

**AMENDED AND RESTATED
BYLAWS
OF
HACKENSACK UNIVERSITY MEDICAL
CENTER**

Revised: January 2013

**Bylaws of Hackensack University Medical Center
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ARTICLE 1

NAME, PURPOSES AND POWERS

1.1 NAME

The name of the Corporation shall be "The Hackensack University Medical Center."

1.2 PURPOSES AND POWERS

- 1.2.1 To establish and maintain a hospital institution or institutions within or without the State of New Jersey, with permanent facilities that include inpatient beds and medical services to provide diagnosis and treatment for patients, by persons who are competent to obtain and interpret information in terms of the patients needs, who possess a knowledge of growth and development and an understanding of the range of treatment needed by the patients; offers associated services such as, but not limited to, extended care, outpatient care, home care and Hospice; and assures that all patients with similar health problems receive the same level of care.
- 1.2.2 To carry on any educational activities related to rendering care to the sick and injured, or to the promotion of health, that in the opinion of the Board of Governors may be justified by the facilities, personnel, funds and other resources that are, or can be, made available.
- 1.2.3 To promote and carry on medical and scientific research related to the care of the sick and injured insofar as in the opinion of the Board of Governors, such research can be carried on in, or in connection with, the Medical Center.
- 1.2.4 To participate, so far as circumstances may warrant, in any activity designed and carried on to promote the general health of the community.
- 1.2.5 To engage in all conduct authorized for it to be conducted under New Jersey non-profit corporation laws.

ARTICLE 2

MEMBERSHIP

2.1 MEMBERSHIP

The Corporation shall have one (1) Member which shall be from Hackensack University Heath Network (the "Member") There shall be no other members or classes of membership whatsoever.

2.2 ANNUAL MEETING

The Annual Meeting of the Corporation shall be held on such date and at such time as shall be fixed by the Member; to elect Governors and to transact such other business as may come before the meeting. If the day fixed for the Annual Meeting is a legal holiday, such meeting shall be held on the next succeeding business day.

2.3 **SPECIAL MEETING**

Special Meetings of the Corporation may be called by the Chairman of the Board, a majority of the Board of Governors of the Corporation, or by a majority of the Board of Trustees of the Member.

2.4 **PLACE OF MEETING**

All meetings of the Corporation shall be held at such place as the Member may from time to time determine.

2.5 **NOTICE OF MEETINGS**

Notice stating the time, place and purpose of any regular meeting of the Corporation shall be given no less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally, by telephone, by mail or by electronic means, to the Member and to the members of its Board of Governors. A special meeting of the Corporation may be held on at least five (5) days' advance notice by regular mail, postage prepaid, or at least two (2) days advance notice by telephone, electronic means or personal delivery to each such person at his home or business address or telephone number. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at the meeting at which the adjournment is taken and, at the adjourned meeting, only such business is transacted as might have been transacted at the original meeting. However, if a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given on the new record date to the Member.

2.6 **POWERS**

The following rights and powers are reserved to the Member:

2.6.1 To determine the number of Governors that will comprise the Board of Governors.

2.6.2 To elect the Governors of the Corporation.

2.6.3 To remove any Governors from the Corporation's Board of Governors, with or without cause, and to replace any such removed Governor for the unexpired portion of his term.

2.6.4 To approve the election, re election, appointment, reappointment and removal of all Officers of the Corporation.

2.6.5 To amend, revise or restate the Corporation's Certificate of Incorporation and Bylaws, and to approve all amendments or revisions to the Corporation's

- 2.6.6 Certificate of Incorporation and Bylaws that may be proposed by the Board of Governors before they become effective.
- 2.6.7 To adopt or change the general structure of the operation of the Corporation as a voluntary, nonprofit corporation.
- 2.6.8 To dissolve, divide, convert or liquidate the Corporation, to consolidate or merge the Corporation with another corporation or entity, or to acquire substantially all of the assets of another corporation or entity.
- 2.6.9 To approve the annual Capital & Operating Budgets of the Corporation.
- 2.6.10 To approve the incurrence of debt by the Corporation in excess of \$100,000.
- 2.6.11 To approve any charitable donation by the Corporation in excess of \$25,000 per recipient during any twelve (12) consecutive months.
- 2.6.12 To approve any other transfer of the Corporation's assets in excess of \$50,000 unless specifically authorized in the Corporation's approved budgets.

2.7 **ACTION WITHOUT A MEETING**

Any action required to be taken at a meeting of the Corporation, or any other action which may be taken at a meeting of the Member, may be taken without a meeting by written consent, in accordance with, and to the extent permitted by, N.J.S.A. 15A:5 6.

ARTICLE 3

BOARD OF GOVERNORS

3.1 **POWERS IN ADDITION TO THE POWERS GIVEN BY LAW**

Except as otherwise provided in the Certificate of Incorporation or these Bylaws, the Board of Governors shall have the authority and responsibility for all activities of the Medical Center and other affiliated activities, including, but not limited to, quality of patient care, Medical Staff appointments and management of all corporate assets.

The Board of Governors shall formulate the policies of the Medical Center, and shall delegate the execution of its policies to the President, and shall review and monitor the execution of such policies at least once every three (3) years. Except as herein stated, the Board of Governors shall have the power and authority to fill vacancies among the Officers for unexpired terms, with the approval of the Member, and perform all acts and functions granted by law and consistent with these bylaws, including the right to delegate any of such powers to one of its committees.

The powers of the Board of Governors may be exercised by the Executive Committee as provided in Section 6.3 2, and any person contracting or otherwise engaged in any transaction with the Medical Center shall be entitled to rely upon approval or authorization by the Executive Committee as constituting the official and binding action of the Medical Center. This includes, but is not limited to, the employment and/or termination of employment of the Vice President and General Counsel and the Medical Center's Corporate Compliance Officer.

3.2

NUMBER AND QUALIFICATION

3.2.1 Number and Qualification for Election

The Board shall consist of not more than twenty-six (26) Governors who shall be elected by the Member as provided herein. Elected Governors shall be selected for their ability to participate effectively in fulfilling the Board's responsibilities. Membership on the Medical Staff of the Medical Center shall not be a bar to service as a Governor.

