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**BYLAWS**

**OF**

**ALEXIAN BROTHERS HEALTH SYSTEM**

**Restated: \_\_\_\_\_, 20\_\_**

Bylaws: ABHS  
Restated: \_\_/\_\_/\_\_  
Legal: 5087-5  
UHDOCS 1939640-6

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**Bylaws  
Of  
Alexian Brothers Health System**

**1. GENERAL**

**1.1 CORPORATION AND SYSTEM IDENTIFICATION** The name of this corporation is Alexian Brothers Health System (the "Corporation"). This corporation is a separate and distinct entity organized and operated under the Statute for the accomplishment of specific purposes authorized pursuant to its Articles of Incorporation and is exclusively responsible for its own operations, assets and liabilities. However, this Corporation is also one of a number of entities which relate together within a system as components of the mission to God's people undertaken by the Sponsor. Other related entities and matters are more specifically identified in an "Identification Table" attached as Appendix A.

**1.2 PURPOSES AND POWERS**. The specific purposes and powers of this Corporation shall be those authorized pursuant to the Articles of Incorporation to carry out the purposes of the Sponsor consistent with and supportive of the corporate purposes of Ascension Health, including, but not limited to the purposes and powers to:

**1.2.1 LAWFUL ACTIVITIES**. Engage in any lawful activities within the purposes for which a corporation may be organized under the Statute, as it may be amended from time to time, which are in furtherance of or in support of the charitable purposes of Ascension Health and the Sponsor .

**1.2.2 SUPPORT INSTITUTIONS**. Support institutions sponsored by the Sponsor, both within and without the State of Illinois, and cooperate with other Ascension Health institutions.

**1.2.3 CHARITABLE PURPOSES**. Otherwise operate in support of or in furtherance of the charitable purposes of Ascension Health and the Sponsor and do so exclusively for religious, charitable, scientific or educational purposes within the meaning of Section 501(c)(3) of the Code and in the course of such operation.

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- A. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other private persons unless allowed by Section 501(c)(3) of the Code and the Statute except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein and in the Articles of Incorporation.
- B. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.
- C. Notwithstanding any other provisions of the Corporation's Governing Documents, the Corporation shall only operate for charitable purposes, the Corporation shall not carry on any other activities not permitted to be carried on: (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code; or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

**1.3 BYLAWS.** The provisions of this document constitute the Bylaws of this Corporation, which Bylaws, until changed by an amendment hereto, shall be utilized to govern the operation of the Corporation for all purposes. Certain terms used in connection with the operation of the Corporation and related entities are defined in Appendix B.

**1.4 CONDUCT OF AFFAIRS.** The business and affairs of the Corporation shall be conducted in a manner consistent with the Code of Canon Law as promulgated by the Roman Catholic Church, the *Ethical and Religious Directives for Catholic Health Care Services* as promulgated by the United States Catholic Conference of Catholic Bishops and as implemented by the local ordinary, the health care mission, philosophy and policies of the Sponsor as promulgated by the Sponsor, the Articles of Incorporation and the Bylaws of the Corporation.

**1.5 PHILOSOPHY.** The philosophy of the Corporation is that of the Sponsor as articulated and promoted through statements of mission, vision and values of the Corporation in accordance with the official teachings of the Roman Catholic Church and the *Ethical and Religious Directives for Catholic Health Care Services* as approved, from time to time, by the United States Conference of Catholic Bishops and as implemented by the local ordinary.

**1.6 OFFICES.**

**1.6.1 REGISTERED OFFICE.** The registered office of the Corporation shall be located in the State, and the registered agent shall have a business office identical with such registered office, which office and agent may be changed from time to time by the Board.

**1.6.2 PRINCIPAL OFFICE.** The principal office and place of business of the Corporation shall be at the address identified in Appendix A, which principal office and place of business may be changed from time to time by the Board.

**1.6.3 OTHER OFFICES.** The Corporation may have other offices within or outside the State at such place or places as the Board may from time to time determine.

**2. MEMBERSHIP OF CORPORATION.** The Corporation will have one class of Members of the Corporation, known as the Institute Member Class, consisting of one Member, known as the Institute Member, and described in Article 3.0.

**3. INSTITUTE MEMBER**

**3.1 IDENTIFICATION OF INSTITUTE MEMBER.** The Institute Member shall be Ascension Health, a Missouri nonprofit corporation, and any successor to such corporation resulting by merger, consolidation or change of name. If at any time the above named corporation shall cease to exist under circumstances where there is no successor corporation, thereby creating a vacancy in the position of the Institute Member, the Corporation shall promptly cause notice of such vacancy to be given to the Sponsor, and such organization may appoint a new Institute Member.

**3.2 POWERS OF INSTITUTE MEMBER.** The Institute Member shall have all the following reserved powers in addition to the powers set forth elsewhere in these Bylaws:

- A. Appointment, upon the recommendation of the Board of the Corporation, and removal, with or without cause, of individuals serving as Appointed Members of the Board;
- B. Appointment or removal, with or without cause, of the Chair of the Board of the Corporation, in consultation with the Sponsor.



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- C. Approval of the formation or acquisition of legal entities for which Ascension Health will serve as the sole or controlling entity and, subject to Canonical Requirements, approval of the sale, transfer or substantial change in use of all or substantially all of the assets of the Corporation or the divestiture, dissolution, closure, merger, consolidation, change in corporate membership or corporate reorganization of the Corporation;
- D. Approval of requirements of, and approval of changes to, the Governing Documents of the Corporation and its Subsidiary Organizations, if the changes are inconsistent with the System Requirements for Governing Documents;
- E. Approval of the transfer of assets and the reallocation of debt among the Corporation and other Health Ministries in accordance with System Policies, in consultation with the Corporation's Board;
- F. Approve the transfer or encumbrance of tax exempt financed assets of the Corporation and its Subsidiary Organizations in accordance with System Policies.
- G. Approval of the incurrence of debt of the Corporation in accordance with System Policies.

**3.3 MANNER OF ACTING BY INSTITUTE MEMBER.** The Institute Member may appoint any other officer(s), Trustee(s), or anyone else to act on its behalf in the capacity of the Institute Member of the Corporation. A record shall be maintained of Institute Member actions.

**4. RESERVED**

**5. BOARD**

**5.1 IDENTIFICATION, QUALIFICATIONS AND FUNCTIONS OF BOARD.**

**5.1.1 IDENTIFICATION OF BOARD.** The Corporation shall have a Board of Governors ("Board"). The total number constituting the Members of the Board shall be not fewer than eight nor more than thirteen as determined by resolution of the Institute Member. **At least one Member of the Board shall be an Alexian Brother.** The President of the Corporation shall be an Ex Officio Member of the Board with vote. Board members shall be appointed, upon the recommendation of the Board of the Corporation, by Ascension Health. Board members shall be appointed for staggered terms. Unless otherwise

specified by Ascension Health, Board appointments and reappointments shall commence as of July 1 of the fiscal year such appointment or reappointment was made and shall expire on June 30 after a full three (3) year term. If Ascension Health specifies a commencement date other than July 1, the first year of such three (3) year term for such Board member shall commence on the date specified by Ascension Health and shall expire on the next June 30. No Board member shall serve more than three (3) consecutive three (3) year terms or, in any event, more than nine (9) consecutive years. After a period of one (1) year of not serving on the Board, such person shall be eligible again to serve on the Board of Governors.

