiaries;

(iv) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to change the general structure of the Corporation or any of its subsidiaries as a voluntary, nonprofit corporation;

(v) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to (a) dissolve, divide, convert or liquidate the Corporation or its subsidiaries, (b) consolidate or merge the Corporation or its subsidiaries with another corporation or entity, (c) sell or acquire assets, whether in a single transaction or series of transactions, where the consideration exceeds 1% of the Corporation's or the relevant subsidiary's total assets, and (d) approve any of the foregoing actions that may be proposed by [Provider Subsidiary Entity], the Member or the Board of Directors of the Corporation before such action becomes effective;

(vi) To approve the annual consolidated capital and operating plan and budget of the Corporation and its subsidiaries, and any amendments thereto or significant variances therefrom;

(vii) Subject to Section 7.6 of the Affiliation Agreement, to approve the incurrence of debt by the Corporation and its subsidiaries or the making of capital expenditures by the Corporation and the subsidiaries during any fiscal year of the Corporation, in either case in excess of one quarter of 1% of the consolidated annual operating budget of the Corporation and its subsidiaries for each fiscal year if such debt or capital expenditures are not included in the Corporation's or subsidiaries' approved budgets, whether in a single transaction or a series of related transactions;

(viii) To approve any donation or any other transfer of the Corporation's or its subsidiaries' assets, other than to the Member or to the Corporation by its subsidiaries, in excess of \$10,000.00, unless specifically authorized in the Corporation's or its subsidiaries' approved budgets;

(ix) To approve strategic plans and mission statements of the Corporation and its subsidiaries;

(x) To approve investment policies of the Corporation and its subsidiaries;

(xi) To approve the closure or relocation of a licensed healthcare facility of the Corporation and its subsidiaries;

(xii) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to approve the formation of subsidiary corporations, partnerships and joint ventures or to make investments in existing subsidiary corporations, partnerships and joint ventures, if the new investments of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures during any fiscal year would, in the aggregate, exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year of the Corporation;

(xiii) Subject to Section 7.5(i) and 7.6 of the Affiliation Agreement, to approve the dissolution of subsidiary corporations, partnerships and joint ventures of the Corporation and the subsidiaries, if the aggregate value of the ownership interests of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures so dissolved in any fiscal year would exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year of the Corporation;

~~(xvii)(xiv) To establish and manage the Corporation's program for compliance with all legal requirements applicable to the Corporation. The Board of Directors shall also prepare, for the Member's review and approval, on such timetable as the Member shall establish, proposed annual budgets for the Corporation, which budgets shall be consistent with any operating plan or financial plan adopted or approved by the Member and then in effect, all accreditation and licensing requirements and the conditions of participation in all governmental payor programs applicable to the Corporation; and~~

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~~(xv) Composition of the Board Appointment Qualifications. The Board of Directors shall be composed of not fewer than three nor more than twenty voting members, exclusive of non-voting *ex officio* Directors. The exact number of voting Directors shall be as fixed from time to time by the Member. Directors shall generally be appointed at the annual meeting of the Member, but may be appointed at any regular or special meeting of the Member. Each Director of the Corporation shall be a natural person of at least eighteen years of age, of good moral character and who enjoys a good reputation in the community, and who, by his or her experience, community interest, or prior action, demonstrates a willingness to devote time and talent to the affairs of the Corporation and to exercise his or her judgment with undivided loyalty to the Corporation. To select and appoint auditors and to designate the fiscal year of the Corporation and the subsidiaries.~~

Except as may otherwise be provided by the Nonprofit Corporation Law, [Ultimate Parent] shall have the right to both initiate and approve action in furtherance of such reserved powers, as well as the authority to directly bind the Corporation and the subsidiaries on such matters. Any action taken in this regard by [Ultimate Parent] shall be sufficient to finally approve and adopt such actions and no action of the Board of Directors, Member, [Provider Subsidiary Entity] or other governing body or officer with respect to such action shall be necessary with respect hereto.

#### ARTICLE IV

#### BOARD OF DIRECTORS

4.1 Powers and Duties. Subject to Section 3.3 of these Bylaws, all powers of the Corporation shall be vested in the Board of Directors, which shall have charge, control, and management of the property, business, affairs and funds of the Corporation and shall have the power and authority to do and perform all necessary and appropriate functions not otherwise inconsistent with these Bylaws, the Articles of Incorporation, or applicable law.

Subject to Section 3.3 of these Bylaws, and without limiting the generality of the foregoing and, except as otherwise may be provided in these Bylaws, the Board of Directors shall have full power and the duty:

- (a) To set policies and provide for carrying out the purposes of the Corporation;
- (b) To make rules and regulations for its own governance and for the governance of the committees appointed by the Board of Directors as provided herein;
- (c) To adopt and amend from time to time such rules and regulations for the conduct of the business of the Corporation as may be appropriate or desirable; and
- (d) To maintain the quality of patient care.

4.2 Election of Directors. The Directors of the Corporation shall be elected by the Board of Directors of the Member as prescribed by Section 3.3(c) of these Bylaws. Each Director shall further satisfy the requirements set forth in Section ~~9 of this Article IV~~4.3 of these Bylaws.

~~4.3 Term of Office.~~ Subject to Section 5 of this Article IV, Directors, other than *ex officio* Directors, shall serve for one, two, or three year terms, as specified by the Member. In the event that the Member elects to classify the Board of Directors for purposes of staggering their respective terms of office, then the number of Directors assigned to each class shall be as nearly equal as possible to those assigned to each other class. Number/Qualifications.

(a) Composition. The Board of Directors shall consist of such number of persons as the Board of Directors of the Member may determine, but in no case less than five (5) members, excluding the *ex officio* Directors with vote who shall be as follows:

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(i) President and Chief Executive Officer of the Member or the designee of the President and Chief Executive Office of the Member who shall be a member of the senior management of the Member;

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(ii) President and Chief Executive Officer of the Corporation; and

(iii) Board Chairperson of the Member or the designee of the Board Chairperson of the Member who shall be a director of the Member. -

In the event that any individual holds multiple *ex officio* positions such individual shall have one vote. If designees are selected to serve on the Board of Directors in accordance with this Section 4.3(a), such designees may be removed and replaced at any time or from time to time by the person making such designation in such person's sole discretion. In the event that any such designees cease to meet the eligibility criteria to serve as directors as set forth herein, such designees shall be automatically removed from the Board with no further action being required on the part of any person.

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(b) **Certain Qualifications.** No individual may be elected to the Board of Directors unless the individual is eligible to serve on the Board of Directors pursuant to applicable law, the Articles of Incorporation and these Bylaws. Each director shall be a natural person of at least 18 years of age.

(c) **Independence.** At least a majority of the directors shall be persons whom the Board of Directors has determined are "independent directors" within the meaning of such term as defined by the Internal Revenue Service for exempt organizations under Section 501(c)(3) of the Code, and as such, are broadly representative of the community.

(d) **SEC Actions.** Any person who is, or ever has been, subject to an order of a court or the Securities and Exchange Commission prohibiting such person from acting as an officer or director of a public company shall not be eligible to serve as a director.

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(e) **Age Limitations.** No person who is seventy-five (75) years of age or older may be nominated or re-nominated for election or re-election as a director. Any director who reaches the age of seventy-five (75) shall no longer be qualified to serve as a director after the next annual meeting of the Board of Directors.

4.4 **Chairperson.** The Chairperson shall preside at all meetings of the Board of Directors and shall perform all duties incident to the office of Chairperson of the Board and such other duties as may be prescribed by the Board of Directors. The Chairperson shall not be an employee of the Corporation.

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4.34.5 **Term of Office.** Directors, other than *ex officio* directors, shall serve for one year terms. Each Director shall retain his or her position as Director until his or her successor shall be duly appointed and qualified or until his or her earlier death, resignation or removal, except that an *ex officio* Director shall retain his or her position as Director only during his or her tenure in the position from which his or her respective *ex officio* status is derived, or until his or her earlier death, resignation, or removal, Directors may be re-elected for unlimited successor terms.

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~~4.4 — Ex Officio Directors. The following persons shall serve as ex officio Directors of the Corporation with vote:~~

~~(A) — President and Chief Executive Officer of the Member; and~~

~~(B) — President and Chief Executive Officer of the Corporation.~~

~~In the event that any individual holds multiple *ex officio* positions s/he shall have one vote.~~

~~4.54.6 Removal-Resignation-Vacancies. Any vacancy in the Board of Directors caused by the death, resignation or removal of a director or a director ceasing to qualify to serve as a director prior to the expiration of that director's term shall be filled by the Board of Directors of the Member.~~

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~~(i) — The Member may, in its discretion, remove any Director at any time, with or without cause, upon 10 days prior notice, to the Board of Directors. Without limiting the generality of the foregoing, upon such notice the Member may, in its discretion, remove and replace all or a portion of the Board of Directors if the Member determines that the Corporation has failed to comply with any operating or financial plan adopted or approved by the Member. Unless such removal notice is revoked by the Member during the 10 day notice period, any such removal shall be effective immediately upon expiration of the notice period.~~

~~(ii) — Any Director may resign from office with or without cause, by delivering a written statement of resignation to the Secretary of the Corporation. Any such resignation shall take effect immediately upon its receipt by the Secretary of the Corporation, unless a later effective time or date for the resignation is specified in the notice of resignation.~~

~~(iii) — Any person appointed to fill a vacancy on the Board of Directors shall be appointed for the unexpired term of the Director whose death, resignation, or removal gave rise to the applicable vacancy.~~

~~4.6 — Orientation of Directors. Newly elected or appointed Directors shall be oriented to the functions and procedures of the Board of Directors. Such orientation shall be carried out under the supervision of the President and Chief Executive Officer.~~

~~4.7 — No Compensation. No Director shall receive any compensation for acting as a Director. Directors who are officers or employees of the Corporation may receive compensation for those duties.~~

~~4.8 — Review of Bylaws. The Board of Directors shall review these Bylaws of the Corporation annually, and based on such review, may propose amendments to these Bylaws to the Member of the Corporation.~~

~~4.9 — Conflict of Interest. Directors shall exercise good faith in all transactions touching upon their duties at the Corporation and its property. No director shall use his or her position, or knowledge gained therefrom, in any way that might give rise to a conflict between the interest of the Corporation and that of the individual Director. The Board of Directors shall adopt a conflict of interest policy, and each Director and officer of the Corporation shall agree in~~

writing to be bound thereby as a prerequisite to his or her qualification as a Director or officer, as the case may be.

## ARTICLE V

### MEETINGS OF THE BOARD OF DIRECTORS

#### 4.7 Meetings.

~~5.1(a) Regular and Annual Meetings of the Board of Directors.~~ The Board of Directors shall hold regular meetings at such date, time and place as determined by the Board or the Chair; provided that the Board shall meet not less than four times per year. ~~The Annual Meeting shall be held as provided in Article III, Section 4 of these Bylaws. Notice of any meeting shall be mailed, personally delivered or faxed to each Director at least 5 days prior to the meeting to the Director's address (or fax number) on the books of the Corporation. Voting by proxy shall not be permitted at any meeting person.~~ The annual organizational meeting of the Board of Directors shall be held on such date, time and place as shall be determined by the Board of Directors, without further notice than the resolution setting such date, time and place.

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~~5.2(b) Special Meetings.~~ Special meetings may be held at any time upon call of the Member or the Chair or upon receipt by the President and Chief Executive Officer of the written request of at least three Directors. Special meetings of the Board of Directors may be called at any time by the Chairperson of the Board, the Chief Executive Officer or one-third (1/3) of the members of the Board of Directors, with the date, time and place of each such meeting to be designated in the notice calling the meeting. Notice of any special meeting of the Board of Directors shall be given at least forty-eight (48) hours prior thereto and shall state the general nature of the business to be transacted.

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~~5.3(c) Quorum.~~ A majority ~~Adjourment.~~ When a meeting of the ~~entire~~ Board of Directors shall constitute a quorum at any regular meeting. ~~Once a quorum is established, subsequent withdrawal of individuals to less than a quorum adjourned, it shall not affect be necessary to give any notice of the validity of any subsequent action taken adjourned meeting or the business to be transacted at the adjourned meeting other than by announcement at the meeting. Except as otherwise required by the PNCL, approval of any matter before the Board of Directors by a majority of the Directors present at a meeting shall constitute approval of the applicable matter by the Board, at which such adjournment is taken.~~

~~(d) Action Without a Meeting.~~ Quorum. Directors constituting a majority of the directors in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

~~(e) Voting and Action.~~ Each director shall be entitled to one vote on any matter submitted to a vote of the Board of Directors, and action by the Board of Directors on any matter shall require the affirmative vote of a majority of the directors in office unless a greater proportion of affirmative votes is required by applicable law, the Articles of Incorporation or these Bylaws.

(f) Use of Conference Telephone. Except as the Board of Directors otherwise may determine, one or more persons may participate in a meeting of the Board of Directors or of any committee thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and be heard by each other. Participation in a meeting in such manner shall constitute presence in person at the meeting.

~~5.4(g) Action by Unanimous Written Consent.~~ Any action which may be taken at a meeting of the Board ~~or any committee thereof of Directors~~ may be taken without a meeting if a consent or consents in writing setting forth ~~such~~the action ~~is so taken shall be~~ signed by all of the ~~Directors or members of the committee, and is filed in the minutes of the proceedings of the Board or of the committee.~~directors in office and filed with the Secretary.

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~~5.5 — Rules of Conduct.~~ Meetings of the Board of Directors and Committees of the Board of Directors will be conducted in accordance with such rules as may be established by the Board of Directors.

~~5.6 — Participation by Conference Telephone.~~ One or more Directors or members of a Committee established pursuant hereto may participate in a meeting of the Board of Directors or such Committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

~~5.7 — Waiver of Notice.~~ Whenever any written notice is required to be given under the provisions of these bylaws or the PNCL, such notice need not be given to any Director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director.

#### 4.8 Resignation/Removal.

(a) Resignation. Any director may resign his or her office at any time, such resignation to be made in writing and to take effect immediately or at such subsequent time stated in such writing. Any director who ceases to meet the eligibility requirements contained in applicable law or in these Bylaws to serve as a director forthwith shall resign his or her office, such resignation to be made in writing and to take effect immediately.

(b) Removal. Any director may be removed, with or without cause, by the Board of Directors of the Member.

#### 4.9 Limitation of Liability.

(a) Limitation of Liability. To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, permit elimination or limitation of the liability of directors, no director of the Corporation shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a director.

(b) Nature and Extent of Rights. The provisions of this Section 4.9 shall be deemed to be a contract with each director of the Corporation who serves as such at any time while this Section is in effect and each such director shall be deemed to be so serving in reliance on the provisions of this Section. Any amendment or repeal of this Section or adoption of any Bylaw or provision of the Articles of the Corporation which has the effect of increasing director liability shall operate prospectively only and shall not affect any action taken, or any failure to act, prior to the adoption of such amendment, repeal, Bylaw or provision.

4.10 No Compensation. No Director shall receive compensation for acting as a Director. Directors who are also officers or employees of the Corporation may receive compensation for their services as officers or employees.

## ARTICLE V

### OFFICERS

5.95.1 Officers Generally. The officers shall be a Chairperson, a Secretary, a Treasurer, a President and Chief Executive Officer, and such Vice Presidents and other subordinate officers as the ~~Member~~ Board of Directors shall designate, subject to the approval of the [Ultimate Parent]. All officers need not, but may be, selected from among elected members of the Board of Directors.

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~~5.95.2 Appointment~~Election of Officers. ~~The officers shall be appointed by the Member, after consultation with the Board of Directors of the Corporation, at the Annual Meeting of the Member each year and shall hold-~~ All officers of the Corporation, including the President and Chief Executive Officer, shall be elected to office by the Board of Directors, subject to the approval of [UPE] in accord with these Bylaws and shall hold office for terms of one year and until their successors are duly installed, subject in each case to an officer's earlier death, resignation or removal.- Vacancies in any office may be filled by action of the ~~Member after consultation with the~~ Board of Directors of the Corporation. ~~Nothing contained herein shall be construed as prejudicing any officer's rights with respect to compensation under any employment agreement with the Corporation, subject to the approval of the~~ subject to the approval of [Ultimate Parent].

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5.105.3 Chairperson. The ~~Chair~~Chairperson shall preside at all meetings of the Board of Directors, ~~and at the Annual Meeting of the Member each year shall present the report of the Board of Directors.~~ The Chair shall be responsible to review the performance of the Board of Directors on an annual basis, and to report on such performance to the Member. ~~The~~ Chairperson shall have such authority, and shall perform all duties, ordinarily required of an officer in like position, and such other authority and duties as may be assigned by the Member.

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5.115.4 President and Chief Executive Officer. The President and Chief Executive Officer of the Corporation shall be an *ex officio* member of the Board ~~and each committee of the Board.~~ The President and Chief Executive Officer shall have all authority and responsibility necessary to operate the Corporation in all its activities, subject, however, to the policies and directives of the Member and of the Board of Directors with regard to the matters as

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to which the Board of Directors is responsible, and to the provisions of the Corporation's Articles of Incorporation and Bylaws.

~~5.12 Vice Chair. The Vice Chair shall perform the duties of the Chair when for any reason the Chair is unable to perform the same.~~

~~5.135.5 Secretary. The Secretary shall keep and properly record the minutes of the proceedings of the Board of Directors, notify officers of their election and committee members of their appointment, give notice of all meetings of the Board of Directors and the Executive Committee, have custody of the corporate seal and of all books and papers pertaining to the office, and generally shall have such authority, and shall perform all duties, ordinarily required of an officer in like position.~~

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~~5.145.6 Treasurer. The Treasurer shall receive and have custody of all funds, money, and income of the Corporation not otherwise specifically provided for by the Member and shall deposit the same in such depository or depositories as the Board shall designate. The Treasurer shall have such authority, and shall perform all duties, ordinarily required of an officer in like position, and such other authority and duties as may be assigned by the Member.~~

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~~5.155.7 Resignation. Any officer may resign at any time by giving written notice thereof to the Chairperson, the President and Chief Executive Officer or the Secretary of the Corporation. Any such resignation shall take effect on the date of receipt of such notice, by one of the above-specified officers, or at such later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.~~

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~~5.165.8 Removal. Any officer of the Corporation may be removed, with or without cause, by the Board of Directors, subject to the approval of the Member whenever in the judgment of the Member the best interests of the Corporation will be served thereby. Nothing contained herein shall be construed as prejudicing any officer's rights with respect to compensation under any employment agreement with the Corporation. [Ultimate Parent].~~

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## ARTICLE VI

### COMMITTEES ~~Or~~ OF THE BOARD OF DIRECTORS

~~6.1 Committees Generally. The Board of Directors, upon direction of the Member, shall establish the following committees: an Executive Committee, Finance Committee and, upon the approval of the Member, a Strategic Planning and Capital Development Committee, as set forth in these Bylaws, and upon approval of the Member, may establish such other committees (standing or special) as the Board of Directors shall determine to be to establish appropriate or necessary, with such authority and composition as the Board of Directors shall determine designate (subject only to the rights and powers of the Member, [Provider Subsidiary Entity] and [Ultimate Parent] as set forth in these Bylaws and the limitations on delegation of Board authority under the Nonprofit Corporation Law).~~

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~~5.176.2 Executive Committee. From and after its establishment, the Executive Committee shall have and may exercise the powers of the Members as set forth Board of~~

~~Directors in the PNCL, the Articles of Incorporation, and these Bylaws, and the limitations or delegation management of the Board's authority pursuant to the PNCL):~~

- (i) ~~Executive Committee~~
- (ii) ~~Finance Committee~~
- (iii) ~~Strategic Planning and Capital Development Committee~~

~~5.18 Powers business affairs of the Executive Committee. From and after its establishment, Corporation, except that the Executive Committee shall not have and may exercise the powers of the Board of Directors in the management of the business affairs of the Corporation, except that the Executive Committee shall not have authority with respect to any of the following matters:~~

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~~(i) (1) The submission to the Member [Provider Subsidiary Entity or Ultimate Parent] of any action requiring approval of the Member [Provider Subsidiary Entity or Ultimate Parent];~~

~~(ii) (2) Amending or repealing any resolution of the Board of Directors; or~~

~~(iii) (3) Approving any matters which pursuant to the Bylaws or resolution of the Board of Directors is reserved to another established committee of the Board.~~

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~~5.196.3 Finance Committee. From and after its establishment, this the Finance Committee shall review and recommend to the Board of Directors the annual budget to be proposed to [Ultimate Parent], the Member, establish and review periodic budgetary reports and meet with the Corporation's independent auditors following receipt of the annual audit. This Committee shall also review and recommend the financial plan of the Corporation. This Committee shall meet at least quarterly to review the budget and financial performance of the Corporation and its affiliates, and to review and recommend approval or disapproval of any proposed unbudgeted expenditures by the Corporation where the cumulative amount of such unbudgeted expenditures is in excess of the amount fixed from time to time by [Ultimate Parent], the Member.~~

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~~5.206.4 Strategic Planning and Capital Development Committee. From and after its establishment, this Committee shall propose long range plans for the Corporation for the consideration of [Ultimate Parent] the Member, with the goal of constantly improving services, facilities and programs. These plans shall be periodically reviewed and revised by the Committee, and shall be subject to approval by the Member and [Ultimate Parent] as set forth in these Bylaws.~~

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~~5.216.5 Appointment of Committees. The members of any standing or special Committee shall be appointed by the Board of Directors. Each Committee shall include at least three Directors, including ex officio members, and may include such other interested individuals as determined to be appropriate by the Board of Directors. The Chair Chairperson and the President and Chief Executive Officer shall be ex officio members of all committees with full voting privileges. Each other member of a committee shall serve for a term of one year and until~~

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his or her successor has been appointed, subject to his or her earlier death, resignation or removal.

~~5.226.6~~ **Meetings of Committees.** All standing Committees shall function under the direction of the Board of Directors and shall meet as often as necessary to transact their business and shall make such reports as they may deem necessary or which may be specifically required of them. Minutes shall be kept of each meeting of each Committee and such minutes shall be disseminated to all members of the Board of Directors, and to the Member.

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~~5.236.7~~ **Quorum: Act of Committee.** ~~A~~ The presence of a majority of the members of a Committee shall constitute a quorum for the transaction of business. Once a quorum has been established, subsequent withdrawal of committee members so as to reduce the number of members present to less than a quorum shall not affect the validity of any subsequent action taken at the meeting. Approval of any matter before any Committee by a majority of those present at a meeting of a Committee where a quorum is present shall constitute approval of the applicable matter by the applicable Committee.

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~~5.246.8~~ **Resignation.** Any Committee member may resign at any time by giving written notice thereof to the Chairperson, the President and Chief Executive Officer or the Secretary of the Corporation. Any such resignation shall take effect on the date of receipt of such notice by one of the above-specified officers, or at such later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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~~5.256.9~~ **Removal.** Any Committee member may be removed, with or without cause, by the Board of Directors or the Member whenever in the judgment of the Board of Directors or the Member, the best interests of the Corporation will be served thereby, provided that if any Committee member is removed by the Member, at least 10 days advance notice of such removal shall be given by the Member to the Board of Directors.

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## ARTICLE VI

### FISCAL YEAR AND ANNUAL REPORT

~~6.1~~ **Fiscal Year.** The Fiscal Year of the Corporation shall be begin on the first day of July of each year and end on the last day of Stine of the succeeding year.

~~6.2~~ **Annual Report.** As soon as may be convenient following the close of the Fiscal Year, the Board of Directors may cause to be published for general distribution an Annual Report containing such information regarding the work and affairs of the Hospital for the preceding Fiscal Year as in their discretion may be deemed advisable.

## ARTICLE VII

### SEAL

~~7.1~~ **Seal.** The seal of the Corporation shall be in such form as may be approved by the Board of Directors.

## ARTICLE VIII

### LIABILITY OF DIRECTORS

~~8.1—Standard of Care and Fiduciary Duty. Each Director shall stand in a fiduciary relation to this Corporation and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner the Director reasonably believes to be in the best interests of this Corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, each Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:~~

~~(a)—one or more officers or employees of this Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;~~

~~(b)—counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such persons; and~~

~~(c)—a committee of the Board of this Corporation upon which the Director does not serve, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.~~

~~A Director shall not be considered to be acting in good faith if the Director has knowledge concerning the matter in question that would cause his reliance to be unwarranted.~~

~~8.2—Limitation on Liability. Neither the Member nor any Director of the Corporation shall be personally liable for monetary damages for any action taken, or any failure to take any action, provided however, that this provision shall not eliminate or limit the liability of the Member or any Director to the extent that such elimination or limitation of liability is expressly prohibited by, Section 5713 of the PNCL, as in effect at the time of the alleged action or failure to take action by such Member or Director.~~

~~8.3—Preservation of Rights. Any repeal or modification of this Article shall not adversely affect any right or protection existing at the time of such repeal or modification to which any Member, Director or former Member or Director may be entitled under this Article. The rights conferred by this Article shall continue as to any person who has ceased to be the Member or a Director of the Corporation and shall inure to the benefit of the successors, heirs, executors, and administrators of such person.~~

## ARTICLE VII

### INDEMNIFICATION

~~8.47.1 **Mandatory Right to Indemnification of Directors and Officers.** The Corporation shall indemnify, to the fullest extent now or hereafter permitted by law, each Director and officer (including each former Director or officer) of the Corporation **General.** Any person who was~~

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or is a party or is threatened to be made a party to ~~or a witness in~~ any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (whether brought by or in the name of the Corporation or otherwise), by reason of the fact that ~~the Director~~ he or officer ~~she~~ is or was an ~~authorized~~ representative of the Corporation, or is or was serving at the ~~written~~ request of the Corporation as a representative of another ~~domestic or foreign corporation for profit or not for profit~~, partnership, joint venture, trust or other enterprise, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred ~~shall be indemnified by the Director or officer~~ Corporation to the fullest extent now or hereafter permitted by applicable law in connection with such action, suit or proceeding ~~if arising out of such Director or officer acted in good faith and in a manner he or she reasonably believed~~ person's service to be in, or not opposed to, the best interest of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful to such other corporation, partnership, joint venture, trust or other enterprise at the Corporation's request. The term "representative," as used in this Article VII, shall mean any director, officer or member of a committee created by or pursuant to these Bylaws, and any other person who may be determined by the Board of Directors to be a representative entitled to the benefits of this Article VII.

~~8.57.2 Mandatory Advancement of Expenses~~ **Right to Directors and Officers.** ~~The Corporation shall pay expenses (including attorneys' fees) incurred by a Director or officer of the Corporation referred to in Section 1 of this Article XI in defending or appearing as a witness in any civil or criminal action, suit or proceeding described in Section 1 of this Article XI in advance of the final disposition of such action, suit or proceeding. The expenses incurred by such Director or officer shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding only upon receipt of an undertaking by or on behalf of such Director or officer to repay all amounts advanced if it shall ultimately be determined that the Director or officer is not entitled to be indemnified by the Corporation as provided in Section 4 of this Article XI.~~

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~~8.6 Permissive Indemnification and Advancement of Expenses.~~ ~~The Corporation may, as determined by the Board of Directors from time to time, indemnify, in full or in part, to the fullest extent now or hereafter permitted by law.~~ **Third Party Actions.** Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party or is threatened to be made a party to or a witness in, or is otherwise involved in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that such person he or she is or was an authorized a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another domestic or foreign corporation for profit or not for profit, partnership, joint venture, trust or other enterprise, both as to action in his official capacity and as to action in another capacity while holding such office or position, shall be indemnified by the Corporation against all expenses (including attorneys' attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in conjunction him or her in connection with such action, suit or proceeding if such person he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. ~~The Corporation may, as determined by the Board of Directors from time to time, pay expenses incurred by any such~~

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~~person by reason of such person's participation in an action, suit or proceeding referred to in this Section 3 in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as provided in Section 4 of this Article XI. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.~~

~~8.7.3 **Scope of Right to Indemnification.** Indemnification under this Article shall not be made by the Corporation in any case where a court determines that the alleged act or failure to act giving rise to the claim for indemnification is expressly prohibited by Chapter 57, Subchapter D of the MCI, or any successor statute as in effect at the time of such alleged action or failure to take action - **Derivative Actions.** Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation; except, however, that indemnification shall not be made under this Section in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the Corporation unless and only to the extent that the Court of Common Pleas of the county in which the registered office of the Corporation is located or the court in which such action, suit or proceeding was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the Court of Common Pleas or such other court shall deem proper.~~

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~~7.4 **Miscellaneous.** Each Director and officer of the Corporation shall be deemed to act in such capacity in reliance upon such rights of indemnification and advancement of expenses as are provided in this Article. **Advance of Expenses.** Unless in a particular case advancement of expenses would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code, expenses (including attorneys' fees) incurred by any representative of the Corporation in defending any action, suit or proceeding referred to in this Article VII shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the representative to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article VII or otherwise.~~

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7.5 Procedure for Effecting Indemnification. Unless ordered by a court, any indemnification under Sections 7.1, 7.2 or 7.3 of these Bylaws shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such subsections. Such determination shall be made:

(a) By the Board of Directors by a majority of a quorum consisting of directors who were not parties to such action, suit or proceeding; or

(b) If such a quorum is not obtainable, or if obtainable and a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

~~8.87.6 Indemnification Not Exclusive.~~ The ~~rights of~~ indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall not be deemed exclusive of any other rights to which ~~any a~~ person seeking indemnification or advancement of expenses may be entitled under any other provision of these Bylaws, agreement, vote of members (if any), disinterested Directors, statute directors or otherwise, both as to action in such person's his or her official capacity and as to action in another capacity while holding such office or position, and shall continue as to a person who has ceased to be an authorized a representative of the Corporation and shall inure to the benefit of the heirs, ~~executors and administrators and personal representatives~~ of such person. ~~Any repeal or modification of this Article by the members (if any) or the Board of Directors of the Corporation shall not adversely affect any right or protection existing at the time of such appeal or modification to which any person, may be entitled under this Article.~~

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~~8.9 — Definition of Authorized Representative.~~ For the purposes of this Article, the term, "authorized representative" shall mean a director, officer (including a former director or officer), or employee of the Corporation or of any corporation controlled by the Corporation, or a trustee, custodian, administrator, committeeman or fiduciary of any employee benefit plan established and maintained by the Corporation or by any corporation controlled by the Corporation, or person serving another corporation, partnership, joint venture, trust or other enterprise in any of the foregoing capacities at the written request of the Corporation. ~~The term "authorized representative" shall not include money managers or investment advisors (or any employees thereof) hired by the Corporation, and shall not include agents of the Corporation unless indemnification thereof is expressly approved by the Board of Directors.~~

~~7.7 funding to meet Indemnification Obligations.~~ Subject to the approval of the Member, the Board of Directors shall have the power to borrow money on behalf of the Corporation, including the power to pledge the assets of the When Indemnification Not Made. Indemnification pursuant to this Article VII shall not be made in any case where (a) the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness or (b) indemnification would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code.

7.8 Grounds for Indemnification. Indemnification pursuant to this Article VII, under any other provision of these Bylaws, agreement, vote of directors or otherwise may be

granted for any action taken or any failure to take any action and may be made whether or not the Corporation would have the power to indemnify the person under any provision of law except as otherwise provided in this Article VII and whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Corporation. The provisions of this Article VII shall be applicable to all actions, suits or proceedings within the scope of Section 7.1, Section 7.2 or Section 7.3 of these Bylaws, whether commenced before or after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof.

7.9 Power to Purchase Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a representative of the Corporation or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article VII.