3.2.2 Ex-officio Governors

The President of the Medical Center and the immediate past Chairman of the Board of Governors shall be ex-officio governors with vote and will be included in the number provided for in section 3.2-1. The Chairman of Hackensack University Health Network, Chairman of the Advisory Board, shall serve ex-officio without vote. The Chairman of the Medical Executive Committee, the President of the Medical Staff, and the President of the Medical Center Auxiliary shall also serve as Ex-officio Governors with vote and will not be included in the number provided for in section 3.2-1. Ex-officio Governors shall remain a Governor until they cease to hold the official position which created their eligibility.

3.3

ELECTION AND TENURE

3.3.1 Elected Governors

Election of members of the Board of Governors shall take place at the Annual Meeting of the Member. Elected members of the Board of Governors shall serve for a term of three (3) years. Elected Governors may serve no more than three (3) successive full terms, but may be eligible for reelection after having been off the Board for at least one (1) year.

Governors who have served three (3) successive full terms may still continue serve in an ex-officio role until they cease to hold the official position which created the eligibility, after which they are not eligible to serve until they have been off of the Board for at least one (1) year.

A governor who has served three (3) successive full terms and is nominated to serve as First Vice Chairman or Chairman shall, if elected as First Vice Chairman or Chairman, be eligible for continued Board service. After such service, a Governor would not be eligible to serve again until he/she has been off the board for one (1) year.

The terms of office of the elected members shall be so arranged that one third (1/3) thereof shall expire each year. The Governors in office at the time of the adoption of these Bylaws shall continue in office for the term for which they were respectively elected.

3.3.2 Orientation/Education of Governors

All elected Governors shall receive an orientation to the Medical Center, its programs and services, additionally and in accordance with N.J.S.A. 26:2H-

12.34, new Governors shall complete a training program approved by the Commissioner of Health and Senior Services that is designed to clarify the roles and duties of a hospital trustee that is at least one day in length. This orientation and training shall occur within six (6) months of their appointment to the Board.

All Governors shall participate in annual continuing education as recommended by the Governance Committee.

3.3.3 Nomination of Governors

The recommendation of candidates for Governors for election at the Annual Meeting of the Member shall be made by the Board of Governors, or such committee as it shall determine, which, pursuant to Article 5.1, shall propose one candidate for each vacancy to be filled at the Annual Meeting of the Member.

3.3.4 Honorary Governors

Individuals who have given extraordinary service or support to the Medical Center may be nominated for appointment as Honorary Governors. Such nominations will be directed to the Board Development Committee by the Chairman of the Board along with his recommendation. The report of the Board Development Committee will be forwarded to the Executive Committee for its consideration. Final action on these nominations will be taken by the Board of Governors at its Annual Meeting, subject to the approval of the Member.

Honorary Governors will have lifetime appointment and will be accorded all of the rights and privileges granted to elected Governors except the right to vote and to serve as an Officer of the Board.

3.4 **RESIGNATION AND REMOVAL**

Any governor may resign at any time by giving a written notice to the Chairman, or to the President of the Medical Center. Such resignation, which may or may not be contingent on formal acceptance, shall take effect on the date of receipt or at any time specified by it. Any elected Governor may be removed, with or without cause at any time by the Member.

3.5 **VACANCIES**

Except as otherwise stated herein, vacancies of elected Governors, as a result of death, resignation or other cause, except expiration of terms, shall be filled by the Member.

3.6 **MEETINGS OF GOVERNORS**

3.6.1 Annual Meeting

The Board of Governors shall hold an Annual Meeting on the third Tuesday of March of each year, at which time it shall proceed to elect the Officers of the Medical Center and transact such other business as may come before it, subject to the approval of the Member. "Meeting" means any gathering, whether in person or by video or audio conference, telephone call, electronic means (such as, without limitation, electronic mail, electronic chat, and instant messaging)

3.6.2 Regular Meetings

Regular business meetings of the Board shall be held not less than three (3) times per year at such place and time as the Board shall provide by resolution.

3.6.3 Special Meetings

Meetings may be called at any time by the Chairman, or shall be called upon the written request of any five (5) members of the Board of Governors. No business shall be conducted at a special meeting other than that stated in the notice of the meeting.

3.6.4 Place

All meetings of the Board of Governors shall be held at the principal office of the corporation or at such other time or place within this State as the Board shall provide by resolution. Attendance at committee meetings via conference call is permitted when provided for in the notice of the meeting.

3.6.5 Notice

Notice of the time and place of each meeting of the Board of Governors shall be given to each member thereof at least forty-eight (48) hours prior thereto by telephone, personal notice, by mail or by electronic means.

3.6.6 Quorum

At all regular and special meetings of the Board of Governors, a majority of those members currently appointed shall constitute a quorum.

3.6.7 Manner of Acting

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.

3.6.8 Organization

The Chairman, or in his absence the First Vice Chairman, or in the absence of the First Vice Chairman, the Second Vice Chairman shall preside at meetings of the Board. The Secretary of the Medical Center, or in his absence the Assistant Secretary, shall act as Secretary of the meetings of the Board of Governors.

3.6.9 Order of Business

The order of Business at the meetings of the Board of Governors shall be:

- (a) Reading of Minutes
- (b) Report of Chairman
- (c) Report of Treasurer
- (d) Report of President

- (e) Election of Officers (Annual Meeting only)
- (f) General Business

3.6.10 Conflicts between Members

Any conflict arising between Members of the Board of Governors will be addressed during the normal course of business at any regular or special meeting of the Board of Governors. Discussion of conflicts not related to that meeting's agenda may be added at the discretion of the Chairman.

3.7 **ATTENDANCE AT MEETINGS**

Members of the Board of Governors are expected to attend the Annual Meeting and all regular and special meetings of the Board of Governors and of their respective Board committees to which the members of the Board of Governors are assigned. The continuing membership on the Board of Governors of any Board member will be subject to review if that member fails to attend at least fifty percent (50%) of all such meetings of the Board of Governors and relevant committees. Those members of the Board of Governors who fail to comply with this amendment will receive written notification that they are non-compliant and continued failure to attend meetings of the Board or the respective committees to which they are assigned will result in their removal from the Board.