**5.1.2 QUALIFICATIONS OF BOARD.** Members of the Board may include secular persons as well as religious. . In appointing Members of the Board, consideration may be given to candidates who:

- A. Have an appreciation of and loyalty to the mission of the Sponsor and a clear interest in serving in the discharge of that mission;
- B. Have an overall understanding of the health care industry within the ambience of the State;
- C. Have specific expertise in one or more of the disciplines applicable to the health care industry;
- D. Have the ability to articulate the perceptions of their peers, command the respect of their peers and influence the decisions of their peers;
- E. Have the desire, time, energy and ability to accept and discharge the responsibilities of a Member of the Board; and
- F. Have any additional qualifications necessary to meet any legal requirements.

**5.1.3 FUNCTIONS OF BOARD.** The Board shall oversee the affairs of the Corporation and its Subsidiary Organizations and, through the exercise of the powers set forth in Section 5.2, shall discharge the following primary functions:

- A. Serve as the national steward of the resources of the Corporation and its Subsidiary Organizations;

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- B. Assist the Corporation and its Subsidiary Organizations in attaining their respective purposes;
- C. Establish the general nature and organization of services offered by the Corporation and its Subsidiary Organizations; and
- D. Coordinate the operations of the Corporation and its Subsidiaries in accordance with the principles for the conduct of affairs.

**5.2 POWERS OF BOARD.** The business, property, affairs and funds of the Corporation shall be managed, supervised and controlled by its Board of Governors who shall exercise all of the powers of the Corporation, subject to the powers reserved in the Corporation's Governing Documents to the Institute Member or to the Sponsor and subject to applicable law. The powers of the Board, which shall be exercised in accordance with, and subject to, System Policies, shall include, but not be limited to, the following:

- A. Approval of the Integrated Strategic, Operational & Financial Plan, annual scorecard targets and initiatives for the Corporation, subject to ratification by the Ascension Health President/CEO;
- B. Approval of the commencing or ceasing participation in a business or line of service;
- C. Approval of creating, ceasing or modifying the use of a business name or logo;
- D. Approval of the mission and vision statements for the Corporation in consultation with the Ascension Health President/CEO and approval of the mission and vision statements for its respective Subsidiary Organizations; and assuring compliance with the philosophy, mission, vision, expectations and core values of Ascension Health;
- E. Approval of the formation or acquisition of legal entities, in consultation with the Ascension Health President/CEO;
- F. Approval of the requirements of, and adoption or approval of changes to, the Governing Documents of the Corporation and its Subsidiary Organizations, if the changes are consistent with the System Requirements for Governing Documents;

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- G. Recommending the appointment of members of the Board of Governors, recommending the appointment of the Board Chair of the Corporation and evaluating the Corporation's Board and Board Chair;
- H. Appointing, upon the recommendation of the governing board of the applicable Subsidiary Organization, or removing, with or without cause, the Board Chair and members of the governing board of such Subsidiary Organization of the Corporation. Removal does not require a recommendation of such Subsidiary Organization's governing board;
- I. Appointing, effecting formal disciplinary action, suspending or removing the President of the Corporation with concurrent approval of the Ascension Health President/CEO and in consultation with the Sponsor, and establishing the annual performance objectives, evaluating performance and determining compensation of the President of the Corporation with concurrent approval by the Ascension Health President/CEO;
- J. Subject to Canonical Requirements, approval of any transfer of assets and the reallocation of debt among the Corporation and the other Health Ministries in accordance with System Policies;
- K. Approval of the incurrence of debt of the Corporation and its Subsidiary Organizations in accordance with System Policies; and
- L. Subject to Canonical Requirements, approval and recommendation for approval by the Ascension Health Board of Trustees, the sale, transfer, or substantial change in the use of all or substantially all of the assets of the Corporation or Subsidiary Organization that is a Credit Group Member, and divestiture, dissolution, closure, merger, consolidation, change in corporate membership or ownership, or corporate reorganization of the Corporation or Subsidiary Organization that is a Credit Group Member.

Members of the Board shall use their best efforts to understand and fulfill their responsibilities, and shall be afforded the information necessary therefor. To this end, the President shall provide an initial general orientation program for new Members of the Board and provide the availability of continuing education programs and pertinent information for all Members of the Board, including the provision of specific information relating to the

Board's responsibility for review of quality of health care services. The Board shall at each Annual Meeting evaluate its own performance.

### **5.3 ORIENTATION AND EVALUATION**

**5.3.1 ORIENTATION.** The President shall provide an orientation program for new Board members and continuing education programs for all Board members to assist the Board members in understanding and fulfilling their responsibilities.

**5.3.2 EVALUATION.** At least annually, the Board shall evaluate its own performance.

### **5.4 RELIANCE BY BOARD.**

**5.4.1 RELIANCE ON INFORMATION.** In performing their duties, Members of the Board shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

- A. One or more Officers or employees of the Institute Member, the Corporation, or Subsidiary Organizations whom they reasonably believe to be reliable and competent in the matters presented;
- B. Counsel, public accountants or other persons as to matters which they reasonably believe to be within such person's professional or expert competence; or
- C. A Committee upon which they do not serve, duly designated in accordance with a provision of these Bylaws, as to matters within its designated authority, which Committee they reasonably believe to merit confidence.

**5.4.2 UNWARRANTED RELIANCE.** Members of the Board shall not be considered to be acting in good faith if they have knowledge concerning the matter in question that would cause such reliance described above to be unwarranted.

**5.4.3 LIABILITY.** Members of the Board who perform their duties in compliance with this Section shall have no liability by reason of being or having been Members of the Board.

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- 5.5 REGULAR AND SPECIAL MEETINGS.** A regular annual meeting of the Board shall be held in **[January]** of each year for the transaction of such business as may come before the meeting. The Board shall provide by resolution for the holding of additional regular meetings to the end that at least two regular meetings shall be scheduled within each calendar year. The Board may by resolution prescribe the time and place for the holding of additional regular meetings and may provide that the adoption of such resolution shall constitute notice of such regular meetings. If the Board does not prescribe the time and place for the holding of regular meetings, such regular meetings shall be held at the time and place specified by the Chair in the notice of each such regular meeting. Special meetings of the Board may be called by, or at the direction of, the Institute Member, the Chair, the President of the Corporation or a majority of the Members of the Board then in office, to be held at such time and place as shall be designated in the notice of the meeting.
- 5.6 NOTICE.** Except as provided in Section 5.5, notice of the time and place of any meeting of the Board shall be given at least four days previously thereto if given by mail and 48 hours if given in person, by electronic transmission or by telephone. Any Member of the Board may waive notice of any meeting. The attendance of a Member of the Board at any meeting shall constitute a waiver of notice of such meeting except where a Member of the Board attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, except that no special meeting of the Board may remove a Member of the Board unless written notice of the proposed removal is delivered to all Members of the Board at least twenty (20) days prior to such meeting.
- 5.7 QUORUM.** A majority of the Members of the Board then in office present in person, but not less than one-third of the Members of the Board then in office, shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a majority of the Members of the Board then in office are present in person at such meeting, a majority of the Members of the Board present may adjourn the meeting from time to time without further notice.

**5.8 MANNER OF ACTING.**

**5.8.1 FORMAL ACTION.** Unless otherwise provided herein or by Statute, the act of a majority of the Members of the Board present at a meeting at which a quorum is present shall be the act of the Board.

**5.8.2 INFORMAL ACTION.** No action of the Board shall be valid unless taken at a meeting at which a quorum is present, except that any action which may be taken at a meeting of the Board may be taken without a meeting if a consent in writing (setting forth the action so taken) shall be signed by all voting Members of the Board.