~~8.107.10~~ Creation of a Fund to Secure or Insure Indemnification. The Corporation, ~~from time to time to discharge the Corporation's obligations with respect to indemnification, the advancement and reimbursement of expenses, and the purchase and maintenance of insurance for the benefit of the Corporation and any person indemnified pursuant hereto. Upon the approval of the Member, the Corporation may, in lieu of or in addition to the purchase and maintenance of insurance, establish and maintain~~ create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising under or pursuant to this ~~Article~~Article VII or otherwise.

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7.11 Status of Rights of Indemnities. The rights to indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall (a) be deemed to create contractual rights in favor of each person who serves as a representative of the Corporation at any time while this Article is in effect (and each such person shall be deemed to be so serving in reliance on the provisions of this Article), and (b) continue as to a person who has ceased to be a representative of the Corporation.

7.12 Applicability to Predecessor Companies. For purposes of this Article VII, references to the "Corporation" includes all constituent corporations or other entities which shall have become a part of the Corporation by consolidation or merger or other similar transaction and their respective current and former affiliates, and references to "representatives" shall include members of any such corporation, entity or affiliate, so that any person who was a member, director, officer, committee member or other representative of such a corporation, entity or affiliate or served as a member, director, officer, committee member or other representative of another corporation, partnership, joint venture, trust or other enterprise at the request of any such corporation, entity or affiliate shall stand in the same position under the provisions of this Article VII with respect to the Corporation as he or she would if he or she had served the Corporation in the same capacity. Without limitation of the foregoing, each member, director, officer and committee member of each predecessor to the Corporation shall have the same contract rights as are afforded pursuant to Section 7.11 of these Bylaws.

## ARTICLE VIII

### CONTRACTS, LOANS, CHECKS AND DEPOSITS

8.1 **Contracts.** Subject to Section 3.3 of these Bylaws, the Board of Directors may authorize any officer or officers or agent or agents to enter into any contract or execute or deliver any agreement or instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

8.2 **Loans.** Subject to Section 3.3 of these Bylaws and Section 7.6 of the Affiliation Agreement, the Board of Directors may authorize the borrowing by the Corporation of such sum or sums of money as the Board of Directors may deem advisable, and to mortgage or pledge any or all of the real or personal property and any or all of the other available assets of the Corporation in order to secure the payment of the principal amount of any such borrowing and the interest thereon and any and all such other amounts as may become due on account thereof.

8.3 **Checks.** All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness shall be issued in the name of the Corporation and shall be signed by such officer or officers or agent or agents of the Corporation and in such manner as from time to time shall be determined by the Board of Directors.

8.4 **Deposits.** All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may approve.

## ARTICLE IX

### NOTICE AND CONDUCT OF MEETINGS

9.1 **Written Notice.** Except as otherwise provided in these Bylaws, whenever written notice is required to be given by any person under the provisions of any statute or these Bylaws, it may be given by sending a copy thereof through the mail or overnight delivery or by hand delivery, in each case with charges prepaid, or by facsimile transmission confirmed by one of the foregoing methods, to the individual's address appearing on the books of the Corporation or supplied by the individual to the Corporation for the purpose of notice.

9.2 **Written Waiver of Notice.** Whenever any written notice is required as set forth in these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

9.3 **Waiver of Notice by Attendance.** Attendance of a person in person at any meeting shall constitute a waiver of notice of such meeting except when a person attends the meeting for the express purpose of objecting to the transaction of any business because the meeting has not been lawfully called or convened.

9.4 Procedure. All meetings of the Board of Directors and the committees thereof shall be conducted in an orderly manner with a view to affording full and fair discussion of the matters properly before such meetings.

**ARTICLE X**  
**MISCELLANEOUS**

10.1 No Contract Rights. Except as specifically set forth in Section 7.11 of these Bylaws, no provision of these Bylaws shall vest any property or contract right in any person.

10.2 Corporate Seal. The Board of Directors shall prescribe the form of a suitable corporate seal, which shall contain the full name of the Corporation and the year and state of incorporation.

10.3 Fiscal Year. The fiscal year of the Corporation shall end on such day as shall be fixed by the [Ultimate Parent].

~~**ARTICLE IX**~~ **ARTICLE XI**  
~~**AMENDMENTS OF THESE BYLAWS AND/OR THE**~~  
~~**ARTICLES OF INCORPORATION OF THE CORPORATION**~~

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11.1 Amendments. These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted, only by the [Ultimate Parent], except as expressly set forth in Section 3.3(c)(ii) of these Bylaws.

**ARTICLE XII**  
**CONFLICTS OF INTEREST**

12.1 Disclosure. In connection with any actual or possible conflict of interest, an interested person must disclose the existence and nature of his or her financial interest to the Board of Directors and any relevant committee members. For this purpose, an interested person shall include any director, officer, or member of a committee of the Corporation or an entity affiliated with the Corporation who has a direct or indirect financial interest in a proposed transaction. A financial interest shall include: (a) an ownership or investment interest in any entity with which the Corporation has a proposed transaction or arrangement; (b) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a proposed transaction or arrangement; and (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. If a person is an interested person with respect to any entity in the health care system of which the Corporation is a part, he or she is an interested person with respect to all entities in the health care system.

12.2 Recusal and Investigation. After disclosure of the financial interest, the interested person shall leave the Board of Directors or committee meeting while the financial interest is discussed and voted upon. The remaining directors or committee members shall decide if a conflict of interest exists. If a conflict of interest exists, the following procedures shall be followed: (a) the Chief Executive Officer shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement; (b) after exercising due diligence, the Board of Directors or committee shall determine whether the Corporation could obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest; and (c) if a more advantageous transaction or arrangement is not reasonably attainable, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interests and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall decide as to whether to enter into the transaction or arrangement in conformity with such determination.

12.3 Failure to Disclose. If a director or committee member has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, he shall inform the interested person of the basis of such belief and afford the interested person an opportunity to explain the alleged failure to disclose. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board of Directors or committee determines that the interested person has in fact failed to disclose an actual or possible conflict of interest, the Board of Directors shall take appropriate steps to protect the Corporation.

12.4 Record of Actions. The minutes of the Board of Directors and all relevant committees shall contain the following: (a) the names of persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' or committee's decision as to whether a conflict of interest in fact existed; and (b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

12.5 Compensation. Special procedures shall be in effect with respect to compensation issues. A voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation. Physicians who receive compensation from the Corporation, whether directly or indirectly or as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.

12.6 Annual Statements. Each interested person shall annually sign a statement that affirms that such person (a) has received a copy of the conflicts of interest policy, (b) has read and understands the policy, (c) has agreed to comply with the policy, and (d) understands that the

Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes. This policy shall be reviewed annually for the information and guidance of members of the Board of Directors, and any new director or committee member shall be advised of the policy upon entering into the duties of his or her office. In addition, the Corporation shall conduct periodic reviews of its activities, including any transactions or arrangements with interested persons, to ensure that its activities in the aggregate promote and further the Corporation's exempt charitable, scientific, and educational purposes.

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**AMENDED AND RESTATED BYLAWS**  
**OF**  
**ALLEGHENY MEDICAL PRACTICE NETWORK**  
**Pittsburgh, Pennsylvania**  
**As Revised September 18, 2008**

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**Previous Revisions:**  
**August 9, 2000**

*Adopted as of August 9, 2000*

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**AMENDED AND RESTATED BYLAWS  
OF  
ALLEGHENY MEDICAL PRACTICE NETWORK**

**ARTICLE I**

**NAME AND ~~LOCATION~~ PURPOSES**

1.1 **Name.** The name of the Corporation is Allegheny Medical Practice Network (hereinafter, the "Corporation").

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~~1.1 Principal Office.~~ The principal office of the Corporation shall be located at 320 East North Avenue, Pittsburgh, Pennsylvania 15212 or at such other address as the Board of Directors shall determine.

**ARTICLE II**

**PURPOSE; PARTICIPATION IN SYSTEM**

1.2 **Purpose; Purposes.** The Corporation is ~~formed and is to be operated exclusively for the following charitable, organized under the Pennsylvania Nonprofit Corporation Law (the "Nonprofit Corporation Law") for scientific and educational and charitable purposes; within the meaning of sections 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and in this connection is organized:~~

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~~(a) establishing, maintaining and operating programs and facilities rendering diagnostic and clinical and other health care services and health related services in the Western Pennsylvania community (including, without limitation, offices and clinics, hospitals, psychiatric hospitals, children's hospitals, rehabilitation hospitals, ambulatory care services and facilities, long term care facilities, and agencies or facilities providing for persons in their homes);~~

~~(b) providing health care for sick, injured, disabled, indigent, or infirm persons in the Western Pennsylvania community;~~

~~(c) providing for the preservation of health of the Western Pennsylvania community;~~

~~(d) establishing, maintaining and operating such activities, services, and facilities as are designed or intended to advance or support medical education, clinical research, and preventive health activity; in each case as determined by the Corporation's sole member and as an integral part of the regional health care system comprised of corporations of which the Corporation's sole member is also the sole member and that are described in section 501(c)(3) of the Code; and~~

~~(a) (c) exercising To operate as part of the nonprofit regional health care system governed by [Ultimate Parent], a Pennsylvania nonprofit corporation ("Ultimate Parent"), and support a health care provider network comprised of the Member and those corporations and~~

other entities over which the Member exercises governance control, each of which (i) operates, raises funds for, or conducts activities otherwise ancillary to the operation of, health care facilities in order to extend health care to sick, injured and disabled persons, without regard to age, sex, race, religion, national origin or sexual orientation, or (ii) carries on educational and/or scientific research activities related to the causes, diagnosis, treatment, prevention or control of physical or mental diseases and impairments of persons, and each of which is an organization exempt from taxation under Section 501(c)(3) of the Code and classified as other than private foundations under Section 509(a)(1), 509(a)(2) or 509(a)(3) of the Code;

(b) To maintain and operate programs that render diagnostic, clinical and other health care and health related services in support of clinical programs, education and research in the Western Pennsylvania community;

(c) To provide health care for sick, injured, disabled, indigent or infirm persons in the Western Pennsylvania community;

(d) To support or carry out research and educational activities of hospitals and other health care facilities operated by the Member or subsidiaries of the Member related to the rendering of care to the sick, injured and disabled, the furthering of knowledge in the medical arts and in promotion of health;

(e) To assist the hospitals and other health care facilities operated by the Member or subsidiaries of the Member in their residency training programs in various medical specialties and related teaching programs;

(f) To exercise such powers in furtherance of the foregoing purposes as are now or may be granted hereafter by the Nonprofit Corporation Law of the Commonwealth of Pennsylvania, as amended from time to time, or any successor legislation (the "PNCL");

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~~2.1 — Participation in System. The Corporation is a constituent entity of the health care system serving Western Pennsylvania known as West Penn Allegheny Health System (the "System") which, as of the date of the adoption of these bylaws, is comprised of affiliated hospitals and certain other affiliated organizations. These Bylaws, among other things, establish the relative authority and responsibility of the entities and individuals participating in the governance and management of the Corporation in its capacity as part of the System.~~

### **ARTICLE III**

#### **MEMBER**

~~3.1 — Member. Subject to Section 9 of this Article III, the sole voting member of the Corporation shall be West Penn Allegheny Health System, Inc. (the "Member"), acting through its Board of Directors (the "Member Board"), or through its Executive Committee (the "Member Executive Committee") or designated officers of the Member (the "Designated Representatives") to the extent that the Member has, pursuant to its Bylaws or by resolution duly adopted by the Member Board, delegated its authority herein to the Member Executive Committee or to a Designated Representative; provided, however, that neither the Member Executive Committee~~

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~~nor any Designated Representative shall have the authority to act on behalf of the Member with respect to any of the actions identified in Section 2.B of this Article III.~~

~~3.2 — Powers and Rights of Member.~~

~~(a) — The Member shall have such powers and rights as are set forth in the PNCL and the Articles of Incorporation of the Corporation. Without limiting and in addition to such powers and rights, the Member shall have the exclusive authority to exercise the following powers:~~

~~(i) — Adopt and/or approve and interpret the statement of mission and philosophy of the Corporation, and require the Corporation to operate in conformance with its statement of mission and philosophy;~~

~~(ii) — Adopt and/or approve amendments or restatements of the bylaws and Articles of Incorporation of the Corporation, subject, however, to Section 9 of this Article III, and with respect to amendments of the following provisions in the bylaws and Articles of Incorporation of the Corporation, subject to prior notice to the Attorney General and the prior approval of the Orphans' Court: (i) provisions setting forth the purposes of the Corporation; (ii) provisions setting forth the powers reserved exclusively to the Member; (iii) provisions describing the manner in which the assets of the Corporation are to be distributed upon termination, dissolution or winding up of the Corporation; and (iv) provisions requiring notice to the Attorney General or approval of the Orphans' Court prior to the taking of certain action by the Corporation.~~

~~(iii) — Fix the number of, and elect, appoint, fill vacancies in and remove, with or without cause, the Directors; and elect and remove, with or without cause, the Chair and Vice Chair of the Board of Directors of the Corporation, and the Secretary and Treasurer of the Corporation; provided that no Director or officer shall be removed by the Member without 10 days prior notice of such removal from the Member to the Board of Directors;~~

~~(iv) — Designate the administrative structure of the Corporation and, after consultation with the Board of Directors of the Corporation, elect and remove, with or without cause, the President and Chief Executive Officer and all vice presidents and other officers of the Corporation, provided that no officer shall be removed by the Member without 10 days prior notice of such removal from the Member to the Board of Directors;~~

~~(v) — Cause or approve any merger, consolidation, division, conversion, or dissolution of the Corporation, or the filing of a petition in bankruptcy or execution of a deed of assignment for the benefit of creditors;~~

~~(vi) — Approve or cause the Corporation to engage in any acquisition or any sale, lease, exchange, mortgage, pledge or other alienation of any personal property of the Corporation having a value in excess of an amount to be fixed from time to time by the Member or any real property of the Corporation;~~

~~(vii) — Adopt and/or approve any capital or operating budgets of the Corporation, and approve or direct any unbudgeted expenditure to be undertaken individually or collectively by the Corporation and any affiliated corporations controlled by the Corporation (other than~~

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~~unbudgeted expenditures which are required in order for the Corporation to be in compliance with applicable laws, rules and regulations, and state licensing and accreditation requirements); where the cumulative amount of such unbudgeted expenditures is in excess of an amount to be fixed from time to time by the Member;~~

~~(viii) — Adopt and/or approve any operating plan or financial plan with respect to the Corporation, and require the Corporation to comply with such operating or financial plan;~~

~~(ix) — Approve and/or cause the Corporation to undertake or engage itself in respect of any bond issuance or any other indebtedness for borrowed money of the Corporation, or any lending of funds by the Corporation to an unrelated person, corporation or other legal entity, including without limitation any capital leases (other than indebtedness to provide funds for expenditures necessary in order for the Corporation to be in compliance with applicable laws, rules and regulations, and state licensing and accreditation requirements, to the extent such funds are not otherwise reasonably available), representing obligations of the Corporation in excess of an amount per annum in the aggregate established from time to time by the Member;~~

~~(x) — Approve and/or direct the allocation and transfer of the Corporation's excess cash (as determined by the Member) among those charitable nonprofit health care organizations operating in Western Pennsylvania of which the Member is the sole Member, which organizations are exempt from federal income taxation under Section 501(a) of the Code because they are organizations described in Section 501(c)(3) of the Code, provided that any such allocation and transfer shall be in furtherance of the Corporation's charitable purposes;~~

~~(xi) — Establish and/or approve the criteria for, and conduct the evaluation of, the performance of the President and Chief Executive Officer and all vice presidents and officers of similar rank of the Corporation;~~

~~(xii) — Approve and/or cause the adoption by the Corporation of proposed settlements of litigation when such settlements exceed applicable insurance coverage or the amounts reserved in respect thereof of any applicable self-insurance fund;~~

~~(xiii) — Approve and/or cause the adoption by the Corporation of any contracts between the Corporation and any managed care organization (including without limitation any health maintenance organization or independent practice association) or insurance company;~~

~~(xiv) — Approve and/or cause any corporate reorganization of the Corporation or the establishment or dissolution of any subsidiary organizations, including corporations, partnerships or other entities, of the Corporation;~~

~~(xv) — Adopt and/or approve the strategic plan of the Corporation; and~~

~~(xvi) — Approve or direct the taking of any other action outside of ordinary course of business and such matters as are required to be submitted to corporate members of a Pennsylvania nonprofit corporation.~~

Except as otherwise required by the PNCL, and subject to Section 9 of this Article III, the action of the Member with respect to each of the foregoing actions shall be sufficient to approve such

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~~actions, no action by the Board of Directors of the Corporation shall be required with respect to any such actions, and, to the full extent permitted by law, no action of the Board of Directors with respect to any such actions shall be effective for any purpose without the approval of the Member.~~

~~(b) — Each of the following actions may be approved by the Member only through action of the Member Board, and not through action of the Member Executive Committee or any Designated Representative:~~

~~(i) — The adoption or approval of a statement of mission and philosophy of the Corporation;~~

~~(ii) — The adoption or approval of any amendments of the Bylaws or Articles of Incorporation of the Corporation;~~

~~(iii) — The approval of any merger, consolidation, division, conversion, or dissolution of the Corporation, or the filing of a petition in bankruptcy or execution of a deed of assignment for the benefit of creditors, or the sale or other disposition of all or substantially all of the assets of the Corporation;~~

~~(iv) — The election, appointment and removal of the Directors, the Chair and Vice Chair of the Board of Directors of the Corporation, and the Secretary and Treasurer of the Corporation;~~

~~(v) — The approval of any bond issuance or incurrence of any other indebtedness for borrowed money of the Corporation, or any lending of funds by the Corporation to an unrelated person, corporation or other legal entity, including without limitation any capital leases; and~~

~~(vi) — The approval and/or direction of the allocation and transfer of the Corporation's excess cash (as determined by the Member) among those charitable nonprofit health care organizations operating in Western Pennsylvania of which the Member is the sole Member.~~

~~3.3 — Meetings of Member. Meetings of the Member may be held at such place within the Commonwealth of Pennsylvania as the Member may from time to time determine, or as may be designated in the notice of the meeting.~~

~~3.4 — Annual Meeting of the Member.~~

~~(a) — Unless otherwise fixed by the Member, the annual meeting of the Corporation shall be held in June of each year. At each annual meeting, (i) the Board of Directors shall present to the Member an annual report regarding the financial performance of the Corporation; and (ii) the Member shall appoint the Board of Directors of the Corporation in accordance with Article IV and all officers that pursuant to the Bylaws are then to be appointed by the Member. If the annual meeting shall not be called and held within one (1) month of the date specified in this Article III, Section 4 or fixed by the Member in accordance with this Article III, Section 4, as applicable, any members of the Board of Directors and any officers theretofore appointed by~~

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~~the Member shall continue to serve unless removed by the Member (or unless the applicable member of the Board of Directors or officer resigns), and a special meeting may be held in place thereof with the same force and effect as the annual meeting, and in such case all references in these Bylaws, except in this Article III, Section 4, to the annual meeting of the Corporation shall be deemed to refer to such special meeting. Any such special meeting shall be called and notice given as provided in Article III, Sections 5 and 7, as applicable.~~

~~(b) — Immediately after each annual appointment of the Board of Directors by the Member at the annual meeting or a special meeting, the Board of Directors of the Corporation shall meet for the transaction of business to be conducted by the Board of Directors at the place where the annual or special meeting of the Member was held. Notice of such meeting need not be given. If such meeting is to be held at any other time or place, notice thereof shall be given as provided in Article V, Section 2 for special meetings of the Board of Directors.~~

(g) To carry out such other acts and to undertake such other activities as may be necessary, appropriate or desirable in furtherance of or in connection with the conduct, promotion or attainment of the foregoing purposes, provided, that none of such activities shall be undertaken which would cause the Corporation to lose its status as an organization described in Section 501(c)(3) of the Code, or as an organization contributions to which are deductible under Section 170(c)(2) of the Code; and

(h) To otherwise operate exclusively for charitable, scientific or educational purposes within the meaning of Section 501(c)(3) of the Code.

## ARTICLE II

### OFFICES

2.1 **Registered Office.** The registered office of the Corporation shall at all times be within the Commonwealth of Pennsylvania at such address as may be established by the Board of Directors.

2.2 **Business Offices.** The Corporation may have business offices at such places permitted by law as the business of the Corporation may require.

## ARTICLE III

### MEMBERS

3.1 **Member.** The Corporation shall have one member, which shall be West Penn Allegheny Health System, Inc. ("WPAHS" or the "Member"). There shall be no other members or classes of membership. The Chief Executive Officer or the President of the Member shall be entitled to vote on behalf of the Member in accordance with the authority granted to the Chief Executive Officer or the President of the Member unless the Member notifies the Corporation in writing that another officer is authorized to vote on behalf of the Member. The Member may voluntarily transfer its membership, subject to the reserved powers of the [Ultimate Parent] as set forth in these Bylaws.

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### 3.2 Meetings.

(a) **Annual Meeting.** The annual meeting of the Member of the Corporation shall be held at such date, time and place as the Member may determine to transact such business as may come before the meeting.

(b) **Special Meetings of the Member.** Special meetings of the Member shall may be held whenever called by the Chairperson of the Board of Directors of the Corporation, Member or by written demand one-third (1/3) of the members of the Board of Directors of the Member and shall be held at such date, time and place as shall be set forth in the notice of special meeting.

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(c) **Action Without a Meeting. My Notice of Meetings.** Notice of any meeting of the Member shall be given by, or at the direction of, the Secretary of the Corporation at least ten (10) days prior to the day named for a meeting that will consider a fundamental change under Chapter 59 of the Nonprofit Corporation Law or five (5) days prior to the day named for the meeting in any other case.

(d) **Written Consent.** Any action which may be taken at a meeting of the Member may be taken without a meeting if a consent in writing setting forth the actions action so taken shall be signed by the Member; and filed with the Secretary of the Corporation.

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### 3.5 Notice of Meetings; Participation by Conference Telephone.

(a) Unless otherwise provided in these Bylaws, whenever written notice is required to be given to the Member under the provisions of the Articles of Incorporation, these Bylaws, or the PNCL, it may be given by sending a copy thereof first class mail, postage prepaid, by personal delivery, or in the case of notices other than notices of meetings, by telecopy with confirmed receipt to the address of the Member appearing on the books of the Corporation. If the notice is sent by mail, it shall be deemed to have been given to the Member entitled thereto when deposited in the United States. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by law or these Bylaws, and, unless the meeting is an annual meeting, shall indicate that the notice is being issued by or at the direction of the person(s) calling the meeting. Notice of each meeting of the Member shall be given not less than five days before the date of the meeting, except in the case where fundamental changes to the Corporation under Chapter 59 of the PNCL will be considered, in which case such notice shall be given not less than ten days before the date of the meeting. Every such notice shall state the date, time and place of the meeting, and notices of special meetings of the Member shall also set forth the general nature of the business to be conducted at such meeting.

(b) When a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting and of the business to be transacted at an adjourned meeting in accordance with the provisions of this Article III, Section 7 if the day, time and place to which the meeting is adjourned is announced at the meeting at which the adjournment is taken.

(c) Whenever notice of a meeting is required, such notice need not be given to the Member if a written waiver of notice executed by the Member is filed with the records of the Corporation. Attendance by the Member at any meeting of the Member shall constitute a waiver

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~~by the Member of notice of such meeting, except where the Member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.~~

~~(d) — One or more persons may participate in a meeting of the Member by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.~~

~~3.6 — Resolutions. Whenever the language of a proposed resolution is included in a written notice of a meeting of the Member, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.~~

~~3.7 — Additional Members. Notwithstanding anything herein to the contrary, upon the occurrence of a Triggering Event (as defined below), then effective immediately and automatically upon the occurrence of such Triggering Event and without further action by the Member, the voting members of the Corporation shall include, in addition to the Member identified in Section 1 of this Article III hereof, all of the then-current members of the Board of Directors of the Corporation, and any reference in these bylaws to the Member shall be deemed to be a reference to "the Members" as identified in this Article III, Section 9, each of whom shall have one vote, and all of whom together shall have the authority that, but for operation of this Article III, Section 9, would be vested in the Member. From and after the occurrence of a Triggering Event, (i) a majority of the Members shall constitute a quorum at any meeting of the Members and (ii) the affirmative vote of two-thirds (or greater) of the whole number of Members shall be required to approve any matter to be voted on by the Members. For purposes of this Section, "Triggering Event" shall mean any of the following eminences:~~

~~(i) — a Final Determination (as defined below) shall have been entered denying the Member's application for recognition as an Exempt Organization (as defined below) or revoking the Member's status as an Exempt Organization;~~

~~(ii) — the Member shall have taken all corporate action necessary to approve (x) the dissolution of the Member or (y) the filing by the Member of a voluntary petition in bankruptcy;~~

~~(iii) — the Member shall have admitted in writing its inability to pay its debts as they come due; or~~

~~(iv) — an involuntary petition for the dissolution and winding up of the Member shall have been filed, which such petition is not dismissed within 60 days of the filing thereof;~~

~~"Final Determination" shall mean a decision, judgment, decree or other order by the Internal Revenue Service or a court of competent jurisdiction which is final and unappealable, or which has become unappealable because the time for instituting an appeal has expired. "Exempt Organization" shall mean an organization exempt from federal income taxation pursuant to Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code. Notwithstanding anything herein to the contrary, amendment of this Section 9 shall require~~

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~~approval of both the Member and at least two-thirds of the entire Board of Directors of the Corporation.~~

~~3.8 — Operating Reports. The Board of Directors of the Corporation shall submit operating reports to the Member in such form and on such schedule as shall be established by the Member. Such operating reports shall reflect the results of operations of the Corporation and of any affiliates of the Corporation that are controlled by the Corporation.~~

#### **ARTICLE IV**

#### **THE BOARD OR DIRECTORS**

~~3.3 Powers and Responsibility. Subject to Article III hereof and to the other rights and powers of the Member specified herein or in the Articles of Incorporation or otherwise provided hereby or in the Articles of Incorporation or by law, the Board of Directors shall have charge, control, and management of the administrative affairs, property and funds of the Corporation and shall have the power and authority to do and perform all acts and functions not inconsistent with these Bylaws, the Articles of Incorporation, and applicable law, in each case as amended from time to time. Such responsibility shall include without limitation: implementation of any operational or financial plan adopted by the Member and institutional management and planning. Without limiting the generality of the foregoing, the Board of Directors shall have power and authority to, and shall be responsible to, **Powers.**~~

**(a) Reserved Powers of Member.**

~~(i) For so long as such rights and powers do not result in the revocation of the Corporation's status as an organization described in Section 501(c)(3) of the Code, the Member shall have the right and power to make recommendations to [Provider Subsidiary Entity] and [Ultimate Parent] with respect to actions by [Provider Subsidiary Entity] and [Ultimate Parent] on matters reserved to [Provider Subsidiary Entity] and [Ultimate Parent] under Sections 3.3(b) and 3.3(c) of these Bylaws. [Provider Subsidiary Entity] and [Ultimate Parent] shall have no obligation to approve any such recommendations, and may take actions that have not been recommended by, or that are contrary to recommendations of, the Member; and~~

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~~(ii) The Board of Directors of the Member shall have plenary authority with regard to the following:~~

~~(a) To determine the number of directors that will comprise the Board of Directors of the Corporation and its subsidiaries;~~

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~~(b) To elect the directors of the Corporation and the directors of its subsidiaries; and~~

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~~(c) To remove any of the directors of the Corporation and any of the directors of its subsidiaries, and to replace such directors for the unexpired portion of his or her term.~~

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**(b) Reserved Powers of [Provider Subsidiary Entity]:**

The [Provider Subsidiary Entity] shall have the right and power to make recommendations to [Ultimate Parent] with respect to actions by [Ultimate Parent] on the matters reserved to [Ultimate Parent] under Section 3.3(c) of these Bylaws. [Ultimate Parent] shall have no obligation to approve any such recommendations, and [Ultimate Parent] may take actions that have not been recommended by, or that are contrary to recommendations of, [Provider Subsidiary Entity].

**(c) Reserved Powers of [Ultimate Parent]:**

(i) To approve the election, re-election and removal of all officers, including the President and Chief Executive Officer, of the Corporation and its subsidiaries;

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(ii) To amend, revise or restate the Corporation's Articles of Incorporation and Bylaws and approve all amendments or revisions to the Corporation's Articles of Incorporation and Bylaws that may be proposed or approved by [Provider Subsidiary Entity], the Member or Board of Directors of the Corporation; provided however, that [Ultimate Parent] shall have no power to amend, revise or restate Section 3.3(a)(ii) or this proviso of Section 3.3(c)(ii) of these Bylaws, each of which may be amended only upon the concurrent approval of both (a) a majority of those Directors of the Member that are elected by UPE to serve as Directors of the Member, voting as a class, and (b) a majority of the Self-Perpetuating Directors (as defined in the Member's Bylaws) of the Member, voting as a class;

(iii) Subject to Section 7.5(i) of the Affiliation Agreement dated as of October 31st, 2011, among [Ultimate Parent], [Provider Subsidiary Entity], Highmark Inc., WPAHS, Canonsburg General Hospital, Alle-Kiski Medical Center and the other WPAHS Subsidiaries as defined therein (the "Affiliation Agreement"), to adopt or change the mission, purpose, philosophy or objectives of the Corporation or its subsidiaries;

(iv) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to change the general structure of the Corporation or any of its subsidiaries as a voluntary, nonprofit corporation;

(v) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to (a) dissolve, divide, convert or liquidate the Corporation or its subsidiaries, (b) consolidate or merge the Corporation or its subsidiaries with another corporation or entity, (c) sell or acquire assets, whether in a single transaction or series of transactions, where the consideration exceeds 1% of the Corporation's or the relevant subsidiary's total assets, and (d) approve any of the foregoing actions that may be proposed by [Provider Subsidiary Entity], the Member or the Board of Directors of the Corporation before such action becomes effective;

(vi) To approve the annual consolidated capital and operating plan and budget of the Corporation and its subsidiaries, and any amendments thereto or significant variances therefrom;

(vii) Subject to Section 7.6 of the Affiliation Agreement, to approve the incurrence of debt by the Corporation and its subsidiaries or the making of capital expenditures

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by the Corporation and the subsidiaries during any fiscal year of the Corporation, in either case in excess of one quarter of 1% of the consolidated annual operating budget of the Corporation and its subsidiaries for each fiscal year if such debt or capital expenditures are not included in the Corporation's or subsidiaries' approved budgets, whether in a single transaction or a series of related transactions;

(viii) To approve any donation or any other transfer of the Corporation's or its subsidiaries' assets, other than to the Member or to the Corporation by its subsidiaries, in excess of \$10,000.00, unless specifically authorized in the Corporation's or its subsidiaries' approved budgets;

(ix) To approve strategic plans and mission statements of the Corporation and its subsidiaries;

(x) To approve investment policies of the Corporation and its subsidiaries;

(xi) To approve the closure or relocation of a licensed healthcare facility of the Corporation and its subsidiaries;

(xii) Subject to Sections [7.5(i) and 7.6] of the Affiliation Agreement, to approve the formation of subsidiary corporations, partnerships and joint ventures or to make investments in existing subsidiary corporations, partnerships and joint ventures, if the new investments of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures during any fiscal year would, in the aggregate, exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year of the Corporation;

(xiii) Subject to Section [(7.5(i) and 7.6] of the Affiliation Agreement, to approve the dissolution of subsidiary corporations, partnerships and joint ventures of the Corporation and the subsidiaries, if the aggregate value of the ownership interests of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures so dissolved in any fiscal year would exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year of the Corporation;

~~(xvii)(xiv) To establish and manage the Corporation's program for compliance with all legal requirements applicable to the Corporation. The Board of Directors shall also prepare, for the Member's review and approval, on such timetable as the Member shall establish, proposed annual budgets for the Corporation, which budgets shall be consistent with any operating plan or financial plan adopted or approved by the Member and then in effect, all accreditation and licensing requirements and the conditions of participation in all governmental payor programs applicable to the Corporation; and~~

~~(xv) Composition of the Board: Appointment Qualifications. The Board of Directors shall be composed of not fewer than three nor more than twenty voting members, exclusive of non-voting ex-officio Directors. The exact number of voting Directors shall be as fixed from time to time by the Member. Directors shall generally be appointed at the annual meeting of the Member, but may be appointed at any regular or special meeting of the Member. Each Director of the Corporation shall be a natural person of at least eighteen years of~~

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~~age, of good moral character and who enjoys a good reputation in the community, and who, by his or her experience, community interest, or prior action, demonstrates a willingness to devote time and talent to the affairs of the Corporation and to exercise his or her judgment with undivided loyalty to the Corporation.~~To select and appoint auditors and to designate the fiscal year of the Corporation and the subsidiaries.