ARTICLE 4

OFFICERS OF THE MEDICAL CENTER AND THE CHIEF EXECUTIVE OFFICER

4.1 **OFFICERS OF THE MEDICAL CENTER**

The Officers of the Medical Center shall be a Chairman, a First Vice Chairman, a Second Vice Chairman, a Secretary, a Treasurer, an Assistant Secretary, an Assistant Treasurer and the President.

4.2 **ELECTION AND TENURE**

The Chairman, the Vice Chairmen, the Secretary, the Assistant Secretary, the Treasurer and the Assistant Treasurer, shall be elected by the Board of Governors at the Annual Meeting and, upon approval by the Member, shall serve for a term of one (1) year and until a successor is elected by the Board and approved by the Member. Officers may not serve more than three (3) consecutive years in any one (1) office. In the event of a vacancy between annual meetings, Officers may be elected at any other meeting of the Board of Governors, and its decision shall become effective upon approval of the Member.

4.3 **RESIGNATION AND REMOVAL**

All officers, agents and employees of the Medical Center shall be subject to removal from office by the Board of Governors with the approval of the Member, or by the Member at any time, with or without cause, and at the discretion of the Board, the Member may leave vacant, for such period as they may deem proper, any office except

that of the President, Secretary or Treasurer. Failure to appoint or elect any officer shall be deemed to be an exercise of such discretion.

4.4 **VACANCIES**

In the event of a vacancy in the office of Chairman, the First Vice Chairman shall assume the office of Chairman, the Second Vice Chairman shall assume the office of First Vice Chairman and the Executive Committee of the Board of Governors shall fill the vacancy in the office of the Second Vice Chairman with the approval of the Member. Vacancies in the office of First and Second Vice Chairman, and all other offices, shall be filled by the Executive committee with the approval of the Member. All appointments shall be for the unexpired terms.

4.5 **DUTIES OF OFFICERS**

4.5.1 Chairman

The Chairman shall be the principal corporate officer of the Medical Center; he shall preside at all meetings of the Medical Center and at all meetings of the Board of Governors and of the Executive Committee; he shall sign the minutes of those meetings; he shall appoint all standing committees, all advisory boards, and shall be an ex-officio member of all committees; he shall promptly notify all Officers and committees of their election or appointment; he or either Vice Chairman shall sign all deeds, mortgages, promissory notes, contracts and other instruments required to be executed by the Medical Center and authorized by the Board of Governors or the Executive Committee. At the conclusion of his term as Chairman, he shall become an ex-officio member of the Board of Governors as provided for in section 3.3-1.

4.5.2 First Vice Chairman

The First Vice Chairman, or in his absence, the

4.5.3 Second Vice Chairman

The Second Vice Chairman shall preside at all meetings of the Medical Center, of the Board of Governors, and of the Executive Committee in the absence of the Chairman; and, during the absence or disability of the Chairman, in the same order perform the duties of the Chairman, or such other duties as may be required by the Board of Governors or the Executive Committee of said Board.

4.5.4 Secretary

The Secretary shall perform such duties as pertain to his office, or as may be imposed upon him by the Board of Governors.

4.5.5 Assistant Secretary

The Assistant Secretary shall perform all of the duties and have all of the powers of the Secretary during the absence or disability of the Secretary and shall assist the Secretary in the performance of his duties.

4.5.6 Treasurer

The Treasurer shall have the following responsibilities:

- (a) He shall be the custodian of all the funds of the Medical Center. Acting with the Executive Committee and Finance Committee, he shall see that a true and accurate accounting of the financial transactions of the Medical Center is made, that reports of such transactions are presented to the Executive Committee, the Board of Governors, and the Member.
- (b) He shall deposit all funds in his custody only in such bank or trust companies as may be designated by the Executive Committee of the Board.
- (c) It shall be the Treasurer's responsibility to see that the financial transactions of the Medical Center or its divisions or subdivisions are conducted in accordance with the annually approved budgetary programs or financial programs which have been approved by the Member.
- (d) The Treasurer shall see that there is an approval of the Operating and Capital Budgets by the Finance Committee or one of its subcommittees, that the recommendation is passed on to the Executive Committee of the Board for action at its last meeting before the end of the calendar year, and thereupon, passed on to the Member for its approval.

4.5.7 Assistant Treasurer

The Assistant Treasurer shall perform all the duties and have all the powers of the Treasurer, during the absence or disability of the Treasurer, and shall assist the Treasurer in the performance of his duties.

4.5.8 President and Chief Executive Officer

The President, who shall be chosen by and serve at the pleasure of the Board of Governors with the approval of the Member, shall be the Chief Executive Officer of the Medical Center. The duties and responsibilities of the President are noted as follows, but may not necessarily be limited to those noted:

- (1) He shall be a voting member of all committees.
- (2) He shall be the Board of Governors' representative in the management of the Medical Center.
- (3) He shall be given the necessary authority and responsibility to operate the Medical Center in all its activities and departments, subject only to such policies as may be issued by the Member, the Board or by any of its committees to which it has delegated power for such action.
- (4) He shall act as the duly authorized representative of the governing Board in all matters in which the governing Board has not formerly designated some other person to so act. The authority and responsibility of the Chief Executive Officer shall include:

- (a) Carrying out all policies established by the governing Board and advising on the formation of these policies.
- (b) Developing and submitting to the governing Board for approval, a plan of organization for the conduct of Medical Center operation and recommended changes when necessary.
- (c) Submit to the Treasurer an Annual Budget.
- (d) Selecting, employing, controlling and discharging employees and developing and maintaining personnel policies and practices for the Medical Center.
- (e) Maintaining physical properties in a good and safe state of repair and operating condition.
- (f) Supervising financial affairs to insure that funds are collected and expended to the best possible advantage.
- (g) Working continually with other health care professionals to the end that high quality care may be rendered to the patient at all times.
- (h) Presenting to the governing Board or its authorized committee, periodic reports reflecting the professional services and financial activities of the Medical Center and such specific reports as may be required by the governing Board.
- (i) Serving as a liaison and channel of communication between the governing Board and any of its committees and the Medical Staff, and assisting the Medical Staff with its organization and medico-administrative problems and responsibilities.
- (j) Preparing a plan for the achievement of the Medical Center's specific objectives and periodically reviewing and evaluating the plan.
- (k) Assuring that the Medical Center meets the requirements of various licensing and/or accrediting bodies.
- (l) Representing the Medical Center in its relationships with other health agencies.
- (m) Performing other duties that may be necessary or in the best interest of the Medical Center.
- (n) Recommend to the Board of Governors, the appointment of Vice Presidents to direct the operation of the Medical Center.
- (o) Signing of contracts.
- (p) He shall develop or cause to be developed an information and support system for the Medical Center.