**5.8.3 TELEPHONIC MEETING.** Unless otherwise prohibited by Statute, Members of the Board may participate in any meeting of the Board by means of conference telephone or similar communications whereby all persons participating in such meeting can hear one another. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting and shall be encouraged when Members of the Board are not able to be physically at the site of the meeting.

**5.9 RESIGNATIONS AND REMOVAL.** Any Member of the Board may resign from the Board at any time by giving written notice to the President or to the Secretary of the Corporation, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. An Ex Officio Member of the Board shall automatically cease to serve in such position if the person shall cease to hold the position specified as the basis for such ex officio membership. An Appointed Member may be removed from such position at any time by Ascension Health with or without cause, at any regular or special meeting of Ascension Health, provided that appropriate notice has been given in accordance with the Statute. Removal does not require a recommendation of the Corporation's Board.

**5.10 VACANCIES.** Any vacancy occurring in the appointed membership of the Board shall be filled by Ascension Health upon the recommendation of the Board of the Corporation.

**5.11 COMPENSATION.** Members of the Board, as such, shall not receive any stated salaries for their services but may, if not employed by a Subsidiary Organization, receive a fee in an amount determined by the President with the approval of the Board for each meeting of the Board in which they participate and shall receive a reasonable amount as reimbursement for travel and other expenses incurred in attending to their authorized duties. Subject to the provisions of Section 9.7, nothing herein contained shall be

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construed to preclude any Member of the Board from rendering services to the Corporation in any other capacity and receiving compensation therefor.

- 5.12 PROCEDURES.** The Chairperson of the Board shall preside at meetings of the Board. A record shall be maintained of the meetings of the Board. Moreover, all waivers, consents and approvals shall be made a part of the minutes of the meetings or otherwise filed with the corporate records. The Board may adopt its own rules of procedure which shall not be inconsistent with these Bylaws.

**6. COMMITTEES**

- 6.1 BOARD COMMITTEES.** Except as limited by Statute, Board Committees may be established by the Board from among its own membership and other persons, the majority of the membership of the committee being Members of the Board, and be authorized to exercise designated powers of the Board when the Board is not in session. Applicable limitations on the powers of Board Committees, if any, required by Statute as of the date this document was published are reflected in Appendix A.

**6.1.1 EXECUTIVE COMMITTEE.**

A. Composition. The Board may create an Executive Committee from among the Members of the Board. If created, the membership of the Executive Committee shall include the President of the Corporation, as an Ex Officio Member, and two or more appointed Members. The Chairperson of the Corporation shall serve as chairperson of the Committee.

B. Authority. When the Board is not in session, the Executive Committee shall have and exercise all of the authority of the Board, except as such authority is limited by Statute or by resolution creating or otherwise controlling the Executive Committee.



**6.1.2 ADDITIONAL OR COMBINATION OF BOARD COMMITTEES.**

**A. Additional Board Committees.**

1. Composition and Appointment. The Board, by resolution adopted by a majority of its Members, may create from among the Members of the Board and other persons, the majority of the membership of the Committee being Members of the Board, one or more additional Board Committees. If an additional Board Committee is created, the resolution creating it shall designate the Members of the Board who are to serve as the Members of the Committee, one of whom shall be designated as chairperson of the Committee.
2. Powers and Functions. The resolution creating an additional Board Committee shall designate the authority of the Board which the Committee shall have and exercise when the Board is not in session and the functions the Committee shall discharge.

**B. Combination of Board Committees.** If the Board determines that any one or more of the Board Committees, if any, created pursuant to this Article should not exist, it shall reassign the functions to another Board Committee or to the Board acting as a committee of the whole.

**6.1.3 COMPOSITION AND TENURE.** The Members of Board Committees may consist of Ex Officio Members and Appointed Members. Each Ex Officio Member of a Board Committee shall continue as such for so long as they shall hold the positions designated as the basis for their ex officio membership. Customarily, Members of Board Committees shall be appointed at the annual meeting of the Board. Each Appointed Member of a Board Committee shall hold office from the date of the person's appointment until the next annual meeting of the Board following the person's appointment and until a successor is selected, unless the person shall sooner cease to be a Member of the Board or shall resign or be removed from the Board Committee.

**6.1.4 CONSULTING MEMBERS.** Unless serving as a regular Member, the President of the Corporation shall be an Ex Officio Consulting Member of all Board Committees. The

Board may from time to time appoint one or more additional persons as Consulting Members of the Board Committees

**6.2 COMMITTEES.** Committees perform designated functions on behalf of the Corporation but do not exercise any of the powers of the Institute Member or the Board.

**6.2.1 STANDING COMMITTEES.** Except as provided in Section 6.2.2, the Corporation may have the following standing Committees:

A. Finance Committee. The Finance Committee may consist of three or more persons. The Finance Committee shall perform or cause to be performed the functions relating to finance for the Corporation System as may be assigned to it by the Board.

B. Compensation Committee. The Compensation Committee may consist of three or more persons. The Compensation Committee shall perform or cause to be performed the functions relating to compensation policy and review of compensations practices for the Corporation System as may be assigned to it by the Board.

C. Audit Committee. The Audit Committee shall consist of at least five persons, including at least one (1) Financial Expert. Members of the Audit Committee and the Chair of the Audit Committee shall be appointed by the Board. The Chair of the Audit Committee shall be a member of the Board. At least one (1) other member of the Audit Committee shall be a member of the Board. All members of the Audit Committee shall be financially literate. A majority of the members of the Audit Committee shall consist of members who are independent of the Corporation, its management and Ascension Health. Members of the Audit Committee shall be considered independent if they have no relationship that may interfere with the exercise of their independence from the Corporation, its management and Ascension Health. Serving on the Board of the Corporation in itself does not constitute lack of independence. The Chief Financial Officer and the Internal Auditor of the Corporation shall serve as staff to the Audit Committee. The Corporation's Chief Legal Officer and Corporate Responsibility Officer may also serve as staff to the Audit Committee. Collectively, the staff of the Audit Committee shall be responsible for delivering Audit Committee meeting minutes to the Audit Committee and delivering an Audit Committee report to the Board.

The Audit Committee shall be responsible for:

1. evaluating audit performance;

2. examining the adequacy and effectiveness of internal control systems and financial information used by the Board of Trustees and Finance Committee, as applicable, or by external agencies to evaluate the Corporation's fiscal affairs;

3. determining what the Corporation is doing to provide reliable financial statements and financial controls, including at a minimum, reviewing each quarterly control checklist and internal letter of representation and the annual Finance Code of Ethics;

4. ensuring that the Corporation develops and maintains an effective corporate compliance program; and

5. reporting on the matters in this Section 6.2.1I to the Board with such recommendations as appropriate.

#### **6.2.2 ADDITIONAL OR COMBINATION OF COMMITTEES.**

A Additional Committees. Additional Committees may be created and abolished by the Board. Additional Committees that may be created shall discharge such responsibilities as may be assigned to them.

B Combination of Committees. If the Board determines that any one or more of the Committees established pursuant to this Article should not exist, the Board shall assign the functions of such Committee to a new or existing Administrative Committee, Committee, Board Committee or to the Board acting as a committee of the whole.