~~Except as may otherwise be provided by the Nonprofit Corporation Law, [Ultimate Parent] shall have the right to both initiate and approve action in furtherance of such reserved powers, as well as the authority to directly bind the Corporation and the subsidiaries on such matters. Any action taken in this regard by [Ultimate Parent] shall be sufficient to finally approve and adopt such actions and no action of the Board of Directors, Member, [Provider Subsidiary Entity] or other governing body or officer with respect to such action shall be necessary with respect hereto.~~

#### ARTICLE IV

##### BOARD OF DIRECTORS

4.1 Powers and Duties. Subject to Section 3.3 of these Bylaws, all powers of the Corporation shall be vested in the Board of Directors, which shall have charge, control, and management of the property, business, affairs and funds of the Corporation and shall have the power and authority to do and perform all necessary and appropriate functions not otherwise inconsistent with these Bylaws, the Articles of Incorporation, or applicable law.

Subject to Section 3.3 of these Bylaws, and without limiting the generality of the foregoing and, except as otherwise may be provided in these Bylaws, the Board of Directors shall have full power and the duty:

- (a) To set policies and provide for carrying out the purposes of the Corporation;
- (b) To make rules and regulations for its own governance and for the governance of the committees appointed by the Board of Directors as provided herein;
- (c) To adopt and amend from time to time such rules and regulations for the conduct of the business of the Corporation as may be appropriate or desirable; and
- (d) To maintain the quality of patient care.

4.2 Election of Directors. Directors of the Corporation shall be elected by the Board of Directors of the Member as prescribed by Section 3.3(a) of these Bylaws. Each Director shall further satisfy the requirements set forth in Section 9 of this Article IV 4.3 of these Bylaws.

~~4.3 Term of Office.~~ Subject to Section 5 of this Article IV, Directors, other than ex officio Directors, shall serve for one, two, or three year terms, as specified by the Member. In the event that the Member elects to classify the Board of Directors for purposes of staggering their respective terms of office, then the number of Directors assigned to each class shall be as nearly equal as possible to those assigned to each other class.Number/Qualifications.

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(a) **Composition.** The Board of Directors shall consist of such number of persons as the Board of Directors of the Member may determine, but in no case less than five (5) members, excluding the *ex officio* Directors with vote who shall be as follows:

(i) President and Chief Executive Officer of the Member, or the designee of the President and Chief Executive Officer of the Member who shall be a member of senior management of the Member;

(ii) President and Chief Executive Officer of the Corporation; and

(iii) Board Chairperson of the Member, or the designee of the Board Chairperson of the Member who shall be a director of the Member.-

In the event that any individual holds multiple *ex officio* positions such individual shall have one vote. If designees are selected to serve on the Board of Directors in accordance with this Section 4.3(a), such designees may be removed and replaced at any time or from time to time by the person making such designation in such person's sole discretion. In the event that any such designees cease to meet the eligibility criteria to serve as directors as set forth herein, such designees shall be automatically removed from the Board with no further action being required on the part of any person.

(b) **Certain Qualifications.** No individual may be elected to the Board of Directors unless the individual is eligible to serve on the Board of Directors pursuant to applicable law, the Articles of Incorporation and these Bylaws. Each director shall be a natural person of at least 18 years of age.

(c) **Independence.** At least a majority of the directors shall be persons whom the Board of Directors has determined are "independent directors" within the meaning of such term as defined by the Internal Revenue Service for exempt organizations under Section 501(c)(3) of the Code, and as such, are broadly representative of the community.

(d) **SEC Actions.** Any person who is, or ever has been, subject to an order of a court or the Securities and Exchange Commission prohibiting such person from acting as an officer or director of a public company shall not be eligible to serve as a director.

(e) **Age Limitations.** No person who is seventy-five (75) years of age or older may be nominated or re-nominated for election or re-election as a director. Any director who reaches the age of seventy-five (75) shall no longer be qualified to serve as a director after the next annual meeting of the Board of Directors.

4.4 **Chairperson.** The Chairperson shall preside at all meetings of the Board of Directors and shall perform all duties incident to the office of Chairperson of the Board and such other duties as may be prescribed by the Board of Directors. The Chairperson shall not be an employee of the Corporation.

4.5 **Term of Office.** Directors, other than *ex officio* Directors, shall serve for one year terms. Each Director shall retain his or her position as Director until his or her successor shall be duly appointed and qualified or until his or her earlier death, resignation or removal,

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except that an *ex officio* Director shall retain his or her position as Director only during his or her tenure in the position in which his or her respective *ex officio* status is derived, or until his or her earlier death, resignation, or removal. Directors may be re-elected for unlimited successor terms.

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~~1.1 — *Ex Officio* Directors. The following persons shall serve as *ex officio* Directors of the Corporation with vote:~~

- ~~(i) — President and Chief Executive Officer of the Member; and~~
- ~~(ii) — President and Chief Executive Officer of the Corporation.~~

~~In the event that any individual holds multiple *ex officio* positions s/he shall have one vote.~~

~~4.6 **Removal/Resignation/Vacancies.** Any vacancy in the Board of Directors caused by the death, resignation or removal of a director or a director ceasing to qualify to serve as a director prior to the expiration of that director's term shall be filled by the Board of Directors of the Member.~~

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~~(b) — The Member may, in its discretion, remove any Director at any time, with or without cause, upon 10 days prior notice to the Board of Directors. Without limiting the generality of the foregoing, upon such notice the Member may, in its discretion, remove and replace all or a portion of the Board of Directors if the Member determines that the Corporation has failed to comply with any operating or financial plan adopted or approved by the Member. Unless such removal notice is revoked by the Member during the 10 day notice period, any such removal shall be effective immediately upon expiration of the notice period.~~

~~(c) — Any Director may resign from office with or without cause, by delivering a written statement of resignation to the Secretary of the Corporation. Any such resignation shall take effect immediately upon its receipt by the Secretary of the Corporation, unless a later effective time or date for the resignation is specified in the notice of resignation.~~

~~(d) — Any person appointed to fill a vacancy on the Board of Directors shall be appointed for the unexpired term of the Director whose death, resignation, or removal gave rise to the applicable vacancy.~~

~~1.2 — *Orientation of Directors.* Newly elected or appointed Directors shall be oriented to the functions and procedures of the Board of Directors. Such orientation shall be carried out under the supervision of the President and Chief Executive Officer.~~

~~1.3 — *No Compensation.* No Director shall receive any compensation for acting as a Director. Directors who are officers or employees of the Corporation may receive compensation for those duties.~~

~~1.4 — *Review of Bylaws.* The Board of Directors shall review these Bylaws of the Corporation annually, and based on such review, may propose amendments to these Bylaws to the Member of the Corporation.~~

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~~1.5 — Conflict of Interest. Directors shall exercise good faith in all transactions touching upon their duties at the Corporation and its property. No director shall use his or her position, or knowledge gained therefrom, in any way that might give rise to a conflict between the interest of the Corporation and that of the individual Director. The Board of Directors shall adopt a conflict of interest policy, and each Director and officer of the Corporation shall agree in writing to be bound thereby as a prerequisite to his or her qualification as a Director or officer, as the case may be.~~

## ARTICLE II

### MEETINGS OF THE BOARD OF DIRECTORS

#### 4.7 Meetings.

(a) ~~Regular and Annual Meeting~~**Meetings of the Board of Directors.** The Board of Directors shall hold regular meetings at such date, time and place as determined by the Board or the Chair; provided that the Board shall meet not less than four times per year. The Annual Meeting shall be held as provided in Article III, Section 4 of these Bylaws. Notice of any meeting shall be mailed, personally delivered or faxed to each Director at least 5 days prior to the meeting to the Director's address (or fax number) on the books of the Corporation. Voting by proxy shall not be permitted at any meeting person. The annual organizational meeting of the Board of Directors shall be held on such other date, time and place as shall be determined by the Board of Directors, without further notice than the resolution setting such date, time and place.

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(b) ~~Special Meetings.~~ Special meetings may be held at any time upon call of the Member or the Chair or upon receipt by the President and Chief Executive Officer of the written request of at least three Directors. Special meetings of the Board of Directors may be called at any time by the Chairperson of the Board, the Chief Executive Officer or one-third (1/3) of the members of the Board of Directors, with the date, time and place of each such meeting to be designated in the notice calling the meeting. Notice of any special meeting of the Board of Directors shall be given at least forty-eight (48) hours prior thereto and shall state the general nature of the business to be transacted.

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(c) ~~Quorum.~~ A majority **Adjournment.** When a meeting of the entire Board of Directors (without counting non-voting *ex officio* Directors) shall constitute a quorum at any regular meeting. Once a quorum is established, subsequent withdrawal of individuals to less than a quorum adjourned, it shall not affect be necessary to give any notice of the validity of any subsequent action taken adjourned meeting or the business to be transacted at the adjourned meeting other than by announcement at the meeting. Except as otherwise required by the PNCL, approval of any matter before the Board of Directors by a majority of the Directors present at a meeting shall constitute approval of the applicable matter by the Board, at which such adjournment is taken.

~~2.1 — Action Without a Meeting.~~ Any action which may be taken at a meeting of the Board or any committee thereof may be taken without a meeting if consent in writing setting forth such action is signed by all of the Directors or members of the committee, and is filed in the minutes of the proceedings of the Board or of the committee.

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(d) ~~Rules of Conduct. Meetings of Quorum.~~ Directors constituting a majority of the directors in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

(e) ~~Voting and Action.~~ Each director shall be entitled to one vote on any matter submitted to a vote of the Board of Directors, and action by the Board of Directors on any matter shall require the affirmative vote of a majority of the directors in office unless a greater proportion of affirmative votes is required by applicable law, the Articles of Incorporation or these Bylaws.

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(f) ~~Use of Conference Telephone.~~ Except as the Board of Directors and Committees of the Board of Directors will be conducted in accordance with such rules as may be established by the Board of Directors, Participation by Conference Telephone. One otherwise may determine, one or more Directors or members of a Committee established pursuant hereto persons may participate in a meeting of the Board of Directors or such Committee by of any committee thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and be heard by each other. Participation in a meeting pursuant to this subsection in such manner shall constitute presence in person at such the meeting.

2.2 ~~Waiver of Notice.~~ Whenever any written notice is required to be given under the provisions of the these bylaws or the PNCL, such notice need not be given to any Director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director.

(g) ~~Action by Unanimous Written Consent.~~ Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all of the directors in office and filed with the Secretary.

#### 4.8 ~~Resignation/Removal.~~

(a) ~~Resignation.~~ Any director may resign his or her office at any time, such resignation to be made in writing and to take effect immediately or at such subsequent time stated in such writing. Any director who ceases to meet the eligibility requirements contained in applicable law or in these Bylaws to serve as a director forthwith shall resign his or her office, such resignation to be made in writing and to take effect immediately.

(b) ~~Removal.~~ Any director may be removed, with or without cause, by the Board of Directors of the Member.

#### 4.9 ~~Limitation of Liability.~~

(a) ~~Limitation of Liability.~~ To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, permit elimination or limitation of the liability of directors, no director of the Corporation shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a director.

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(b) **Nature and Extent of Rights.** The provisions of this Section 4.9 shall be deemed to be a contract with each director of the Corporation who serves as such at any time while this Section is in effect and each such director shall be deemed to be so serving in reliance on the provisions of this Section. Any amendment or repeal of this Section or adoption of any Bylaw or provision of the Articles of the Corporation which has the effect of increasing director liability shall operate prospectively only and shall not affect any action taken, or any failure to act, prior to the adoption of such amendment, repeal, Bylaw or provision.

**4.10 No Compensation.** No Director shall receive compensation for acting as a Director. Directors who are also officers or employees of the Corporation may receive compensation for their services as officers or employees.

## ARTICLE V

### OFFICERS

5.1 **Officers Generally.** The officers shall be a Chairperson, a Secretary, a Treasurer, a President and Chief Executive Officer, and such Vice Presidents and other subordinate officers as the ~~Member~~ Board of Directors shall designate, subject to the approval of the [Ultimate Parent]. All officers need not, but may be, selected from among elected members of the Board of Directors.

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5.2 **AppointmentElection of Officers.** All officers of the Corporation, including the President and Chief Executive Officer, shall be elected to office by the Board of Directors, subject to the approval of [UPE] in accord with these Bylaws and shall hold ~~The offices shall be appointed by the Member, after consultation with the Board of Directors of the Corporation, at the Annual Meeting of the Member each year and shall hold~~ office for terms of one year and until their successors are duly installed, subject in each case to an officer's earlier death, resignation or removal.- Vacancies in any office may be filled by action of the ~~Member after consultation with the Board of Directors of the Corporation. Nothing contained herein shall be construed as prejudicing any officer's rights with respect to compensation under any employment agreement with the Corporation~~Board of Directors, subject to the approval of [UPE~~Ultimate Parent~~].

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5.3 **Chairperson.** The ~~Chair~~Chairperson shall preside at all meetings of the Board of Directors, ~~and at the Annual Meeting of the Member each year shall present the report of the Board of Directors.~~ The Chair shall be responsible to review the performance of the Board of Directors on an annual basis, and to report on such performance to the Member. The ~~Chair~~Chairperson shall have such authority, and shall perform all duties, ordinarily required of an officer in like position, and such other authority and duties as may be assigned by the Member.

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5.4 **President and Chief Executive Officer.** The President and Chief Executive Officer of the Corporation shall be an *ex officio* member of the Board ~~and each committee of the Board.~~ The President and Chief Executive Officer shall have all authority and responsibility necessary to operate the Corporation in all its activities, subject, however, to the policies and directives of the Member and of the Board of Directors with regard to the matters as to which the

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Board of Directors is responsible, and to the provisions of the Corporation's Articles of Incorporation and Bylaws.

~~2.3 Vice Chair. The Vice-Chair shall perform the duties of the Chair when for any reason the Chair is unable to perform the same.~~

5.5 **Secretary.** The Secretary shall keep and properly record the minutes of the proceedings of the Board of Directors, notify officers of their election and committee members of their appointment, give notice of all meetings of the Board of Directors ~~and the Executive Committee~~, have custody of the corporate seal and of all books and papers pertaining to the office, and generally shall have such authority, and shall perform all duties, ordinarily required of an officer in like position.

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5.6 **Treasurer.** The Treasurer shall receive and have custody of all funds, money, and income of the Corporation ~~not otherwise specifically provided for by the Member~~ and shall deposit the same in such depository or depositories as the Board shall designate. The Treasurer shall have such authority, and shall perform all duties, ordinarily required of an officer in like position, and such other authority and duties as may be assigned by the Member.

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5.7 **Resignation.** Any officer may resign at any time by giving written notice thereof to the Chairperson, the President and Chief Executive Officer or the Secretary of the Corporation. Any such resignation shall take effect on the date of receipt of such notice by one of the above-specified officers, or at such later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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5.8 **Removal.** ~~Any officer~~The President and Chief Executive Officer of the Corporation ~~Any officer~~ may be removed, with or without cause, by the Member ~~whenever in the judgment of the Member the best interests of the Corporation will be served thereby. Nothing contained herein shall be construed as prejudicing any officer's rights with respect to compensation under any employment agreement with the Corporation.~~Board of Directors, subject to the approval of the [Ultimate Parent]. ~~Other officers of the Corporation may be removed, with or without cause, by the Corporation's Board of Directors.~~

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## ARTICLE VI

### COMMITTEES OF ~~THE~~THE BOARD OF DIRECTORS

6.1 **Committees Generally.** ~~The Board of Directors, upon direction of the Member, shall establish the following committees: an Executive Committee, Finance Committee and, upon the approval of the Member, a Strategic Planning and Capital Development Committee, as set forth in these Bylaws and upon approval of the Member, and may establish such other committees (standing or special) as the Board of Directors shall determine to be to establish appropriate or necessary, with such authority and composition as the Board of Directors shall determine designate (subject only to the rights and powers of the Member, [UPE Provider Sub] and [Ultimate Parent] as set forth in these Bylaws and the limitations on delegation of Board authority under the Nonprofit Corporation Law).~~

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2.46.2 Executive Committee. From and after its establishment, the Executive Committee shall have and may exercise the powers of the ~~Members as set forth~~ Board of Directors in the PNCL, the Articles of Incorporation, and these Bylaws, and the limitations or delegation management of the Board's authority pursuant to the PNCL):

(a) ~~Executive Committee~~

(b) ~~Finance Committee~~

~~Strategic Planning and Capital Development Committee Powers~~ business affairs of the ~~Executive Committee.~~ From and after its establishment, Corporation, except that the Executive Committee shall not have and may exercise the powers of the Board of Directors in the management of the business affairs of the Corporation, except that the Executive Committee shall not have authority with respect to any of the following matters:

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(1) The submission to the Member, [UPE Provider Sub or UPE] of any action requiring approval of the Member, [UPE Provider Sub or UPE];

(2) Amending or repealing any resolution of the Board of Directors; or

(3) Approving any matters which pursuant to the Bylaws or resolution of the Board of Directors is reserved to another established committee of the Board.

6.3 Finance Committee. From and after its establishment, ~~this the Finance~~ Committee shall review and recommend to the Board of Directors the annual budget to be proposed to the Member, establish and review periodic budgetary reports and meet with the Corporation's independent auditors following receipt of the annual audit. This Committee shall also review and recommend the financial plan of the Corporation. This Committee shall meet at least quarterly to review the budget and financial performance of the Corporation and its affiliates, and to review and recommend approval or disapproval of any proposed unbudgeted expenditures by the Corporation where the cumulative amount of such unbudgeted expenditures is in excess of the amount fixed from time to time by the Member.

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6.4 Strategic Planning and Capital Development Committee. From and after its establishment, this Committee shall propose long range plans for the Corporation for the consideration of the Member, with the goal of constantly improving services, facilities and programs. These plans shall be periodically reviewed and revised by the Committee, and shall be subject to approval by the ~~Member~~ [Ultimate Parent] as set forth in these Bylaws.

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6.5 Appointment of Committees. The members of any standing or special Committee shall be appointed by the Board of Directors. Each Committee shall include at least three Directors, ~~including ex officio members~~ and may include such other interested individuals as determined to be appropriate by the Board of Directors. The ~~Chair~~ Chairperson and the President and Chief Executive Officer shall be *ex officio* members of all committees with full voting privileges. Each ~~other~~ member of a committee shall serve for a term of one year and until his or her successor has been appointed, subject to his or her earlier death, resignation or removal.

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6.6 **Meetings of Committees.** All standing Committees shall function under the direction of the Board of Directors and shall meet as often as necessary to transact their business and shall make such reports as they may deem necessary or which may be specifically required of them. Minutes shall be kept of each meeting of each Committee and such minutes shall be disseminated to all members of the Board of Directors, and to the Member.

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6.7 **Quorum; Act of Committee.** ~~A~~ The presence of a majority of the members of a Committee shall constitute a quorum for the transaction of business. Once a quorum has been established, subsequent withdrawal of committee members so as to reduce the number of members present to less than a quorum shall not affect the validity of any subsequent action taken at the meeting. Approval of any matter before any Committee by a majority of those present at a meeting of a Committee where a quorum is present shall constitute approval of the applicable matter by the applicable Committee.

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6.8 **Resignation.** Any Committee member may resign at any time by giving written notice thereof to the Chairperson, the President and Chief Executive Officer or the Secretary of the Corporation. Any such resignation shall take effect on the date of receipt of such notice by one of the above-specified officers, or at such later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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~~6.9 **Removal.** Any officer-Committee member may be removed, with or without cause, by the Board or the Member whenever in the judgment of the Board or the Member the best interests of the Corporation may be removed, with or without cause, by [UPE]. will be served thereby, provided that if any Committee member is removed by the Member, at least 10 days advance notice of such removal shall be given by the Member to the Board of Directors.~~

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### ARTICLE III

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#### FISCAL YEAR AND ANNUAL REPORT

~~3.1 **Fiscal Year.** The Fiscal Year of the Corporation shall be begin on the first day of July of each year and end on the last day of June of the succeeding year.~~

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~~3.2 **Annual Report.** As soon as may be convenient following the close of the Fiscal Year, the Board of Directors may cause to be published for general distribution an Annual Report containing such information regarding the work and affairs of the Hospital for the preceding Fiscal Year as in their discretion may be deemed advisable.~~

### ARTICLE IV

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#### SEAL

~~4.1 **Seal.** The seal of the Corporation shall be in such form as may be approved by the Board of Directors.~~

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**ARTICLE V**

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**LIABILITY OF DIRECTORS**

~~5.1 — Standard of Care and Fiduciary Duty. Each Director shall stand in a fiduciary relation to this Corporation and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner the Director reasonably believes to be in the best interests of this Corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, each Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:~~

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~~(a) — one or more officers or employees of this Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;~~

~~(b) — counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such persons; and~~

~~(c) — a committee of the Board of this Corporation upon which the Director does not serve, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.~~

~~A Director shall not be considered to be acting in good faith if the Director has knowledge concerning the matter in question that would cause his reliance to be unwarranted.~~

~~5.2 — Limitation on Liability. Neither the Member nor any Director of the Corporation shall be personally liable for monetary damages for any action taken, or any failure to take any action, provided however, that this provision shall not eliminate or limit the liability of the Member or any Director to the extent that such elimination or limitation of liability is expressly prohibited by, Section 5713 of the PNCL, as in effect at the time of the alleged action or failure to take action by such Member or Director.~~

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~~5.3 — Preservation of Rights. Any repeal or modification of this Article shall not adversely affect any right or protection existing at the time of such repeal or modification to which any Member, Director or former Member or Director may be entitled under this Article. The rights conferred by this Article shall continue as to any person who has ceased to be the Member or a Director of the Corporation and shall inure to the benefit of the successors, heirs, executors, and administrators of such person.~~

**ARTICLE VII**

**INDEMNIFICATION**

~~7.1 **Mandatory Right to Indemnification - General.** Any person of Directors and Officers. The Corporation shall indemnify, to the fullest extent now or hereafter permitted by law, each Director and officer (including each former Director or officer) of the Corporation who~~

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was or is a party or is threatened to be made a party to or a witness in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (whether brought by or in the name of the Corporation or otherwise), by reason of the fact that the Director he or officer she is or was an authorized representative of the Corporation, or is or was serving at the written request of the Corporation as a representative of another domestic or foreign corporation for profit or not for profit, partnership, joint venture, trust or other enterprise, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred shall be indemnified by the Director or officer Corporation to the fullest extent now or hereafter permitted by applicable law in connection with such action, suit or proceeding if arising out of such Director or officer acted in good faith and in a manner he or she reasonably believed person's service to be in, or not opposed to, the best interest of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful to such other corporation, partnership, joint venture, trust or other enterprise at the Corporation's request. The term "representative," as used in this Article VII, shall mean any director, officer or member of a committee created by or pursuant to these Bylaws, and any other person who may be determined by the Board of Directors to be a representative entitled to the benefits of this Article VII.

7.2 ~~Mandatory Advancement of Expenses~~ **Right to Indemnification - Third Party Actions. Directors and Officers.** The Corporation shall pay expenses (including attorneys' fees) incurred by a Director or officer of the Corporation referred to in Section 1 of this Article XI in defending or appearing as a witness in any civil or criminal action, suit or proceeding described in Section 1 of this Article XI in advance of the final disposition of such action, suit or proceeding. The expenses incurred by such Director or officer shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding only upon receipt of an undertaking by or on behalf of such Director or officer to repay all amounts advanced if it shall ultimately be determined that the Director or officer is not entitled to be indemnified by the Corporation as provided in Section 4 of this Article XI. ~~Permissive Indemnification and Advancement of Expenses.~~ The Corporation may, as determined by the Board of Directors from time to time, indemnify, in full or in part, to the fullest extent now or hereafter permitted by law Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party or is threatened to be made a party to or a witness in, or is otherwise involved in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that such person he or she is or was an authorized a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another domestic or foreign corporation for profit or not for profit, partnership, joint venture, trust or other enterprise, both as to action in his official capacity and as to action in another capacity while holding such office or position, shall be indemnified by the Corporation against all expenses (including attorneys' attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in conjunction him or her in connection with such action, suit or proceeding if such person he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. ~~The Corporation may, as determined by the Board of Directors from time to time, pay expenses incurred by any such person by reason of such person's participation in an action, suit or proceeding referred to in this Section 3 in advance of the final disposition of~~

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~~such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as provided in Section 4 of this Article XI. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.~~

~~7.3 **Scope of Right to Indemnification.** Indemnification under this Article shall not be made by the Corporation in any case where a court determines that the alleged act or failure to act giving rise to the claim for indemnification is expressly prohibited by Chapter 57, Subchapter D of the PNCL or any successor statute as in effect at the time of such alleged action or failure to take action - **Derivative Actions.** Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation; except, however, that indemnification shall not be made under this Section in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the Corporation unless and only to the extent that the Court of Common Pleas of the county in which the registered office of the Corporation is located or the court in which such action, suit or proceeding was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the Court of Common Pleas or such other court shall deem proper.~~

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~~5.4 **Miscellaneous.** Each Director and officer of the Corporation shall be deemed to act in such capacity in reliance upon such rights of indemnification and advancement of expenses as are provided in this Article. The rights of indemnification and advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which any person seeking indemnification or advancement of expenses may be entitled under any agreement, vote of members (if any), disinterested Directors, statute or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office or position, and shall continue as to a person who has ceased to be an authorized representative of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such person. Any repeal or modification of this Article by the members (if any) or the Board of Directors of the Corporation shall not adversely affect any right or protection existing at the time of such appeal or modification to which any person may be entitled under this Article.~~

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~~5.5 **Definition of Authorized Representative.** For the purposes of this Article, the term, "authorized representative" shall mean a director, officer (including a former director or officer), or employee of the Corporation or of any corporation controlled by the Corporation, or a~~

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~~trustee, custodian, administrator, committeeman or fiduciary of any employee benefit plan established and maintained by the Corporation or by any corporation controlled by the Corporation, or person serving another corporation, partnership, joint venture, trust or other enterprise in any of the foregoing capacities at the written request of the Corporation. The term "authorized representative" shall not include money managers or investment advisers (or any employees thereof) hired by the Corporation, and shall not include agents of the Corporation unless indemnification thereof is expressly approved by the Board of Directors.~~

7.4 **Funding to Meet Advance of Expenses.** Unless in a particular case advancement of expenses would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code, expenses (including attorneys' fees) incurred by any representative of the Corporation in defending any action, suit or proceeding referred to in this Article VII shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the representative to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article VII or otherwise.

7.5 **Procedure for Effecting Indemnification.** Unless ordered by a court, any indemnification under Sections 7.1, 7.2 or 7.3 of these Bylaws shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such subsections. Such determination shall be made:

(a) By the Board of Directors by a majority of a quorum consisting of directors who were not parties to such action, suit or proceeding; or

(b) If such a quorum is not obtainable, or if obtainable and a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

7.6 **Indemnification Not Exclusive.** The indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any other provision of these Bylaws, agreement, vote of disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office shall continue as to a person who has ceased to be a representative of the Corporation and shall inure to the benefit of the heirs and personal representatives of such person.~~Obligations. Subject to the approval of the Member, the Board of Directors shall have the power to borrow money on behalf of the Corporation, including the power to pledge the assets of the Corporation, from time to time to discharge the Corporation's obligations with respect to indemnification, the advancement and reimbursement of expenses, and the purchase and maintenance of insurance for the benefit of the Corporation and any person indemnified pursuant hereto. Upon the approval of the Member, the Corporation may, in lieu of or in addition to the purchase and maintenance of insurance, establish and maintain a fund of any nature or otherwise secure or insure in any manner its indemnification obligations, whether arising pursuant to this Article or otherwise.~~

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**ARTICLE VI**

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**AMENDMENTS OF THESE BYLAWS AND/OR THE ARTICLES OF INCORPORATION OF THE CORPORATION**

The power to amend, modify, alter or repeal these Bylaws or the Articles of Incorporation, is hereby exclusively vested in the Member of the Corporation subject, however, to Section 9 of Article III, and with respect to amendments of the following provisions in the bylaws and Articles of Incorporation of the Corporation, subject to prior notice to the Attorney General and the prior approval of the Orphans' Court: (i) provisions setting forth the purposes of the Corporation; (ii) provisions setting forth the powers reserved exclusively to the Member; (iii) provisions describing the manner in which the assets of the Corporation are to be distributed upon termination, dissolution or winding up of the Corporation; and (iv) provisions requiring notice to the Attorney General or approval of the Orphans' Court prior to the taking of certain action by the Corporation.

**ARTICLE VII**

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**SUBVENTIONS**

The Corporation shall be authorized by resolution of the Board of Directors or the Member to accept subventions from the Member or nonmembers on terms and conditions not inconsistent with PNCL § 5542, and to issue certificates therefor. The resolution of the Board of Directors or the Member may provide that the holders of subvention certificates shall be entitled to a fixed or contingent periodic payment out of the corporate assets equal to a percentage of the original amount or value of the subvention. The rights of holders of subvention certificates shall at all times be subordinate to the rights of creditors of the Corporation.

\*\*\*\*

**EXHIBIT A**

Name \_\_\_\_\_ Term \_\_\_\_\_

7.7 When Indemnification Not Made. Indemnification pursuant to this Article VII shall not be made in any case where (a) the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness or (b) indemnification would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code.

7.8 Grounds for Indemnification. Indemnification pursuant to this Article VII, under any other provision of these Bylaws, agreement, vote of directors or otherwise may be granted for any action taken or any failure to take any action and may be made whether or not the Corporation would have the power to indemnify the person under any provision of law except as otherwise provided in this Article VII and whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Corporation. The provisions of this Article VII shall be applicable to all actions, suits or

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proceedings within the scope of Section 7.1, Section 7.2 or Section 7.3 of these Bylaws, whether commenced before or after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof.

**7.9 Power to Purchase Insurance.** The Corporation may purchase and maintain insurance on behalf of any person who is or was a representative of the Corporation or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article VII.

**7.10 Creation of a Fund to Secure or Insure Indemnification.** The Corporation may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising under or pursuant to this Article VII or otherwise.