The performance of the President will be evaluated on an annual basis for the Board of Governors and the Member by the Officers Committee. Included in this evaluation will be a formal review of institutional goals and objectives to be achieved by the President and his staff, and an evaluation of the achievements of previously stated goals and objectives. This review will become a part of the official record. The Executive Committee will receive a full report of the Officers' Committee review of the performance of the Chief Executive Officer and will complete the report based on the recommendation of the Officers of the Board of Governors.

4.5.9 Internal Auditor

The Internal Auditor shall be appointed by the Board of Governors, and shall be responsible solely to the Board of Governors and its duly constituted committees. The Internal Auditor shall be responsible for the internal auditing activities of the Medical Center and shall report on and make recommendations as to the accounting and financial aspects of the Medical Center. He shall have complete freedom from management controls.

ARTICLE 5

BOARD COMMITTEES

5.1 **STANDING COMMITTEES**

The Medical Center shall have the following standing Board Committees: Executive Committee, Finance Committee, Human Resources Committee and Quality and Patient Safety Committee. Subcommittees may be appointed for the purpose of dividing and spreading the workload of the Board committees. Except as otherwise provided in these Bylaws, committee appointments may be made by the committee chairmen on the recommendation of the Board Development Committee and approval of the Board Chairman. Members of the medical staff will be appointed to those Board committees that deliberate issues affecting medical staff responsibilities.

5.2 **MISCELLANEOUS PROVISIONS CONCERNING BOARD COMMITTEES**

5.2.1 Determination of Committees

The creation of the committees named in these bylaws is discretionary with the Board. If the Board determines that a committee is no longer required, it shall assign any necessary committee functions to a new or existing committee of the Medical Center or to the Board acting as a committee of the whole.

5.2.2 Tenure

Each member of a Board committee shall hold office until the next annual meeting of Governors and until reappointed, unless he is no longer a governor, resigns or is removed from the committee.

5.2.3 Additional Persons with Expertise

The Chairman may invite additional individuals with expertise in a pertinent area to meet with and assist any Board committee. Such persons shall not vote or be counted in determining the existence of a quorum, and may be excluded from any executive session of such committee by a majority vote of the committee members present.

5.2.4 Meetings and Notice

Unless otherwise specified in these bylaws, meetings of the Board committees and subcommittees may be called by the Chairman of the Board, the Chairman of the committee or subcommittee, or a majority of the committee's voting members. Each committee shall meet as often as is necessary to perform its duties. Except as herein provided, notice of the time and place of any meeting of Board committees or subcommittees shall be given at least two (2) days prior to the meeting. "Meeting" means any gathering, whether in person or by video or audio conference, telephone call, electronic means (such as, without limitation, electronic mail, electronic chat, and instant messaging)

5.2.5 Quorum

Unless otherwise specified in these bylaws, a majority of the voting members of a Board committee or subcommittee shall constitute a quorum for the transaction of business at any meeting of such committee. Each committee shall keep minutes of its proceedings and shall report periodically to the Board.

5.2.6 Manner of Acting

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 committee so meeting.

5.2.7 Resignation and Removal

Any member of a Board committee or subcommittee may resign at any time by giving written notice to the Chairman of the committee or to the Secretary of the Medical Center. Such resignation shall take effect on the date of receipt or at any later time specified in said notice. Any member of a Board committee or subcommittee, except an ex-officio member, may be removed at any time by a resolution adopted by the Executive Committee. Any ex-officio member of a Board committee shall cease to be such if he shall cease to hold the designated position which is the basis of ex-officio membership.

5.3

EXECUTIVE COMMITTEE

5.3.1 Membership

The Executive Committee shall consist of the Chairman; First Vice Chairman; Second Vice Chairman; Secretary; Assistant Secretary; Treasurer; Assistant Treasurer; and the President of the Medical Center.

5.3.2 Committee Responsibilities

The Executive Committee shall have the power and authority of the Board of Governors to transact all business of the Medical Center in the intervals between meetings of the Board of Governors, subject to any prior limitation imposed by the Board of Governors and subject to the reserved powers of the Member.

- (1) It shall be charged by the Board to formulate policy and delegate the execution of that policy to the President and pass judgment on the manner in which it has been implemented.
- (2) The Executive Committee shall cause to be prepared, and shall act at its last meeting before the end of the calendar year, upon the recommendations of the Finance Committee and/or its subcommittees as they relate to an operating and capital budget showing the expected receipts, income and expenses for the ensuing year, and shall transmit such budget to the Member for the Member's approval.
- (3) The Executive Committee shall appoint an independent certified public accountant or firm of independent certified public accounts to certify to the Member and the Board of Governors, the financial condition of the Medical Center and the results of its operations.
- (4) The Executive Committee shall establish and monitor metrics on an ongoing basis relevant to Finance, Quality & Patient Safety and Service Quality which focus on significant, success-determining measures of the organization's operating environment.

5.3.3 Meetings, Notices and Quorum

The Executive Committee shall meet monthly or at such times as the Chairman may call it together. Twenty-four (24) hours notice of the Meeting by telephone, personal notice or by mail shall be sufficient; further, all the members may meet without specific notice and if present at the meeting shall be construed as a waiver of notice of the meeting. A majority of the membership of the Executive Committee will constitute a quorum.