**6.2.3 COMPOSITION AND TENURE.** The Members of Committees may consist of Ex Officio Members and Appointed Members. Ex Officio Members of a Committee shall serve by virtue of holding other designated positions and shall continue as such for so long as they shall hold the positions designated as the basis for their ex officio membership. Appointed Members of Committees shall be appointed by the Chairperson with the approval of the Board from among the Board, Officers, Medical Staff, Employed Staff, Councilors, professional advisors and friends of the Corporation. Customarily, Members of Committees shall be appointed in **[January]** of each year. Each Appointed Member of a Committee shall continue as such until the end of the calendar year in which the appointment becomes effective and until the person's successor is appointed, unless the person sooner resigns or is removed from the Committee.

**6.2.4 CONSULTING MEMBERS OF COMMITTEES.** Unless serving as a Member of Committees, the President of the Corporation shall be an Ex Officio Consulting Member of each Committee. The Board may from time to time appoint one or more additional persons as Consulting Members of the Committees to hold office at the pleasure of the authority making the appointment.

**6.3 REGULAR AND SPECIAL MEETINGS.** A regular meeting of each Committee shall be held in **[February]** of each year for the purposes of reviewing the Committee's functions. The Committee may by resolution prescribe the time and place for holding additional regular meetings and may provide that the adoption of such resolution shall constitute notice of such regular meetings. If the Committee does not prescribe the time and place for the holding of regular meetings, such regular meetings shall be held at the time and place specified in the notice of each such regular meeting. Special meetings of a Committee may be called by, or at the direction of, the President of the Corporation, the chairperson of the Committee or a majority of the Members of the Committee then in office, to be held at such time and place as shall be designated in the notice of the meeting.

**6.4 NOTICE.** Except as provided in Section 6.3, notice of the time and place of any meeting of a Committee shall be given in writing at least four days previously thereto if given by mail and 48 hours if given in person, by electronic transmission or by telephone. Any Member of a Committee may waive notice of any meeting. The attendance of a Member of a Committee at any meeting shall constitute a waiver of notice of such meeting, except where a Member of a Committee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of a Committee need be specified in the notice or waiver of notice of such meeting.

**6.5 QUORUM.** A majority of the Members of a Board Committee, but not less than two, shall constitute a quorum for the transaction of business at any meeting of the Committee.

**6.6 MANNER OF ACTING.**

**6.6.1 FORMAL ACTION.** Unless otherwise provided herein or by Statute, the act of a majority of the Members of a Board Committee present at a meeting at which a quorum is present shall be the act of the Board Committee.

**6.6.2 INFORMAL ACTION.** No action of a Committee shall be valid unless taken at a meeting at which a quorum is present, except that any

action which may be taken at a meeting of a Committee may be taken without a meeting if a consent in writing (setting forth the action so taken) shall be signed by all Members of the Committee entitled to vote.

**6.6.3 TELEPHONIC MEETING.** Unless otherwise prohibited by Statute, Members of a Committee may participate in any meeting of a Committee by means of conference telephone or similar communications equipment whereby all persons participating in such meeting can hear one another. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting and shall be encouraged when Members of Committees are not able to be physically present at the site of the meeting.

**6.7 RESIGNATIONS AND REMOVAL.** Any Member of a Committee may resign from the Committee at any time by giving written notice to the President or to the Secretary of the Corporation and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A Member of a Board Committee shall automatically cease to serve in such position if the person shall cease to be a Member of the Board. An Ex Officio Member of a Committee or an Ex Officio Consulting Member of a Committee shall automatically cease to serve in such position if the person shall cease to hold the position specified as the basis for such ex officio membership. An Appointed Member or an appointed Consulting Member of a Committee may be removed from such position at any time by the authority authorized to make original appointments without assigning any cause.

**6.8 VACANCIES.** Any vacancy occurring in the appointed membership of a Committee shall be filled by the authority authorized to make the original appointments.

**6.9 COMPENSATION.** Members of Committees, as such, shall not receive any stated salaries for their services but may, if not employed by a Subsidiary Organization, receive a fee in an amount determined by the President with the approval of the Board for each meeting of a Committee in which they participate and shall receive a reasonable amount as reimbursement for travel and other expenses incurred in attending to their authorized duties. Subject to the provisions of 9.7, nothing herein contained shall be construed to preclude any Member of a Committee from rendering services to the Corporation in any other capacity and receiving compensation therefor.

**6.10 PROCEDURES.** The chairperson of a Committee shall preside at meetings of the Committee. A record shall be maintained of the meetings of Committees. Moreover, all waivers, consents and approvals shall be made a part of the minutes of the meetings or otherwise filed with the corporate records. A

Committee may adopt its own rules of procedure which shall not be inconsistent with these Bylaws.

## **7. OFFICERS**

**7.1 OFFICERS.** The Officers of the Corporation consist of Executive Officers and Administrative Officers. The Executive Officers of the Corporation include the President and a Chairperson of the Board and Vice Chairperson of the Board. The Administrative Officers of this Corporation include a Vice President, a Treasurer (Chief Financial Officer), a Secretary and all other Officers of the Corporation except Executive Officers. The Corporation may, at the discretion of the President, have additional Administrative Officers including, without limitation, Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Assistant Secretaries and Assistant Treasurers. Officers other than Executive Officers need not be Members of the Board. One person may hold two or more offices except the President may not serve concurrently as the Secretary or Treasurer. The duties of certain offices are prescribed in the following Sections. When the incumbent of an office is (as determined by the incumbent himself, the Institute Member or the Board) unable to perform the duties thereof or when there is no incumbent of an office (both such situations referred to hereafter as the "absence" of the Officer) the duties of the office shall, unless otherwise provided by the Institute Member, be performed by the next Officer in the following seniority sequence: Chairperson of the Board, Vice Chairperson of the Board, President, Executive Vice President, Senior Vice President, Vice President, Treasurer and Secretary. Where there is more than one Officer within the same seniority class, individual seniority within the class shall be as designated by the President.

**7.2 APPOINTMENT AND TENURE.** Other than the Chair of the Board and President of the Corporation, the Executive Officers of the Corporation shall be appointed by the Board of the Corporation not later than the end of the month of **[December]** of each year or as soon thereafter as conveniently may be. The Board shall appoint the President with concurrent approval of the Ascension Health President/CEO and in consultation with the Sponsor. The Administrative Officers shall be appointed by the President subject to the approval of the Board with respect to any Executive Vice President. Each Officer shall hold office for a term commencing on the first day of **[January]** or later effective date stated in the person's appointment and continuing until the last day of **[December]** next following such effective date and until the person's successor is appointed, unless the person shall sooner resign or be removed.

**7.3 RESIGNATIONS AND REMOVAL.** Any Officer may resign at any time by giving written notice to the President or to the Secretary of the Corporation,

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and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The President may be removed by the Board of Trustees without assigning any cause, with concurrent approval of the Ascension Health President/CEO and in consultation with the Sponsor. The other Executive Officers other than the Chair and Administrative Officers may be removed by the President without assigning any cause.

**7.4 VACANCIES.** A vacancy in any office may be filled by the authorities authorized to make initial appointments for the unexpired portion of the term.

**7.5 CHAIRPERSON OF THE BOARD.** Ascension Health shall appoint the Chair of the Board. The Chair may be removed with or without cause by Ascension Health. Provided however, for a period of four years from the date of Closing, the Chairperson shall be an Alexian Brother. The Chairperson shall preside at meetings of the Board.

**7.6 VICE CHAIRPERSON OF THE BOARD.** The Vice Chairperson of the Board, if appointed, shall perform such duties as may be assigned by the Board.