**7.11 Status of Rights of Indemnities.** The rights to indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall (a) be deemed to create contractual rights in favor of each person who serves as a representative of the Corporation at any time while this Article is in effect (and each such person shall be deemed to be so serving in reliance on the provisions of this Article), and (b) continue as to a person who has ceased to be a representative of the Corporation.

**7.12 Applicability to Predecessor Companies.** For purposes of this Article VII, references to the "Corporation" includes all constituent corporations or other entities which shall have become a part of the Corporation by consolidation or merger or other similar transaction and their respective current and former affiliates, and references to "representatives" shall include members of any such corporation, entity or affiliate, so that any person who was a member, director, officer, committee member or other representative of such a corporation, entity or affiliate or served as a member, director, officer, committee member or other representative of another corporation, partnership, joint venture, trust or other enterprise at the request of any such corporation, entity or affiliate shall stand in the same position under the provisions of this Article VII with respect to the Corporation as he or she would if he or she had served the Corporation in the same capacity. Without limitation of the foregoing, each member, director, officer and committee member of each predecessor to the Corporation shall have the same contract rights as are afforded pursuant to Section 7.11 of these Bylaws.

## ARTICLE VIII

### CONTRACTS, LOANS, CHECKS AND DEPOSITS

**8.1 Contracts.** Subject to Section 3.3 of these Bylaws, the Board of Directors may authorize any officer or officers or agent or agents to enter into any contract or execute or deliver any agreement or instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

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8.2 **Loans.** Subject to Section 3.3 of these Bylaws and Section 7.6 of the Affiliation Agreement, the Board of Directors may authorize the borrowing by the Corporation of such sum or sums of money as the Board of Directors may deem advisable, and to mortgage or pledge any or all of the real or personal property and any or all of the other available assets of the Corporation in order to secure the payment of the principal amount of any such borrowing and the interest thereon and any and all such other amounts as may become due on account thereof.

8.3 **Checks.** All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness shall be issued in the name of the Corporation and shall be signed by such officer or officers or agent or agents of the Corporation and in such manner as from time to time shall be determined by the Board of Directors.

8.4 **Deposits.** All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may approve.

**ARTICLE IX**  
**NOTICE AND CONDUCT OF MEETINGS**

9.1 **Written Notice.** Except as otherwise provided in these Bylaws, whenever written notice is required to be given by any person under the provisions of any statute or these Bylaws, it may be given by sending a copy thereof through the mail or overnight delivery or by hand delivery, in each case with charges prepaid, or by facsimile transmission confirmed by one of the foregoing methods, to the individual's address appearing on the books of the Corporation or supplied by the individual to the Corporation for the purpose of notice.

9.2 **Written Waiver of Notice.** Whenever any written notice is required as set forth in these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

9.3 **Waiver of Notice by Attendance.** Attendance of a person in person at any meeting shall constitute a waiver of notice of such meeting except when a person attends the meeting for the express purpose of objecting to the transaction of any business because the meeting has not been lawfully called or convened.

9.4 **Procedure.** All meetings of the Board of Directors and the committees thereof shall be conducted in an orderly manner with a view to affording full and fair discussion of the matters properly before such meetings.

**ARTICLE X**  
**MISCELLANEOUS**

10.1 **No Contract Rights.** Except as specifically set forth in Section 7.11 of these Bylaws, no provision of these Bylaws shall vest any property or contract right in any person.

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10.2 Corporate Seal. The Board of Directors shall prescribe the form of a suitable corporate seal, which shall contain the full name of the Corporation and the year and state of incorporation.

10.3 Fiscal Year. The fiscal year of the Corporation shall end on such day as shall be fixed by the [Ultimate Parent].

**ARTICLE XI**  
**AMENDMENTS**

11.1 Amendments. These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted, only by the [Ultimate Parent], except as expressly set forth in Section 3.3(c)(ii) of these Bylaws.

**ARTICLE XII**  
**CONFLICTS OF INTEREST**

12.1 Disclosure. In connection with any actual or possible conflict of interest, an interested person must disclose the existence and nature of his or her financial interest to the Board of Directors and any relevant committee members. For this purpose, an interested person shall include any director, officer, or member of a committee of the Corporation or an entity affiliated with the Corporation who has a direct or indirect financial interest in a proposed transaction. A financial interest shall include: (a) an ownership or investment interest in any entity with which the Corporation has a proposed transaction or arrangement; (b) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a proposed transaction or arrangement; and (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. If a person is an interested person with respect to any entity in the health care system of which the Corporation is a part, he or she is an interested person with respect to all entities in the health care system.

12.2 Recusal and Investigation. After disclosure of the financial interest, the interested person shall leave the Board of Directors or committee meeting while the financial interest is discussed and voted upon. The remaining directors or committee members shall decide if a conflict of interest exists. If a conflict of interest exists, the following procedures shall be followed: (a) the Chief Executive Officer shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement; (b) after exercising due diligence, the Board of Directors or committee shall determine whether the Corporation could obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest; and (c) if a more advantageous transaction or arrangement is not reasonably attainable, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interests and for its own benefit and

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whether the transaction is fair and reasonable to the Corporation and shall decide as to whether to enter into the transaction or arrangement in conformity with such determination.

**12.3 Failure to Disclose.** If a director or committee member has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, he shall inform the interested person of the basis of such belief and afford the interested person an opportunity to explain the alleged failure to disclose. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board of Directors or committee determines that the interested person has in fact failed to disclose an actual or possible conflict of interest, the Board of Directors shall take appropriate steps to protect the Corporation.

**12.4 Record of Actions.** The minutes of the Board of Directors and all relevant committees shall contain the following: (a) the names of persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' or committee's decision as to whether a conflict of interest in fact existed; and (b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

**12.5 Compensation.** Special procedures shall be in effect with respect to compensation issues. A voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation. Physicians who receive compensation from the Corporation, whether directly or indirectly or as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.

**12.6 Annual Statements.** Each interested person shall annually sign a statement that affirms that such person (a) has received a copy of the conflicts of interest policy, (b) has read and understands the policy, (c) has agreed to comply with the policy, and (d) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes. This policy shall be reviewed annually for the information and guidance of members of the Board of Directors, and any new director or committee member shall be advised of the policy upon entering into the duties of his or her office. In addition, the Corporation shall conduct periodic reviews of its activities, including any transactions or arrangements with interested persons, to ensure that its activities in the aggregate promote and further the Corporation's exempt charitable, scientific, and educational purposes.

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AMENDED AND RESTATED BYLAWS

OF

WEST PENN ALLEGHENY ONCOLOGY NETWORK

ARTICLE I

ARTICLE I

NAME AND LOCATION PURPOSES

~~Section 1.1.1~~ **Name.** The name of the Corporation is West Penn Allegheny Oncology Network: (hereinafter, the "Corporation").

~~1.2~~ **Principal Office.** The principal office of the Corporation shall be located at 4800 Friendship Avenue, Pittsburgh, PA 15224, or at such other address as the Board of Directors shall determine.

ARTICLE II

PURPOSE, PARTICIPATION IN SYSTEM

~~1.2~~ **Purpose/Purposes.** The Corporation is ~~formed and is to be operated exclusively for the following charitable, scientific and educational purposes, organized under the Pennsylvania Nonprofit Corporation Law (the "Nonprofit Corporation Law") for scientific, educational and charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); supporting, benefitting and carrying out the functions of a~~), and in this connection is organized:

~~Section 1(a)~~ To operate as part of the nonprofit regional health care system, governed by [Ultimate Parent], a Pennsylvania nonprofit corporation ("Ultimate Parent"), and support a health care provider network comprised of ~~corporations, each of which (x) has a sole corporate member that maintains governance control and oversight of the Corporation, (y) either (i) Member and those corporations and other entities over which the Member exercises governance control, each of which (i) operates, raises funds for, or conducts activities otherwise ancillary to the operation of, health care facilities in Western Pennsylvania order to extend health care to sick, injured and disabled persons, without regard to age, sex, race, religion, national origin or sexual orientation, or (ii) carries on educational and/or scientific research activities related to the causes, diagnosis, treatment, prevention or control of physical or mental diseases and impairments of persons, and (z) is described in sections each of which is an organization exempt from taxation under Section 501(c)(3) and either 509(a)(1) or 509(a)(2) of the Code (all health care facilities operated by such corporations are referred to herein and classified as the "Constituent Hospitals," and such corporations are referred to herein as the Constituent Corporations") by other than private foundations under Section 509(a)(1), 509(a)(2) or 509(a)(3) of the Code.~~

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~~(1)(b) maintaining and operating programs rendering~~ To maintain and operate programs that render diagnostic and clinical and other health care ~~services~~ and health related services in support of clinical programs, education and research in the Western Pennsylvania community;

~~(2)(c) providing~~ To provide health care for sick, injured, disabled, indigent or infirm persons in the Western Pennsylvania community;

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~~(3)(d) supporting~~ To support or ~~carrying on~~ carry out research and educational activities of ~~the Constituent Hospitals and Constituent Corporations,~~ hospitals and other health care facilities operated by the Member or subsidiaries of the Member related to the rendering of care to the sick, injured and disabled, the furthering of knowledge in the medical arts and in promotion of health;

~~(4)(e) assisting the Constituent Hospitals and Constituent Corporations~~ To assist the hospitals and other health care facilities operated by the Member or subsidiaries of the Member in their residency training programs in various medical specialties and related teaching programs; ~~and~~

~~(5)(f) exercising~~ To exercise such powers in furtherance of the foregoing purposes as are now or may be granted hereafter by the Nonprofit Corporation Law of the Commonwealth of Pennsylvania, as amended from time to time, or any successor legislation;

### ARTICLE III

#### MEMBER

~~3.1 Member. The sole voting member of the Corporation shall be The Western Pennsylvania Hospital (the "Member"), acting through its Board of Directors (the "Member Board"), or through its Executive Committee (the "Member Executive Committee") or designated officers of the Member (the "Designated Representatives") to the extent that the Member has, pursuant to its Bylaws or by resolution duly adopted by the Member Board, delegated its authority herein to the Member Executive Committee or to a Designated Representative; provided, however, that neither the Member Executive Committee nor any Designated Representative shall have the authority to act on behalf of the Member with respect to any of the actions identified in Section 2.B of this Article III.~~

#### ~~3.2 Powers and Rights of Member.~~

~~(a) The Member shall have such powers and rights as are set forth in the PNCL and the Articles of Incorporation of the Corporation. Without limiting and in addition to such powers and rights, the Member shall have the exclusive authority to exercise the following powers:~~

~~(i) Adopt and/or approve and interpret the statement of mission and philosophy of the Corporation, and require the Corporation to operate in conformance with its statement of mission and philosophy;~~

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(ii) — Adopt and/or approve amendments or restatements of the bylaws and Articles of Incorporation of the Corporation;

(iii) — Elect, appoint, fill vacancies in and remove, with or without cause, the Directors; and elect and remove, with or without cause, the Chair and Vice Chair of the Board of Directors of the Corporation, and the Secretary and Treasurer of the Corporation;

(iv) — Elect and remove, with or without cause, the President and Chief Executive Officer and all vice presidents and other officers of the Corporation;

(v) — Cause or approve any merger, consolidation, division, conversion, or dissolution of the Corporation, or the filing of a petition in bankruptcy or execution of a deed of assignment for the benefit of creditors;

(vi) — Approve and/or cause the Corporation to undertake or engage itself in respect of any bond issuance or any other indebtedness for borrowed money of the Corporation, or any lending of funds by the Corporation to an unrelated person, corporation or other legal entity, including without limitation any capital leases (other than indebtedness to provide funds for expenditures necessary in order for the Corporation to be in compliance with applicable laws, rules and regulations, and state licensing and accreditation requirements, to the extent such funds are not otherwise reasonably available), representing obligations of the Corporation in excess of an amount per annum in the aggregate established from time to time by the Member;

(vii) — Approve and/or cause any corporate reorganization of the Corporation or the establishment or dissolution of any subsidiary organizations, including corporations, partnerships or other entities, of the Corporation; and

(viii) — Approve or direct the taking of any other action outside of ordinary course of business and such matters as are required to be submitted to corporate members of a Pennsylvania nonprofit corporation.

Except as otherwise required by the PNCL, the action of the Member with respect to each of the foregoing actions shall be sufficient to approve such actions, no action by the Board of Directors of the Corporation shall be required with respect to any such actions, and, to the full extent permitted by law, no action of the Board of Directors with respect to any such actions shall be effective for any purpose without the approval of the Member.

(b) — Each of the following actions may be approved by the Member only through action of the Member Board, and not through action of the Member Executive Committee or any Designated Representative:

(i) — The adoption or approval of a statement of mission and philosophy of the Corporation;

(ii) — The adoption or approval of any amendments of the Bylaws or Articles of Incorporation of the Corporation;

~~(iii) — The approval of any merger, consolidation, division, conversion, or dissolution of the Corporation, or the filing of a petition in bankruptcy or execution of deed of assignment for the benefit of creditors, or the sale or other disposition of all or substantially all of the assets of the Corporation;~~

~~(iv) — The election, appointment and removal of the Directors, the Chair and Vice Chair of the Board of Directors of the Corporation, the President and Chief Executive Officer, and the Secretary and Treasurer of the Corporation; and~~

~~(v) — The approval of any bond issuance or incurrence of any other indebtedness for borrowed money of the Corporation, or any lending of funds by the Corporation to an unrelated person, corporation or other legal entity, including without limitation any capital leases.~~

~~3.3 — Operating Reports. The Board of Directors of the Corporation shall submit operating reports to the Member in such form and on such schedule as shall be established by the Member. Such operating reports shall reflect the results of operations of the Corporation and of any affiliates of the Corporation that are controlled by the Corporation.~~

**ARTICLE IV**

**THE BOARD OF DIRECTORS**

~~(g) Powers and Responsibility. Subject to Article III hereof and to the other rights and powers of the Member specified herein, in the Articles of Incorporation or by law, the Board of Directors shall have charge, control, and management of the administrative affairs, property To carry out such other acts and to undertake such other activities as may be necessary, appropriate or desirable in furtherance of or in connection with the conduct, promotion or attainment of the foregoing purposes, provided, that none of such activities shall be undertaken which would cause the Corporation to lose its status as an organization described in Section 501(c)(3) of the Code, or as an organization contributions to which are deductible under Section 170(c)(2) of the Code; and~~

~~(h) To otherwise operate exclusively for charitable, scientific or educational purposes within the meaning of Section 501(c)(3) of the Code.~~

**ARTICLE II**

**OFFICES**

2.1 Registered Office. The registered office of the Corporation shall at all times be within the Commonwealth of Pennsylvania at such address as may be established by the Board of Directors.

2.2 Business Offices. The Corporation may have business offices at such places permitted by law as the business of the Corporation may require.

**ARTICLE III**

## **MEMBERS**

**3.1 Member.** The Corporation shall have one member, which shall be West Penn Allegheny Health System, Inc. ("WPAHS" or the "Member"). There shall be no other members or classes of membership. The Chief Executive Officer or the President of the Member shall be entitled to vote on behalf of the Member in accordance with the authority granted to the Chief Executive Officer or the President of the Member unless the Member notifies the Corporation in writing that another officer is authorized to vote on behalf of the Member. The Member may voluntarily transfer its membership, subject to the reserved powers of the [Ultimate Parent] as set forth in these Bylaws.

### **3.2 Meetings.**

(a) **Annual Meeting.** The annual meeting of the Member of the Corporation shall be held at such date, time and place as the Member may determine to transact such business as may come before the meeting.

(b) **Special Meetings.** Special meetings of the Member may be called by the Chairperson of the Board of Directors of the Member or by one-third (1/3) of the members of the Board of Directors of the Member and shall be held at such date, time and place as shall be set forth in the notice of special meeting.

(c) **Notice of Meetings.** Notice of any meeting of the Member shall be given by, or at the direction of, the Secretary of the Corporation at least ten (10) days prior to the day named for a meeting that will consider a fundamental change under Chapter 59 of the Nonprofit Corporation Law or five (5) days prior to the day named for the meeting in any other case.

(d) **Written Consent.** Any action which may be taken at a meeting of the Member may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by the Member and filed with the Secretary.

### **3.3 Powers.**

#### **(a) Reserved Powers of Member.**

(i) For so long as such rights and powers do not result in the revocation of the Corporation's status as an organization described in Section 501(c)(3) of the Code, the Member shall have the right and power to make recommendations to [Provider Subsidiary Entity] and [Ultimate Parent] with respect to actions by [Provider Subsidiary Entity] and [Ultimate Parent] on matters reserved to [Provider Subsidiary Entity] and [Ultimate Parent] under Sections 3.3(b) and 3.3(c) of these Bylaws. [Provider Subsidiary Entity] and [Ultimate Parent] shall have no obligation to approve any such recommendations, and may take actions that have not been recommended by, or that are contrary to recommendations of, the Member; and

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(ii) The Board of Directors of the Member shall have plenary authority with regard to the following:

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(a) To determine the number of directors that will comprise the Board of Directors of the Corporation and its subsidiaries;

(b) To elect the directors of the Corporation and the directors of its subsidiaries; and

(c) To remove any of the directors of the Corporation and any of the directors of its subsidiaries, and to replace such directors for the unexpired portion of his or her term.

**(b) Reserved Powers of [Provider Subsidiary Entity]:**

The [Provider Subsidiary Entity] shall have the right and power to make recommendations to [Ultimate Parent] with respect to actions by [Ultimate Parent] on the matters reserved to [Ultimate Parent] under Section 3.3(c) of these Bylaws. [Ultimate Parent] shall have no obligation to approve any such recommendations, and [Ultimate Parent] may take actions that have not been recommended by, or that are contrary to recommendations of, [Provider Subsidiary Entity].

**(c) Reserved Powers of [Ultimate Parent]:**

(i) To approve the election, re-election and removal of all officers, including the President and Chief Executive Officer, of the Corporation and its subsidiaries;

(ii) To amend, revise or restate the Corporation's Articles of Incorporation and Bylaws and approve all amendments or revisions to the Corporation's Articles of Incorporation and Bylaws that may be proposed or approved by [Provider Subsidiary Entity], the Member or Board of Directors of the Corporation; provided however, that [Ultimate Parent] shall have no power to amend, revise or restate Section 3.3(a)(ii) or this proviso of Section 3.3(c)(ii) of these Bylaws, each of which may be amended only upon the concurrent approval of both (a) a majority of those Directors of the Member that are elected by UPE to serve as Directors of the Member, voting as a class, and (b) a majority of the Self-Perpetuating Directors (as defined in the Member's Bylaws) of the Member, voting as a class;

(iii) Subject to Section 7.5(i) of the Affiliation Agreement dated as of October 31, 2011, among [Ultimate Parent], [Provider Subsidiary Entity], Highmark Inc., WPAHS, Canonsburg General Hospital, Alle-Kiski Medical Center and the other WPAHS Subsidiaries as defined therein (the "Affiliation Agreement"), to adopt or change the mission, purpose, philosophy or objectives of the Corporation or its subsidiaries;

(iv) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to change the general structure of the Corporation or any of its subsidiaries as a voluntary, nonprofit corporation;

(v) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to (a) dissolve, divide, convert or liquidate the Corporation or its subsidiaries, (b) consolidate or merge the Corporation or its subsidiaries with another corporation or entity, (c) sell or acquire assets, whether in a single transaction or series of transactions, where the consideration exceeds

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1% of the Corporation's or the relevant subsidiary's total assets, and (d) approve any of the foregoing actions that may be proposed by [Provider Subsidiary Entity], the Member or the Board of Directors of the Corporation before such action becomes effective:

(vi) To approve the annual consolidated capital and operating plan and budget of the Corporation and its subsidiaries, and any amendments thereto or significant variances therefrom:

(vii) Subject to Section 7.6 of the Affiliation Agreement, to approve the incurrence of debt by the Corporation and its subsidiaries or the making of capital expenditures by the Corporation and the subsidiaries during any fiscal year of the Corporation, in either case in excess of one quarter of 1% of the consolidated annual operating budget of the Corporation and its subsidiaries for each fiscal year if such debt or capital expenditures are not included in the Corporation's or subsidiaries' approved budgets, whether in a single transaction or a series of related transactions:

(viii) To approve any donation or any other transfer of the Corporation's or its subsidiaries' assets, other than to the Member or to the Corporation by its subsidiaries, in excess of \$10,000.00, unless specifically authorized in the Corporation's or its subsidiaries' approved budgets:

(ix) To approve strategic plans and mission statements of the Corporation and its subsidiaries:

(x) To approve investment policies of the Corporation and its subsidiaries:

(xi) To approve the closure or relocation of a licensed healthcare facility of the Corporation and its subsidiaries:

(xii) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to approve the formation of subsidiary corporations, partnerships and joint ventures or to make investments in existing subsidiary corporations, partnerships and joint ventures, if the new investments of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures during any fiscal year would, in the aggregate, exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year of the Corporation:

(xiii) Subject to Section (7.5(i) and 7.6 of the Affiliation Agreement, to approve the dissolution of subsidiary corporations, partnerships and joint ventures of the Corporation and the subsidiaries, if the aggregate value of the ownership interests of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures so dissolved in any fiscal year would exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year of the Corporation:

(xiv) To establish and manage the Corporation's program for compliance with all legal requirements applicable to the Corporation, all accreditation and licensing requirements and the conditions of participation in all governmental payor programs applicable to the Corporation; and

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(xv) To select and appoint auditors and to designate the fiscal year of the Corporation and the subsidiaries.

Except as may otherwise be provided by the Nonprofit Corporation Law, [Ultimate Parent] shall have the right to both initiate and approve action in furtherance of such reserved powers, as well as the authority to directly bind the Corporation and the subsidiaries on such matters. Any action taken in this regard by [Ultimate Parent] shall be sufficient to finally approve and adopt such actions and no action of the Board of Directors, Member, [Provider Subsidiary Entity] or other governing body or officer with respect to such action shall be necessary with respect hereto.

ARTICLE IV

BOARD OF DIRECTORS

Section 1.4.1 Powers and Duties. Subject to Section 3.3 of these Bylaws, all powers of the Corporation shall be vested in the Board of Directors, which shall have charge, control, and management of the property, business, affairs and funds of the Corporation and shall have the power and authority to do and perform all acts necessary and appropriate functions not otherwise inconsistent with these Bylaws, the Articles of Incorporation, and or applicable law, in each case as amended from time to time.

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Composition of the Board; Appointment Qualifications. The Board of Directors shall be composed of six voting members. Subject to Section 3.3 of these Bylaws, and without limiting the generality of the foregoing and, except as otherwise may be provided in these Bylaws, the Board of Directors shall have full power and the duty:

(a) To set policies and provide for carrying out the purposes of the Corporation;

(b) To make rules and regulations for its own governance and for the governance of the committees appointed by the Board of Directors as provided herein;

(c) To adopt and amend from time to time such rules and regulations for the conduct of the business of the Corporation as may be appropriate or desirable; and

(d) To maintain the quality of patient care.

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Section 2.4.2 Election of Directors. shall generally be appointed at the annual meeting of the Member, but may be appointed at any regular or special meeting of the Member; provided Directors of the Corporation shall be elected by the Board of Directors of the Member as prescribed by Section 3.3(a) of these Bylaws. that two members of the Board shall be composed of physicians engaged in active clinical practice on behalf of the Corporation. Each Director of the Corporation shall be a natural person between eighteen and seventy years of age, of good moral character and who enjoys a good reputation in the community, and who, by his or her experience, community interest, or prior action, demonstrates a willingness to devote time and talent to the affairs of the Corporation and to exercise his or her judgment with undivided loyalty to the Corporation. Each Director shall further satisfy the requirements set forth in Section 7 of this Article IV 4.3 of these Bylaws.

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**4.3 Number/Qualifications.**

**(a) Composition.** The Board of Directors shall consist of such number of persons as the Board of Directors of the Member may determine, but in no case less than five (5) members, excluding the *ex officio* Directors with vote who shall be as follows:

(i) President and Chief Executive Officer of the Member, or the designee of the President and Chief Executive Officer of the Member who shall be a member of senior management of the Member;

(ii) President and Chief Executive Officer of the Corporation; and

(iii) Board Chairperson of the Member, or the designee of the Board Chairperson of the Member who shall be a director of the Member.

In the event that any individual holds multiple *ex officio* positions such individual shall have one vote. If designees are selected to serve on the Board of Directors in accordance with this Section 4.3(a), such designees may be removed and replaced at any time or from time to time by the person making such designation in such person's sole discretion. In the event that any such designees cease to meet the eligibility criteria to serve as directors as set forth herein, such designees shall be automatically removed from the Board with no further action being required on the part of any person.

**(b) Certain Qualifications.** No individual may be elected to the Board of Directors unless the individual is eligible to serve on the Board of Directors pursuant to applicable law, the Articles of Incorporation and these Bylaws. Each director shall be a natural person of at least 18 years of age.

**(c) Independence.** At least a majority of the directors shall be persons whom the Board of Directors has determined are "independent directors" within the meaning of such term as defined by the Internal Revenue Service for exempt organizations under Section 501(c)(3) of the Code, and as such, are broadly representative of the community.

**(d) SEC Actions.** Any person who is, or ever has been, subject to an order of a court or the Securities and Exchange Commission prohibiting such person from acting as an officer or director of a public company shall not be eligible to serve as a director.

**(e) Age Limitations.** No person who is seventy-five (75) years of age or older may be nominated or re-nominated for election or re-election as a director. Any director who reaches the age of seventy-five (75) shall no longer be qualified to serve as a director after the next annual meeting of the Board of Directors.

**4.4 Chairperson.** The Chairperson shall preside at all meetings of the Board of Directors and shall perform all duties incident to the office of Chairperson of the Board and such other duties as may be prescribed by the Board of Directors. The Chairperson shall not be an employee of the Corporation.

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~~Section 3.4.5 **Term of Office.** Subject to Section 4 of this Article IV, Directors, shall serve for one year terms. Each Director shall retain his or her position as Director until his or her successor shall be duly appointed and qualified or until his or her earlier death, resignation or removal. Directors may be re-elected for unlimited successor terms.~~

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~~Section 4.4.6 **Removal, Resignation, Vacancies.** Any vacancy in the Board of Directors caused by the death, resignation or removal of a director or a director ceasing to qualify to serve as a director prior to the expiration of that director's term shall be filled by the Board of Directors of the Member.~~

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~~(a) — The Member may, in its discretion, remove any Director at any time, with or without cause.~~

~~(b) — Any Director may resign from office with or without cause, by delivering a written statement of resignation to the Secretary of the Corporation. Any such resignation shall take effect immediately upon its receipt by the Secretary of the Corporation, unless a later effective time or date for the resignation is specified in the notice of resignation.~~

~~(c) — Any person appointed to fill a vacancy on the Board of Directors shall be appointed for the unexpired term of the Director whose death, resignation, or removal gave rise to the applicable vacancy.~~

~~4.5 — **No Compensation.** No Director shall receive any compensation for acting as a Director. Directors who are officer's or employees of the Corporation may receive compensation for those duties.~~

~~4.6 — **Review of Bylaws.** The Board of Directors shall review these Bylaws of the Corporation annually, and based on such review, may propose amendments to these Bylaws to the Member of the Corporation.~~

~~4.7 — **Conflict of Interest.** Directors shall exercise good faith in all transactions touching upon their duties at the Corporation and its property. No director shall use his or her position, or knowledge gained therefrom, in any way that might give rise to a conflict between the interest of the Corporation and that of the individual Director. The Board of Directors shall adopt a conflict of interest policy, and each Director and officer of the Corporation shall agree in writing to be bound thereby as a prerequisite to his or her qualification as a Director or officer, as the case may be.~~

## ARTICLE V

### MEETINGS OF THE BOARD OF DIRECTORS

#### 4.7 Meetings.

~~Section 1.(a) **Regular and Annual Meetings of the Board of Directors.** The Board of Directors shall hold regular meetings at such date, time and place as determined by the Board or the Chair. The Annual Meeting of the Board of Directors shall be held in March of each year. At each annual meeting, the Boards of Directors shall submit its recommendations to~~

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~~the Member regarding the appointment of all Members of the Board of Directors and Officers of the Corporation for the upcoming fiscal year of the Corporation. Notice of any meeting shall be mailed, personally delivered or faxed to each Director entitled to vote at least 5 days prior to the meeting to the Director's address (or fax number) on the books of the Corporation. Voting by proxy shall not be permitted at any meeting person. The annual organizational meeting of the Board of Directors shall be held on such other date, time and place as shall be determined by the Board of Directors, without further notice than the resolution setting such date, time and place.~~

~~Section 2.(b) **Special Meetings.** Special meetings may be held at any time upon call of the Member or the Chair or upon receipt by the President and Chief Executive Officer of the written request of at least two Directors. Special meetings of the Board of Directors may be called at any time by the Chairperson of the Board, the Chief Executive Officer or one-third (1/3) of the members of the Board of Directors, with the date, time and place of each such meeting to be designated in the notice calling the meeting. Notice of any special meeting of the Board of Directors shall be given at least forty-eight (48) hours prior thereto and shall state the general nature of the business to be transacted.~~

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~~5.3 — **Quorum.** A majority of the entire Board of Directors shall constitute a quorum at any regular meeting; provided that a quorum shall not be present at any meeting unless a majority of those Directors present are not physicians engaged in active clinical practice on behalf of the Corporation. Once a quorum is established, subsequent withdrawal of individuals to less than a quorum shall not affect the validity of any subsequent action taken at the meeting. Except as otherwise required by the PNCL, approval of any matter before the Board of Directors by a majority of the Directors entitled to vote and present at a meeting shall constitute approval of the applicable matter by the Board.~~

~~(c) **Action Without a Meeting.** Any action which may be taken at a meeting of the Board or any committee thereof may be taken without a meeting if consent in writing setting forth such action is signed by all of the Directors entitled to vote or members of the committee, and is filed in the minutes of the proceedings. **Adjournment.** When a meeting of the Board of Directors is adjourned, it shall not be necessary to give any notice of the adjourned meeting or the business to be transacted at the adjourned meeting other than by announcement at the meeting at which such adjournment is taken.~~

~~(d) **Quorum.** Directors constituting a majority of the directors in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.~~

~~(e) **Voting and Action.** Each director shall be entitled to one vote on any matter submitted to a vote of the Board of Directors, and action by the Board of Directors on any matter shall require the affirmative vote of a majority of the directors in office unless a greater proportion of affirmative votes is required by applicable law, the Articles of Incorporation or these Bylaws.~~

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~~5.5 — Rules of Conduct. Meetings of the Board of Directors and Committees of the Board of Directors will be conducted in accordance with such rules as may be established by the Board of Directors.~~

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~~Section 6.(f) Participation by Use of Conference Telephone. One or more Directors or members of a Committee established pursuant hereto~~ Except as the Board of Directors otherwise may determine, one or more persons may participate in a meeting of the Board of Directors or ~~such Committee by of any committee thereof~~ by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and be heard by each other. Participation in a meeting pursuant to this subsection in such manner shall constitute presence in person at ~~such~~ the meeting.

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~~5.7 — Waiver of Notice. Whenever any written notice is required to be given under the provisions of these bylaws or the PNCL, such notice need not be given to any Director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director.~~

(g) Action by Unanimous Written Consent. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all of the directors in office and filed with the Secretary.

#### 4.8 Resignation/Removal.

(a) Resignation. Any director may resign his or her office at any time, such resignation to be made in writing and to take effect immediately or at such subsequent time stated in such writing. Any director who ceases to meet the eligibility requirements contained in applicable law or in these Bylaws to serve as a director forthwith shall resign his or her office, such resignation to be made in writing and to take effect immediately.