5.4

FINANCE COMMITTEE

5.4.1 Membership

The Finance Committee shall consist of not less than six (6) members of the Board of Governors, the President of the Medical Center, and two (2) members of the Medical Staff. The Chief Financial Officer shall be an ex-officio member of the committee without vote.

5.4.2 Committee Responsibilities

In addition to such other duties as are assigned to it by the Board of Governors, the committee shall have the following specific duties:

- (1) Review and advise with respect to the preparation of the annual operating and capital budgets of the Medical Center, and to submit same to the Executive Committee of the Board of Governors.

- (2) Examine the Medical Center's monthly financial reports and ascertain and report to the Executive Committee the causes of variation therein from the budget, and appraise the Medical Center's operating performance.
- (3) Maintain, audit and report to the Executive Committee accounts of all appropriations and expenditures not included in the budget.
- (4) To oversee the investment and reinvestment of the funds of the Medical Center and in connection therewith to sell, exchange, and convert investments held by the Medical Center.
- (5) To review all aspects of insurance coverage available to the Medical Center and to recommend to the Executive Committee a plan to provide adequate insurance for the Medical Center.
- (6) Consider and recommend plans for securing capital and operating funds for the Medical Center.
- (7) Determine the financial feasibility of corporate projects, acts and undertakings referred to it by the Executive Committee, and make recommendations thereon to the Executive Committee.
- (8) Assure that there is an ongoing Cost Containment Program, set annual goals, review results and report on progress at regular intervals to the Executive Committee.
- (9) Oversee the appointment of the Pension Program's Actuary. Review the assumptions and recommendations of the provider in determining the amounts of the Medical Center's annual contribution to the Plan. Monitor and appraise the performance of the Actuary and recommends continuation or cancellation of such services.
- (10) Monitor, appraise and evaluate investment options of the Pension Plan's funds in its fiduciary responsibilities role.

5.5

HUMAN RESOURCES COMMITTEE

5.5.1 Membership

This committee shall be composed of at least six (6) members of the Board of Governors and the Chief Executive Officer. The Chief Strategy and Operations Officer, the Chief Medical Officer and Chief Human Resource Officer shall be non-voting representatives from senior leadership.

5.5.2 Committee Responsibilities

The Human Resources Committee is responsible for advising the Executive Committee on broad personnel policies and practices and assisting the President of the Medical Center and the Chief Human Resource Officer in developing and establishing such policies and practices in the Medical Center. The Committee shall discharge certain responsibilities of the Board relating to employee benefits programs applicable generally to employees of the Medical Center and its affiliates. Included in its duties are the following functions:

- (1) Review and approve personnel policies, practices and programs;
- (2) Review and approve the Medical Center non-executive employee salary levels and recommend adjustments;
- (3) Review and approve all general Medical Center human resources and employee benefits matters, except those matters that by policy or procedure the Committee delegates to HUMC management; and
- (4) Communicate appropriate information regarding Medical Center employee benefits to the Board.

5.6

QUALITY AND PATIENT SAFETY COMMITTEE

5.6.1 Membership

The Quality and Patient Safety Committee shall consist of six (6) members of the Board of Governors, one (1) of whom shall be designated as Chairman, and the President of the Medical Center. Additional members who shall serve as ex-officio members without vote shall include: the Chief Quality and Patient Safety Officer who will be responsible for assisting the Chairman with the preparation of the Agenda, the chairman of the Medical Executive Committee, the president of the medical staff, the Chief Strategy and Operations Officer, the Chief Medical Officer, the Chief Nursing Officer, the Director of Performance Improvement, the Administrator of Patient Safety, the Co-Chair of the Patient Safety Committee.

5.6.2 Committee Responsibilities

The Quality and Patient Safety Committee will be responsible to:

- (1) Review and advise with respect to the preparation of the annual quality and safety plans in conjunction with the Performance Improvement Coordinating Committee and Patient Safety Committee for submission to the Executive Committee of the Board of Governors;
- (2) Recommend annually to the Board of Governors quantifiable quality and safety related goals and objectives for the organization and exercise appropriate oversight of their implementation and monitoring;
- (3) Establish and use a dashboard to track performance which can be compared to external benchmarks. This should include quality, safety, service excellence and patient satisfaction metrics;
- (4) Work toward integrating quality planning with financial and strategic planning;
- (5) Review sentinel events and approve and monitor risk reduction strategies;
- (6) Monitor and oversee medical staff credentialing and reappointment;

- (7) Support a culture of quality and safety throughout the organization and function as a forum for education on both existing and new quality and safety mandates and innovative leading edge approaches and initiatives;
- (8) Support and reward quality.

5.6.3 Meetings

The Quality and Patient Safety Committee will meet at least four times per year or more often as is necessary.

ARTICLE 6

MEDICAL STAFF/MEDICAL EXECUTIVE COMMITTEE

6.1 **Medical Executive Committee**

The Board of Governors shall, in the exercise of its discretion, require that the organized Medical Staff establish a Medical Executive Committee, and delegate to the Medical Executive Committee the responsibility for organizing the medical and dental services for the Medical Center's patients.

6.1.1 Membership

The Medical Executive Committee shall consist of twenty-two (22) members including the Immediate Past President of the Medical Staff, the Medical Staff President, President-Elect, Vice President, Secretary/Treasurer, seven (7) members-at-large, and Department Chairpersons and others as delineated in the Bylaws of the Medical and Dental Staff.

6.1.2 Committee Responsibilities

The duties of the Medical Executive Committee shall be to:

- (1) Receive and act upon reports and recommendations from the departments, committees, and officers of the staff concerning the patient care audit and other quality review, evaluation, and monitoring functions and the discharge of their delegated administrative responsibilities, and recommend to the Executive Committee specific programs and systems to implement these functions.
- (2) Coordinate the activities of and policies adopted by the staff, departments and committees.
- (3) Make recommendations to the Executive Committee concerning the mechanism used to review credentials and to delineate individual clinical privileges, the mechanism by which membership on the Medical Staff may be terminated, the mechanism for Fair-Hearing procedures, and upon all matters relating to appointments, reappointments, Staff category, department assignments, clinical privileges and corrective action.
- (4) Review reports and make final recommendations to the Executive Committee of the Board of Governors on all appointments to the Medical

and Dental Staff of the Medical Center, and on assignments of responsibilities within the Medical and Dental Staff including definition of the scope of privileges, reappointments and reductions, extensions, suspensions, or termination of privileges.