**7.7 PRESIDENT.**

**7.7.1 FUNCTIONS OF THE PRESIDENT.** The President shall be the chief executive officer of the Corporation having general overall supervision of all of the business and affairs of the Corporation. The President shall be an Ex Officio Member of the Board with vote and, unless a Member, shall be an Ex Officio Consulting Member of all committees of the Corporation.

**7.7.2 POWERS OF THE PRESIDENT.** The Board of Governors shall appoint and remove the President of the Corporation with concurrent approval of the Ascension Health President/CEO and in consultation with the Sponsor. The Board of Governors shall establish annual performance objectives, evaluate performance and determine compensation of the President of the Corporation with concurrent approval of the Ascension Health President/CEO. The President shall effectuate these Bylaws and the policies and determinations of the Institute Member and the Board in their respective categories of authority and, to the extent not inconsistent therewith, the President shall exercise the powers and discharge the duties set forth below:

- A. Keep the Institute Member and the Board advised in all material matters pertaining to the operation of the Corporation including its authorized Services, and its competitive posture,

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marketing plan, services rendered, revenues, expenses and financial position, and quality of health care services;

- B. Keep the Board advised in all material matters pertaining to the activities of Subsidiary Organizations;
- C. Submit recommendations to, and act to effectuate the policies and determinations of, the Institute Member and the Board on matters within their respective categories of authority;
- D. Act specifically for the Corporation with respect to actions by the Corporations relating to the internal affairs of the Corporation and with respect to action by the Corporation relating to the Corporation's role as Member, Shareholder or other participant in the affairs of Subsidiaries;
- E. Act specifically for the Corporation to represent the interest of the Corporation with respect to external agencies, direct and supervise the activities of the Corporation in connection with all Subsidiary Organizations thereof and discharge other duties specifically assigned by these Bylaws; and
- F. Act generally for the Corporation in all other matters not within the categories of authority specifically assigned by these Bylaws to the Institute Member, the Board or others.

The President shall have the duty and authority to act in the foregoing matters with respect to the Corporation and on behalf of the Corporation in its role as member, shareholder, partner, etc. with respect to Subsidiaries.

**7.7.3 QUALIFICATIONS OF THE PRESIDENT.** The individual serving as President of the Corporation may be an Alexian Brother, a qualified Religious or a qualified secular person who subscribes to the Philosophy of the Corporation and to the values of the Catholic healthcare ministry. The President shall also act as the Chief Executive Officer of the Health Ministry. The President should demonstrate a commitment to quality healthcare services and effective stewardship of resources in accordance with responsible business practices and social accountability.

**7.7.4 DISCHARGE, SUSPENSION, DISCIPLINARY ACTION.** The Board of Governors has the authority to effect formal disciplinary action, suspension or discharge of the Chief Executive Officer of the Corporation with concurrent approval of the Ascension Health President/CEO and in consultation with the Sponsor.



- 7.8 **EXECUTIVE, SENIOR AND OTHER VICE PRESIDENTS.** The Executive Vice Presidents, Senior Vice Presidents and Vice Presidents shall perform such duties as may be assigned to them by the President.
- 7.9 **TREASURER.** The Treasurer shall be the Chief Financial Officer of the Corporation and shall, subject to the direction of the President, cause to be performed all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President. If required by the President, at the expense of the Corporation the Treasurer shall give a bond for the faithful discharge of the person's duties in such sum and with such surety as the Board shall determine.
- 7.10 **SECRETARY.** The Secretary shall, subject to the direction of the President, cause to be performed all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President.
- 7.11 **ASSISTANT TREASURERS AND ASSISTANT SECRETARIES.** If appointed, Assistant Treasurers and Assistant Secretaries shall perform such duties as shall be assigned to them by the Treasurer or Secretary, respectively, or by the President.
- 7.12 **COMPENSATION.** The annual performance objectives, performance evaluation and compensation of the President shall be done by the Board with concurrent approval of the Ascension Health President/CEO. Compensation, if any, of each Administrative Officer shall be fixed by the President consistent with any compensation policy adopted by the Board. The appointment as an Officer shall not of itself establish any contractual right to the continuation of compensation for any period of time. Officers shall receive reimbursement in a reasonable amount for travel and other expenses incurred in attending to their authorized duties.
- 7.13 **TERM.** The Chairperson shall serve a term which shall be for two (2) years and is eligible to serve one (1) additional two (2) year term. A Chair whose term has reached the two (2) consecutive two (2) year term limit may not be reconsidered for such position.

## 8. **FISCAL MATTERS**

- 8.1 **FISCAL YEAR.** The fiscal year of the Corporation shall begin on the first day of July and end on the last day of June in each year.

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- 8.2 CHECKS, DRAFTS, ETC.** All checks, drafts or other orders for the payment of money, and all notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such Officer or Officers, agent or agents of the Corporation and in such manner (including the use of facsimile signatures) as shall from time to time be designated by the President with the approval of the Board. In the absence of such designation, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President.
- 8.3 GIFTS.** Subject to any System Policy or Board policy, the President may accept on behalf of the Corporation any contribution, gift, bequest or devise for and consistent with the general purposes, or for and consistent with any specific purpose, of the Corporation.
- 8.4 BOOKS AND RECORDS.** The President shall cause the Corporation to keep correct and complete books and records of account and shall also keep records of actions by the Institute Member and the proceedings of the Board and the Board Committees, which records shall be open to inspection by agents of the Institute Member at any reasonable time. The right to make such inspection shall include the right to make extracts.
- 8.6 INDEPENDENT AUDITORS.** Independent auditors selected by Ascension Health shall perform a financial audit of the affairs of the Corporation and Subsidiary Organizations and report to the Institute Member, the Board and the President with respect thereto.

**9. MISCELLANEOUS**

- 9.1 ADMINISTRATIVE COMMITTEES.** In addition to other Committees provided for in the Bylaws, the President shall be authorized to appoint Administrative Committees to advise with respect to the particular administrative functions specified in the appointment of the Committee.
- 9.2 LOANS TO OFFICERS AND MEMBERS OF THE BOARD PROHIBITED.** No loans shall be made by the Corporation to its Officers or Members of the Board. The Members of the Board who vote for or assent to the making of a loan to an Officer or Member of the Board of the Corporation, and any Officer or Member of the Board participating in the making of such loan, shall be jointly and severally liable to the Corporation for the amount of such loan until the repayment thereof.
- 9.3 CONTRACTS.** The President may authorize any Officer or agent of the Corporation, in addition to the Officers so authorized by these Bylaws, to enter into any appropriately authorized contract or execute and attest to any appropriately authorized instrument in the name of and on behalf of the

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Corporation, and such authority may be general or confined to specific instances.

**9.4 SEAL.** The President may provide a corporate seal for use by the Corporation.

**9.5 NOTICE.**

**9.5.1 EFFECTIVE DATE.** Any notice required or permitted to be given pursuant to the provisions of the Statute, the Articles of Incorporation or these Bylaws, shall be effective as of the date personally delivered or, if sent by first class mail, on the date deposited with United States Postal Service, prepaid and addressed to the intended receiver at the person's last known address as shown in the records of the Corporation or delivered by a recognized courier service.