(b) Removal. Any director may be removed, with or without cause, by the Board of Directors of the Member.

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#### 4.9 Limitation of Liability.

(a) Limitation of Liability. To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, permit elimination or limitation of the liability of directors, no director of the Corporation shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a director.

(b) Nature and Extent of Rights. The provisions of this Section 4.9 shall be deemed to be a contract with each director of the Corporation who serves as such at any time while this Section is in effect and each such director shall be deemed to be so serving in reliance on the provisions of this Section. Any amendment or repeal of this Section or adoption of any Bylaw or provision of the Articles of the Corporation which has the effect of increasing director liability shall operate prospectively only and shall not affect any action taken, or any failure to act, prior to the adoption of such amendment, repeal, Bylaw or provision.

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4.10 No Compensation. No Director shall receive compensation for acting as a Director. Directors who are also officers or employees of the Corporation may receive compensation for their services as officers or employees.

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## ~~ARTICLE VI~~ARTICLE V

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### OFFICERS

~~Section 1.5.1~~ **Officers Generally.** The officers shall be a Chairperson, a Secretary, a Treasurer, a President and Chief Executive Officer, and such Vice Presidents and other subordinate officers as the Board of Directors shall designate, subject to the approval of the Member.~~[Ultimate Parent].~~ All officers need not, but may, be, selected from among such elected members of the Board of Directors.

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~~Section 2.5.2~~ **Appointment-Election of Officers.** ~~The officers shall be appointed by the Member, after consultation with the Board of Directors of the Corporation, at the Annual Meeting of the Member each year and shall hold~~ All officers of the Corporation, including the President and Chief Executive Officer, shall be elected to office by the Board of Directors, subject to the approval of the [Ultimate Parent] in accord with these Bylaws and shall hold office for terms of one year and until their successors are duly installed, subject in each case to an officer's earlier death, resignation or removal.- Vacancies in any office may be filled by action of the Member after consultation with the Board of Directors of the Corporation Board of Directors, subject to the approval of the [Ultimate Parent].

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~~Section 3.5.3~~ **Chairperson.** The Chair~~Chairperson~~ shall preside at all meetings of the Board of Directors. The Chair~~Chairperson~~ shall have such authority, and shall perform all duties, ordinarily required of an officer in like position, and such other authority and duties as may be assigned by the Member.

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~~Section 4.5.4~~ **President and Chief Executive Officer.** The President and Chief Executive Officer of the Corporation shall be an *ex officio* member of the Board and each committee of the Board. The President and Chief Executive Officer shall have all authority and responsibility necessary to operate the Corporation in all its activities, subject, however, to the policies and directives of the Member and of the Board of Directors with regard to the matters as to which the Board of Directors is responsible, and to the provisions of the Corporation's Articles of Incorporation and Bylaws.

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~~Section 5.5.5~~ **Secretary.** The Secretary shall keep and properly record the minutes of the proceedings of the Board of Directors, notify officers of their election and committee members of their appointment, give notice of all meetings of the Board of Directors, have custody of the corporate seal and of all books and papers pertaining to the office, and generally shall have such authority, and shall perform all duties, ordinarily required of an officer in like position.

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~~Section 6.5.6~~ **Treasurer.** The Treasurer shall receive and have custody of all funds, money, and income of the Corporation and shall deposit the same in such depository or depositories as the Board shall designate. The Treasurer shall have such authority, and shall

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perform all duties, ordinarily required of an officer in like position, and such other authority and duties as may be assigned by the Member.

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**Section 7.5.7 Resignation.** Any officer may resign at any time by giving written notice thereof to the Chairperson, the President and Chief Executive Officer or the Secretary of the Corporation. Any such resignation shall take effect on the date of receipt of such notice by one of the above-specified officers, or at such later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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**Section 8.5.8 Removal.** Any officer of the Corporation may be removed, with or without cause, by the Board of Directors, subject to the approval of the Board of Directors or the Member whenever in the judgment of the Board of Directors or the Member the best interests of the Corporation will be served thereby. [Ultimate Parent].

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## ARTICLE VI ARTICLE VI

### COMMITTEES OF THE BOARD OF DIRECTORS

**Section 1.6.1 Committees Generally.** The Board of Directors shall establish an Operating Committee as set forth in these Bylaws, and upon approval of the Member, may establish such other committees (standing or special) as the Board of Directors shall determine to be appropriate or necessary, with such authority and composition as the Board of Directors shall designate (subject to the rights and powers of the Member, [Provider Subsidiary Entity] and [Ultimate Parent] as set forth in the PNCL, the Articles of Incorporation, and these Bylaws and the limitations on delegation of Board authority under the Nonprofit Corporation Law). and the limitations on delegation of the Board's authority pursuant to the PNCL).

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**Section 2.6.2 Operating Committee.** The Operating Committee shall be comprised of six members appointed by the Board of Directors, three of which shall be physicians engaged in active clinical practice on behalf of the Corporation and three of which shall be designated by the Member. Additionally, the Practice Director of the Corporation shall serve as an *ex-officio* member of the Operating Committee, without vote. The Operating Committee shall have responsibility to oversee the day-to-day operations of the Corporation consistent with the provisions of the Master Agreement between the Corporation and West Penn Allegheny Health System, Inc. dated July 15, 2003, establish strategic and operating plans for the Corporation, and develop annual capital and operating budgets of the Corporation subject to approval of the Member [Ultimate Parent] as set forth in these Bylaws.

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**Section 3.6.3 Appointment of Committees.** The members of any standing or special Committee shall be appointed by the Board of Directors. Each Committee shall include at least two Directors, and may include such other interested individuals as determined to be appropriate by the Board of Directors. Each member of a committee shall serve for a term of one year and until his or her successor has been appointed, subject to his or her earlier death, resignation or removal.

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**Section 4.6.4 Meetings of Committees.** All standing Committees shall function under the direction of the Board of Directors and shall meet as often as necessary to transact their business and shall make such reports as they may deem necessary or which may be specifically

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required of them, Minutes shall be kept of each meeting of each Committee and such minutes shall be disseminated to all members of the Board of Directors, and to the Member.

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~~Section 5.6.5 Quorum; Act of Committee. Four~~The presence of a majority of the members of a Committee shall constitute a quorum for the transaction of business. Once a quorum has been established, subsequent withdrawal of committee members so as to reduce the number of members present to less than a quorum shall not affect the validity of any subsequent action taken at the meeting. Approval of any matter before any Committee by a majority of those present at a meeting of a Committee where a quorum is present shall constitute approval of the applicable matter by the applicable Committee.

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~~Section 6.6.6 Resignation.~~ Any Committee member may resign at any time by giving written notice thereof to the Chairperson, the President and Chief Executive Officer or the Secretary of the Corporation. Any such resignation shall take effect on the date of receipt of such notice by one of the above-specified officers, or at such later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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~~Section 7.6.7 Removal.~~ Any Committee member may be removed, with or without cause, by the Board of Directors or the Member whenever in the judgment of the Board of Directors or the Member, the best interests of the Corporation will be served thereby.

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## ARTICLE VIII

### FISCAL YEAR

~~8.1 Fiscal Year.~~ The Fiscal Year of the Corporation shall begin on the first day of July of each year and end on the last day of June of the succeeding year.

## ARTICLE IX

### SEAL

~~9.1 Seal.~~ The seal of the Corporation shall be in such form as may be approved by the Board of Directors.

## ARTICLE X

### LIABILITY OF DIRECTORS

~~10.1 Standard of Care and Fiduciary Duty.~~ Each Director shall stand in a fiduciary relation to this Corporation and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner the Director reasonably believes to be in the best interests of this Corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, each Director shall be entitled to rely in good faith on information, opinions, reports or statements, including

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financial statements and other financial data, in each case prepared or presented by any of the following:

(A) — one or more officers or employees of this Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;

(B) — counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such persons; and

(C) — a committee of the Board of this Corporation upon which the Director does not serve, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if the Director has knowledge concerning the matter in question that would cause his reliance to be unwarranted;

10.2 — Limitation on Liability. No Director of the Corporation shall be personally liable for monetary damages for any action taken, or any failure to take any action, provided however, that this provision shall not eliminate or limit the liability of or any Director to the extent that such elimination or limitation of liability is expressly prohibited by, Section 5713 of the PNCL, as in effect at the time of the alleged action or failure to take action by such Director.

10.3 — Preservation of Rights. Any repeal or modification of this Article shall not adversely affect any right or protection existing at the time of such repeal or modification to which any Director or former Director may be entitled under this Article. The rights conferred by this Article shall continue as to any person who has ceased to be a Director of the Corporation and shall inure to the benefit of the successors, heirs, executors, and administrators of such person.

~~ARTICLE XI~~ ARTICLE VII

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INDEMNIFICATION

~~11.17.1~~ Mandatory Right to Indemnification of Directors and Officers. ~~The~~ Corporation shall indemnify, to the fullest extent now or hereafter permitted by law, each Director and officer (including each former Director or officer) of the Corporation. General. Any person who was or is a party or is threatened to be made a party to or a witness in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (whether brought by or in the name of the Corporation or otherwise), by reason of the fact that ~~the Director~~ he or ~~officer~~ she is or was an authorized representative of the Corporation, or is or was serving at the ~~written~~ request of the Corporation as a representative of another ~~domestic or foreign~~ corporation for profit or not-for-profit, partnership, joint venture, trust or other enterprise, ~~against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Director or officer in connection with such action, suit or proceeding if such Director or officer acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the~~

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best interest of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

~~11.2 Mandatory Advancement of Expenses to Directors and Officers. The Corporation shall pay expenses (including attorneys' fees) incurred by a Director or officer of the Corporation referred to in Section 1 of this Article XI in defending or appearing as a witness in any civil or criminal action, suit or proceeding described in Section 1 of this Article XI in advance of the final disposition of such action, suit or proceeding. The expenses incurred by such Director or officer shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding only upon receipt of an undertaking by or on behalf of such Director or officer to repay all amounts advanced if it shall ultimately be determined that the Director or officer is not entitled to be indemnified by the Corporation as provided in Section 4 of this Article XI.~~

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~~Section 3. Permissive Indemnification and Advancement of Expenses. The Corporation may, as determined by the Board of Directors from time to time, indemnify, in full or in part, to the fullest extent now or hereafter permitted by law, any person who was or is or is threatened to be made a party to or a witness in, or is otherwise involved in, any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was an authorized representative of the Corporation or is or was serving at the request of the Corporation as a representative of another domestic or foreign to the fullest extent now or hereafter permitted by applicable law in connection with such action, suit or proceeding arising out of such person's service to the Corporation or to such other corporation for profit or not for profit, partnership, joint venture, trust or other enterprise, both as to action in his official capacity and as to action in another capacity while holding such office or position, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in conjunction with such action, suit or proceeding if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The Corporation may, as determined by the Board of Directors from time to time, pay expenses incurred by any such person by reason of such person's participation in an action, suit or proceeding referred to in this Section 3 in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as provided in Section 4 of this Article XI at the Corporation's request. The term "representative," as used in this Article VII, shall mean any director, officer or member of a committee created by or pursuant to these Bylaws, and any other person who may be determined by the Board of Directors to be a representative entitled to the benefits of this Article VII.~~

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~~7.2 SeepeRight to Indemnification - Third Party Actions. Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement~~

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actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

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~~Section 4.7.3 **Right to Indemnification**—Indemnification under this article shall not be made by the Corporation in any case where a court determines that the alleged act or failure to act giving rise to the claim for indemnification is expressly prohibited by Chapter 57, Subchapter D of the PNCL or any successor statute as in effect at the time of such alleged action or failure to take action - **Derivative Actions**.~~ Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation; except, however, that indemnification shall not be made under this Section in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the Corporation unless and only to the extent that the Court of Common Pleas of the county in which the registered office of the Corporation is located or the court in which such action, suit or proceeding was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the Court of Common Pleas or such other court shall deem proper.

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~~7.4 **Miscellaneous**—Each Director and officer of the Corporation shall be deemed to act in such capacity in reliance upon such rights of indemnification and advancement of expenses as are provided in this Article.~~**Advance of Expenses.** Unless in a particular case advancement of expenses would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code, expenses (including attorneys' fees) incurred by any representative of the Corporation in defending any action, suit or proceeding referred to in this Article VII shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the representative to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article VII or otherwise.

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7.5 Procedure for Effecting Indemnification. Unless ordered by a court, any indemnification under Sections 7.1, 7.2 or 7.3 of these Bylaws shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such subsections. Such determination shall be made:

(a) By the Board of Directors by a majority of a quorum consisting of directors who were not parties to such action, suit or proceeding; or

(b) If such a quorum is not obtainable, or if obtainable and a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

~~Section 5.7.6 Indemnification Not Exclusive.~~ The ~~rights of~~ indemnification and advancement of expenses provided by ~~or granted pursuant to~~ this Article VII shall not be deemed exclusive of any other rights to which ~~any a~~ person seeking indemnification or advancement of expenses may be entitled under any ~~other provision of these Bylaws,~~ agreement, vote of ~~members (if any),~~ disinterested ~~Directors, statutedirectors~~ or otherwise, both as to action in ~~such person's his or her~~ official capacity and as to action in another capacity while holding such office ~~or position, and~~ shall continue as to a person who has ceased to be an ~~authorized~~ representative of the Corporation and shall inure to the benefit of the heirs, ~~executors and administrators and personal representatives~~ of such person. ~~Any repeal or modification of this Article by the members (if any) or the Board of Directors of the Corporation shall not adversely affect any right or protection existing at the time of such appeal or modification to which any person may be entitled under this Article.~~

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~~11.6 Definition of Authorized Representative.~~ For the purposes of this Article, the term, "authorized representative" shall mean a director, officer (including a former director or officer), or employee of the Corporation or of any corporation controlled by the Corporation, or a trustee, custodian, administrator, committeeman or fiduciary of any employee benefit plan established and maintained by the Corporation or by any corporation controlled by the Corporation, or person serving another corporation, partnership, joint venture, trust or other enterprise in any of the foregoing capacities at the written request of the Corporation. The term "authorized representative" shall not include money managers or investment advisors (or any employees thereof) hired by the Corporation, and shall not include (i) agents of the Corporation unless indemnification thereof is expressly approved by the Board of Directors, or (ii) any Medical Staff appointee serving in his or her teaching or clinical capacity.

~~11.7 Funding to Meet Indemnification Obligations.~~ Subject to the approval of the Member, the Board of Directors shall have the power to borrow money on behalf of the Corporation, including the power to pledge the assets of the Corporation, from time to time to discharge the Corporation's obligations with respect to indemnification, the advancement and reimbursement of expenses, and the purchase and maintenance of insurance for the benefit of the Corporation and any person indemnified pursuant hereto. Upon the approval of the Member, the Corporation may, in lieu of or in addition to the purchase and maintenance of insurance, establish and maintain a fund of any nature or otherwise secure or insure in any manner its indemnification obligations, whether arising pursuant to this Article or otherwise.

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## ARTICLE XII

7.7 When Indemnification Not Made. Indemnification pursuant to this Article VII shall not be made in any case where (a) the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness or (b) indemnification would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code.

7.8 Grounds for Indemnification. Indemnification pursuant to this Article VII, under any other provision of these Bylaws, agreement, vote of directors or otherwise may be granted for any action taken or any failure to take any action and may be made whether or not the Corporation would have the power to indemnify the person under any provision of law except as otherwise provided in this Article VII and whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Corporation. The provisions of this Article VII shall be applicable to all actions, suits or proceedings within the scope of Section 7.1, Section 7.2 or Section 7.3 of these Bylaws, whether commenced before or after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof.

7.9 Power to Purchase Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a representative of the Corporation or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article VII.

7.10 Creation of a Fund to Secure or Insure Indemnification. The Corporation may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising under or pursuant to this Article VII or otherwise.

7.11 Status of Rights of Indemnities. The rights to indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall (a) be deemed to create contractual rights in favor of each person who serves as a representative of the Corporation at any time while this Article is in effect (and each such person shall be deemed to be so serving in reliance on the provisions of this Article), and (b) continue as to a person who has ceased to be a representative of the Corporation.

7.12 Applicability to Predecessor Companies. For purposes of this Article VII, references to the "Corporation" includes all constituent corporations or other entities which shall have become a part of the Corporation by consolidation or merger or other similar transaction and their respective current and former affiliates, and references to "representatives" shall include members of any such corporation, entity or affiliate, so that any person who was a member, director, officer, committee member or other representative of such a corporation, entity or affiliate or served as a member, director, officer, committee member or other

representative of another corporation, partnership, joint venture, trust or other enterprise at the request of any such corporation, entity or affiliate shall stand in the same position under the provisions of this Article VII with respect to the Corporation as he or she would if he or she had served the Corporation in the same capacity. Without limitation of the foregoing, each member, director, officer and committee member of each predecessor to the Corporation shall have the same contract rights as are afforded to pursuant to Section 7.11 of these Bylaws.

### **ARTICLE VIII**

#### **CONTRACTS, LOANS, CHECKS AND DEPOSITS**

8.1 **Contracts.** Subject to Section 3.3 of these Bylaws, the Board of Directors may authorize any officer or officers or agent or agents to enter into any contract or execute or deliver any agreement or instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

8.2 **Loans.** Subject to Section 3.3 of these Bylaws and Section 7.6 of the Affiliation Agreement, the Board of Directors may authorize the borrowing by the Corporation of such sum or sums of money as the Board of Directors may deem advisable, and to mortgage or pledge any or all of the real or personal property and any or all of the other available assets of the Corporation in order to secure the payment of the principal amount of any such borrowing and the interest thereon and any and all such other amounts as may become due on account thereof.

8.3 **Checks.** All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness shall be issued in the name of the Corporation and shall be signed by such officer or officers or agent or agents of the Corporation and in such manner as from time to time shall be determined by the Board of Directors.

8.4 **Deposits.** All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may approve.

### **ARTICLE IX**

#### **NOTICE AND CONDUCT OF MEETINGS**

9.1 **Written Notice.** Except as otherwise provided in these Bylaws, whenever written notice is required to be given by any person under the provisions of any statute or these Bylaws, it may be given by sending a copy thereof through the mail or overnight delivery or by hand delivery, in each case with charges prepaid, or by facsimile transmission confirmed by one of the foregoing methods, to the individual's address appearing on the books of the Corporation or supplied by the individual to the Corporation for the purpose of notice.

9.2 **Written Waiver of Notice.** Whenever any written notice is required as set forth in these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

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9.3 Waiver of Notice by Attendance. Attendance of a person in person at any meeting shall constitute a waiver of notice of such meeting except when a person attends the meeting for the express purpose of objecting to the transaction of any business because the meeting has not been lawfully called or convened.

9.4 Procedure. All meetings of the Board of Directors and the committees thereof shall be conducted in an orderly manner with a view to affording full and fair discussion of the matters properly before such meetings.

#### ARTICLE X MISCELLANEOUS

10.1 No Contract Rights. Except as specifically set forth in Section 7.11 of these Bylaws, no provision of these Bylaws shall vest any property or contract right in any person.

10.2 Corporate Seal. The Board of Directors shall prescribe the form of a suitable corporate seal, which shall contain the full name of the Corporation and the year and state of incorporation.

10.3 Fiscal Year. The fiscal year of the Corporation shall end on such day as shall be fixed by the [Ultimate Parent].

#### ARTICLE XI ~~AMENDMENTS OF THESE BYLAWS AND/OR THE~~ ~~ARTICLES OF INCORPORATION OF THE CORPORATION~~

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~~The power to amend, modify, alter or repeal these Bylaws or the Articles of Incorporation, is hereby exclusively vested in the Member.~~

11.1 Amendments. These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted, only by the [Ultimate Parent], except as expressly set forth in Section 3.3(c)(ii) of these Bylaws.

#### ARTICLE XII CONFLICTS OF INTEREST

12.1 Disclosure. In connection with any actual or possible conflict of interest, an interested person must disclose the existence and nature of his or her financial interest to the Board of Directors and any relevant committee members. For this purpose, an interested person shall include any director, officer, or member of a committee of the Corporation or an entity affiliated with the Corporation who has a direct or indirect financial interest in a proposed transaction. A financial interest shall include: (a) an ownership or investment interest in any entity with which the Corporation has a proposed transaction or arrangement; (b) a compensation

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arrangement with the Corporation or with any entity or individual with which the Corporation has a proposed transaction or arrangement; and (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. If a person is an interested person with respect to any entity in the health care system of which the Corporation is a part, he or she is an interested person with respect to all entities in the health care system.

**12.2 Recusal and Investigation.** After disclosure of the financial interest, the interested person shall leave the Board of Directors or committee meeting while the financial interest is discussed and voted upon. The remaining directors or committee members shall decide if a conflict of interest exists. If a conflict of interest exists, the following procedures shall be followed: (a) the Chief Executive Officer shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement; (b) after exercising due diligence, the Board of Directors or committee shall determine whether the Corporation could obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest; and (c) if a more advantageous transaction or arrangement is not reasonably attainable, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interests and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall decide as to whether to enter into the transaction or arrangement in conformity with such determination.

**12.3 Failure to Disclose.** If a director or committee member has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, he shall inform the interested person of the basis of such belief and afford the interested person an opportunity to explain the alleged failure to disclose. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board of Directors or committee determines that the interested person has in fact failed to disclose an actual or possible conflict of interest, the Board of Directors shall take appropriate steps to protect the Corporation.

**12.4 Record of Actions.** The minutes of the Board of Directors and all relevant committees shall contain the following: (a) the names of persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' or committee's decision as to whether a conflict of interest in fact existed; and (b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

**12.5 Compensation.** Special procedures shall be in effect with respect to compensation issues. A voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation. Physicians who receive compensation from the Corporation, whether directly or indirectly or as employees or independent contractors, are precluded from

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membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.

12.6 Annual Statements. Each interested person shall annually sign a statement that affirms that such person (a) has received a copy of the conflicts of interest policy, (b) has read and understands the policy, (c) has agreed to comply with the policy, and (d) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes. This policy shall be reviewed annually for the information and guidance of members of the Board of Directors, and any new director or committee member shall be advised of the policy upon entering into the duties of his or her office. In addition, the Corporation shall conduct periodic reviews of its activities, including any transactions or arrangements with interested persons, to ensure that its activities in the aggregate promote and further the Corporation's exempt charitable, scientific, and educational purposes.

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**EXHIBIT F**

**AMENDED AND RESTATED  
BYLAWS  
OF  
WEST PENN ALLEGHENY HEALTH SYSTEM, INC.**

**Effective Date: \_\_\_\_\_, 20\_\_**

**PRELIMINARY DRAFT SUBJECT TO REVISION**

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**AMENDED AND RESTATED BYLAWS**

**OF**

**WEST PENN ALLEGHENY HEALTH SYSTEM, INC.**

**ARTICLE I**

**NAME AND PURPOSES**

**1.1 Name.**

The name of the Corporation is West Penn Allegheny Health System, Inc. The Corporation may do business under such other names as may be determined by the Board of Directors.

**1.2 Purposes.**

The Corporation is organized under the Pennsylvania Nonprofit Corporation Law, (the “Nonprofit Corporation Law”) for scientific, educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and in this connection is organized:

(a) To provide, maintain, operate, and support, directly and through its controlled affiliates, the provision, maintenance, management, and operation of, on a nonprofit basis, in-patient and out-patient hospital facilities and health care services for the benefit of persons who require medical care and services of the kind customarily furnished most effectively by hospitals, without regard to race, creed, color, sex, age, religion, national origin, sexual orientation, ability to pay, or any other criteria not related to medical indications for admission or treatment;

(b) To carry on educational and scientific activities related to the care of the sick and injured;

(c) To carry on scientific research related to the care of the sick and injured;

(d) To carry on activities designed to promote the general health of the communities in which it operates;

(e) To operate as part of the nonprofit regional health care system governed by [*name of Ultimate Parent Entity*], a Pennsylvania nonprofit corporation (“Ultimate Parent”), and support a health care provider network comprised of the Corporation and those corporations and other entities over which the Corporation exercises governance control (the “subsidiaries”), each of which (i) operates, raises funds for, or conducts activities otherwise ancillary to the operation of, health care facilities in order to extend health care to sick, injured and disabled persons, without regard to age, sex, race, religion, national origin or sexual orientation, or (ii) carries on educational and/or scientific research activities related to the causes, diagnosis,

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treatment, prevention or control of physical or mental diseases and impairments of persons, and each of which is an organization exempt from taxation under Section 501(c)(3) of the Code and classified as other than private foundations under Section 509(a)(1), 509(a)(2) or 509(a)(3) of the Code;

(f) To carry out such other acts and to undertake such other activities as may be necessary, appropriate or desirable in furtherance of or in connection with the conduct, promotion or attainment of the foregoing purposes, provided, that none of such activities shall be undertaken which would cause the Corporation to lose its status as an organization described in Section 501(c)(3) of the Code, or as an organization contributions to which are deductible under Section 170(c)(2) of the Code; and

(g) To otherwise operate exclusively for charitable, scientific or educational purposes within the meaning of Section 501(c)(3) of the Code.

**ARTICLE II**

**OFFICES**

**2.1 Registered Office.**

The registered office of the Corporation shall at all times be within the Commonwealth of Pennsylvania at such address as may be established by the Board of Directors.

**2.2 Business Offices.**

The Corporation may have business offices at such places permitted by law as the business of the Corporation may require.

**ARTICLE III**

**MEMBERS**

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**3.1 Membership.**

The Corporation shall have one (1) member, which shall be [*name of Provider Subsidiary*] (the "Member"). There shall be no other members or classes of membership. The Chief Executive Officer or the President of the Member shall be entitled to vote on behalf of the Member in accordance with the authority granted to the Chief Executive Officer or the President of the Member unless the Member notifies the Corporation in writing that another officer is authorized to vote on behalf of the Member.

**3.2 Meetings.**

(a) Annual Meeting. The annual meeting of the Member of the Corporation shall be held immediately following the annual meeting of the Board of Directors of the Member, or at such other time as the Member may determine, to elect members of the Board of

**PRELIMINARY DRAFT SUBJECT TO REVISION**

Directors and officers of the Corporation, and to transact such other business as may come before the meeting.

(b) Special Meetings. Special meetings of the Member may be called by the Chairperson of the Board of the Corporation, one-third (1/3) of the members of the Board of Directors of the Corporation or by one-third (1/3) of the members of the Board of Directors of the Member.

(c) Notice of Meetings. Notice of any meeting of the Member shall be given by, or at the direction of, the Secretary of the Corporation at least then (10) days prior to the day named for a meeting that will consider a fundamental change under Chapter 59 of the Nonprofit Corporation Law or five days prior to the day named for the meeting in any other case.

(d) Written Consent. Any action which may be taken at a meeting of the Member may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by the Member and filed with the Secretary.

**3.3 Powers.**

(a) Reserved Powers of Member. For so long as such rights and powers do not result in the revocation of the Corporation's status as an organization described in Section 501(c)(3) of the Code, the Member shall have the right and power to make recommendations to Ultimate Parent with respect to actions by Ultimate Parent on the matters reserved to Ultimate Parent under Section 3.3(b) of these Bylaws. Ultimate Parent shall have no obligation to approve any such recommendations, and Ultimate Parent may take actions that have not been recommended by, or that are contrary to recommendations of, the Member.

(b) Reserved Powers of Ultimate Parent. For so long as such rights and powers do not result in the revocation of the Corporation's status as an organization described in Section 501(c)(3) of the Code, the following rights and powers are reserved to Ultimate Parent:

(i) Subject to the provisions of Section [4.2 and 4.3] of these Bylaws, to determine the number of directors that will comprise the Board of Directors of the Corporation ~~and the subsidiaries;~~

(ii) Subject to the provisions of Section [4.2, 4.3, 4.4 and 4.5] of these Bylaws, to elect the directors of the Corporation ~~and the subsidiaries;~~

(iii) Subject to Sections [4.2 and 4.7(b)] of these Bylaws, to remove of any of the directors of the Corporation ~~and subsidiaries and to~~ replace any such director for the unexpired portion of his or her term;

(iv) To approve the election, re-election and removal of all officers, including the Chief Executive Officer, of the Corporation and the subsidiaries in accordance with Article V;

(v) Subject to Section [7.1(a)] of the Affiliation Agreement, dated as of ~~October 31, 2011~~, among Ultimate Parent, the Corporation, Highmark Inc., Member,

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Canonsburg General Hospital, Alle-Kiski Medical Center and the other WPAHS Subsidiaries as defined therein (the "Affiliation Agreement"), to amend, revise or restate the Corporation's and the subsidiaries' Articles of Incorporation and Bylaws; provided however, that Ultimate Parent shall have no power to amend, revise or restate Section 4.2(b), Section 4.7(b)(i), or this proviso of Section 3.3(b)(v) of these Bylaws, each of which may be amended only upon the concurrent approval of both (a) a majority of those Directors of the Corporation that are elected by UPE to serve as Directors, voting as a class, and (b) a majority of the Self-Perpetuating Directors (as defined in Section 4.2(b)), voting as a class;

(vi) Subject to Section [7.5(i)] of the Affiliation Agreement, to adopt or change the mission, purpose, philosophy or objectives of the Corporation or the subsidiaries;

(vii) Subject to Sections [7.5(i) and 7.6] of the Affiliation Agreement, to change the general structure of the Corporation or any of the subsidiaries as a voluntary, nonprofit corporation;

(viii) Subject to Sections [7.5(i) and 7.6] of the Affiliation Agreement, to (1) dissolve, divide, convert or liquidate the Corporation or the subsidiaries, (2) consolidate or merge the Corporation or the subsidiaries with another corporation or entity, (3) sell or acquire assets, whether in a single transaction or series of transactions, where the consideration exceeds 1% of the Corporation's consolidated total assets;

(ix) To approve the annual consolidated capital and operating plan and budget of the Corporation and the subsidiaries, and any amendments thereto or significant variances therefrom;

(x) Subject to Section [7.6] of the Affiliation Agreement, to approve the incurrence of debt by the Corporation and the subsidiaries or the making of capital expenditures by the Corporation and the subsidiaries during any fiscal year of the Corporation, in either case in excess of one quarter of 1% of the consolidated annual operating budget of the Corporation for such fiscal year, if such debt or capital expenditures are not included in the Corporation's or subsidiaries' approved budgets, whether in a single transaction or a series of related transactions;

(xi) Subject to Section [7.6] of the Affiliation Agreement, to approve any donation or any other transfer of the Corporation's or the subsidiaries' assets, other than to the Member or to the Corporation by the subsidiaries, in excess of \$10,000.00, unless specifically authorized in the Corporation's or the subsidiaries' approved budgets;

(xii) Subject to Section [7.5] of the Affiliation Agreement, to approve strategic plans and mission statements of the Corporation and the subsidiaries;

(xiii) To approve investment policies of the Corporation and the subsidiaries;

(xiv) To approve the closure or relocation of a licensed healthcare facility of the Corporation and the subsidiaries;

**PRELIMINARY DRAFT SUBJECT TO REVISION**

(xv) Subject to Section [7.5(i) and 7.6] of the Affiliation Agreement, to approve the formation of subsidiary corporations, partnerships and joint ventures or to make investments in existing subsidiary corporations, partnerships and joint ventures, if the new investments of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures during any fiscal year would, in the aggregate, exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year of the Corporation;

(xvi) Subject to Section [7.5(i) and 7.6] of the Affiliation Agreement, to approve the dissolution of subsidiary corporations, partnerships and joint ventures of the Corporation and the subsidiaries, if the aggregate value of the ownership interests of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures so dissolved in any fiscal year would exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year;

(xvii) To establish and manage the Corporation's program for compliance with all legal requirements applicable to the Corporation and the hospitals operated by the Corporation (the "Corporation Hospitals"), all accreditation and licensing requirements and the conditions of participation in all governmental payor programs applicable to the Corporation or the Corporation Hospitals;

(xviii) To select and appoint auditors and to designate the fiscal year of the Corporation and the subsidiaries; and

(xix) To give such other approvals and take such other actions as are specifically reserved to members of Pennsylvania nonprofit corporations under the Nonprofit Corporation Law.