- (5) Account to the Executive Committee and the Staff for the overall quality and efficiency of patient care in the Medical Center, and make recommendations concerning the organization of the quality assurance activities of the Medical Staff as well as the mechanism used to conduct, evaluate and revise such activities.
- (6) Take reasonable steps to insure professionally ethical conduct and competent clinical performance on the part of staff members, including initiating investigations and initiating and pursuing corrective action, when warranted.
- (7) Monitor compliance with accreditation standards, receive and evaluate reports in this regard. Identify areas of suspected noncompliance with accreditation standards and shall make recommendations to the Board of Governors for appropriate action.
- (8) Conduct itself as a forum for the discussion of matters of Medical Center policy and practice, especially those pertaining to efficient and effective patient care, and shall provide medico-administrative liaison with the governing body and the Officers of the Medical Center. Inform the Medical Staff of the accreditation program and the accreditation status of the Medical Center.
- (9) Participate in identifying community health needs and in setting Medical Center goals and implementing programs to meet those needs.
- (10) Represent and act on behalf of the staff subject to such limitations as may be imposed by these bylaws.
- (11) Maintain minutes and provide reports of those subcommittees of the Medical Executive Committee as define in the bylaws of the Medical and Dental Staff
- (12) Prepare bylaws, rules and regulations for the Medical and Dental Staff, setting forth its organization and government. Make recommendations regarding the structure of the Medical Staff. Proposed bylaws, rules and regulations may be recommended by the Medical and Dental Staff through the Medical Executive Committee, but only those approved by the Board of Governors shall become effective.

6.1.3 Quorum

A quorum for the Medical Executive Committee shall consist of fourteen (14) of the voting members

6.2

MEDICAL STAFF MEMBERSHIP AND CLINICAL PRIVILEGES

6.2.1 Clinical Privileges

Only a member of the Medical Staff with admitting privileges may admit a patient to the Medical Center, and such individuals may practice only within the scope of the privileges granted by the Executive Committee. Each patient's general medical condition is the responsibility of a qualified member of the Medical Staff.

6.2.2 Delegation to the Medical Executive Committee

The Executive Committee shall delegate to the Medical Staff, acting through its Medical Executive Committee and duly constituted committees, the responsibility and authority to investigate and evaluate all matters relating to Medical Staff membership status, clinical privileges and corrective action, and shall require that the Medical Executive Committee adopt and forward to it specific written recommendations with appropriate supporting documentation that will allow the Executive Committee to take informed action.

6.2.3 Action by the Executive Committee

Final action on all matters relating to Medical Staff membership status, clinical privileges and corrective action, shall be taken by the Executive Committee after considering the Medical Executive Committee recommendations.

6.2.4 Criteria for Executive Committee Action

In acting on matters of Medical Staff membership status, the Executive Committee shall consider the staff's recommendations, the Medical Center's and the community needs, and such additional criteria as are set forth in the Medical Staff Constitution.

In granting and defining the scope of clinical privileges to be exercised by each practitioner, the Executive Committee shall consider the Medical Executive Committee recommendations, the supporting information on which they are based, and such criteria as are set forth in the Medical Staff Bylaws.

No aspect of membership status nor specific clinical privileges shall be limited or denied to a practitioner on the basis of sex, race, creed, color or national origin, or on the basis of any other criterion unrelated to good patient care at the Medical Center, to professional qualifications, to the Medical Center's purposes, needs and capabilities, or to community needs.

6.2.5 Terms & Conditions of Staff Membership and Clinical Privileges

The terms and conditions of membership status in the Medical Staff, and of the exercise of clinical privileges, shall be as specified in the Medical Staff Constitution or as more specifically defined in the notice of individual appointment.

6.2.6 Procedure

The procedure to be followed by the Medical Staff and the Executive Committee in acting on matters of membership status, clinical privileges, and corrective action shall be specified in the Medical Staff Constitution.

6.3 **FAIR HEARING PLAN**

When it appears that the Executive Committee of the Board of Governors will not concur in a recommendation of the Medical Executive Committee, before taking formal action, the Executive Committee shall, at the first meeting following receipt of the report of the Medical Executive Committee refer the matter to an Ad Hoc Committee comprised of the President and CEO and equal representation from the HUMC Executive Committee and the Medical Executive Committee. The Ad Hoc Committee shall review the record of prior proceedings in the application; consult with appropriate legal counsel and the matter shall be referred back to the Executive Committee within sixty (60) days with a full statement of the committee's conclusions and reasons therefore.

The Executive Committee shall consider fully the report of the Ad Hoc Committee, and of the Medical Executive Committee and shall make its determination which shall be final and binding upon all parties concerned in the matter.

6.4 **NON - PHYSICIAN PROFESSIONALS**

The Board shall delegate to the Medical Staff the responsibility and authority to investigate and evaluate each application by a non-physician professional (NPP) for specified services, department affiliation and modification in the services such NPP may perform, and shall require that the staff make recommendations to the Board as specified in the Medical Staff Constitution.

ARTICLE 7

APPOINTMENT OF CLINICAL DEPARTMENT CHAIRS

7.1 **GENERAL STATEMENT**

When a vacancy occurs for the position of Clinical Department Chair, an Ad Hoc Search Committee will be formed by the Chair of the Board of Governors to seek candidates and recommend an individual for the position. The committee membership will include two (2) non-physician governors.

Additionally, the Chair of the Board of Governors will receive recommendations from the Chair of the Medical Executive Committee for five (5) physicians to be members of the search committee. Each member shall have a vote. The Chair of the Credentials Committee (or a designee) shall be appointed as an ex-officio member of the search committee, without a vote. The Chair of the Search Committee shall be selected from among the five (5) physician members; such selection and appointment to this responsibility shall be made by the Chair of the Board of Governors.