**9.5.2 WAIVER OF NOTICE.** Whenever any notice is required to be given pursuant to the provisions of the Statute, the Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by the persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

**9.6 INDEMNIFICATION OF OFFICERS, BOARD MEMBERS AND OTHERS.**

**9.6.1 INDEMNIFICATION BY CORPORATION.**

A. Third Party Actions. Subject to the determination of the Board (made for the purpose of finding and verifying the finding of facts), the Corporation shall indemnify any person who was or is a party defendant or is threatened to be made a party defendant 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 the person is or was a Shareholder, Member of the Corporation, Member of the Board, Officer, Executive, or employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Shareholder, Member of the Corporation, Member of the Board, Officer, executive, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including serving as a trustee, plan administrator or other fiduciary of any employee benefit plan, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interest of the Corporation, and with respect

to any criminal action or proceeding, had no reasonable cause to believe the person's 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 in itself create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.

B. Derivative Actions. Subject to the determination of the Board, the Corporation shall indemnify any person who was or is a party defendant or is threatened to be made a party defendant 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 the person is or was a Shareholder, Member of the Corporation, Member of the Board, Officer, Executive, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Shareholder, Member of the Corporation, Member of the Board, Officer, Executive, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including serving as a trustee, plan administrator or other fiduciary of any employee benefit plan, against expenses (including attorney's fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the person's duty to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine 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 which such court shall deem proper.

**9.6.2 INDEMNIFICATION FUNDING.** The Corporation shall fund the indemnification obligations provided by Section 9.6.1 in such manner and to such extent as the Board may from time to time deem prudent.

**9.7 DUALITY OF INTEREST TRANSACTIONS.** Members of the Board and Officers of this Corporation have a duty of undivided loyalty to this Corporation in all matters affecting this Corporation's interests.

**9.7.1 ANTICIPATED INTRA-SYSTEM TRANSACTIONS.**

This Corporation, although a separate entity operated exclusively for the purposes and in accordance with the procedures specified in these Bylaws, is also a member of the Corporation System and the System. Representatives of this Corporation, along with representatives of Subsidiary Organizations and other Health Ministries, participate in the joint development of intra-system contracts and transactions designed to be fair and reasonable to each participant and to afford an aggregate benefit for all participants. Therefore, it is anticipated that this Corporation will desire to participate in such intra-system contracts and transactions and, after ordinary review for reasonableness, that the participation of the Corporation in such intra-system contracts and transactions will be authorized.

**9.7.2 CONDITIONALLY APPROVABLE EXTRA-SYSTEM DUALITY TRANSACTION.**

Except for contracts or other transactions between this Corporation and related organizations, including other Health Ministries and Subsidiary Organizations referred to in Section 9.7.1, any contract or other transaction which shall be entered into between this Corporation and one or more Members of the Board or Officers of any Subsidiary Organization, or between this Corporation and any other corporation, firm, association or other entity in which one or more Members of the Board or Officers of any Subsidiary Organization are directors, trustees, or officers or have a significant financial or influential interest, may be declared void or voidable by the Board or President unless all of the following conditions are met:

- A. The relevant and material facts as to such Board Member's or Officer's interest in such contract or transaction and as to any common directorship, officership, or financial or influential interest were disclosed in good faith in advance by such Board Member or Officer to the Board, and such facts are reflected in the minutes of the Board meeting; and
- B. The relevant and material facts, if any, known to such interested Board Member or Officer with respect to such contract or transaction which might reasonably be construed to be adverse to the Corporation's interest were disclosed in good faith in advance by such Board Member or Officer to the Board, and such facts are reflected in the minutes of the Board meeting; and
- C. Such interested Board Member or Officer has, as determined by the judgment of the Board: (i) made the disclosures and

fully responded to questions concerning the matters referred to in (A) and (B) above; (ii) fully met the burden of proof at the time such contract or transaction is authorized that the contract or transaction is fair and reasonable to this Corporation; and (iii) not otherwise significantly influenced the action of the Board with respect to the contract or transaction; and all such determinations by the Board are reflected in the minutes of the Board meeting; and

- D. The Board authorized such contract or transaction by a vote of at least a majority of the Members of the Board present at a meeting at which a quorum was present, and such interested Board Member or Officer was not present at such time as the vote was taken or counted in determining the presence of a quorum or in determining the majority vote; and
- E. The contract or transaction is approved by the Institute Member.

**9.7.3 ADOPTION OF DUALITY OF INTEREST POLICIES.**

The Board may adopt duality of interest policies for Subsidiary Organizations in accordance with System Policies, including, without limitation, requirements and procedures with respect to: (1) regular annual statements and periodic supplements thereto by Members of the Board, Officers, professional advisors and key employees and key members of the Medical Staff of Subsidiary Organizations disclosing any existing and potential dualities of interest; (2) limitations on permitted external positions and interests; and (3) corrective action with respect to transgressions of such policies.

**9.8 POLICIES, PROTOCOLS AND PROCEDURES.**

**9.8.1 POLICIES.** The authority to adopt policies with respect to certain categories of matters is assigned to certain specified agencies within these Bylaws. In addition, any agency may adopt policies for application to itself and subordinate agencies (1) to the extent such policies are applicable to categories of matters which are within such agency's scope of authority, and (2) to the extent such policies are consistent with these Bylaws, the System Policies and the policies and other actions of senior agencies.

**9.8.2 SYSTEM POLICIES.** The Institute Member may adopt, amend and repeal System Policies applicable to the Corporation.

- 9.8.3 OTHER PROTOCOLS AND PROCEDURES.** To the extent not inconsistent with these Bylaws, the System Policies or the actions of the Institute Member within its scope of authority, with respect to categories of matters within the determination authority of the Board the Board may adopt protocols and/or procedures relating to the internal operations of the Corporation, and the Board may also adopt a protocols and/or procedures relating to the internal operations of the Health Ministry.
- 9.9 RULES.** The President may adopt, amend or repeal rules (not inconsistent with System Policies, these Bylaws or the policies and actions of the Institute Member or Board within their respective categories of authority) for the management of the internal affairs of the Corporation and the governance of subordinate Officers, agents, employees and Committees.
- 9.10 VOTE BY PRESIDING OFFICER.** The person acting as presiding officer at any meeting held pursuant to these Bylaws shall, if a voting member, be entitled to vote on the same basis as if not acting as presiding officer.
- 9.11 GENDER AND NUMBER.** Whenever the context requires, the gender of all words used herein shall include the masculine, feminine and neuter, and the number of all words shall include the singular and plural thereof.
- 9.12 ARTICLES AND OTHER HEADINGS.** The Article and other headings contained in these Bylaws are for reference purposes only and shall not affect the meaning or interpretation of these Bylaws.
- 9.13 SUBSIDIARY ORGANIZATIONS AND REVOCABILITY OF AUTHORIZATIONS.** Subject to the powers reserved to the Institute Member in Section 3.2, the President may authorize the formation of such Subsidiary Organizations as would in the opinion of the President assist in the fulfillment of the purpose of the Corporation. The organizational documents of any such Subsidiary Organization as may be authorized shall be subject to System Policies, the approval of the President and the powers reserved to the Institute Member in Section 3.2. No authorization, assignment, referral or delegation of authority by the President to any committee, officer, agent or Subsidiary Organization shall preclude the President from exercising the authority required to meet his/her responsibility for the conduct of the Corporation. The President shall retain the right to rescind any such authorization, assignment, referral or delegation.
- 9.14 FISCAL AGENCY.** The Corporation designates Ascension Health as its fiscal agent to conduct certain of its business activities, including performing any acts or contracting for any activities with respect to fiscal matters. These activities include, without limitation, the investment or loan of the funds of the

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Corporation as well as the funds of others, and the borrowing of funds from any source. The Corporation agrees that Ascension Health as Fiscal Agent shall have the authority, to: (i) bind the Corporation as a joint and several borrower/obligor as to any funds which may be borrowed on a system-wide basis, and (ii) appoint third-parties to manage the funds of the Corporation invested by Ascension Health and delegate to third-parties the authority to invest certain funds of the Corporation and to hold such investments as nominee for the Corporation. Ascension Health is authorized to enter into such indemnification, hold harmless, subordination, or waiver agreements that Ascension Health may, in its judgment, deem appropriate. This agency includes the authority to amend or waive any provision of any agreement with any bank or other financial institution for purposes of borrowing.

