

# AMENDED AND RESTATED BYLAWS

OF

## GROUP HEALTH PLAN, INC.

### PREAMBLE

It is the intent of the Board of Directors of this corporation that the members of this corporation shall receive quality medical and dental care from health care professionals employed by or affiliated with this corporation.

This corporation and its affiliates share a common belief in integrated medical delivery systems that are committed to quality improvement, and to the values of high quality, cost efficient care. It is, furthermore, committed to affordable, quality health care for all persons receiving health care services through or in connection with this corporation and its affiliates, with a goal of improved health status for the entire community. This corporation intends to be responsive to consumers' need for health care reform by providing an integrated system of health care and health care administration and by furthering the role of this corporation and its affiliates in their collective mission of service to the community.

### ARTICLE I. MEMBERSHIP

**Section 1.1. Members.** There shall be three (3) classes of Members as follows:

(a) **Regular Members.** A regular member shall be any contract holder who holds a health maintenance contract for medical services as described in Minnesota Statutes Section 62D.02(8) and who has deposited special dues in the amount of Fifty Dollars (\$50.00) with this corporation before April 6, 1987. Such special dues shall be called a "membership deposit" and shall be returnable in not more than sixty (60) days following date of termination of membership. A regular member shall be entitled to one (1) vote. A regular member shall be entitled to vote only upon those matters specified in these Bylaws. As of the Effective Date of these Amended and Restated Bylaws, there are no Regular Members and Regular Membership is closed.

(b) **Associate Members.** An Associate Member shall be (a) any contract holder who holds a health maintenance contract for medical services issued by this Corporation, as described in Minnesota Statutes Section 62D.02(8); or (b) any contract holder who receives health care services through employer-insured contracts administered by this Corporation or one of its related organizations if so designed as set

forth herein. An Associate Member shall be entitled to one (1) vote. An Associate Member shall be entitled to vote only upon the matters specified in these Bylaws.

(c) Corporate Member. The sole Corporate Member shall be HealthPartners, Inc. The Corporate Member shall act through its Board of Directors and shall be entitled to one (1) vote on all matters voted on by the Corporate Member, unless otherwise specified in these Bylaws. The term of the Corporate Member shall be perpetual.

**Section 1.2. Membership Dues.** The Board of Directors shall have the power to determine the amount of dues, if any, payable by Members.

**Section 1.3. Termination of Membership.** Regular or Associate membership in the Corporation may be terminated in accordance with the terms of the membership certificate or contract applicable to the Regular or Associate Member.

## **ARTICLE II.** **MEETINGS OF MEMBERS**

**Section 2.1. Annual Meetings.** The annual meeting of the Members of this Corporation shall be held at such time and place as the Board of Directors may determine. Such meetings shall be for the purpose of receiving reports from the Board and officers of this Corporation.

**Section 2.2. Special Meetings.** Special meetings of the Members may be called at any time upon a two-thirds (2/3rds) vote of the Board of Directors.

**Section 2.3. Notice.** Notice of each annual or special meeting of the Members shall be given by the Chairperson in writing, delivered or mailed or sent by electronic communication, not less than five (5) days nor more than sixty (60) days before the meeting, excluding the day of the meeting; provided notice sent by electronic communication must be by a form of electronic communication to which the Member has consented. Notice of a meeting to be held solely by means of remote communication shall include a statement identifying the means by which Members may participate in such meeting.

**Section 2.4. Remote Communications.** The Board of Directors may determine that one or more meetings of the Members shall be held solely by, or permit participation by, means of remote communication. Such authorizations may be general or confined to specific instances.

**Section 2.4.1. Meetings Held Solely By Means of Remote Communications.** As determined by the Board of Directors, an annual or special meeting of the Members may be held solely by one or more means of remote communication approved by the Board of Directors, if notice of the meeting is given to all Members entitled to vote, and if the number of Members participating in the meeting is sufficient to constitute a quorum at the meeting. Participation in

a meeting in this manner constitutes presence at a meeting. When a meeting is conducted under this Section, reasonable measures shall be implemented to ensure each person deemed present and entitled to vote at the meeting (a) is an individual entitled to vote at meetings of the Members, and (b) has a reasonable opportunity to participate in and vote on matters at the meeting.