PROCEDURE FOR SEARCH**7.2.1 Contractual and Non-Contractual Department Chairmen**

The Chair of the Board of Governors will request that the Chair of the Medical Executive Committee recommend five (5) physicians who qualify by expertise and experience to serve on the Search Committee. The Chair of the Board of Governors will appoint these five (5) physicians if, in the judgment of the Executive Committee, they can properly represent the interests of the Medical Center and Medical Staff in a search for the selection of a candidate.

In the event that any or all of the five (5) physicians recommended for the Search Committee are unacceptable, the Medical Executive Committee will continue to recommend names until five (5) physicians have been selected.

When the Search Committee has identified the final two (2) or three (3) candidates to receive further consideration, those candidates who are not members of the Medical and Dental staff will be provided with an application for clinical staff appointment by the Chair of the Search Committee. In the search for a Voluntary Department Chair, the Chair of the Board of Governors shall request that department members meet for the purpose of nominating three (3) candidates to fill the position of Voluntary Director of the Department. These three (3) candidates shall then appear before the Search Committee for interview and evaluation. If the Search Committee fails to select a candidate, they may request additional candidates be submitted from the department.

The completed applications of all non-staff members, and the names of any candidates already on staff, will be directed to the Chair of the Medical Executive Committee for referral to the Credentials Committee. The Credentials Committee will review the applicant's credentials in the usual manner, but will utilize the recommendations of the Search Committee in lieu of personal interviews of the candidates by the Credentials Committee. The reports of the Credentials Committee on all the candidates will be referred simultaneously to the Chair of the Medical Executive Committee and the Chair of the Search Committee.

The Search Committee will consider the reports of the Credentials Committee and prepare a report recommending a final candidate. The final candidate's name whose credentials have been approved by the Credentials Committee, will then be submitted to the Medical Executive Committee for recommendation to the Joint Conference Committee, and, thereafter, to the Chair of the Executive Committee of the Board of Governors. The Search Committee's recommendation of a final candidate will be considered by the Executive Committee of the Board of Governors by either accepting the Search Committee's recommendation or asking it to continue its work.

When the position to be filled is a full-time salaried position, the Chair of the Board of Governors may appoint a committee of Governors to assist the President of the Medical Center in negotiating a contract of employment for final approval by the Executive Committee. Ultimately, the individual chosen as the incoming Department Chair will be appointed by the Executive Committee of the Board of Governors.

7.2.2 Chair of Contractual Department

For departments where the Medical Center contracts with a physician group to be a sole provider for certain departmental services including but not limited to Anesthesiology, Radiology or Pathology, the contracted group will elect a member to serve as departmental chair. The details of the election process and final tally shall be made available to the Chief Medical Officer, Chair of the Medical Executive Committee and President of the Medical Staff upon request. The President and CEO, Chief Medical Officer, Chair of the Medical Executive Committee and President of the Medical Staff will meet with the candidate, review and approve the group's recommendation and present the candidate to the Credentials Committee. Once approved by the Credentials Committee, the recommendation will then be submitted to the Medical Executive Committee. The group's candidate will be considered by the Executive Committee of the Board of Governors who will act on behalf of the Board of Governors by either accepting the recommendation, or asking the group for another candidate.

ARTICLE 8

THE AUXILIARY OF HACKENSACK UNIVERSITY MEDICAL CENTER

8.1 **HACKENSACK UNIVERSITY MEDICAL CENTER AUXILIARY**

There shall be an Auxiliary interested in the work of the Medical Center to render service to the Hackensack University Medical Center through:

- (1) Maintenance and development of good community relations.
- (2) Volunteer service to aid in the Medical Center.
- (3) Financial assistance.

8.2 **DUTIES AND POWERS**

It shall have such duties and powers as the Board of Governors may authorize or delegate to it, and all that follows is subject to Board approval. It shall be under its own government and may adopt its own bylaws, rules and regulations subject to the approval of the Board of Governors. It may elect or appoint its own members, officers and committees. Its Treasurer shall make an annual audited report to the Board of Governors of all monies received and expended, to the end that it may be incorporated in the Annual Report of the Medical Center.

8.3 **OTHER AUXILIARY ORGANIZATIONS**

From time to time, the Board of Governors may designate other auxiliary organizations and define their mission.

ARTICLE 9

HUMC ADVISORY BOARDS

The HUMC Board shall, at its own discretion, create an Advisory Board comprised of community members and other individuals who might not otherwise serve on the HUMC Board of Governors, with necessary expertise and experience to support the ongoing activities of the medical center.

The Chairman of the HUMC Board shall appoint members of the HUMC Advisory Board on the recommendation of the Board of Governors, or such committee as it shall determine. There shall be no limitation on the size of the membership of the Advisory Board. One member of the Advisory Board shall be appointed Chairman and will report to the HUMC Board of Governors at least on a quarterly basis. One member of the Advisory Board shall be appointed vice-chair who will assume the responsibilities of the chair in his absence. One member shall be appointed Secretary/Treasurer and shall perform such duties as pertain to his office, or as may be imposed upon him by the Board of Governors.

9.1 **ADVISORY COMMITTEES**

One (1) or more Advisory Committees may be created by the Board of Governors for particular program areas or facilities as the Board may decide.

9.2 **MEMBERSHIP**

Advisory Committees shall be comprised of Members of the Advisory Board. Other individuals, including members of the HUMC Board may serve on Advisory Committees based on the committee charter. A chairman for each advisory committee shall be appointed by the Chairman of the HUMC Board.

Advisory Board members may serve without vote on HUMC committees at the recommendation of the Board of Governors, or such committee as it shall determine.

Advisory Board members shall not be considered as in a fiduciary relationship with HUMC and shall not be entitled to vote on matters coming before the Board of Governors or a committee thereof.

9.3 **COMMITTEE CHARTER**

Each Advisory Committee shall, subject to approval by the Board of Governors, adopt a charter which is to stipulate the membership needs, duties and responsibilities of that Advisory Committee.