## 10. CORPORATE MODIFICATIONS

**10.1 AMENDMENTS TO ARTICLES OF INCORPORATION.** The Articles of Incorporation of the Corporation may be altered, amended, restated or repealed consistent with the System Requirements for Governing Documents by action of the Board. The power to approve changes to the Governing Documents of the Corporation that are not consistent with the System Requirements for Governing Documents shall be subject to the approval of the Ascension Health Board.

**10.2 AMENDMENTS TO BYLAWS.** These Bylaws may be altered, amended or repealed and new Bylaws may be adopted consistent with the System Requirements for Governing Documents by action of the Board. The power to approve changes to the Governing Documents of the Corporation that are not consistent with the System Requirements for Governing Documents shall be subject to the approval of the Ascension Health Board.

**10.3 DISTRIBUTION OF ASSETS ON DISSOLUTION.** All assets remaining after the payment of all of the liabilities of the Corporation shall be distributed to Ascension Health or such other exempt organization(s) under Section 501(c)(3) of the Code as shall be determined by the Sponsor of Ascension Health.

## 11. CORPORATION SERVING AS CONTROLLING ENTITY OF SUBSIDIARY ORGANIZATIONS

**11.1 GOVERNING DOCUMENTS OF SUBSIDIARY ORGANIZATIONS.** The Governing Documents of any of the Corporation's Subsidiary Organizations shall contain a section within the documents which provides for certain rights and powers to be reserved to the Corporation as the controlling entity.



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**11.2 SPECIFIC RESERVED RIGHTS AND POWERS.** All action by a Subsidiary Organization shall be by its governing board, subject to the following matters which require the approval of the Corporation, as the Subsidiary Organization's controlling entity:

**11.2.1 MISSION AND VISION.** Approve the mission and vision statements for the Subsidiary Organization.

**11.2.2 GOVERNING DOCUMENTS.** Approve changes to the Governing Documents of a Subsidiary Organization.

**11.2.3 MEMBERS OF GOVERNING BOARD.** Appoint, upon the recommendation of the governing board of the Subsidiary Organization, or remove, with or without cause, the members of the governing board of the Subsidiary Organization. Removal does not require a recommendation of the Subsidiary Organization governing board.

**11.2.4 DEBT.** Approve the incurrence of debt of the Subsidiary Organization in accordance with System Policies.

**11.2.5 SALE, TRANSFER AND SIMILAR TRANSACTIONS.** Subject to the approval of Ascension Health, approve the sale, transfer or substantial change in use of all or substantially all of the assets of a Subsidiary Organization that is a Credit Group Member, and divestiture, dissolution, closure, merger, consolidation, change in corporate membership or ownership, or corporate reorganization of a Subsidiary Organization that is a Credit Group Member.

**11.2.6 FORMATION OF SUBSIDIARY ORGANIZATION.** Subject to Canonical Requirements, approve the formation of a Subsidiary Organization, and the sale, transfer or substantial change in use of all or substantially all of the assets of a Subsidiary Organization of the Corporation, or the divestiture, dissolution, closure, merger, consolidation or change in corporate membership or ownership of a Subsidiary Organization that is not a Credit Group Member.

**11.2.7 TRANSFER OR ENCUMBRANCE OF ASSETS.** Approve the transfer or encumbrance of the assets of a Subsidiary Organization in accordance with System Policies.

**11.2.8 OPERATING BUDGET AND CAPITAL PLAN.** Approve the operating budget and capital plan for the Subsidiary Organization.

**A. APPENDIX A: IDENTIFICATION TABLE (CORPORATION)**

**A.1. IDENTIFICATION OF SPONSOR**

Ascension Health Ministries, a public juridic person under canon law

**A.2. OTHER IDENTIFICATION INFORMATION**

**A.2.1 CORPORATION**

Alexian Brothers Health System

**A.2.2 STATE AND STATUTE**

Illinois; Illinois Not-for-Profit Corporation Act

**A.2.3 PRINCIPAL OFFICE**

3040 W. Salt Creek Lane  
Arlington Heights, Illinois 60005

**A.2.4 REGISTERED AGENT AND OFFICE**

CT Corporation System  
208 South LaSalle Street  
Chicago, Illinois 60604-1135

**A.2.5 NAME OF BOARD**

Board of Governors

**A.2.6 FEDERAL INCOME TAX STATUS AND BASIS**

Status: 501(c)(3) and 509(a)(3)

Basis: Group Ruling issued annually to the United States Catholic Conference with respect to entities listed in the OCD

**A.2.7 INSTITUTE MEMBER**

Ascension Health, a Missouri nonprofit corporation

**A.4. IDENTIFICATION OF SPECIAL PROVISIONS**

**SPECIAL LIMITATIONS REGARDING BOARD COMMITTEES** Of the powers granted to the Board pursuant to these Bylaws, the Statute under which the Corporation is organized prohibits delegation of the following powers to a Board Committee:

- (1) Adopt a plan for the distribution of the assets of the corporation, or for dissolution;
- (2) Approve or recommend to members any act this Act requires to be approved by members, except that committees appointed by the Board or otherwise authorized by the Bylaws relating to the election, nomination, qualification, or credentials of Directors or other Committees involved in the process of electing directors may make recommendations to the members relating to electing Directors;
- (3) Fill vacancies on the Board or on any of its Committees;
- (4) Elect, appoint or remove any Officer or Director or Member of any Committee, or fix the compensation of any Member of a Committee;
- (5) Adopt, amend, or repeal the Bylaws or the Articles of Incorporation;
- (6) Adopt a plan of merger or adopt a plan of consolidation with another corporation, or authorize the sale, lease, exchange or mortgage of all or substantially all of the property or assets of the corporation; or
- (7) Amend, alter, repeal or take action inconsistent with any resolution or action of the Board of Directors when the resolution or action of the Board of Directors provides by its terms that shall not be amended, altered or repealed by action of a Committee.

(805 ILCS 105/108.40I)

**A.5. AMENDMENTS TO THESE BYLAWS SUBSEQUENT TO THE DATE OF ADOPTION**

**A.5.1**

Restated effective \_\_\_\_\_, 20\_\_.

**B. APPENDIX B: GLOSSARY OF TERMS**

**ADMINISTRATIVE COMMITTEE**

The term "Administrative Committee" means a body whose members are appointed by the President of the Corporation and which is responsible to the President for advising the President on the specific functions assigned to such committee.

**APPOINT**

The term "appoint" and derivations thereof (e.g., "Appointed") means the process by which a person or entity is appointed, elected or otherwise selected to fill any position or discharge any function.

**APPROVE**

The term "Approve" means and includes the authority to review and either adopt, accept, appoint, amend, modify, disapprove or send back for further consideration an action recommended or approved by another entity in the System. Where the term "approve" is used, that approval is required by all identified entities before the proposed action will be considered the legally valid, authorized action of the proposing entity.