**Section 2.4.2. Participation in Meetings Held By Means of Remote Communications.** A Member may participate in a meeting of the Members by any means of remote communication approved by the Board of Directors, by which persons not physically present in the same location may communicate with each other on a substantially simultaneous basis, through which that Member and other Members so participating and all Members physically present at the meeting may participate with each other during the meeting. Participation in a meeting in this manner constitutes presence at the meeting. When an individual participates in a meeting under this Section, reasonable measures shall be implemented to ensure each person deemed present and entitled to vote at the meeting (a) is an individual entitled to vote at meetings of the Members, and (b) has a reasonable opportunity to participate in and vote on matters at the meeting.

### **ARTICLE III. VOTING BY ASSOCIATE MEMBERS**

**Section 3.1. Voting.** Proxy voting is prohibited. Cumulative voting is also prohibited. Mail voting or voting by electronic communication shall be the only methods used for voting by the Associate Members on any matter. Each is entitled to one (1) vote on the election of Member-Directors on which Members are entitled to vote and any other matter on which an Associate Member is entitled to vote as set forth in these Bylaws.

#### **Section 3.2. Voting for Member-Elected Directors.**

(a) **Written Ballots; Electronic Ballots.** Written or electronic ballots with respect to the election of Member-Elected Directors shall: 1) set forth a list of candidates nominated by the Governance Committee pursuant to Section 3.3, and, at the discretion of the Governance Committee and subject to the approval of the Executive Committee, may identify the specific seat for which each candidate is running; and 2) provide an opportunity to vote for each candidate. Solicitations for votes by written or electronic ballot with respect to the election of Member-Elected Directors must indicate the number of responses needed to meet the quorum requirement and specify the time by which the ballot must be received by this Corporation in order to be counted. Delivery of electronic ballots to Members is permitted only to the extent the Associate Member has consented to the electronic delivery of either a ballot or notice.

(b) **Voting and Quorum.** Election of Member-Elected Directors by written or electronic ballot is valid only when 250 of the Associate Members entitled to vote cast a ballot. An Associate Member may cast as many votes as there are vacancies for Member-

elected Directors on the Board of Directors. At the discretion of the Governance Committee and subject to the approval of the Executive Committee, the election will be either (1) a general election in which case those candidates receiving the highest number of votes shall be declared elected; (2) a seat-specific election in which case the candidate receiving the most votes for a specific seat shall be declared elected; or (3) a combination of both methods.

(c) Notification. Members will be notified by mail within three (3) months of the election of the names of the persons elected. Such notice shall also include a description of their background.

**Section 3.3. Nomination Process.** Subject to the approval of the Executive Committee, the Governance Committee shall determine if an election is to be a general election, a seat-specific election or a combination of both. The Governance Committee shall nominate candidates for Member-Elected Directors. Following approval of the Executive Committee, such nominations shall be submitted to the Associate Members. Notice of the Governance Committee's nominations shall be given to the Associate Members at least forty-five (45) days before the election.

**Section 3.4 Petition Process.** Any person eligible but not nominated by the Governance Committee may be nominated for a Member-Elected director position upon the written petition of two percent (2%) of the Associate Members entitled to vote thereon presented to the Secretary at least thirty (30) days before the date of the election; provided, however that not more than twenty-five percent (25%) of the petitioners can be Associate Members of any one employer group. To be eligible for nomination pursuant to this process, a person must satisfy all of the criteria set forth in Article V.

**Section 3.5. Voting on Amendments.**

(a) Mail Referendum. If a vote of the Associate membership is taken with respect to an amendment of the Articles of Incorporation or Bylaws, as described in Article XIV of these Bylaws, the exact text of the amendment or amendments to the Articles of Incorporation or Bylaws at issue shall be submitted to the Associate Members by written or electronic ballot in the form prescribed by the Board of Directors. Opposite the text of such amendment or amendments there shall be spaces where such Associate Member may indicate his or her affirmative or negative vote. Such ballot, when marked in the affirmative or negative, shall be accepted and counted as the vote of such Associate Member.

(b) Additional Disclosures. Each such solicitation for votes by written ballot must indicate the number of responses needed to meet the quorum requirement with respect to the amendment or amendments, state the percentage of affirmative votes necessary to approve the amendment or amendments and specify the time by which the ballot must be received by this Corporation in order to be counted.

(c) Quorum. Quorum and voting requirements for Associate Member approval of amendments shall be as set forth in Article XIV.

