

**Hackensack University Health Network  
Governance Policy Manual**

**Nomination Criteria**

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**Policy:** Consistent with the bylaws of Hackensack University Health Network and its Subsidiaries ("Corporation"), those committees of the Board charged with the responsibility of nominating candidates for membership on the Board and committees thereof shall be guided in their selection processes by the extent to which potential candidates satisfy the following criteria for membership:

1. Commitment to support the charitable, health care, research and education purposes of the Corporation;
2. Maintenance of the highest standards of personal fidelity and integrity;
3. The willingness to adhere to the Code of Ethics and Corporate Compliance Plan of the Corporation, and to support their adherence by fellow board/committee members;
4. The willingness to adhere to the various governance policies of the Corporation and to support their adherence by fellow board/committee members;
5. The absence of any pre-existing conflicts of interest which, by their nature or frequency, would threaten to disable the director/governor from performing his/her duty to the Corporation and its charitable mission;
6. A fundamental knowledge of the health care industry;
7. Business/professional and/or personal background or experience which would be of value in assisting the Board in exercising reasonable oversight over the business affairs of the Corporation;
8. A fundamental level of literacy with respect to financial matters;
9. Evidence of volunteer commitment to the service area of the Medical Center;
10. Sufficient time to devote to the performance of the duties of a trustee/governor or committee member of the Corporation's Board; and
11. Such other attributes as the Board Development Committee or such other committee responsible for identifying Trustee/Governor/Committee members determines to be meritorious and valuable in the service of the charitable mission of the Corporation.

**Independence:**

It is the goal of the Corporation's Board to evolve to a point where control of the Board, and of certain key committees of the Board, is assured in a majority of

Governors/Trustees who are capable of effecting decision making in support of the mission of the Corporation in an independent, unbiased manner. Accordingly, the Board Development Committee will consider, as part of its consideration of candidates for Board and Committee status, their degree of independence, as defined in the attached exhibit. In so doing, no negative inference is intended with respect to the integrity, fitness and contributions of those current and future board and committee members who do not satisfy the definition of independence. Their service to the Board and its committees is highly respected and valued.

The Board further acknowledges that there is no standard definition of independent Trustee/Governor under current law applicable to nonprofit health care organizations, and that the attached definition is based on “best practices” of effectiveness of this particular definition towards the ultimate “majority of independent Trustees/Governors” goal established by the Board, and will re-evaluate its continued use of possible refinement as of the 2010 Annual Meeting of the Medical Center, or such other date as the Board deems advisable.

### **Definition of Independent Trustee/Governor:**

A Trustee /Governor shall be considered independent if the Trustee/Governor:

- a. Is not, and has not been for a period of at least three years, an employee or non-employee executive officer of the Corporation;
- b. Has not made or received from the Corporation during either of the two preceding years, commercial payments which exceeded \$75,000;
- c. In the past two years, has not owned or had the power to vote an equity interest in a business organization to which the Corporation made, or from which the Corporation received during either of its two preceding years, commercial payments that exceeded \$75,000;
- d. Is not principal manager of a business organization to which the Corporation made, or from which the Corporation received, during either of the organization’s two preceding years, commercial payments that exceeded five percent of the organization’s consolidated gross revenues for the year, or \$75,000, whichever is more;
- e. Is not employed as an executive of another business organization where any of the Corporation’s executive officers serve on that organization’s compensation committee;
- f. Does not have any immediate family member who is an executive officer of the Corporation;
- g. Is not affiliated in a professional capacity with a law firm that was the primary legal advisor to the corporation or with an investment banking firm that was retained by the Corporation within the two preceding years;
- h. Is not a current member of the Corporation’s Medical Staff; and

- i. Is otherwise free of any relationship with the Corporation or its management that may impair, or appear to impair, the director's/governor's ability to make independent judgments.