**ARTICLES OF INCORPORATION**

The term "Articles of Incorporation" means the articles of incorporation of this Corporation except where reference is specifically made to the articles of incorporation of another Subsidiary Organization. "Articles of Incorporation" is the term used herein as the equivalent of the term "Certificate of Incorporation" and the term "Charter" used in the corporate statutes of certain states (e.g., Charter in Tennessee, etc.).

**ASCENSION HEALTH PRESIDENT/CEO**

The "Ascension Health President/CEO" means the person holding the position of President/CEO of Ascension Health or his or her designee.

**BOARD**

The term "Board" means the Board of this Corporation except where reference is specifically made to the Board of another Subsidiary Organization.

**BOARD COMMITTEE**

The term "Board Committee" means a body whose Members are appointed by the Board with a majority of its members being members of the Board and which may be authorized to exercise a designated portion of the authority of the Board when the Board is not in session.

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### **BYLAWS**

The term "Bylaws" means the bylaws of the Corporation except where reference is specifically made to the bylaws of another Subsidiary Organization.

### **CANONICAL JURISDICTION**

The term "Canonical Jurisdiction" means the Sponsor with the right and responsibility to act on the respective matter under canon law.

### **CANONICAL REQUIREMENTS**

The term "Canonical Requirements" means the actions and decisions governed by canon law.

### **CLOSING**

The term "Closing" means the closing of the transactions contemplated under that Affiliation Agreement dated September \_\_, 2011 by and among the Corporation, Alexian Brothers of America, Inc. and Ascension Health.

### **CODE**

The term "Code" means the Internal Revenue Code of 1986, as amended or replaced from time to time.

### **COMMITTEE**

The term "Committee" means a committee of the Corporation whose Members are appointed by the Chair of the Corporation with the approval of the Board of the Corporation and which is responsible for advising on the specific function assigned to such committee.

### **CONSULTATION**

The term "Consultation" means to confer and deliberate together.

### **CONSULTING MEMBER**

The term "Consulting Member" means a person appointed or automatically serving as a member of a body who is afforded the privileges of a Member except that the person is not authorized to vote or to be counted in determining the existence of a quorum. Except where specifically limited, the term "Consulting Members" shall include "Ex Officio Consulting Members."

### **CONTROL**

The term "Control" or "Controlled" means:

- A. the authority to act as controlling member, shareholder or partner of an organization;
- B. the authority to appoint, elect or approve at least a majority of the individual members, shareholders, or partners of an organization; or

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C. the authority to appoint, elect or approve at least a majority of the governing body of an organization.

**CORPORATION**

The term "Corporation" means Alexian Brothers Health System or its successor.

**CORPORATION MEMBER**

The term "Corporation Member" means the Corporation serving as a Member of one or more Subsidiary Organizations.

**CORPORATION SYSTEM**

The term "Corporation System" means the Corporation and all additional corporations and other Subsidiary Organizations which are directly or indirectly controlling or controlled by the Corporation as a Health Ministry.

**CREDIT GROUP MEMBER**

The term "Credit Group Member" means all credit group members and designated affiliates as those terms are defined in Ascension Health's Master Trust Indenture dated as of November 1, 1999, as amended, or replaced, from time to time.

**DETERMINATION**

The term "determination" means a decision made by an agency (e.g., the President, the Board, etc.) with respect to a matter.

The Bylaws generally identify the agency granted authority to make initial determinations relating to the Corporation with respect to specified categories of matters. Where the authority to make initial determinations with respect to a category of matters is not specified, the authority to make such initial determinations is vested in the President.

The Bylaws further identify requirements for approval determinations with respect to certain categories of matters as a prerequisite for the determination to be effective. With respect to categories of matters for which the Bylaws do not specify a requirement for an approval determination, the determination is effective without further action.

Where more than one agency is granted authority to make initial determinations with respect to a category of matters (e.g., the appointment of Consulting Members to a body), each such agency has concurrent determination authority (i.e., a parallel or current power, acting alone, to effectuate the action specified.)

**EMPLOYED STAFF**

The term "Employed Staff" means those persons employed by the Corporation to provide executive, technical and other supportive services.

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**EX OFFICIO CONSULTING MEMBER**

The term "Ex Officio Consulting Member" means a person automatically serving as a Consulting Member of a body by virtue of holding another specified position. (See "Consulting Member".)

**EX OFFICIO MEMBER**

The term "Ex Officio Member" means a person automatically serving as a Member of a body by virtue of holding another specified position. (See "Member".)

**FINANCIAL EXPERT**

The term "Financial Expert" means the person who has the attributes set forth in Title 17 of the United States Code of Federal Regulations Section 228.407, pursuant to Title 15 Section 7625 of the United States Code under the act commonly known as the "Sarbanes-Oxley Act" as amended from time to time.

**GOVERNING DOCUMENTS**

The term "Governing Documents" means the articles of incorporation or charter, articles of organization, bylaws, partnership agreements, operating agreements or comparable documents as may be applicable depending on the form of the entity's legal organization.

**HEALTH MINISTRY**

The term "Health Ministry" means the organization in a regional or local area through which Ascension Health carries out its mission and in which Ascension Health serves as the sole or controlling member. The Corporation is a Health Ministry.

**INSTITUTE MEMBER**

The term "Institute Member" means Ascension Health.

**MEMBER**

The term "Member" means a person appointed or automatically serving as a regular Member of a body who is authorized to vote and to be counted in determining the existence of a quorum (e.g. Member of the Corporation, Member of the Board, Member of the Committee, etc.). Except where specifically limited, the term "Member" shall include Ex Officio Members.

**NATIONAL SUBSIDIARY** means an organization, other than a Health Ministry or a Subsidiary Organization, which is controlled by Ascension Health.

**OFFICER**

The term "Officer" means a person serving in the position of an Officer of the Corporation pursuant to the Bylaws of the Corporation (except when reference is specifically made to an officer of a Subsidiary Organization) and includes both Executive Offices and Administrative.

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**PRESIDENT**

The term "President" means the President of the Corporation except where reference is made to the president of another entity.

**RATIFY**

The term "Ratify" means and includes the authority to accept or reject, without imposing an alternative, an action recommended by another entity in the System. Where the term "ratify" is used, that ratification is required by all identified entities before the proposed action will be considered the legally valid, authorized action of the proposing entity.

**RECOMMEND**

The term "Recommend" means to initiate an action for consideration and approval or ratification by another entity or person in the System.

**SPONSOR**

The term "Sponsor" means Ascension Health Ministries, a public juridic person.

**STATE**

The term "State" means the state under the laws of which the Corporation is organized.

**STATUTE**

The term "Statute" means the corporation act of the State under which the Corporation is organized.

**SUBSIDIARY ORGANIZATION**

The term "Subsidiary Organization" means each legal entity which is directly or indirectly owned or controlled by a Health Ministry.

**SYSTEM**

The term "System" means, collectively, Ascension Health, Health Ministries, National Subsidiaries, and Subsidiary Organizations .

**SYSTEM POLICY**

The term "System Policy" or "System Policies" means all policies, procedures, technical manuals and other written guidance established, adopted, or issued from time to time by Ascension Health that is intended to apply to Health Ministries, National Subsidiaries and/or, Subsidiary Organizations, including without limitation, the System Authority Matrix.

**SYSTEM REQUIREMENTS FOR GOVERNING DOCUMENTS**

The term "System Requirements for Governing Documents" means the required provisions identified in System Policies to be included in the Governing Documents of Health Ministries, National Subsidiaries and Subsidiary Organizations.