**ARTICLE IV.**  
**RESERVED POWERS OF CORPORATE MEMBER**

In addition to those other rights reserved to the Corporate Member by the Articles of Incorporation, by these Bylaws, or which are afforded by law, the Corporate Member shall have the right to approve the following actions, provided those actions have been previously approved by the Board of Directors of this Corporation:

- a. Approval of annual operating and capital budgets, and any material variances therefrom, and approval of long-range financial plans;
- b. Approval of the incurrence of any indebtedness in excess of amounts determined from time to time by resolution of this corporation's corporate member;
- c. Approval of mergers or consolidations with any domestic or foreign corporation;
- d. The sale, transfer, encumbrance or other disposition of assets with a fair market value in excess of an amount determined from time to time by this corporation's corporate member other than in the ordinary course of business;
- e. Appointment or removal of the Chief Executive Officer;
- f. Amendments to the Articles of Incorporation and/or Bylaws;
- g. Voluntary dissolution;
- h. Approval of vendor agreements involving twenty percent (20%) or more of this corporation's operating expense;
- i. Establishment of long range plans and strategies for this corporation, including issues relating to marketing, strategic direction, and ongoing operations; and
- j. Development of policies regarding the implementation of any of the reserved powers described above.
- k. Any action taken by the vote of the full Board of Directors.

The powers reserved to the Corporate Member shall be deemed to modify all other provisions of these Bylaws pertaining to the powers so reserved, and actions with respect

to which the Corporate Member has the right of approval shall not be effective until such approval has been obtained.

**ARTICLE V.**  
**BOARD OF DIRECTORS**

**Section 5.1. General.** The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers conferred upon the Board of Directors by these Bylaws, the Board of Directors may exercise all powers of the Corporation and perform all acts which are not prohibited to it by law, by the Articles or by these Bylaws, all as may be amended.

**Section 5.2. Number and Method of Election.** The Board of Directors shall be composed of no fewer than three (3) persons. Unless the Board of Directors increases or reallocates the number of directors subject to the foregoing limits, the Board shall consist of five (5) voting directors, consisting of three (3) Member-Elected Directors, two (2) of whom must satisfy the criteria set forth in Section 5.2(b) and the following two (2) ex-officio directors with vote: the Chair of the Corporate Member and a physician appointed by the President of the Corporation. If the Chair of the Corporate Member is a Member-Elected director of this Corporation, then the Chair position shall be filled by another director of the Corporate Member, elected by the Board of Directors of the Corporate Member.

**Section 5.3. Member-Elected Directors.**

(a) **Number and Election.** Three (3) of the directors of this Corporation (the “Member-Elected” Directors) shall be nominated by the Governance Committee or by petition and elected by the Associate Members of this Corporation pursuant to the provisions of Article III of these Bylaws. All such Member-Elected Directors must be covered under an HMO contract or insurance contract issued by the Corporation or one of its related organizations or an employer-issued contract administered by the Corporation or one of its related organizations.

(b) **Criteria.** At least two of the three Member-Elected Directors must be Associate Members of this Corporation or other persons eighteen (18) years of age or older covered under a health maintenance contract administered by the Corporation, or (ii) covered under an employer-insured contract administered by this Corporation or one of its related organizations and who are assigned to this Corporation by the Governance Committee. At any time, the number of Member-Elected Directors who are of the type described in (ii) above may not exceed the number of Member-Elected Directors described in (i) above.

(c) **Group Limits.** Except as otherwise provided in Section 9.2 of these Bylaws, not more than one (1) Member-Elected director from any one employer group, MinnesotaCare or the Prepaid Medical Assistance Program may serve on the Board of Directors at any one time unless the total number of Members in such group exceeds one-

seventh (1/7) of the combined total membership of this Corporation. For each additional one-seventh (1/7) of such total membership such group represents, one additional Member-Elected director for such group may be elected up to a maximum of three (3). Except as otherwise provided in Section 5.4, so long as any employer or other group meets or exceeds its maximum number of representatives, or if election of an additional representative would cause it to exceed such maximum number, no additional Member-Elected Directors may be nominated or elected from such group.