Except as may otherwise be provided by the Nonprofit Corporation Law, Ultimate Parent; shall have the right to both initiate and approve action in furtherance of such reserved powers, as well as the authority to directly bind the Corporation and the subsidiaries on such matters. Any action taken in this regard by Ultimate Parent shall be sufficient to finally approve and adopt such actions and no action of the Board of Directors or other governing body or officer with respect to such action shall be necessary with respect thereto.

**ARTICLE IV**

**BOARD OF DIRECTORS**

**4.1 Powers and Duties.**

Subject to Section 3.3 of these Bylaws, all powers of the Corporation shall be vested in the Board of Directors, which shall have charge, control and management of the property, business, affairs and funds of the Corporation and shall have the power and authority to perform all necessary and appropriate functions not otherwise inconsistent with these Bylaws, the Articles of Incorporation or applicable law.

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Subject to Section 3.3 of these Bylaws, and without limiting the generality of the foregoing and except as otherwise may be provided in these Bylaws, the Board of Directors shall have full power and the duty:

- (a) To set policies and provide for carrying out the purposes of the Corporation;
- (b) To make rules and regulations for its own governance and for the governance of the committees appointed by the Board of Directors as provided herein;
- (c) To adopt and amend from time to time such rules and regulations for the conduct of the business of the Corporation as may be appropriate or desirable.
- (d) To manage the Medical Staffs as contemplated in Article VIII hereof;
- (e) To adopt, amend, repeal and restate the Medical Staff Bylaws, as proposed by the Medical Staff pursuant to these Bylaws;
- (f) To maintain the quality of patient care; and
- (g) To periodically reexamine the relationship of the Board of Directors to the communities of the Corporation Hospitals.

**4.2 Election of Directors.**

- (a) **General.** Subject to the limitations set forth in this Section 4.2 of these Bylaws, Ultimate Parent shall elect all directors.
- (b) **Self-Perpetuating Directors.** Not less than 25% of the Board of Directors shall consist of directors ("Self Perpetuating Directors") who are elected in accordance with this Section 4.2(b). The initial Self Perpetuating Directors shall be designated by the Board of Directors of this Corporation immediately prior to [*Closing Date*] and shall be community representatives and physicians affiliated with the Corporation . Any vacancy in the Board of Directors caused by the death, resignation or removal of a Self-Perpetuating Director or by the expiration of the term of a Self-Perpetuating Director shall be filled by a person designated by a majority of the remaining Self-Perpetuating Directors. If the number of directors is increased or decreased, additional Self-Perpetuating Directors shall be elected or existing Self-Perpetuating Directors may be removed, as the case may be, by a majority of the existing Self-Perpetuating Directors, such that the number of Self-Perpetuating Directors is as close as possible to, but not less than, 25% of all directors on the Board of Directors after such increase or decrease. Until [*date that is four years after the Closing Date*], any new Self-Perpetuating Director must be a community representative or a physician affiliated with the Corporation. At no time shall any Self-Perpetuating Director or his or her successor in perpetuity contemporaneously be a trustee, director, agent or employee of Ultimate Parent, Provider Subsidiary or any of their respective related entities (except for such Self-Perpetuating Directors' service on the Corporation's Board of Directors).

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(c) Non-Self Perpetuating Representatives. On [*Closing Date*], Ultimate Parent, after consultation with WPAHS, shall elect such number of community representatives and physicians affiliated with the Corporation to the Board of Directors ("Non-Self Perpetuating Representatives") such that the Non-Self Perpetuating Representatives and the Self-Perpetuating Directors together constitute at least forty percent (40%) of all the directors serving on the Board of Directors. Until [*date that is four years after the Closing Date*], any vacancy in the Board of Directors caused by the death, resignation or removal of a Non-Self Perpetuating Representative or by the expiration of the term of a Non-Self Perpetuating Representative shall be filled by Ultimate Parent from nominee(s) identified by a majority of the remaining Non-Self Perpetuating Representatives and the Self-Perpetuating Directors. All Non-Self Perpetuating Representatives must be community representatives or physicians affiliated with the Corporation.

**4.3 Number/Qualifications.**

(a) Composition. Subject to Section 4.2 of these Bylaws, the Board of Directors shall consist of such number of persons as the Ultimate Parent Member may determine, but in no case less than three (3).

(b) Certain Qualifications. No individual may be elected to the Board of Directors unless the individual is eligible to serve on the Board of Directors pursuant to applicable law, the Articles of Incorporation and these Bylaws. Each director shall be a natural person of at least 18 years of age.

(c) Independence. At least a majority of the directors shall be persons whom the Board of Directors has determined are "independent directors" within the meaning of such term as defined by the Internal Revenue Service for exempt organizations under Section 501(c)(3) of the Code, and as such, are broadly representative of the community. No director, other than the Ex-Officio Director, shall be an officer or employee of the Corporation or any entity controlled by the Corporation.

(d) Common Directors With Member and Ultimate Parent. The members of the Board of Directors must include at least one person who is also serving as a member of the board of directors of Member and Ultimate Parent. The same member of the Board of Directors need not be serving on both such boards.

(e) SEC Actions. Any person who is, or ever has been, subject to an order of a court or the Securities and Exchange Commission prohibiting such person from acting as an officer or director of a public company shall not be eligible to serve as a director.

(f) Age Limitations. No person who is seventy-five (75) years of age or older may be nominated or re-nominated for election or re-election as a director. Any director who reaches the age of seventy-five (75) shall no longer be qualified to serve as a director after the next annual meeting of the Board of Directors.

**4.4 Election and Term.**

(a) Term of Directors. The Board of Directors shall be divided, as evenly as practicable, into three classes and shall serve staggered terms. Except as otherwise indicated in

**PRELIMINARY DRAFT SUBJECT TO REVISION**

this Section 4.4(a), at the end of their respective initial terms, all directors shall serve for terms of three (3) years or until their successors are elected and have qualified. If the term of any of the Non-Self Perpetuating Representatives expires prior to *[date that is four years after the Closing Date]*, the remaining Non-Self Perpetuating Representatives shall re-elect the Non-Self Perpetuating Representative for such additional term that may be necessary to assure that such Non-Self Perpetuating Representative serves on the Board until at least *[date that is four years after Closing]*.

(b) **Chairperson.** The Board of Directors shall elect from among the directors an individual to serve as Chairperson of the Board. The Chairperson shall not be an employee of the Corporation. The Chairperson shall preside at all meetings of the Board of Directors and shall perform all duties incident to the office of Chairperson of the Board and such other duties as may be prescribed by the Board of Directors.

(c) **Vice Chairperson.** The Board of Directors may elect from among the directors a Vice Chairperson of the Board. The Vice Chairperson shall not be an employee of the Corporation. The Vice Chairperson shall perform the duties of the office of Chairperson of the Board in the absence of the Chairperson of the Board and such other duties as may be prescribed by the Board of Directors.

**4.5 Vacancies.**

Any vacancy in the Board of Directors caused by the death, resignation or removal of a director or a director ceasing to qualify to serve as a director prior to the expiration of that director's term between annual meetings of Ultimate Parent shall be filled by an individual elected by Ultimate Parent, except as otherwise provided in Section 4.2(b) or 4.2(c) of these Bylaws with respect to Self-Perpetuating Directors and Non-Self Perpetuating Representatives.

**4.6 Meetings.**

(a) **Annual Meetings.** The annual organizational meeting of the Board of Directors shall be held on such other date as the Board of Directors may determine, at such time and place as shall be determined by the Board of Directors, without further notice than the resolution setting such date, time and place.

(b) **Regular Meetings.** Regular meetings of the Board of Directors shall be held not less than four (4) times a year, each at such date, time and place as shall be determined by the Board of Directors, without further notice than the resolution setting such date, time and place.

(c) **Special Meetings.** Special meetings of the Board of Directors may be called at any time by the Chairperson of the Board, the Chief Executive Officer or one-third (1/3) of the members of the Board of Directors, the date, time and place of each such meeting to be designated in the notice calling the meeting. Notice of any special meeting of the Board of Directors shall be given at least forty-eight (48) hours prior thereto and shall state the general nature of the business to be transacted.

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(d) Adjournment. When a meeting of the Board of Directors is adjourned, it shall not be necessary to give any notice of the adjourned meeting or the business to be transacted at the adjourned meeting other than by announcement at the meeting at which such adjournment is taken.

(e) Quorum. Directors constituting a majority of the directors in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

(f) Voting and Action. Each director shall be entitled to one vote on any matter submitted to a vote of the Board of Directors, and action by the Board of Directors on any matter shall require the affirmative vote of a majority of the directors in office unless a greater proportion of affirmative votes is required by applicable law, the Articles of Incorporation or these Bylaws.

(g) Use of Conference Telephone. Except as the Board of Directors otherwise may determine, one or more persons may participate in a meeting of the Board of Directors or of any committee thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and be heard by each other. Participation in a meeting in such manner shall constitute presence in person at the meeting.

(h) Action by Unanimous Written Consent. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all of the directors in office and filed with the Secretary.

**4.7 Resignation/Removal.**

(a) Resignation. Any director may resign his or her office at any time, such resignation to be made in writing and to take effect immediately or at such subsequent time stated in such writing. Any director who ceases to meet the eligibility requirements contained in applicable law or in these Bylaws to serve as a director forthwith shall resign his or her office, such resignation to be made in writing and to take effect immediately.

(b) Removal. Any director may be removed, with or without cause, by Ultimate Parent; provided, that (i) only a majority of the other Self-Perpetuating Directors may remove a Self-Perpetuating Director, whether with or without “cause”, and (ii) prior to [*date that is four years after the Closing Date*], Ultimate Parent may remove Non-Self Perpetuating Representatives only for “cause” unless a majority of the other Non-Self Perpetuating Representatives has consented to the removal. For this purpose “cause” shall mean:

- (i)a) the director is declared of unsound mind by an order of court;
- (ii)b) the director is indicted for, or convicted of, or enters a plea of guilty or nolo contendere to, a felony;
- (iii)c) the director engages in fraudulent or dishonest acts or in any act of moral turpitude;

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~~(iv)~~d) the director engages in gross abuse of authority or discretion with respect to the Corporation;

~~(v)~~e) the director violates the Corporation's [Code of Conduct Policy];

~~(vi)~~f) the director fails to attend [four] consecutive meetings of the Board of Directors;

~~(vii)~~g) the director engages in other conduct that is detrimental to the best interests of the Corporation or its reputation; or

~~(viii)~~h) the director has breached such director's duties under Section 5712 of the Nonprofit Corporation Law.

**4.8 Limitation of Liability.**

(a) Limitation of Liability. To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, permit elimination or limitation of the liability of directors, no director of the Corporation shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a director.

(b) Nature and Extent of Rights. The provisions of this Section 4.8 shall be deemed to be a contract with each director of the Corporation who serves as such at any time while this Section is in effect and each such director shall be deemed to be so serving in reliance on the provisions of this Section. Any amendment or repeal of this Section or adoption of any Bylaw or provision of the Articles of the Corporation which has the effect of increasing director liability shall operate prospectively only and shall not affect any action taken, or any failure to act, prior to the adoption of such amendment, repeal, Bylaw or provision.

**4.9 Compensation.**

The Board of Directors may determine the compensation of directors for their services as directors, members of committees of the Board of Directors or otherwise, and also may determine the compensation of persons who are not directors who serve on any committees established by the Board of Directors; provided that such compensation is reasonable compensation within the meaning of Section 4958 of the Code.

**ARTICLE V**

**OFFICERS**

**5.1 Officers; Election.**

The principal officers of the Corporation shall be a Chief Executive Officer, a Chief Financial Officer, a Treasurer and a Secretary, each of whom shall be elected by the Board of Directors, subject to the approval of Ultimate Parent, and such other officers as the Board of Directors, subject to the approval of Ultimate Parent, may elect, which may include one or more Presidents, one or more Executive, Senior or Corporate Vice Presidents, and one or more

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Assistant Treasurers or Assistant Secretaries. Each such officer shall hold office for a term of one year (or such other term as the Board of Directors shall determine for any office from time to time) and until his or her successor has been selected and qualified or until his or her earlier death, resignation or removal. Any number of offices may be held by the same person.

**5.2 Responsibilities of Officers.**

(a) Chief Executive Officer. The Chief Executive Officer shall be responsible for the general and active management of the business and affairs of the Corporation and shall exercise general supervision and authority over all of its agents and employees and shall perform all duties incident to the office of Chief Executive Officer and such other duties as may be assigned by the Member or the Board of Directors. The Chief Executive Officer shall supervise the implementation of all policies, orders and resolutions of the Board of Directors and shall execute all contracts and agreements authorized by the Board of Directors, except that he or she may delegate to other officers of the Corporation the power to execute contracts in the ordinary course of business or as otherwise may be authorized by the Board of Directors.

(b) President(s). The President(s) shall be responsible for the direct administration, supervision and control of such activities in the management of the Corporation as may be assigned by the Chief Executive Officer or the Board of Directors.

(c) Chief Financial Officer. The Chief Financial Officer shall be responsible for financial accounting and reporting for the Corporation and such other duties as may be assigned by the Chief Executive Officer or the Board of Directors.

(d) Vice Presidents. Each Vice President shall perform such duties as may be assigned by the Chief Executive Officer or the Board of Directors.

(e) Treasurer. The Treasurer shall, in accordance with the policies of the Board of Directors and under the direction of the Chief Executive Officer or the Chief Financial Officer, have general charge and custody of and be responsible for all funds and securities of the Corporation, and shall make such reports in such form and manner as the Chief Executive Officer, the Chief Financial Officer or the Board of Directors may direct. The Treasurer shall receive and give receipts for monies due and payable to the Corporation and deposit such monies in the name of the Corporation in such banks, trust companies or other depositories as may be selected in accordance with the provisions of these Bylaws. The Treasurer shall keep account of such receipts and deposits and approve expenditures of the Corporation and shall perform all duties incident to the office of Treasurer and such other duties as may be assigned by the Chief Executive Officer, the Chief Financial Officer or the Board of Directors.

(f) Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors and its committees in one or more books provided for that purpose, shall notify members of the Board of Directors of their election, shall see that all notices are duly given in accordance with the provisions of these Bylaws, shall be custodian of the corporate records and of the seal of the Corporation, and shall see that the seal of the Corporation is affixed, when necessary, to all instruments and documents the execution of which has been authorized by the Board of Directors or a committee thereof, shall keep a record of the address of

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each director, and shall perform all duties incident to the office of Secretary and such other duties as may be assigned by the Chief Executive Officer or the Board of Directors. In the absence of the Secretary or in the event of his or her inability to act, the Chairperson of the Board of Directors shall appoint an individual to discharge the duties of the Secretary.

(g) Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries and Assistant Treasurers shall perform such duties as may be assigned by the Secretary or the Treasurer, respectively, or by the Chief Executive Officer or the Chief Financial Officer, as appropriate, or the Board of Directors.

### 5.3 Removal of Officers.

Any officer of the Corporation (including the Chief Executive Officer) may be removed, with or without cause, by the Board of Directors, subject to the approval of Ultimate Parent, without prejudice to such officer's contractual rights, if any.

### 5.4 Bonds.

The Board of Directors may require any officer to give bond and security in such sum and with such surety or sureties as the Board of Directors may determine.

## ARTICLE VI COMMITTEES

### 6.1 Committees.

(a) Standing Board Committees. The Board of Directors shall have a Corporate Governance and Nominating Committee, an Audit Committee and a Personnel and Compensation Committee and the Board of Directors may establish such other standing committees as it deems to be necessary or desirable (the "Standing Board Committees"). All Standing Board Committees shall be comprised solely of directors and shall have charters governing their powers and duties, which charters shall be approved by the Board of Directors. The Board of Directors shall appoint the members and a chairperson and a vice chairperson of each Standing Board Committee.

(b) Special Committees and Program Committees. The Board of Directors may establish one or more special committees of directors ("Special Committees") to advise the Board of Directors and to perform such other functions as the Board of Directors determines, including without limitation a Medical Education and Research Committee and a Quality and Satisfaction Committee. The Board of Directors may establish one or more committees, which may include directors and persons who are not directors, to assist it with aspects of the Corporation's operations ("Program Committees"). Subject to the provisions of these Bylaws, the Board of Directors may delegate such authority to a Special Committee or a Program Committee as it deems to be appropriate and desirable and as is not prohibited by applicable law. The Board of Directors shall establish the manner of selecting members, chairpersons and vice chairpersons, if any, and the terms of office of the members of each Special Committee and Program Committee.

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**6.2 Term.**

Except as otherwise provided in these Bylaws, each member of a Standing Board Committee shall continue as such until the next annual meeting of the Board of Directors or until a successor has been appointed as provided herein, unless such person resigns, is removed or otherwise ceases to serve on such Standing Board Committee for any reason.

**6.3 Quorum and Action.**

Except as otherwise provided in these Bylaws or the charter of a committee approved by the Board of Directors, a majority of the members comprising any committee appointed by the Board of Directors pursuant to these Bylaws shall constitute a quorum for the transaction of business, and the acts of a majority of committee members present at a meeting at which a quorum is present shall constitute the acts of the committee, unless a greater proportion is required by applicable law, the Articles of Incorporation or these Bylaws.

**6.4 Action by Unanimous Written Consent.**

Except as otherwise provided in these Bylaws or a charter of a committee approved by the Board of Directors, any action which may be taken at a meeting of any committee appointed by the Board of Directors pursuant to these Bylaws may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all of the members of such committee and filed with the Secretary.

**6.5 Removal.**

Any member of a Standing Board Committee, Special Committee or Program Committee may be removed at any time, with or without cause, by the Board of Directors at any regular or special meeting.

**6.6 Vacancies.**

Any vacancy in any Standing Board Committee, Special Committee or Program Committee caused by the death, resignation or removal of a member of such committee prior to the expiration of that member's term shall be filled by another person appointed by the Board of Directors. The member so appointed shall serve the remaining unexpired term of the member so replaced.

**6.7 Exclusions from Committee Membership.**

Physicians who receive compensation from the Corporation, whether directly or indirectly or as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.

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**6.8 Corporate Governance and Nominating Committee.**

(a) Composition. The Corporate Governance and Nominating Committee shall consist of such number of directors, but in no case less than three (3), as may be determined by the Board of Directors. None of the members of the Corporate Governance and Nominating Committee shall be employees of the Corporation or of any entity controlled by the Corporation.

(b) Responsibilities. In addition to any responsibilities delegated to it by the Board of Directors, the Corporate Governance and Nominating Committee shall be responsible for:

(i) Recommending candidates for election as directors at each annual meeting of [*Ultimate Parent Entity*];

(ii) Recommending to [*Ultimate Parent Entity*] candidates for election as directors to fill any vacancies occurring on the Board of Directors; and

(iii) Recommending candidates for election or reelection as Chairperson of the Board and Vice Chairperson of the Board.

(c) Timing. At least fifteen (15) days before each annual, regular or special meeting of the Member, the Corporate Governance and Nominating Committee shall recommend the requisite number of individuals who satisfy the qualifications established in these Bylaws for election as directors of the Corporation.

**6.9 Audit Committee.**

(a) Composition. The Audit Committee shall consist of such number of directors, but in no case less than three (3), as the Board of Directors shall determine. None of the members of the Audit Committee shall be employees of the Corporation or of any entity controlled by the Corporation.

(b) Responsibilities. In addition to any responsibilities delegated to it by the Board of Directors, the Audit Committee shall be responsible for accepting the annual independent audit report of the Corporation's financial statements, as prepared by the external auditors, and render or cause to be rendered an audit report to the Board of Directors at its annual meeting.

**6.10 Personnel and Compensation Committee.**

(a) Composition. The Personnel and Compensation Committee shall consist of such number of directors, in no case less than three (3), as the Board of Directors shall determine. None of the members of the Personnel and Compensation Committee shall be employees of the Corporation or of any entity controlled by the Corporation or of any entity controlled by the Corporation and none may have a conflict of interest as defined in Section 4958 of the Code and applicable regulations.

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(b) Responsibilities. In addition to any responsibilities delegated to it by the Board of Directors, the Personnel and Compensation Committee shall be responsible for:

- (i) Evaluating the performance of the principal officers of the Corporation; and
- (ii) Recommending to the Board of Directors for recommendation to Ultimate Parent the selection and compensation of the principal officers of the Corporation.

**ARTICLE VII**

**INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS**

**7.1 Right to Indemnification - General.**

Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (whether brought by or in the name of the Corporation or otherwise), by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation to the fullest extent now or hereafter permitted by applicable law in connection with such action, suit or proceeding arising out of such person's service to the Corporation or to such other corporation, partnership, joint venture, trust or other enterprise at the Corporation's request. The term "representative," as used in this Article VII, shall mean any director, officer, ~~or member of a~~ ~~employee, including any employee who is a medical doctor, lawyer or other licensed~~ ~~professional or any~~ committee created by or pursuant to these Bylaws, and any other person who may be determined by the Board of Directors to be a representative entitled to the benefits of this Article VII.

**7.2 Right to Indemnification - Third Party Actions.**

Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with

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respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

**7.3 Right to Indemnification - Derivative Actions.**

Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation; except, however, that indemnification shall not be made under this Section 7.3 in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the Corporation unless and only to the extent that the Court of Common Pleas of the county in which the registered office of the Corporation is located or the court in which such action, suit or proceeding was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the Court of Common Pleas or such other court shall deem proper.

**7.4 Advance of Expenses.**

Unless in a particular case advancement of expenses would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code, expenses (including attorneys' fees) incurred by any representative of the Corporation in defending any action, suit or proceeding referred to in this Article VII shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the representative to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article VII or otherwise.

**7.5 Procedure for Effecting Indemnification.**

Unless ordered by a court, any indemnification under Section 7.1, Section 7.2 or Section 7.3 of these Bylaws shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such subsections. Such determination shall be made:

- (a) By the Board of Directors by a majority of a quorum consisting of directors who were not parties to such action, suit or proceeding; or
- (b) If such a quorum is not obtainable, or if obtainable and a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

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**7.6 Indemnification Not Exclusive.**

The indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any other provision of these Bylaws, agreement, vote of disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office shall continue as to a person who has ceased to be a representative of the Corporation and shall inure to the benefit of the heirs and personal representatives of such person.

**7.7 When Indemnification Not Made.**

Indemnification pursuant to this Article VII shall not be made in any case where (a) the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness or (b) indemnification would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code.

**7.8 Grounds for Indemnification.**

Indemnification pursuant to this Article VII, under any other provision of these Bylaws, agreement, vote of directors or otherwise may be granted for any action taken or any failure to take any action and may be made whether or not the Corporation would have the power to indemnify the person under any provision of law except as otherwise provided in this Article VII and whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Corporation. The provisions of this Article VII shall be applicable to all actions, suits or proceedings within the scope of Section 7.1, Section 7.2 or Section 7.3 of these Bylaws, whether commenced before or after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof.

**7.9 Power to Purchase Insurance.**

The Corporation may purchase and maintain insurance on behalf of any person who is or was a representative of the Corporation or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article VII.

**7.10 Creation of a Fund to Secure or Insure Indemnification.**

The Corporation may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising under or pursuant to this Article VII or otherwise.

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**7.11 Status of Rights of Indemnities.**

The rights to indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall (a) be deemed to create contractual rights in favor of each person who serves as a representative of the Corporation at any time while this Article is in effect (and each such person shall be deemed to be so serving in reliance on the provisions of this Article), and (b) continue as to a person who has ceased to be a representative of the Corporation.

**7.12 Applicability to Predecessor Companies.**

For purposes of this Article VII, references to the "Corporation" includes all constituent corporations or other entities which shall have become a part of the Corporation by consolidation or merger or other similar transaction and their respective current and former affiliates, and references to "representatives" shall include members of any such corporation, entity or affiliate, so that any person who was a member, director, officer, committee member or employee, agent or other representative of such a corporation, entity or affiliate or served as a member, director, officer, committee member or employee, agent or other representative of another corporation, partnership, joint venture, trust or other enterprise at the request of any such corporation, entity or affiliate shall stand in the same position under the provisions of this Article VII with respect to the Corporation as he or she would if he or she had served the Corporation in the same capacity. Without limitation of the foregoing, each member, director, officer and committee member employee of each predecessor to the Corporation shall have the same contract rights as are afforded ~~to directors, officers and employees of the Corporation~~ pursuant to Section 7.11 of these Bylaws.

**ARTICLE VIII**

**MEDICAL STAFFS**

**8.1 Medical Staffs Generally.**

The Board of Directors shall create one functional unit within Allegheny General Hospital ("AGH Medical Staff") and one functional unit covering both The Western Pennsylvania Hospital - West Penn Campus, and The Western Pennsylvania Hospital - Forbes Regional Campus ("WPH Medical Staff"; the AGH Medical Staff and the WPH Medical Staff are sometimes hereinafter referred to collectively as the "Medical Staffs"; each a "Medical Staff"). The AGH Medical Staff and the WPH Medical Staff shall each be composed of physicians, dentists, and such other health care practitioners as determined by the Board of Directors. Each Medical Staff shall be delegated the responsibility for making recommendations at their respective Corporation Hospital(s) concerning clinical privileges, the medical staff appointment of practitioners, the quality of medical care delivered in the respective Corporation Hospital(s), and the rules and regulations governing the practice of practitioners within such Corporation Hospital(s). The AGH Medical Staff shall be an internal component of Allegheny General Hospital and the WPH Medical Staff shall be an internal component of The Western Pennsylvania Hospital - West Penn Campus and The Western Pennsylvania Hospital - Forbes Regional Campus. Each Medical Staff shall have bylaws outlining its structure and function so

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that it may fulfill its delegated responsibilities in an effective fashion. Only such Medical Staff Bylaws as are adopted by the Board of Directors shall be effective. The Board of Directors retains the right to rescind any authority or procedures delegated to either or both of the AGH Medical Staff or the WPH Medical Staff by bylaws or otherwise and to amend the bylaws as necessary for the good operation of the relevant Corporation Hospital. The power of the Board of Directors to adopt or amend Medical Staff bylaws, rules, and regulations, shall not be dependent upon ratification by the respective Medical Staff.

**8.2 Organization of Medical Staff.**

The AGH Medical Staff and the WPH Medical Staff shall be divided into clinical departments. The appointment of clinical department chairs and of all Medical Staff standing committee chairs for each Medical Staff shall be approved by the Board of Directors.

**8.3 Appointment to Medical Staff.**

All appointments to the AGH Medical Staff and to the WPH Medical Staff shall be made by the Board of Directors for a period not to exceed two years. Appointments, reappointments, and the delineation of privileges shall be made in accordance with such Corporation Hospital's policy and/or its or their Medical Staff bylaws; provided, however, that nothing therein contained shall limit the legal rights and obligations of the Board of Directors with respect to such matters.

**8.4 Denial of Privileges.**

In the circumstances delineated in, as appropriate, the AGH Medical Staff bylaws or the WPH Medical Staff Bylaws and to the extent provided therein, an applicant to the Medical Staff or a Medical Staff member affected by an action relating to Medical Staff privileges shall be afforded the opportunity of a full hearing before an appropriately constituted body (which body may be a joint conference of other hospitals comprising part of the System), conducted in such manner as to assure due process and to afford full opportunity for the presentation of all pertinent information, pursuant to the specific Corporation Hospital policy or the respective Medical Staff bylaws. No recommendation or action other than as set forth in the relevant Medical Staff bylaws shall constitute grounds for a hearing.

**ARTICLE IX**

**PATIENT'S BILL OF RIGHTS**

The Chief Executive Officer shall designate one or more management individuals with the responsibility of ensuring that a Patient's Bill of Rights for each of the Corporation Hospitals not less in substance and coverage than required by the Pennsylvania Department of Health regulations is disseminated to all patients of the Hospital.

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**ARTICLE X**

**CONTRACTS, LOANS, CHECKS AND DEPOSITS**

**10.1 Contracts.**

Subject to Section 3.3 of these Bylaws, the Board of Directors may authorize any officer or officers or agent or agents to enter into any contract or execute or deliver any agreement or instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

**10.2 Loans.**

Subject to Section 3.3 of these Bylaws and Section 7.6 of the Affiliation Agreement, the Board of Directors may authorize the borrowing by the Corporation of such sum or sums of money as the Board of Directors may deem advisable, and to mortgage or pledge any or all of the real or personal property and any or all of the other available assets of the Corporation in order to secure the payment of the principal amount of any such borrowing and the interest thereon and any and all such other amounts as may become due on account thereof.

**10.3 Checks.**

All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness shall be issued in the name of the Corporation and shall be signed by such officer or officers or agent or agents of the Corporation and in such manner as from time to time shall be determined by the Board of Directors.

**10.4 Deposits.**

All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may approve.

**ARTICLE XI**

**NOTICE AND CONDUCT OF MEETINGS**

**11.1 Written Notice.**

Except as otherwise provided in these Bylaws, whenever written notice is required to be given by any person under the provisions of any statute or these Bylaws, it may be given by sending a copy thereof through the mail or overnight delivery or by hand delivery, in each case with charges prepaid, or by facsimile transmission confirmed by one of the foregoing methods, to the individual's address appearing on the books of the Corporation or supplied by the individual to the Corporation for the purpose of notice.

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**11.2 Written Waiver of Notice.**

Whenever any written notice is required as set forth in these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

**11.3 Waiver of Notice by Attendance.**

Attendance of a person in person at any meeting shall constitute a waiver of notice of such meeting except when a person attends the meeting for the express purpose of objecting to the transaction of any business because the meeting has not been lawfully called or convened.

**11.4 Procedure.**

All meetings of the Board of Directors and the committees thereof shall be conducted in an orderly manner with a view to affording full and fair discussion of the matters properly before such meetings.

**ARTICLE XII**  
**MISCELLANEOUS**

**12.1 No Contract Rights.**

Except as specifically set forth in Sections 4.2, 4.4(b), 4.5, 4.7(b), 4.8 and 7.11 of these Bylaws, no provision of these Bylaws shall vest any property or contract right in any person.

**12.2 Corporate Seal.**

The Board of Directors shall prescribe the form of a suitable corporate seal, which shall contain the full name of the Corporation and the year and state of incorporation.

**12.3 Fiscal Year.**

The fiscal year of the Corporation shall end on such day as shall be fixed by Ultimate Parent.

**12.4 Auxiliary Organizations.**

The Board may provide for the establishment of auxiliary organizations. the bylaws of any such organizations shall be subject to approval by the Board of Directors.

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**ARTICLE XIII**  
**AMENDMENTS**

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**13.1 Amendments.**

Subject to [Section 3.3 \(b\)\(v\) of these Bylaws](#) and [Section 7.1\(a\) of the Affiliation Agreement](#), these Bylaws may be altered, amended or repealed, or new Bylaws may be adopted, only by Ultimate Parent.