(d) Additional Criteria. In addition to the criteria set forth in Section 5.3(b), if applicable, a Member-Elected director may not be a person:

- (i) whose occupation involves, or before retirement involved, the administration of health activities or the provision of health services;
- (ii) who is or was employed by a health care facility as a licensed health professional;
- (iii) who has or had a direct substantial financial or managerial interest in the rendering of a health service, other than the payment of a reasonable expense reimbursement or compensation as a member of a board of a health maintenance organization;
- (iv) who is, or within the last three (3) years was, employed by or a business consultant to, any one or more of the following types of organizations or a division, department, unit, branch, subdivision or subsidiary of an organization that conducts activities normally conducted by one of the following organizations: a health insurance company, health plan, health maintenance organization, third party administrator, community integrated service network, integrated service network, a provider of health services, a manufacturer of pharmaceuticals, a medical technology/services provider, or a health insurance agent. Notwithstanding the foregoing, if the Governance Committee concludes after a review of the relevant information that a potential Board candidate works for, or consults with, a division, department, unit, branch, subdivision or subsidiary of an organization described this subsection, that such division, department, unit, branch, subdivision or subsidiary is not, itself, an ineligible entity or, if it is determined after review, that the likelihood of any significant level of conflict is extremely remote, then such person may be nominated for election and may serve as a Member-Elected director on the Board so long as no significant or pervasive conflicts exist as a consequence of such Board member's status with such entity;
- (v) who is, or within the last three (3) years was, employed by an entity whose largest single source of revenues is from an organization described in Section 5.3(d)(iv) unless after a review of the relevant information the Governance Committee determines that the likelihood of any significant

level of conflict is extremely remote, then such person may be nominated for election and may serve as a Member-Elected director on the Board so long as no significant or pervasive conflicts exist as a consequence of such Board member's status with such entity;

- (vi) who is or was an employee of this Corporation or one of its related or contracted care delivery organizations within the last five (5) years.

**Section 5.4. Terms.** Except as otherwise set forth in Section 9.2 of these Bylaws, all Member-Elected Directors shall hold office for three (3) years or until their successors are elected and qualified. Directors terms shall be staggered such that one Member-Elected director shall be elected or re-elected in each annual election. Each Member-Elected director shall begin his or her term upon commencement of the first meeting of the Board of Directors following his or her election.

Except as otherwise set forth in Section 9.2 of these Bylaws, no Member-Elected director shall be elected to more than three (3) successive three (3) year terms. Service for more than one and one half (1 1/2) years shall count as a full three-year term for purposes of calculating term limits.

In the event a Member-Elected director transfers from one group to another group which has the maximum representatives allowed as described in Section 5.3(c) of these Bylaws, such Member-Elected director may serve through the remainder of his or her term and, if nominated, may serve an additional term or terms. However, so long as such group meets or exceeds its number of maximum representatives, no additional Member-Elected director may be nominated or elected from such group to serve an initial term.

**Section 5.5. Removal and Vacancies.** The Board may remove from office any director for cause, after reasonable notice and opportunity for hearing, by a three-fifths (3/5) vote of the entire Board of Directors. Cause shall include but shall not be limited to action or conduct which is detrimental to this Corporation. Cause shall include a violation of the conflict of interest requirements set forth in Article XII of these Bylaws. Any vacancy so created or created by death or resignation of a Member-Elected director, shall be filled by a person eligible to have been elected as a Member-Elected director elected by the remaining Member-Elected Directors until the end of the unexpired term the director is filling. The Governance Committee shall nominate a candidate or candidates for all Member-Elected Director vacancies on the Board of Directors occurring between elections as a result of death, resignation, removal or expansion of the Board of Directors, or reallocation of seats on the Board of Directors. Any vacancy occurring between elections by virtue of the expansion of Member-Elected of the Board of Directors pursuant to Section 5.2 of these Bylaws shall be filled by the Board of Directors for a term to be determined by the Board of Directors.

**Section 5.6. Reasonable Compensation.** Directors may receive reasonable compensation and/or may be reimbursed for reasonable expenses only as determined from time to time by resolution of the Board of Directors. Nothing herein shall be

construed to preclude any director from serving this Corporation in any other capacity and receiving proper compensation therefor.

**ARTICLE VI.**  
**MEETINGS OF THE BOARD OF DIRECTORS**

**Section 6.1. Regular and Special Meetings.** Regular meetings of the Board of Directors may be held from time to time at such time and place as the Board of Directors may designate. Special meetings of the Board shall be called by the Chairperson, Vice Chairperson, or President of this Corporation. An Assistant Secretary of this Corporation shall provide notice either by mail, by electronic communication or in person, of each meeting of the Board of Directors to each director not less than five (5) nor more than thirty (30) days in advance of the meeting. Any director may waive notice of a meeting before, at or after the meeting, orally, in writing, or by attendance.

**Section 6.2. Quorum and Voting.** The presence of forty (40) percent of the members of the Board of Directors shall constitute a quorum at any meeting thereof. A majority vote of the directors present at any meeting, if there be a quorum, shall be sufficient to transact any business unless a greater number of votes is required by law, the Articles of Incorporation of this Corporation, or these Bylaws. Unless one of the remaining directors calls for a quorum, if a quorum is present when a duly called or held meeting is convened, the directors present may continue to transact business until adjournment, even though the withdrawal of directors originally present leaves less than a quorum. A director shall not appoint a proxy for himself or herself or vote by proxy at a meeting of the Board of Directors. A director who is present at a meeting of the Board of Directors when an action is approved by the Board of Directors is presumed to have assented to the action unless the director votes against the action or is prohibited from voting on the action.

**Section 6.3. Written Action.** Any action that could be taken at a meeting of the Board of Directors may be taken by written action signed by, or consented to by authenticated electronic communication by, all directors. Any such action may also be taken by written action signed by fewer than all of the directors in accordance with the provisions of the Articles of Incorporation of this Corporation.

**Section 6.4. Meeting Solely by Means of Remote Communication.** Any meeting among Directors may be conducted solely by one or more means of remote communication, including electronic communication, conference telephone, video conference, the Internet, or such other means by which persons not physically present in the same location may communicate with each other on a substantially simultaneous basis, through which all of the Directors may participate in the meeting, if the same notice is given of the meeting as would be required for a meeting, and if the number of Directors participating in the meeting is sufficient to constitute a quorum at a meeting. Participation in a meeting in this manner constitutes presence at a meeting.

**Section 6.5. Individual Participation in Meetings by Means of Remote Communication.** A Director may participate in a meeting of the Board of Directors by means of conference telephone, or by such other means of remote communication approved by the Board of Directors, including electronic communication, video conference, the Internet, or such other means by which persons not physically present in the same location may communicate with each other on a substantially simultaneous basis, through which that Director and other Directors so participating and all Directors physically present at the meeting may participate with each other during the meeting. Participation in a meeting in this manner constitutes presence at the meeting.

## **ARTICLE VII.** **COMMITTEES**

**Section 7.1. Authority.** The Board of Directors may act by and through such committees as may be specified in these Bylaws or resolutions adopted by a majority of the members of the Board of Directors. Such committees shall have the authority of the Board of Directors in the management of the business of the Corporation to the extent provided in such Bylaw or resolution or in a committee charge approved by the Board of Directors. Such committees, however, shall at all times be subject to the direction and control of the Board of Directors. Each such committee shall have such other duties and responsibilities as are granted to it from time to time by the Board of Directors. Except as otherwise provided in these Bylaws, committee members shall be appointed by the Chairperson of the Corporation, subject to approval of the Board. Committee members need not all be directors. Committees that deal with quality of care, provider network issues, and health plan health agenda issues shall have physician representation on the committee.

**Section 7.2. Executive Committee.** The Executive Committee shall consist of such persons as may be elected by the Board of Directors from time to time and approved by the Corporate Member. The President of this Corporation is an ex officio member of the Executive Committee without vote. The Executive Committee shall have the authority to act on any matter requiring attention between meetings of the Board of Directors. Any action that could be taken at a meeting of the Executive Committee may be taken without a meeting when authorized in writing and signed by, or consented to by authenticated electronic communication by, all of the members of the Executive Committee.

**Section 7.3. Governance Committee.** The Chairperson, with the approval of the Corporate Member, shall appoint a Governance Committee for this Corporation. No member of the Governance Committee may be a director whose term of office is expiring unless such director is not standing for re-election. The Governance Committee shall advise the Board of Directors regarding corporate governance matters, including (a) establishing programs, processes and procedures to assist directors in carrying out their fiduciary responsibilities to the Corporation, (b) evaluating the performance and effectiveness of the Board of Directors, and (c) developing, recommending to the Board and periodically reviewing corporate governance principles and practices of the

Corporation. The Governance Committee shall nominate all candidates for Member-Elected Directors of the Board of Directors of this Corporation.