**ARTICLE XIV**  
**CONFLICTS OF INTEREST**

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**14.1 Disclosure.**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence and nature of his or her financial interest to the Board of Directors and any relevant committee members. For this purpose, an interested person shall include any director, officer, or member of a committee of the Corporation or an entity affiliated with the Corporation who has a direct or indirect financial interest in a proposed transaction. A financial interest shall include: (a) an ownership or investment interest in any entity with which the Corporation has a proposed transaction or arrangement; (b) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a proposed transaction or arrangement; and (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. If a person is an interested person with respect to any entity in the health care system of which the Corporation is a part, he or she is an interested person with respect to all entities in the health care system.

**14.2 Recusal and Investigation.**

After disclosure of the financial interest, the interested person shall leave the Board of Directors or committee meeting while the financial interest is discussed and voted upon. The remaining directors or committee members shall decide if a conflict of interest exists. If a conflict of interest exists, the following procedures shall be followed: (a) the Chief Executive Officer shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement; (b) after exercising due diligence, the Board of Directors or committee shall determine whether the Corporation could obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest; and (c) if a more advantageous transaction or arrangement is not reasonably attainable, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interests and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall decide as to whether to enter into the transaction or arrangement in conformity with such determination.

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**14.3 Failure to Disclose.**

If a director or committee member has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, he shall inform the interested person of the basis of such belief and afford the interested person an opportunity to explain the alleged failure to disclose. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board of Directors or committee determines that the interested person has in fact failed to disclose an actual or possible conflict of interest, the Board of Directors shall take appropriate steps to protect the Corporation.

**14.4 Record of Actions.**

The minutes of the Board of Directors and all relevant committees shall contain the following: (a) the names of persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' or committee's decision as to whether a conflict of interest in fact existed; and (b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

**14.5 Compensation.**

Special procedures shall be in effect with respect to compensation issues. A voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation. Physicians who receive compensation from the Corporation, whether directly or indirectly or as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.

**14.6 Annual Statements.**

Each interested person shall annually sign a statement that affirms that such person (a) has received a copy of the conflicts of interest policy, (b) has read and understands the policy, (c) has agreed to comply with the policy, and (d) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes. This policy shall be reviewed annually for the information and guidance of members of the Board of Directors, and any new member shall be advised of the policy upon entering on the duties of his office. In addition, the Corporation shall conduct periodic reviews of its activities, including any transactions or arrangements with interested persons, to ensure that its activities in the aggregate promote and further the Corporation's exempt charitable, scientific, and educational purposes.

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**AMENDED AND RESTATED BYLAWS**  
**OF**  
**ALLE-KISKI MEDICAL CENTER TRUST**

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**OF**  
**ALLE-KISKI MEDICAL CENTER TRUST**

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**ARTICLE I**

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**NAME AND LOCATION PURPOSES**

1.1 **Name.** The name of the Corporation is Alle-Kiski Medical Center Trust (hereinafter, the "Corporation").

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~~1.2 **Principal Office.** The principal office of the Corporation shall be located at 1301 Carlisle Street, Natrona Heights, Pennsylvania 15065 or at such other address as the Board of Trustees shall determine.~~

**Article II**

**PURPOSE, PARTICIPATION IN SYSTEM**

~~2.1 **Purpose.** The purposes of the Corporation are as set forth in the Articles of Incorporation and include the following:~~

1.2 (a) **Soliciting, receiving, managing, investing and distributing Purposes.** The Corporation is organized under the Pennsylvania Nonprofit Corporation Law (the "Nonprofit Corporation Law") for scientific, educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and in this connection is organized:

(a) To operate as part of the nonprofit regional health care system governed by [UPE], a Pennsylvania nonprofit corporation ("UPE"), and support a health care provider network comprised of the Member and West Penn Allegheny Health System, Inc. ("WPAHS") and those corporations and other entities over which WPAHS exercises governance control, each of which (i) operates, raises funds for, or conducts activities otherwise ancillary to the operation of, health care facilities in order to extend health care to sick, injured and disabled persons, without regard to age, sex, race, religion, national origin or sexual orientation, or (ii) carries on educational and/or scientific research activities related to the causes, diagnosis, treatment, prevention or control of physical or mental diseases and impairments of persons, and each of which is an organization exempt from taxation under Section 501(c)(3) of the Code and classified as other than private foundations under Section 509(a)(1), 509(a)(2) or 509(a)(3) of the Code;

(b) To solicit, receive, manage, invest and distribute funds which will promote and support by donation, loan or otherwise, the interests of the Alle-Kiski Medical Center, (i) which is a corporation exempt from ~~Federal~~ federal income taxation under section 501(a) of the

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Code as an organization described in section 501(c)-(3) of the Code, and (ii) contributions to which are deductible under sections 170(c)(2), 2055(a)(2) and 2522 (a)(2) of the Code;

~~(c) (b) — Providing To provide~~ funds to further the ~~erection~~ construction, establishment, organization, equipment, operation, management and maintenance of ~~those corporations described in (a)~~ Alle-Kiski Medical Center;

~~(d) (e) — Carrying on To support or conduct~~ training, research, educational and supportive activities related to rendering of care to the sick, injured and disabled; ~~the~~ the furthering of knowledge in the medical arts; ~~and the~~ and the promotion of health; and

~~(e) (d) — Carrying on To conduct~~ any lawful activity in furtherance of the foregoing purposes, subject to limitations on its actions imposed under section 501(e)(3) of the Code.

~~2.2 — Participation in System. The Corporation is a constituent entity of the health care system serving Western Pennsylvania known as West Penn Allegheny Health System, Inc. (the "System") which, as of the date of the adoption of these bylaws, is comprised of the Corporation, certain affiliated hospitals and certain other affiliated organizations. These Bylaws, among other things, establish the relative authority and responsibility of the entities and individuals participating in the governance and management of the Corporation in its capacity as part of the System.~~

### **Article III**

#### **MEMBER**

#### **ARTICLE II**

#### **OFFICES**

2.1 Registered Office. The registered office of the Corporation shall at all times be within the Commonwealth of Pennsylvania at such address as may be established by the Board of Trustees.

2.2 Business Offices. The Corporation may have business offices at such places permitted by law as the business of the Corporation may require.

#### **ARTICLE III**

#### **MEMBERS**

~~3.1 Member. The sole voting member of the Corporation~~The Corporation shall have one member, which shall be Alle-Kiski Medical Center (the "Member"), acting through its Board of Directors (the "Member Board") or through its Executive Committee (the "Member Executive Committee") or designated officers of the Member (the "Designated Representatives") to the extent that the Member has, pursuant to its Bylaws or by resolution duly adopted by the Member Board, delegated its authority herein to the Member Executive Committee or to a Designated

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~~Representative; provided, however, that neither the Member Executive Committee nor any Designated Representative shall have the authority to act on behalf of the Member with respect to any of the actions identified in Section 2.8 of this Article III"). There shall be no other members or classes of membership. The Chief Executive Officer or the President of the Member shall be entitled to vote on behalf of the Member in accordance with the authority granted to the Chief Executive Officer or the President of the Member unless the Member notifies the Corporation in writing that another officer is authorized to vote on behalf of the Member. The Member may voluntarily transfer its membership, subject to the reserved powers of the Member and [UPE] as set forth in these Bylaws.~~

~~3.2 — Powers and Rights of Member.~~

~~(a) — The Member shall have such powers and rights as are set forth in the Pennsylvania Nonprofit Code of Law (PNCL) and the Articles of Incorporation of the Corporation. Without limiting and in addition to such powers and rights, the Member shall have the authority to exercise the following powers:~~

~~(i) — Adopt and/or approve and interpret the statement of mission and philosophy of the Corporation, and require the Corporation to operate in conformance with its statement of mission and philosophy;~~

~~(ii) — Adopt and/or approve amendments or restatements of the bylaws and Articles of Incorporation of the Corporation;~~

~~(iii) — Fix the number of, and elect, appoint, fill vacancies in and remove, with or without cause, the Trustees; and elect and remove, with or without cause, the Chair, Vice Chair, Secretary, and/or Treasurer of the Corporation; provided that no Trustee or officer shall be removed by the Member without 10 days prior notice of such removal from the Member to the Board of Trustees;~~

~~(iv) — Designate the administrative structure of the Corporation and, after consultation with the Board of Trustees of the Corporation, elect and remove, with or without cause, the Executive Director and all vice presidents and other officers of the Corporation, provided that no officer shall be removed by the Member without 10 days prior notice of such removal from the Member to the Board of Trustees;~~

~~(v) — Cause or approve any merger, consolidation, division, conversion, or dissolution of the Corporation, or the filing of a petition in bankruptcy or execution of a deed of assignment for the benefit of creditors;~~

~~(vi) — Approve or cause the Corporation to engage in any acquisition or any sale, lease, exchange, mortgage, pledge or other alienation of any personal property of the Corporation having a value in excess of an amount to be fixed from time to time by the Member or any real property of the Corporation;~~

~~(vii) — Adopt and/or approve any capital or operating budgets of the Corporation, and approve or direct any unbudgeted expenditure to be undertaken individually or collectively by the Corporation and any affiliated corporations controlled by the Corporation~~

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~~(other than unbudgeted expenditures which are required in order for the Corporation to be in compliance with applicable laws, rules and regulations, and state licensing and accreditation requirements), where the cumulative amount of such unbudgeted expenditures is in excess of an amount to be fixed from time to time by the Member;~~

~~(viii) Adopt and/or approve any operating plan or financial plan with respect to the Corporation, and require the Corporation to comply with such operating or financial plan;~~

~~(ix) Approve and/or cause the Corporation to undertake or engage itself in respect of any bond issuance or any other indebtedness for borrowed money of the Corporation, or any lending of funds by the Corporation to an unrelated person, corporation or other legal entity, including without limitation any capital leases (other than indebtedness to provide funds for expenditures necessary in order for the Corporation to be in compliance with applicable laws, rules and regulations, and state licensing and accreditation requirements, to the extent such funds are not otherwise reasonably available), representing obligations of the Corporation in excess of an amount per annum in the aggregate established from time to time by the Member;~~

~~(x) Establish and/or approve the criteria for, and conduct the evaluation of, the performance of the Executive Director and all vice presidents and officers of similar rank of the Corporation;~~

~~(xi) Approve and/or cause the adoption by the Corporation of proposed settlements of litigation when such settlements exceed applicable insurance coverage or the amounts reserved in respect thereof of any applicable self-insurance fund;~~

~~(xii) Approve and/or cause any corporate reorganization of the Corporation or the establishment or dissolution of any subsidiary organizations, including corporations, partnerships or other entities, of the Corporation;~~

~~(xiii) Adopt and/or approve the strategic plan of the Corporation; and~~

~~(xiv) Approve or direct the taking of any other action outside of ordinary course of business and such matters as are required to be submitted to corporate members of a Pennsylvania nonprofit corporation.~~

~~Except as otherwise required by the PNCL, the action of the Member with respect to each of the foregoing actions shall be sufficient to approve such actions, no action by the Board of Trustees of the Corporation shall be required with respect to any such actions, and, to the full extent permitted by law, no action of the Board of Trustees with respect to any such actions shall be effective for any purpose without the approval of the Member.~~

~~(b) Each of the following actions may be approved by the Member only through action of the Member Board, and not through action of the Member Executive Committee or any Designated Representative:~~

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(i) — The adoption or approval of a statement of mission and philosophy of the Corporation;

(ii) — The adoption or approval of any amendments of the Bylaws or Articles of Incorporation of the Corporation;

(iii) — The approval of any merger, consolidation, division, conversion, or dissolution of the Corporation, or the filing of a petition in bankruptcy or execution of a deed of assignment for the benefit of creditors, or the sale or other disposition of all or substantially all of the assets of the Corporation;

(iv) — The election, appointment and removal of the Trustees, the Chair, the Vice Chair, the Secretary, and the Treasurer of the Corporation; and

(v) — The approval of any bond issuance or incurrence of any other indebtedness for borrowed money of the Corporation, or any lending of funds by the Corporation to an unrelated person, corporation or other legal entity, including without limitation any capital leases.

**3.33.2 Meetings of Member.** Meetings of the Member may be held at such place within the Commonwealth of Pennsylvania as the Member may from time to time determine, or as may be designated in the notice of the meeting.

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**3.4(a) Annual Meeting of the Member.** ~~Unless otherwise fixed by the Member, the annual meeting of the Member shall be held in June of each year. At each annual meeting, (i) the financial performance of the Corporation shall be reviewed, and (ii) the Member shall appoint the Board of Trustees of the Corporation in accordance with Article IV and all officers that pursuant to the Bylaws are then to be appointed by the Member. If the annual meeting shall not be called and held within one (1) month of the date specified in this Article III, Section 4 or fixed by the Member in accordance with this Article III, Section 4, as applicable, any members of the Board of Trustees and any officers theretofore appointed by the Member shall continue to serve unless removed by the Member (or unless the applicable member of the Board of Trustees or officer resigns), and a special meeting may be held in place thereof with the same force and effect as the annual meeting, and in at such case all references in these Bylaws, except in this Article III, Section 4, to the annual meeting of the Corporation shall be deemed to refer to date, time and place as the Member may determine to transact such special meeting. Any such special meeting shall be called and notice given as provided in Article III, Sections 5 and 7, as applicable, other business as may come before the meeting.~~

**3.5(b) Special Meetings of the Member.** Special meetings of the Member shall may be held whenever called by the Chairperson of the Board of Trustees of the Corporation, Directors of the Member or by written demand one-third (1/3) of the members of the Board of Directors of the Member and shall be held at such date, time and place as shall be set forth in the notice of special meeting.

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(c) **Action Without a Meeting-Notice of Meetings.** Notice of any meeting of the Member shall be given by, or at the direction of, the Secretary of the Corporation at least ten (10) days prior to the day named for a meeting that will consider a fundamental change under

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Chapter 59 of the Nonprofit Corporation Law or five (5) days prior to the day named for the meeting in any other case.

~~3.6(d) **Written Consent.** Any action which may be taken at a meeting of the Member may be taken without a meeting if a consent in writing setting forth the ~~actions~~ action so taken shall be signed by the Member; and filed with the Secretary ~~of the Corporation.~~~~

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~~3.7 **Notice of Meetings: Participation by Conference Telephone.**~~

~~(a) — Unless otherwise provided in these Bylaws, whenever written notice is required to be given to the Member under the provisions of the Articles of Incorporation, these Bylaws, or the PNCL, it may be given by sending a copy thereof first class mail, postage prepaid, by personal delivery, or in the case of notices other than notices of meetings, by facsimile or electronic mail with confirmed receipt. If the notice is sent by mail, it shall be deemed to have been given to the Member entitled thereto when deposited in the United States mail, postage prepaid. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by law or these Bylaws, and, unless the meeting is an annual meeting, shall indicate that the notice is being issued by or at the direction of the person(s) calling the meeting. Notice of each meeting of the Member shall be given not less than five days before the date of the meeting, except in the case where fundamental changes to the Corporation under Chapter 59 of the PNCL will be considered, in which case such notice shall be given not less than ten days before the date of the meeting. Every such notice shall state the date, time and place of the meeting, and notices of special meetings of the Member shall also set forth the general nature of the business to be conducted at such meeting.~~

~~(b) — When a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting and of the business to be transacted at an adjourned meeting in accordance with the provisions of this Article III, Section 7 if the day, time and place to which the meeting is adjourned is announced at the meeting at which the adjournment is taken.~~

~~(c) — Whenever notice of a meeting is required, such notice need not be given to the Member if a written waiver of notice executed by the Member is filed with the records of the Corporation. Attendance by the Member at any meeting of the Member shall constitute a waiver by the Member of notice of such meeting, except where the Member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.~~

~~(d) — One or more persons may participate in a meeting of the Member by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.~~

~~3.8 **Resolutions.** Whenever the language of a proposed resolution is included in a written notice of a meeting of the Member, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.~~

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~~3.9 Opening Reports. The Board of Trustees of the Corporation shall submit operating reports to the Member in such form and on such schedule as shall be established by the Member. Such operating reports shall reflect the results of operations of the Corporation and of any affiliates of the Corporation that are controlled by the Corporation.~~

#### **Article IV**

### **THE BOARD OF TRUSTEES**

~~3.3 Powers and Responsibility. Subject to Article III hereof and to the other rights and powers of the Member specified herein or in the Articles of Incorporation or otherwise provided hereby or in the Articles of Incorporation or by law, the Board of Trustees shall have charge, control, and management of the administrative affairs, property and funds of the Corporation and shall have the power and authority to do and perform all acts and functions not inconsistent with these Bylaws, the Articles of Incorporation, and applicable law, in each case as amended from time to time. Such responsibility shall include without limitation implementation of any operational or financial plan adopted by the Member and institutional management and planning. Without limiting the generality of the foregoing, the Board of Trustees shall have power and authority to, and shall be responsible to, Powers.~~

(a) Reserved Powers of Member. For so long as such rights and powers do not result in the revocation of the Corporation's status as an organization described in Section 501(c)(3) of the Code, the Member shall have the right and power to make recommendations to the sole corporate member of the Member, WPAHS, [UPE Provider Subsidiary] and [UPE] with respect to actions by WPAHS, [UPE Provider Subsidiary] and [UPE] on the matters reserved to WPAHS, [UPE Provider Subsidiary] and [UPE] under Sections 3.3(b), 3.3(c) and 3.3(d) of these Bylaws. WPAHS, [UPE Provider Subsidiary] and [UPE] shall have no obligation to approve any such recommendations, and may take actions that have not been recommended by, or that are contrary to recommendations of, the Member.

(b) Reserved Powers of WPAHS.

(i) WPAHS shall have the right and power to make recommendations to [UPE Provider Subsidiary] and [UPE] with respect to actions by [UPE Provider Subsidiary] and [UPE] on the matters reserved to [UPE Provider Subsidiary] and [UPE] under Sections 3.3(c) and 3.3(d) of these Bylaws. [UPE Provider Subsidiary] and [UPE] shall have no obligation to approve any such recommendations, and [UPE Provider Subsidiary] and [UPE] may take actions that have not been recommended by, or that are contrary to recommendations of, WPAHS; and

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(ii) The Board of Directors of WPAHS will have plenary authority with regard to the following:

a) To determine the number of trustees that will comprise the Board of Trustees of the Corporation and its subsidiaries;

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b) To elect the trustees of the Corporation and the trustees of its subsidiaries; and

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c) To remove any of the trustees of the Corporation and any of the trustees of its subsidiaries, and to replace such trustees for the unexpired portion of his or her term.

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(c) **Reserved Powers of [UPE Provider Subsidiary].** The [UPE Provider Subsidiary] shall have the right and power to make recommendations to [UPE] with respect to actions by [UPE] on the matters reserved to [UPE] under Section 3.3(c) of these Bylaws. [UPE] shall have no obligation to approve any such recommendations, and [UPE] may take actions that have not been recommended by, or that are contrary to recommendations of, [UPE Provider Subsidiary].

(d) **Reserved Powers of [UPE].**

(i) To approve the election, re-election and removal of all officers, including the President and Chief Executive Officer, of the Corporation and its subsidiaries;

(ii) To amend, revise or restate the Corporation's Articles of Incorporation and Bylaws and approve all amendments or revisions to the Corporation's Articles of Incorporation and Bylaws that may be proposed or approved by [UPE Provider Subsidiary], WPAHS, the Member or Board of Trustees of the Corporation; provided however, that [UPE] will have no power to amend, revise or restate Section 3.3(b)(ii) or this proviso of Section 3.3(d)(ii) of these Bylaws, each of which may be amended only upon the concurrent approval of both (a) a majority of those Directors of WPAHS that are elected by UPE to serve as Directors of WPAHS, voting as a class, and (b) a majority of the Self-Perpetuating Directors (as defined in the Bylaws of WPAHS) of WPAHS, voting as a class;

(iii) Subject to Section 7.5(i) of the Affiliation Agreement dated as of October 31st, 2011, among [UPE], [UPE Provider Subsidiary], Highmark Inc., WPAHS, Canonsburg General Hospital, Alle-Kiski Medical Center and the other WPAHS Subsidiaries as defined therein (the "Affiliation Agreement"), to adopt or change the mission, purpose, philosophy or objectives of the Corporation or its subsidiaries;

(iv) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to change the general structure of the Corporation or any of its subsidiaries as a voluntary, nonprofit corporation;

(v) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to (a) dissolve, divide, convert or liquidate the Corporation or its subsidiaries, (b) consolidate or merge the Corporation or its subsidiaries with another corporation or entity, (c) sell or acquire assets, whether in a single transaction or series of transactions, where the consideration exceeds 1% of the Corporation's or the relevant subsidiary's total assets, and (d) approve any of the foregoing actions that may be proposed by [UPE Provider Subsidiary], WPAHS, the Member or the Board of Trustees of the Corporation before such action becomes effective;

(vi) To approve the annual consolidated capital and operating plan and budget of the Corporation and its subsidiaries, and any amendments thereto or significant variances therefrom;

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(vii) Subject to Section 7.6 of the Affiliation Agreement, to approve the incurrence of debt by the Corporation and its subsidiaries or the making of capital expenditures by the Corporation and the subsidiaries during any fiscal year of the Corporation, in either case in excess of one quarter of 1% of the consolidated annual operating budget of the Corporation and its subsidiaries for each fiscal year if such debt or capital expenditures are not included in the Corporation's or subsidiaries' approved budgets, whether in a single transaction or a series of related transactions;

(viii) To approve any donation or any other transfer of the Corporation's or its subsidiaries' assets, other than to the Member or to the Corporation by its subsidiaries, in excess of \$10,000.00, unless specifically authorized in the Corporation's or its subsidiaries' approved budgets;

(ix) To approve strategic plans and mission statements of the Corporation and its subsidiaries;

(x) To approve investment policies of the Corporation and its subsidiaries;

(xi) To approve the closure or relocation of a licensed healthcare facility of the Corporation and its subsidiaries;

(xii) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to approve the formation of subsidiary corporations, partnerships and joint ventures or to make investments in existing subsidiary corporations, partnerships and joint ventures, if the new investments of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures during any fiscal year would, in the aggregate, exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year of the Corporation;

(xiii) Subject to Section 7.5(i) and 7.6 of the Affiliation Agreement, to approve the dissolution of subsidiary corporations, partnerships and joint ventures of the Corporation and the subsidiaries, if the aggregate value of the ownership interests of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures so dissolved in any fiscal year would exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year of the Corporation;

(xiv) To establish and manage the Corporation's program for compliance with all legal requirements applicable to the Corporation. ~~The~~, all accreditation and licensing requirements and the conditions of participation in all governmental payor programs applicable to the Corporation; and

(xv) To select and appoint auditors and to designate the fiscal year of the Corporation and the subsidiaries.

(e) Except as may otherwise be provided by the Nonprofit Corporation Law, [UPE] shall have the right to both initiate and approve action in furtherance of such reserved powers, as well as the authority to directly bind the Corporation and the subsidiaries on such matters. Any action taken in this regard by [UPE] shall be sufficient to finally approve and adopt

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such actions and no action of the Board of Trustees, the Member, WPAHS, [UPE Provider Subsidiary] or other governing body or officer with respect to such action shall also be necessary with respect hereto.

#### ARTICLE IV

##### BOARD OF TRUSTEES

4.1 Powers and Responsibility. Subject to Section 3.3 of these Bylaws, all powers of Corporation shall be vested in the Board of Trustees, which shall have charge, control, and management of the property, business, affairs and funds of the Corporation and shall have the power and authority to do and perform all necessary and appropriate functions not otherwise inconsistent with these Bylaws, the Articles of Incorporation, or applicable law.

Subject to Section 3.3 of these Bylaws, and without limiting the generality of the foregoing and, except as otherwise may be provided in these Bylaws, the Board of Trustees shall have full power and the duty:

(a) To set policies and provide for carrying out the purposes of the Corporation;

(b) To make rules and regulations for its own governance and for the governance of the committees appointed by the Board of Trustees as provided herein;

(c) To adopt and amend from time to time such rules and regulations for the conduct of the business of the Corporation as may be appropriate or desirable;

(d) To implement any operational or financial plan adopted by the Member;

(e) To provide institutional management and planning;

(f) To establish and manage the Corporation's program for compliance with all legal requirements applicable to the Corporation;

4.1(g) To prepare, for the Member's review and approval, on such timetable as the Member shall establish, proposed annual budgets for the Corporation, which budgets shall be consistent with any operating plan or financial plan adopted or approved by the Member and then in effect; and

~~(h) Composition of the Board; Appointment Qualifications. The Board of Trustees shall be composed of not fewer than five nor more than thirty voting members, exclusive of any non-voting *ex officio* Trustees. The exact number of voting Trustees shall be as fixed from time to time by the Member. Trustees shall generally be appointed at the annual meeting of the Member, but may be appointed at any regular or special meeting of the Member, provided that, except for the *ex officio* Trustees specified in Section 4 of this Article, the Board of Trustees shall not include full-time employees of the Corporation. Each Trustee of the Corporation shall be a natural person of at least eighteen years of age, of good moral character and who enjoys a good reputation in the community, and who, by his or her experience,~~

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~~community interest, or prior action, demonstrates a willingness to devote time and talent to the affairs of the Corporation and to exercise his or her judgment with undivided loyalty to the Corporation. To submit operating reports to the Member in such form and on such schedule as shall be established by the Member. Such operating reports shall reflect the results of operations of the Corporation and of any affiliates of the Corporation that are controlled by the Corporation.~~

4.2 **Election of Trustees.** Trustees of the Corporation shall be elected by the Board of Directors of WPAHS as prescribed by Section 3.3(b) of these Bylaws. Each Trustee shall further satisfy the requirements set forth in Section ~~9 of this Article IV~~ 4.3 of these Bylaws.

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~~4.3 **Term of Office.** Subject to Section 5 of this Article IV, Trustees, other than *ex officio* Trustees, shall serve for one, two, or three year terms, as specified by the Member. In the event that the Member elects to classify the Board of Trustees for purposes of staggering their respective terms of office, then the number of Trustees assigned to each class shall be as nearly equal as possible to those assigned to each other class. Each Trustee shall retain his or her position as Trustee until his or her successor shall be duly appointed and qualified or until his or her earlier death, resignation or removal, except that an *ex officio* Trustee shall retain his or her position as Trustee only during his or her tenure in the position from which his or her respective *ex officio* status is derived, or until his or her earlier death, resignation, or removal. Trustees may be re-elected for unlimited successor terms.~~

~~4.4 **Ex officio Trustees.**~~

**4.3 Number/Qualifications.**

(a) **Composition.** The Board of Trustees shall consist of such number of persons as the Board of Directors of WPAHS may determine, but in no case less than five (5) members, excluding the *ex officio* trustees. The following persons shall serve as *ex officio* Trustees of the Corporation with vote:

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(i) President and Chief Executive Officer of the WPAHS, or the designee of the President and Chief Executive Officer of WPAHS who shall be a member of senior management of WPAHS; ~~Member; and~~

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(ii) President and Chief Executive Officer of the Member, or the designee of the President and Chief Executive Officer of the Member who shall be a member of senior management of the Member;

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(iii) Executive Director of the Corporation; and

(iv) Board Chairperson of WPAHS, or the designee of the Board Chairperson of WPAHS who shall be a director of the Member.

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In the event that any individual holds multiple *ex officio* positions ~~such individual shall have one vote.~~ If designees are selected to serve on the Board of Trustees in accordance with this Section 4.3(a), such designees may be removed and replaced at any time or from time to time by the person making such designation in such person's sole discretion. In the event that any such designees cease to meet the eligibility criteria to serve as trustees as set forth herein, such

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designees shall be automatically removed from the Board with no further action being required on the part of any person.

4.5 — Removal, Resignation, Vacancies:

~~(a)(b) The Member~~**Certain Qualifications.** ~~No individual may, in its discretion, remove any Trustee at any time, with or without cause, upon 10 days prior notice be elected to the Board of Trustees. Without limiting the generality of the foregoing, upon such notice the Member may, in its discretion, remove and replace all or a portion of the Board of Trustees if the Member determines that the Corporation has failed to comply with any operating or financial plan adopted or approved by the Member. Unless such removal notice is revoked by the Member during the 10 day notice period, any such removal shall be effective immediately upon expiration of the notice period.~~

~~(b) — Any Trustee may resign from office with or without cause, by delivering a written statement of resignation to the Secretary of the Corporation. Any such resignation shall take effect immediately upon its receipt by the Secretary of the Corporation, unless a later effective time or date for the resignation is specified in the notice of resignation.~~

~~(c) — Any person appointed to fill a vacancy the individual is eligible to serve on the Board of Trustees shall be appointed for the unexpired term of the Trustee whose death, resignation, or removal gave rise pursuant to the applicable vacancy.~~

~~4.6 — Orientation of Trustees. Newly elected or appointed Trustees shall be oriented to the functions and procedures of the Board of Trustees. Such orientation shall be carried out under the supervision of the Executive Director.~~

~~4.7 — No Compensation. No Trustee shall receive any compensation for acting as a Trustee. Trustees who are officers or employees of the Corporation may receive compensation for those duties.~~

~~(a) — Review of Bylaws~~law, the Articles of Incorporation and these Bylaws. ~~The Board of Trustees shall review these Bylaws of the Corporation annually, and based on such review, may propose amendments to these Bylaws to the Member of the Corporation. Each trustee shall be a natural person of at least 18 years of age. Conflict of Interest. Trustees shall exercise good faith in all transactions touching upon their duties at the Corporation and its property. No Trustee shall use his or her position, or knowledge gained therefrom, in any way that might give rise to a conflict between the interest of the Corporation and that of the individual Trustee. The Corporation shall utilize and comply with the System's conflict of interest policy.~~

**Article V**

**MEETINGS OF THE BOARD OF TRUSTEES**

~~(c) — Independence.~~ At least a majority of the trustees shall be persons whom the Board of Trustees has determined are "independent trustees" within the meaning of such term as defined by the Internal Revenue Service for exempt organizations under Section 501(c)(3) of the Code, and as such, are broadly representative of the community.

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(d) SEC Actions. Any person who is, or ever has been, subject to an order of a court or the Securities and Exchange Commission prohibiting such person from acting as an officer or director of a public company shall not be eligible to serve as a trustee.

(e) Age Limitations. No person who is seventy-five (75) years of age or older may be nominated or re-nominated for election or re-election as a trustee. Any trustee who reaches the age of seventy-five (75) shall no longer be qualified to serve as a trustee after the next annual meeting of the Board of Trustees.

4.4 Chairperson. The Chairperson shall preside at all meetings of the Board of Trustees and shall perform all duties incident to the office of Chairperson of the Board and such other duties as may be prescribed by the Board of Trustees. The Chairperson shall not be an employee of the Corporation.

4.5 Term of Office. Trustees, other than *ex officio* trustees, shall serve one year terms. Each trustee shall retain his or her position as trustee until his or her successor shall be duly appointed and qualified or until his or her earlier death, resignation or removal, except that an *ex officio* trustee shall retain his or her position as trustee only during his or her tenure in the position from which his or her respective *ex officio* status is derived, or until his or her earlier death, resignation, or removal. Trustees may be re-elected for unlimited successor terms.

4.6 Vacancies. Any vacancy in the Board of Trustees caused by the death, resignation or removal of a trustee or a trustee ceasing to qualify to serve as a trustee prior to the expiration of that trustee's term shall be filled by the Board of Directors of WPAHS.