**Section 7.4. Meeting and Voting.** Meetings of any committee may be called at any time by the chairperson of the committee or by the President, on at least five (5) days' notice by mail, or two (2) days' oral notice by telephone, by electronic communication or in person, or 24 hours in the case of the Executive Committee, to each member of the committee. Appearance at a meeting is deemed to be a waiver of notice unless the committee member objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and the committee member does not participate in the meeting. At all meetings of a committee of this Corporation, each member thereof shall be entitled to cast one vote on any question coming before such meeting. The presence of a majority of the membership of any committee of this Corporation shall constitute a quorum at any meeting thereof, but the members of a committee present at any such meeting, although less than a quorum, may adjourn the meeting from time to time. A majority vote of the members of a committee of this Corporation present at any meeting thereof, if there be a quorum, shall be sufficient for the transaction of the business of such committee. Any action that could be taken at a committee meeting may be taken by written action signed by, or consented to by authenticated electronic communication by, all of the members of the committee.

## **ARTICLE VIII.**

### **MEDICAL BOARD OF GOVERNORS**

**Section 8.1 Medical Board of Governors.** There shall be a Medical Board of Governors that will serve as a forum for physician advice and counsel to the Corporation relating to policy development, planning, quality of care and other initiatives. The Medical Board of Governors will also serve as a forum for two-way dialogue between the Corporation and physicians and will provide educational opportunities to its members.

- (a) **Membership.** The Medical Board of Governors will consist of up to twenty physicians who have or who are members of medical groups that have participating provider agreements with the Corporation or who are employed by the Corporation or one of its affiliates. All members of the Medical Board of Governors must be members of the medical groups participating in the Institute for Clinical Systems Improvement. Members will be appointed by the President of the Corporation. The HealthPartners Medical Group physician who serves on the Board of Directors of the Corporation shall also be a member of the Medical Board of Governors. The Chief Health Officer of the Corporation, or his or her delegate, will also be a member of the Medical Board of Governors. All appointed members shall serve for a term of one year and may be reappointed from year to year by the President.
- (b) **Committees.** Up to forty percent of the members of any committees of the Board of Directors that deal with quality of care, provider networks issues and the Corporation's health agenda will be physicians selected from the Medical

Board of Governors. The Medical Board of Governors may also have its own committees, as appropriate.

- (c) Co-Chairs. The Medical Board of Governors will be co-chaired by the Chief Health Officer of HealthPartners or his or her delegate and the provider elected to the HealthPartners, Inc. Board of Directors by the Medical Board of Governors.

## **ARTICLE IX.** **BOARD OFFICERS**

**Section 9.1. Election and Tenure.** The officers of the Corporation shall consist of a Chairperson, Vice Chairperson, Treasurer, and Secretary of the Board. The Chairperson of the Board, will be the Chairperson of the HealthPartners, Inc. Board of Directors. The remaining officers will be elected by the members of the Board of Directors. The officers shall be elected by written ballot by and from the members of the Board at the first Board of Directors meeting in each odd-numbered year. Said officers shall serve for two (2)-year terms or until their successors are elected or their term as a director expires without re-election. No person may be elected to two (2) consecutive terms as Chairperson.

**Section 9.2. Chairperson.** The Chairperson of the Board shall preside at all meetings of the Associate Members and at all meetings of the Board of Directors and the Executive Committee. Subject to Board approval and unless set forth otherwise in these Bylaws or Board resolution, the Chairperson shall appoint all committee members. The Chairperson shall sign all contracts and documents as may require the Chairperson's signature, and have such other powers and perform such other duties as the Board may determine. In the event a Chairperson's term as director will expire before completion of his or her term as Chairperson, and if the Chairperson is not otherwise ineligible for re-election because of term limits, the Governance Committee, with the consent of the Board of Directors, may nominate the Chairperson to run unopposed for a regular three-year term as a director. If the Chairperson would otherwise be ineligible for an additional one-year term because of term limits, the Governance Committee, with the consent of the Board of Directors, may set aside the term-limit restriction, temporarily expand the board by one seat and appoint the Chairperson to fill that seat for an additional one-year term. Upon completion of that term, the temporary seat shall be automatically eliminated.

**Section 9.3 Vice Chairperson.** The Vice Chairperson shall perform the duties and powers of the Chairperson in the absence or disability of the Chairperson.

**Section 9.4. Treasurer.** The Treasurer shall perform the duties described by Minnesota law, and shall have such other powers and duties as the Board may determine. The Treasurer shall not be the Chief Financial Officer of the Corporation as described in Section 10.4.

**Section 9.5. Secretary.** The Secretary shall perform the duties assigned to the position by the Board of Directors from time to time.

**Section 9.6. Resignation.** Any officer may resign at any time by giving written notice to the Corporation. The resignation is effective without acceptance when notice is given to the Corporation, unless a later date is specified in the notice.

**Section 9.7. Removal.** Any officer may be removed with or without cause by the Board of Directors. Such removal shall be without prejudice to the contract rights, if any, of such officer.

**Section 9.8. Vacancy.** If a vacancy in any office of the Corporation occurs for any reason, such vacancy shall be filled for the unexpired term by the Board of Directors.

**Section 9.9. Delegation.** Upon resolution of the Board of Directors, an officer elected or appointed by the Board may delegate in writing some or all of the duties or powers of his or her office to other persons.

## **ARTICLE X.** **STAFF OFFICERS**

**Section 10.1. President.** The Board of Directors shall elect a President of this Corporation who shall be the same person serving as President of the Corporate Member, and who shall serve as a non-voting member of the Board of Directors. The Board of Directors may also elect such Vice Presidents from among nominees for such offices as recommended to the Board by the President. Each Vice President shall have such duties and titles as are assigned to him or her from time to time by the President.

**Section 10.2. Authority.** The President shall be the Chief Executive Officer of this Corporation, shall keep all books, records and instruments belonging to this Corporation, sign all contracts, instruments and documents as may be required, and affix the corporate seal, shall ensure the safe keeping of all money, property and other things of value belonging to this Corporation, and shall ensure systematic financial records are kept and make or cause to be made reports of the financial standing of this Corporation to the Board of Directors, the Executive Committee, and meetings of the members as may be required. The President shall be responsible for the direction of all personnel within his or her appointive powers and all management officers and shall also have the power to discipline or discharge such personnel. In the event such discharged personnel are staff officers, they shall automatically lose their officer status.

**Section 10.3. Assistant Secretary.** The Board of Directors may elect any number of assistant secretaries, who need not be members of the Board, from among nominees submitted by the President, who may exercise such authority and powers of the office of the Secretary as the President shall prescribe.

**Section 10.4. Chief Financial Officer.** The Board of Directors shall elect a Chief Financial Officer of this Corporation, from among a nominee or nominees recommended by the President. The Chief Financial Officer shall be a Vice President of

the Corporation, shall report to the President and shall perform all the powers or duties assigned or delegated to the office by the President. The Board of Directors may appoint any number of assistant treasurers, who need not be members of the Board, from among nominees submitted by the President.

**Section 10.5. Other Officers.** The President of the Corporation may appoint such other officers to exercise such authority and policies as the President shall prescribe from time to time.

**Section 10.6. Bond.** The Board of Directors shall require and fix the amount of bond required of the officers and employees of the Corporation and pay the necessary premium therefor.

## **ARTICLE XI.** **MISCELLANEOUS**

**Section 11.1. Fiscal Year.** The fiscal year of this Corporation shall begin on the first day of January in each year.

**Section 11.2. Rules of Order.** *Robert's Rules of Order*, latest edition, shall govern at all Board of Directors meetings, Executive Committee meetings, and annual or special meetings of the members.

## **ARTICLE XII.** **INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES**

**Section 12.1. Indemnification.** This Corporation shall indemnify each person who is or has been a director, officer or employee of this Corporation, and each person who is serving or who has served, at the request of this Corporation, as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement, actually and reasonably incurred by him or her to the fullest extent to which directors, officers and employees may be indemnified under the Minnesota laws in effect on the date demand for indemnification is timely made, provided that such person must (1) not already be indemnified by another organization in connection to the same proceeding and the same acts or omissions; (2) have acted in good faith with respect to the acts or omissions complained of; (3) have received no improper personal benefit; (4) in the case of a criminal proceeding, have had no reasonable cause to believe his or her conduct was unlawful; or (5) in the case of a civil proceeding, have reasonably believed that he or she was acting in the best interests of the Corporation. This Corporation may purchase and maintain insurance on behalf of any person who may be indemnified to the extent of his or her right to indemnification under this section.

**Section 12.2. Conflict of Interest.** The Corporation shall not enter into any contact or transaction with (1) a director of this Corporation or a member of the family of

a director; (2) a director of a related organization (within the meaning of Minnesota Statutes Section 317A.011, subd. 18) or a member of the family of a director of a related organization; or (3) an organization in or of which a director of this Corporation, or a member of a director's family, is a director, officer or legal representative or has a material financial interest, except in accordance with the provisions of Minnesota Statutes, Section 317A.255, as now enacted or hereafter amended. The Corporation shall maintain a Board of Directors Conflict of Interest Policy, and all directors and officers shall act in compliance with said policy.