#### 4.7 Meetings.

~~5.1(a) Regular and Annual Meetings of the Board of Trustees.~~ The Board of Trustees shall hold regular meetings at such date, time and place as determined by the Board or the Chair; ~~provided that the Board shall meet not less than four times per year.~~ ~~person.~~ The ~~Annual Meeting~~ annual organizational meeting of the Board of Trustees shall be held ~~in June of each year or at~~ on such other time, date, time and place as ~~directed~~ the Board of Trustees may determine, ~~by the Board.~~ Notice of any meeting shall be mailed, personally delivered, electronically mailed, or sent via facsimile to each Trustee entitled to vote at least 5 days prior to the meeting to ~~without further notice than the Trustee's address, e-mail address, or fax number on the books of the Corporation.~~ Voting by proxy shall not be permitted at any meeting. ~~resolution setting such date, time and place.~~

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~~(a)(b) Special Meetings.~~ Special meetings of the Board of Trustees may be held ~~called~~ at any time upon call of the Member or the Chair or upon receipt by the ~~Executive Director of the~~ written request ~~Chairperson~~ of at least three Trustees.

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~~(b) Quorum.~~ A majority of the voting ~~the Board, the Chief Executive Officer or one-third (1/3) of the members of the Board of Trustees,~~ with excluding non-voting *ex officio* Trustees, shall constitute a quorum at any regular meeting. Once a quorum is established, subsequent withdrawal of individuals to less than a quorum shall not affect the validity of any subsequent action taken at the meeting. Except as otherwise required by the PNCL, approval of any matter before the Board of Trustees by a majority of the Trustees present at a meeting shall

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~~constitute approval of the applicable matter by the Board~~ date, time and place of each such meeting to be designated in the notice calling the meeting. Notice of any special meeting of the Board of Trustees shall be given at least forty-eight (48) hours prior thereto and shall state the general nature of the business to be transacted. ~~Action Without a Meeting. Any action which may be taken at a meeting of the Board or any committee thereof may be taken without a meeting if consent in writing setting forth such action is signed by all of the Trustees entitled to vote or members of the committee, and is filed in the minutes of the proceedings of the Board or of the committee.~~

~~5.2 Rules of Conduct. Meetings of the Board of Trustees and Committees of the Board of Trustees will be conducted in accordance with such rules as may be established by the Board of Trustees.~~

(c) ~~Participation by Adjournment.~~ When a meeting of the Board of Trustees is adjourned, it shall not be necessary to give notice of the adjourned meeting or the business to be transacted at the adjourned meeting other than by announcement at the meeting at which such adjournment is taken.

(d) ~~Quorum.~~ Trustees constituting a majority of the trustees in office shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees.

(e) ~~Voting and Action.~~ Each trustee shall be entitled to one vote on any matter submitted to a vote of the Board of Trustees, and action by the Board of Trustees on any matter shall require the affirmative vote of a majority of the trustees in office unless a greater proportion of affirmative votes is required by applicable law, the Articles of Incorporation or these Bylaws.

(a)(f) ~~Use of Conference Telephone.~~ ~~One~~ Except as the Board of Trustees otherwise may determine, one or more Trustees or members of a Committee established pursuant hereto persons may participate in a meeting of the Board of Trustees or such Committee of any committee thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and be heard by each other. Participation in a meeting pursuant to this subsection in such manner shall constitute presence in person at the meeting. ~~such meeting.~~

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~~5.7 Waiver of Notice.~~ Whenever any written notice is required to be given under the provisions of these bylaws or the PNCL, such notice need not be given to any Trustee who submits a signed waiver of notice whether before or after the meeting, or who attends without protesting, prior thereto or at its commencement, the lack of notice to such Trustee

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(g) ~~Action by Unanimous Written Consent.~~ Any action which may be taken at a meeting of the Board of Trustees may be taken without a meeting if consent or consents in writing setting forth the action so taken shall be signed by all of the trustees in office and filed with the Secretary.

#### 4.8 Resignation/Removal.

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(a) Resignation. Any trustee may resign his or her office at any time, such resignation to be made in writing and to take effect immediately or at such subsequent time stated in such writing. Any trustee who ceases to meet the eligibility requirements contained in applicable law or in these Bylaws to serve as a trustee forthwith resign his or her office, such resignation to be made in writing and to take effect immediately.

(b) Removal. Any trustee may be removed, with or without cause, by the Board of Directors of WPAHS.

#### 4.9 Limitation of Liability.

(a) Limitation of Liability. To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, permit elimination or limitation of the liability of trustees, no trustee of the Corporation shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a trustee.

(b) Nature and Extent of Rights. The provisions of this Section 4.9 shall be deemed to be a contract with each trustee of the Corporation who serves as such at any time while this Section is in effect and each such trustee shall be deemed to be so serving in reliance on the provisions of this Section. Any amendment or repeal of this Section or adoption of any Bylaw or provision of the Articles of the Corporation which has the effect of increasing trustee liability shall operate prospectively only and shall not affect any action taken, or any failure to act, prior to the adoption of such amendment, repeal, Bylaw or provision.

4.10 No Compensation. No trustee shall receive compensation for acting as a trustee. Trustees who are also officers or employees of the Corporation may receive compensation for their services as officers or employees.

### ~~ARTICLE VI~~ARTICLE V

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### OFFICERS

~~6.15.1~~ Officers Generally. The officers shall be a Chair, ~~a Vice Chair person, a~~ Secretary, a Treasurer, a President and ~~an~~Chief Executive Director. ~~The Corporation may designate one or more vice presidents~~Officer, and such Vice Presidents and other subordinate officers. ~~The Chair and Vice Chair shall be appointed from among the elected (i.e., non-ex officio) members of-~~ as the Board of Trustees shall designate, subject to the approval of the [UPE]. All ~~other~~ officers need not, but may, be, selected from among ~~such~~ elected members of the Board of Trustees. ~~No full-time employee of the Member or of the Corporation shall be eligible to serve as Chair or Vice Chair of the Corporation.~~

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~~6.25.2~~ Appointment Election of Officers. ~~The officers shall be appointed by the Member, after consultation with the Board of Trustees of the Corporation, at the Annual Meeting of the Member each year and shall hold-~~All officers of the Corporation, including the President and Chief Executive Officer, shall be elected to office by the Board of Trustees, subject to the approval of [UPE] in accord with these Bylaws and shall hold office for terms of one year and until their successors are duly installed, subject in each case to an officer's earlier death, resignation or removal. Vacancies in any office may be filled by action of the ~~Member after~~

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~~consultation with the Board of Trustees of the Corporation. So long as, subject to the Member is the sole Member of the Corporation, officers shall be appointed from among candidates nominated by the Nominating Committee of the Member, if one so exists, provided that, no full-time employee of the Member or of the Corporation shall be eligible to serve as Chair or Vice Chair of the Corporation. Nothing contained herein shall be construed as prejudicing any officer's rights with respect to compensation under any employment agreement with the Corporation approval of Board of Trustees, subject to the approval of [UPE].~~

~~6.35.3 **Chairperson.** The ~~Chair~~Chairperson shall preside at all meetings of the Board of Trustees. The ~~Chair~~Chairperson shall have such authority, and shall perform all duties, ordinarily required of an officer in like position, and such other authority and duties as may be assigned by the Member.~~

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~~6.45.4 **President and Chief Executive Director/Officer.** ~~The~~The President and Chief Executive ~~Director/Officer~~ of the Corporation shall be an *ex officio* member of the Board and each committee of the Board. ~~The~~The President and Chief Executive ~~Director/Officer~~ shall have all authority and responsibility necessary to operate the Corporation in all its activities, subject, however, to the policies and directives of the Member and of the Board of Trustees with regard to the matters as to which the Board of Trustees is responsible, and to the provisions of the Corporation's Articles of Incorporation and Bylaws.~~

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~~6.5 **Vice Chair.** The Vice Chair shall perform the duties of the Chair when for any reason the Chair is unable to perform the same.~~

~~6.65.5 **Secretary.** The Secretary shall keep and properly record the minutes of the proceedings of the Board of Trustees, notify officers of their election and committee members of their appointment, give notice of all meetings of the Board of Trustees and the Executive Committee, have custody of the corporate seal and of all books and papers pertaining to the office, and generally shall have such authority, and shall perform all duties, ordinarily required of an officer in like position.~~

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~~6.75.6 **Treasurer.** The Treasurer shall receive and have custody of all funds, money, and income of the Corporation not otherwise specifically provided for by the Member and shall deposit the same in such depository or depositories as the Board shall designate. The Treasurer shall have such authority, and shall perform all duties, ordinarily required of an officer in like position, and such other authority and duties as may be assigned by the Member.~~

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~~6.85.7 **Resignation.** Any officer may resign at any time by giving written notice thereof to the Chairperson, the President and Chief Executive ~~Director/Officer~~ or the Secretary of the Corporation. Any such resignation shall take effect on the date of receipt of such notice by one of the above-specified officers, or at such later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.~~

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~~6.95.8 **Removal.** Any officer of the Corporation may be removed, with or without cause, by the Board of Trustees, subject to the approval of [UPE]. ~~the Member whenever in the judgment of the Member the best interests of the Corporation will be served thereby. Nothing~~~~

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~~contained herein shall be construed as prejudicing any officer's rights with respect to compensation under any employment agreement with the Corporation.~~

~~ARTICLE VII~~ARTICLE VI

**COMMITTEES OF THE BOARD OF TRUSTEES**

~~7.16.1~~ **Committees Generally.** ~~The Board of Trustees, upon approval direction of the~~ Member, shall establish ~~the following committees, and, upon the approval of the Member, may establish such other~~ committees (standing or special) as the Board of Trustees shall determine ~~to be to establish appropriate or necessary,~~ with such authority and composition as the Board of Trustees shall ~~determine designate~~ (subject ~~only~~ to the rights and powers of the Member, WPAHS, [UPE Provider Subsidiary], and [UPE] as set forth in ~~the PNCL, the Articles of Incorporation, and these Bylaws, and the limitations or delegation of the Board's authority pursuant to the PNCL); and the limitations on delegation of Board authority under the Nonprofit Corporation Law).~~

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- ~~(a) Executive Committee;~~
- ~~(b) Finance and Gift Administration Committee;~~
- ~~(c) Fund Development Committee: Strategic Planning, Capital Campaign, Major Gifts, Annual Fund;~~
- ~~(d) Special Events Committee;~~
- ~~(e) Nominating Committee.~~

~~7.26.2~~ **Powers of the Executive Committee.** ~~From and after its establishment, the~~ Executive Committee shall have and may exercise the powers of the Board of Trustees in the management of the business affairs of the Corporation, except that the Executive Committee shall not have authority with respect to any of the following matters:

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(a) The submission to the ~~m~~Member, WPAHS, [UPE Provider Subsidiary or UPE] of any action requiring approval of the Member, WPAHS, [UPE Provider Subsidiary or UPE];

(b) Amending or repealing any resolution of the Board of Trustees; or

(c) Approving any matters which pursuant to the Bylaws or resolution of the Board of Trustees is reserved to another established committee of the Board.

~~7.3 Finance and Gift Administration Committee. From and after its establishment, this Committee shall review and recommend to the Board of Trustees the annual budget to be proposed to the Member, establish and review periodic budgetary reports and, except to the extent this function is delegated to a West Perm Allegheny Health System Committee, meet with the Corporation's independent auditors following receipt of the annual audit. This Committee shall also review and recommend the financial plan of the Corporation. This Committee shall~~

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meet at least quarterly to review the budget and financial performance of the Corporation, and to review and recommend approval or disapproval of any proposed unbudgeted expenditures by the Corporation where the cumulative amount of such unbudgeted expenditures is in excess of the amount fixed from time to time by the Member.

~~7.4 — Fund Development Committee: Strategic Planning, Capital Campaign, Major Gifts and Annual Fund. From and after its establishment, this Committee shall propose long range philanthropic plans for the Corporation for the consideration of the Member, with the goal of funding programs and projects directed at improving services, facilities and programs at Alle-Kiski Medical Center. These plans shall be periodically reviewed and revised by the Committee and, as appropriate, submitted to the Board of Trustees and the Member for appropriate action. This Committee shall also be charged with responsibility for identifying internal or external constituencies, individual and institutional donors. This Committee shall monitor and review the prospect and donor call schedule and follow up system of the Foundation and review management's plans relating to these functions. This Committee shall also identify, research, and develop appropriate cultivation plans directed by Corporation staff regarding the solicitation of individuals and institutions capable of providing major contributions.~~

~~7.5 — Special Event Committee: From and after its establishment, this Committee shall review and recommend to the Board of Trustees and the Member the type and number of annual special events to be implemented for the purpose of raising funds to benefit Alle-Kiski Medical Center.~~

~~7.6 — Nominating Committee: From and after its establishment, this Committee shall review and recommend to the Board of Trustees the slate of new Trustees for elections, shall analyze strengths and weaknesses of the Board of Trustees and help to recruit members with the skills and expertise to develop a strong and well-rounded Board of Trustees. This Committee will work with Trust staff to develop an orientation program for new members.~~

6.3 Appointment of Committees. The members of any standing or special Committee shall be appointed by the Board of Trustees. Each Committee shall include at least three trustees, including *ex officio* members, and may include such other interested individuals as determined appropriate by the Board of Trustees. The Chairperson and the President and Chief Executive Officer shall be *ex officio* members of all committees with full voting privileges. Each member of a committee shall serve for a term of one year and until his or her successor has been appointed, subject to his or her earlier death, resignation or removal.

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~~**7.76.4 Meetings of Committees.** All standing Committees shall function under the direction of the Board of Trustees and shall meet as often as necessary to transact their business and shall make such reports as they may deem necessary or which may be specifically required of them. Minutes shall be kept of each meeting of each Committee and such minutes shall be disseminated to all members of the Board of Trustees, and to the Member.~~

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~~**7.86.5 Quorum: Act of Committee.** ~~A~~The presence of a majority of the members of a Committee shall constitute a quorum for the transaction of business. Once a quorum has been established, subsequent withdrawal of committee members so as to reduce the number of members present to less than a quorum shall not affect the validity of any subsequent action~~

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taken at the meeting. Approval of any matter before any Committee by a majority of those present at a meeting of a Committee where a quorum is present shall constitute approval of the applicable matter by the applicable Committee.

~~7.96.6 Resignation.~~ Any Committee member may resign at any time by giving written notice thereof to the Chairperson, the President and Chief Executive Director, Officer or the Secretary of the Corporation. Any such resignation shall take effect on the date of receipt of such notice by one of the above--specified officers, or at such later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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~~7.106.7 Removal.~~ Any Committee member may be removed, with or without cause, by the Board of Trustees or the Member whenever in the judgment of the Board of Trustees or the Member the best interests of the Corporation will be served thereby. ~~;~~ provided that if any Committee member is removed by the Member, at least 10 days advance notice of such removal shall be given by the Member to the Board of Trustee

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#### Article VIII

#### FISCAL YEAR AND ANNUAL REPORT

8.1 ~~Fiscal Year.~~ The Fiscal Year of the Corporation shall be begin on the first day of July of each year and end on the last day of June of the succeeding year.

8.2 ~~Annual Report.~~ As soon as may be convenient following the close of the Fiscal Year, the Board of Trustees may cause to be published for general distribution an Annual Report containing such information regarding the work and affairs of the Corporation for the preceding Fiscal Year as in their discretion may be deemed advisable.

#### Article IX

#### SEAL

9.1 ~~Seal.~~ The seal of the Corporation shall be in such form as may be approved by the Board of Trustees.

#### Article X

#### LIABILITY OF TRUSTEES

~~10.1 Standard of Care and Fiduciary Duty.~~ Each Trustee shall stand in a fiduciary relation to this Corporation and shall perform his or her duties as a Trustee, including his or her duties as a member of any committee of the Board upon which the Trustee may serve, in good faith, in a manner the Trustee reasonably believes to be in the best interests of this Corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, each Trustee shall be entitled to rely in good faith on information, opinions, reports or statements, including

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~~financial statements and other financial data, in each case prepared or presented by any of the following:~~

~~(a) one or more officers or employees of this Corporation whom the Trustee reasonably believes to be reliable and competent in the matters presented;~~

~~(b) counsel, public accountants or other persons as to matters which the Trustee reasonably believes to be within the professional or expert competence of such persons; and~~

~~(c) a committee of the Board of this Corporation upon which the Trustee does not serve, as to matters within its designated authority, which committee the Trustee reasonably believes to merit confidence.~~

~~A Trustee shall not be considered to be acting in good faith if the Trustee has knowledge concerning the matter in question that would cause his reliance to be unwarranted.~~

~~10.2 Limitation on Liability. Neither the Member nor any Trustee of the Corporation shall be personally liable for monetary damages for any action taken, or any failure to take any action, provided however, that this provision shall not eliminate or limit the liability of the Member or any Trustee to the extent that such elimination or limitation of liability is expressly prohibited by, Section 5713 of the PNCL, as in effect at the time of the alleged action or failure to take action by such Member or Trustee.~~

~~10.3 Preservation of Rights. Any repeal or modification of this Article shall not adversely affect any right or protection existing at the time of such repeal or modification to which any Member, Trustee or former Member or Trustee may be entitled under this Article. The rights conferred by this Article shall continue as to any person who has ceased to be the Member or a Trustee of the Corporation and shall inure to the benefit of the successors, heirs, executors, and administrators of such person.~~

## ~~Article XI~~ **ARTICLE VII**

### **INDEMNIFICATION**

~~11.17.1 **Mandatory Right to Indemnification of Trustees and Officers.** The Corporation shall indemnify, to the fullest extent now or hereafter permitted by law, each Trustee and officer (including each former Trustee or officer) of the Corporation who **General. Any person who** was or is **a party** or is threatened to be made a party to ~~or a witness in~~ any threatened, pending or completed action, **suit** or proceeding, whether civil, criminal, administrative or investigative ~~(whether brought by or in the name of the Corporation or otherwise)~~, by reason of the fact that ~~the Trustee~~ **he** or ~~officer~~ **she** is or was ~~an authorized~~ representative of the Corporation, or is or was serving at the ~~written~~ request of the Corporation as a representative of another ~~domestic or foreign corporation for profit or not for profit~~, partnership, joint venture, trust or other enterprise, **against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Trustee or officer in connection with such action, suit or proceeding if such Trustee or officer acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the**~~

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Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

~~11.2 — Mandatory Advancement of Expenses to Trustees and Officers. The Corporation shall pay expenses (including attorneys' fees) incurred by a Trustee or officer of the Corporation referred to in Section 1 of this Article XI in defending or appearing as a witness in any civil or criminal action, suit or proceeding described in Section 1 of this Article XI in advance of the final disposition of such action, suit or proceeding. The expenses incurred by such Trustee or officer shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding only upon receipt of an undertaking by or on behalf of such Trustee or officer to repay all amounts advanced if it shall ultimately be determined that the Trustee or officer is not entitled to be indemnified by the Corporation as provided in Section 4 of this Article XI.~~

~~11.3 — Permissive Indemnification and Advancement of Expenses. The Corporation may, as determined by the Board of Trustees from time to time, indemnify, in full or in part, to the fullest extent now or hereafter permitted by applicable law, any person who was or is or is threatened to be made a party to or a witness in, or is otherwise involved in, any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was an authorized representative of the Corporation or is or was serving at the request of the Corporation as a representative of another domestic or foreign in connection with such action, suit or proceeding arising out of such person's service to the Corporation or to such other corporation for profit or not for profit, partnership, joint venture, trust or other enterprise, both as to action in his official capacity and as to action in another capacity while holding such office or position, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in conjunction with such action, suit or proceeding if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The Corporation may, as determined by the Board of Trustees from time to time, pay expenses incurred by any such person by reason of such person's participation in an action, suit or proceeding referred to in this Section 3 in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as provided in Section 4 of this Article XI at the Corporation's request. The term "representative," as used in this Article VII, shall mean any trustee, officer or member of a committee created by or pursuant to these Bylaws, and any other person who may be determined by the Board of Trustees to be a representative entitled to the benefits of this Article VII. Scope of Indemnification. Indemnification under this Article shall not be made by the Corporation in any case where a court determines that the alleged act or failure to act giving rise to the claim for indemnification is expressly prohibited by Chapter 57, Subchapter D of the PNCL or any successor statute as in effect at the time of such alleged action or failure to take action.~~

~~11.4 — Miscellaneous. Each Trustee and officer of the Corporation shall be deemed to act in such capacity in reliance upon such rights of indemnification and advancement of expenses as are provided in this Article. The rights of indemnification and advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which any person~~

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~~seeking indemnification or advancement of expenses may be entitled under any agreement, vote of members (if any), disinterested Trustees, statute or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office or position, and shall continue as to a person who has ceased to be an authorized representative of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such person. Any repeal or modification of this Article by the members (if any) or the Board of Trustees of the Corporation shall not adversely affect any right or protection existing at the time of such appeal or modification to which any person may be entitled under this Article.~~

~~11.5 Definition of Authorized Representative. For the purposes of this Article, the term, "authorized representative" shall mean a Trustee, officer (including a former Trustee of officer), or employee of the Corporation or of any corporation controlled by the Corporation, or a trustee, custodian, administrator, committeeman or fiduciary of any employee benefit plan established and maintained by the Corporation or by any corporation controlled by the Corporation, or person serving another corporation, partnership, joint venture, trust or other enterprise in any of the foregoing capacities at the written request of the Corporation. The term "authorized representative" shall not include money managers or investment advisors (or any employees thereof) hired by the Corporation, and shall not include (i) agents of the Corporation unless indemnification thereof is expressly approved by the Board of Trustees, or (ii) any scientist in his or her teaching or research capacity.~~

7.2 Right to Indemnification - Third Party Actions. Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful. ~~Funding to Meet Indemnification Obligations.~~ Subject to the approval of the Member, the Board of Trustees shall have the power to borrow money on behalf of the Corporation, including the power to pledge the assets of the Corporation, from time to time to discharge the Corporation's obligations with respect to indemnification, the advancement and reimbursement of expenses, and the purchase and maintenance of insurance for the benefit of the Corporation and any person indemnified pursuant hereto. Upon the approval of the Member, the Corporation may, in lieu of or in addition to the purchase and maintenance of insurance, establish and maintain

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7.3 **Right to Indemnification - Derivative Actions.** Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation; except, however, that indemnification shall not be made under this Section in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the Corporation unless and only to the extent that the Court of Common Pleas of the county in which the registered office of the Corporation is located or the court in which such action, suit or proceeding was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the Court of Common Pleas or such other court shall deem proper.

7.4 **Advance of Expenses.** Unless in a particular case advancement of expenses would jeopardize the Corporation's tax exempt status under Section 501(c) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code, expenses (including attorneys' fees) incurred by any representative of the Corporation in defending any action, suit or proceeding referred to in this Article VII shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the representative to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article VII or otherwise.

7.5 **Procedure for Effecting Indemnification.** Unless ordered by a court, any indemnification under Sections 7.1, 7.2 or 7.3 of these Bylaws shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such subsections. Such determination shall be made:

(a) By the Board of Trustees by a majority of a quorum consisting of trustees who were not parties to such action, suit or proceeding; or

(b) If such a quorum is not obtainable, or if obtainable and a majority vote of a quorum of disinterested trustees so directs, by independent legal counsel in a written opinion.

7.6 **Indemnification Not Exclusive.** The indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any other provision of these Bylaws, agreement, vote of disinterested trustees or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office shall continue as to a person who has ceased to be a representative of the Corporation and shall inure to the benefit of the heirs and personal representatives of such person.

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7.7 When Indemnification Not Made. Indemnification pursuant to this Article VII shall not be made in any case where (a) the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness or (b) indemnification would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code.

7.8 Grounds for Indemnification. Indemnification pursuant to this Article VII, under any other provision of these Bylaws, agreement, vote of trustees or otherwise may be granted for any action taken or any failure to take any action and may be made whether or not the Corporation would have the power to indemnify the person under any provision of law except as otherwise provided in this Article VII and whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Corporation. The provisions of this Article VII shall be applicable to all actions, suits or proceedings within the scope of Section 7.1, Section 7.2 or Section 7.3 of these Bylaws, whether commenced before or after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof.

7.9 Power to Purchase Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a representative of the Corporation or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article VII.

~~H-67.10~~ Creation of a Fund to Secure or Insure Indemnification. The Corporation may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising under or pursuant to this Article Article VII or otherwise.

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## Article XII

### AMENDMENTS OF THESE BYLAWS AND/OR THE ARTICLES OF INCORPORATION OF THE CORPORATION

~~The power to amend, modify, alter or repeal these Bylaws or the Articles of Incorporation, is hereby exclusively vested in the Member of the Corporation.~~

## Article XIII

### SUBVENTIONS

~~The Corporation shall be authorized by resolution of the Board of Trustees or the Member to accept subventions from the Member or nonmembers on terms and conditions not inconsistent with PNCL § 5542, and to issue certificates therefor. The resolution of the Board of Trustees or the Member may provide that the holders of subvention certificates shall be entitled~~

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~~to a fixed or contingent periodic payment out of the corporate assets equal to a percentage of the original amount or value of the subvention. The rights of holders of subvention certificates shall at all times be subordinate to the rights of creditors of the Corporation.~~

~~\*\*\*\*~~

7.11 Status of Rights of Indemnities. The rights to indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall (a) be deemed to create contractual rights in favor of each person who serves as a representative of the Corporation at any time while this Article VII is in effect (and each such person shall be deemed to be so serving in reliance on the provisions of this Article), and (b) continue as to a person who has ceased to be a representative of the Corporation.

7.12 Applicability to Predecessor Companies. For purposes of this Article VII, references to the "Corporation" includes all constituent corporations or other entities which shall have become a part of the Corporation by consolidation or merger or other similar transaction and their respective current and former affiliates, and references to "representatives" shall include members of any such corporation, entity or affiliate, so that any person who was a member, director, trustee, officer, committee member or other representative of such a corporation, entity or affiliate or served as a member, director, trustee, officer, committee member or other representative of another corporation, partnership, joint venture, trust or other enterprise at the request of any such corporation, entity or affiliate shall stand in the same position under the provisions of this Article VII with respect to the Corporation as he or she would if he or she had served the Corporation in the same capacity. Without limitation of the foregoing, each member, director, trustee, officer and committee member of each predecessor to the Corporation shall have the same contract rights as are afforded pursuant to Section 7.11 of these Bylaws.

## ARTICLE VIII

### CONTRACTS, LOANS, CHECKS AND DEPOSITS

8.1 Contracts. Subject to Section 3.3 of these Bylaws, the Board of Trustees may authorize any officer or officers or agent or agents to enter into any contract or execute or deliver any agreement or instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

8.2 Loans. Subject to Section 3.3 of these Bylaws and Section 7.6 of the Affiliation Agreement, the Board of Trustees may authorize the borrowing by the Corporation of such sum or sums of money as the Board of Trustees may deem advisable, and to mortgage or pledge any or all of the real or personal property and any or all of the other available assets of the Corporation in order to secure the payment of the principal amount of any such borrowing and the interest thereon and any and all such other amounts as may become due on account thereof.

8.3 Checks. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness shall be issued in the name of the Corporation and shall be signed by such officer or officers or agent or agents of the Corporation and in such manner as from time to time shall be determined by the Board of Trustees.

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8.4 Deposits. All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Trustees may approve.

## **ARTICLE IX**

### **NOTICE AND CONDUCT OF MEETINGS**

9.1 Written Notice. Except as otherwise provided in these Bylaws, whenever written notice is required to be given by any person under the provisions of any statute or these Bylaws, it may be given by sending a copy thereof through the mail or overnight delivery or by hand delivery, in each case with charges prepaid, or by facsimile transmission confirmed by one of the foregoing methods, to the individual's address appearing on the books of the Corporation or supplied by the individual to the Corporation for the purpose of notice.

9.2 Written Waiver of Notice. Whenever any written notice is required as set forth in these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

9.3 Waiver of Notice by Attendance. Attendance of a person in person at any meeting shall constitute a waiver of notice of such meeting except when a person attends the meeting for the express purpose of objecting to the transaction of any business because the meeting has not been lawfully called or convened.

9.4 Procedure. All meetings of the Board of Trustees and the committees thereof shall be conducted in an orderly manner with a view to affording full and fair discussion of the matters properly before such meetings.

## **ARTICLE X**

### **MISCELLANEOUS**

10.1 No Contract Rights. Except as specifically set forth in Section 7.11 of these Bylaws, no provision of these Bylaws shall vest any property or contract right in any person.

10.2 Corporate Seal. The Board of Trustees shall prescribe the form of a suitable corporate seal, which shall contain the full name of the Corporation and the year and state of incorporation.

10.3 Fiscal Year. The fiscal year of the Corporation shall end on such day as shall be fixed by the [UPE].

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## ARTICLE XI

### AMENDMENTS

11.1 Amendments. These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted, only by [UPE], except as expressly set forth in Section 3.3 (d)(ii) of these Bylaws.

## ARTICLE XII

### CONFLICTS OF INTEREST

12.1 Disclosure. In connection with any actual or possible conflict of interest, an interested person must disclose the existence and nature of his or her financial interest to the Board of Trustees and any relevant committee members. For this purpose, an interested person shall include any trustee, officer, or member of a committee of the Corporation or an entity affiliated with the Corporation who has a direct or indirect financial interest in a proposed transaction. A financial interest shall include: (a) an ownership or investment interest in any entity with which the Corporation has a proposed transaction or arrangement; (b) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a proposed transaction or arrangement; and (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. If a person is an interested person with respect to any entity in the health care system of which the Corporation is a part, he or she is an interested person with respect to all entities in the health care system.

12.2 Recusal and Investigation. After disclosure of the financial interest, the interested person shall leave the Board of Trustees or committee meeting while the financial interest is discussed and voted upon. The remaining trustees or committee members shall decide if a conflict of interest exists. If a conflict of interest exists, the following procedures shall be followed: (a) the Chief Executive Officer shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement; (b) after exercising due diligence, the Board of Trustees or committee shall determine whether the Corporation could obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest; and (c) if a more advantageous transaction or arrangement is not reasonably attainable, the Board of Trustees or committee shall determine by a majority vote of the disinterested trustees whether the transaction or arrangement is in the Corporation's best interests and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall decide as to whether to enter into the transaction or arrangement in conformity with such determination.

12.3 Failure to Disclose. If a trustee or committee member has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, he shall inform the interested person of the basis of such belief and afford the interested person an opportunity to explain the alleged failure to disclose. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the

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Board of Trustees or committee determines that the interested person has in fact failed to disclose an actual or possible conflict of interest, the Board of Trustees shall take appropriate steps to protect the Corporation.

12.4 Record of Actions. The minutes of the Board of Trustees and all relevant committees shall contain the following: (a) the names of persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Trustees' or committee's decision as to whether a conflict of interest in fact existed; and (b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

12.5 Compensation. Special procedures shall be in effect with respect to compensation issues. A voting member of the Board of Trustees or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation. Physicians who receive compensation from the Corporation, whether directly or indirectly or as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.

12.6 Annual Statements. Each interested person shall annually sign a statement that affirms that such person (a) has received a copy of the conflicts of interest policy, (b) has read and understands the policy, (c) has agreed to comply with the policy, and (d) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes. This policy shall be reviewed annually for the information and guidance of members of the Board of Trustees, and any new trustee or committee member shall be advised of the policy upon entering into the duties of his or her office. In addition, the Corporation shall conduct periodic reviews of its activities, including any transactions or arrangements with interested persons, to ensure that its activities in the aggregate promote and further the Corporation's exempt charitable, scientific, and educational purposes.

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