**Section 12.3. Standards.** Each director and officer shall discharge his or her duties as a director or officer in good faith, in a manner which the director or officer reasonably believes to be in the best interests of the Corporation, and with the care an ordinarily prudent person in a like position would exercise under similar conditions.

### **ARTICLE XIII. MEMBER APPROVAL OF MERGER AND CONSOLIDATION**

**Section 13.1.** Associate Members shall have no voting rights with respect to a merger in which (a) this Corporation is the surviving Corporation; and (b) the Board of Directors of the surviving Corporation is composed of the same persons who were the directors of this Corporation immediately prior to the effective date of the merger.

**Section 13.2.** If the Board of Directors should decide to submit any plan of merger not described in Section 13.1, or any plan of consolidation, to the Associate Membership for adoption, then it shall publish to said Members, in a membership publication mailed to all of said Members, a description of the plan of merger or consolidation along with a ballot on which each such Member can vote on whether he or she approves or disapproves of the adoption of the plan of merger or consolidation. Such plan of merger or consolidation shall be proposed to this Corporation's Corporate Member for adoption upon the affirmative vote of a majority of those voting, provided at least 250 Associate Members of this Corporation vote.

### **ARTICLE XIV. AMENDMENTS**

**Section 14.1. Publication.** Subject to the requirements and restrictions set forth below, the Regular and Associate Members of this Corporation hereby authorize the Board of Directors of this Corporation to propose amendments to the Articles of Incorporation or these Bylaws by an affirmative vote of three-quarters (3/4) of all of the directors; provided, however, that an amendment to the Articles or Bylaws may not be submitted for a first reading and voted upon by the Board of Directors at the same meeting. Amendments shall be presented and discussed at one meeting of the Board of Directors and may be voted upon only at a subsequent meeting of the Board. Any such amendment proposed by the Board of Directors and subsequently adopted by the

Corporate Member shall be published to the Regular and Associate Members in a membership publication mailed to all of the Regular and Associate Members within sixty (60) days of the adoption of the amendment. Within thirty (30) days of publication, two percent (2%) of all of the Regular and Associate Members or, in the alternative, three-hundred (300) regular members of this Corporation, may petition the Board of Directors for a mail referendum of Regular and Associate Members to rescind any such amendment, as described in Article III above. Such amendment shall be prospectively rescinded upon the affirmative vote of a majority of the Regular and Associate Members responding to the mail referendum, provided that at least twenty percent (20%) of the entire Regular and Associate Membership votes. The Board of Directors shall not, without the approval of the Regular and Associate Members as provided for hereafter, propose any amendment or modification to this Article XIV that would have the effect of eliminating the authority of the Regular and Associate Members to rescind amendments to the Articles of Incorporation or these Bylaws as provided herein.

If the Board of Directors should decide to propose any amendment or modification to this Article XIV, it shall obtain the approval of the Regular and Associate Members in the following manner. It shall publish to the Regular and Associate Members, in a membership publication mailed to all of the Regular and Associate Members, its proposal to amend or modify Article XIV and the proposed amendment along with a ballot on which the Regular or Associate Member can vote on whether he or she approves or disapproves of the amendment. If the proposed amendment receives the affirmative vote of a majority of those voting, provided at least twenty percent (20%) the entire Regular and Associate Membership votes, the Board of Directors shall be authorized to propose said amendment to its Corporate Member for adoption.

**Section 14.2. Revocation.** The Regular and Associate Members may initiate a mail vote for the purpose of revoking prospectively the authority of the Board of Directors to propose amendments to the Articles of Incorporation or these Bylaws. If the Board of Directors receives a petition requesting a mail vote for this purpose signed by two percent (2%) of all of the Regular and Associate Members, the Board of Directors shall, within sixty (60) days of receiving the petition, provide for a mail ballot to be mailed to all of the Regular and Associate Members for their vote on the revocation of the authority of the Board of Directors to propose amendments to the Articles of Incorporation or Bylaws of this Corporation. Such authority shall be prospectively revoked upon the affirmative vote of a majority of the Regular and Associate Members responding to the mail vote, provided that at least twenty percent (20%) of the entire Regular and Associate Membership votes.