9.4 **THE CHILDREN'S HOSPITAL ADVISORY COMMITTEE**

9.4.1 Membership

The Children's Hospital Advisory Committee will consist of the Chairman and Vice Chairman of the Department of Pediatrics, the Chief of Pediatric Hematology/Oncology, the Co-Presidents of the Tomorrows Children's Fund, the Chairman of the CJ Foundation for SIDS, the Administrator of the Department of Pediatrics, the Vice President and Chief Operating Officer of the Medical Center, and up to six (6) representatives of the Advisory Board, one of whom will be the

Chairperson of this Advisory Committee, and another who will be the Vice Chairperson.

9.4.2 Powers and Functions

The Children's Hospital Advisory Committee will be responsible for the ongoing review of all pediatric programs. The Advisory Committee will work to safeguard the pediatric program resources and formulate a long range plan for approval by the Board of Governors. This Advisory Committee will also work closely with the Children's House Development Committee and the Women's and Children's Program Development Committee of the Foundation, and report periodically to the Board of Governors on the activities of these entities.

9.4.3 Meetings

The Children's Hospital Advisory Committee will meet at least four times per year or more often as is necessary.

9.5

THE HEART & VASCULAR HOSPITAL ADVISORY COMMITTEE

9.5.1 Membership

The Heart & Vascular Hospital Advisory Committee shall consist of not less than three (3) members of the Advisory Board of the Medical Center, one of whom shall be designated as Chairman of the Advisory Board by the Chairman of the Board of Governors. The Chairman of the Board of Governors shall be an ex-officio member of the Advisory Committee with vote.

9.5.2 Powers and Functions

In addition to such other duties as are assigned to it by the Board of Governors, the Heart & Vascular Hospital Advisory Committee shall have the following specific duties:

- (1) Align relationships with physicians and other clinicians to reduce inefficiencies and improve the quality of patient care services on the HUMC campus and in surrounding communities;
- (2) Work collaboratively with physicians to implement or enhance key hospital-based services within a Heart & Vascular Hospital that will include Centers of Excellence such as a Heart Failure Center, a Lipid Center, a Peripheral Vascular Disease Center and a Diabetes Center;
- (3) Improve the integration of cardiovascular services with other hospital based services including Laboratory, Radiology, Sleep Center, and other medical/surgical programs;
- (4) Fully integrate physician practices into HUMC's Heart & Vascular Hospital vision.

9.5.3 Meetings

The Heart & Vascular Hospital Advisory Committee shall meet at the call of its chairman.

9.6 **THE CANCER CENTER ADVISORY COMMITTEE**

9.6.1 Membership

The Cancer Center Advisory Committee shall consist of not less than 3 members of the Advisory Board of the Medical Center, one of whom shall be designated as Chairman of the Advisory Board by the Chairman of the Board of Governors. The Chairman of the Board of Governors shall be an ex-officio member of the Advisory Board with vote.

9.6.2 Powers and Functions

In addition to such other duties as are assigned to it by the Board of Governors, the Cancer Center Advisory Committee shall have the following specific duties:

- (1) To deliver extraordinary care that is multidisciplinary, personalized, innovative, and at the appropriate cost with superior outcomes to the most satisfied patients.
- (2) To initiate and support a basic research program with an established senior scientist and appropriate support personnel.
- (3) To develop and implement clinical care standards to assure the highest quality patient care experience.

9.6.3 Meetings

The Cancer Center Advisory Committee shall meet at the call of its chairman.

9.7 **The Innovation Committee**

9.7.1 The Committee is charged with the responsibility for advising the Board with respect to the activities and recommendations of innovation initiatives for Board Approval

9.7.2 Membership:

The Innovations Committee membership shall include The Chief Innovations Officer, Chairman of Research and Board members appointed to the Committee as that term is defined by Board policy. A member of the committee will be appointed chairman. The Executive Vice President and General Counsel of the Corporation, The Chief Operating Officer, Department Chairmen or their designee, shall be invited to attend all meetings of the Innovations Committee.

9.7.3 Powers and Functions

The duties of the Innovations Committee shall include, but shall not be limited to, the following:

Monitoring the policies and procedures of the Technology Transfer Office and making recommendations to the Strategic Planning Committee for revisions thereto and for new polices as may be necessary;

Governance of Core Initiatives and technology deemed to be of importance to innovation strategy;

To review and discuss significant emerging science and technology issues and trends;

To review the soundness and risk associated with the technologies presented for innovation and resources;

To periodically review the overall Intellectual Property strategy for recommendations to the Chief Innovations Officer and Chairman of Research;

Examine the measures in place to keep scientists motivated, productive and oriented to the market;

Monitoring the effectiveness of its charter and recommend changes to the Board as needed;

Conduct an annual review of the Committee's performance to ensure robust innovation programs and overall patent strategy;

Other such duties, consistent with the theme of this charter, as the Board of Governors may select.

ARTICLE 10

GENERAL PROVISIONS

10.1

GENERAL STATEMENT

This Medical Center is organized exclusively for charitable, scientific and educational purposes as a not-for-profit Medical Center and no part of the net earnings of the Medical Center shall inure to the benefit of any Member, Governor, or Officer of the Medical Center, or any private individual (except that reasonable payment or compensation may be paid for goods or services rendered to or for the Medical Center affecting one or more of its purposes), and no Member, Governor, Officer of the Medical Center or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Medical Center.

No part of the activities of the Medical Center shall be in conflict with its charitable mission or tax exempt purpose or otherwise attempt to influence legislation. The Medical Center shall not participate in or intervene in (including the publication or distribution of statements) any political campaign or on behalf of any candidate for public office.

10.2

CONFLICT OF INTEREST

No member of the HUMC Board of Governors shall have a business relationship with the Medical Center. Any exceptions to this requirement must be reviewed on a case by case basis and approved by majority vote of the members present at a meeting of the full board.

A business relationship exists where the Medical Center is a party to a contract, transaction or arrangement and the Board Member has an ownership or investment interest in any entity involved in such contract, transaction or arrangement (either, directly or indirectly, through a business, investment, family or other relationship).

A business relationship also exists where the Board Member has a compensation arrangement with an individual or entity involved in a contract, transaction or arrangement with the Medical Center.

Any possible conflict of interest on the part of any Governor shall be disclosed to the Executive Committee and made a matter of record through an annual procedure. Any Governor having a possible conflict of interest on any matter shall not vote or use his personal influence on the matter, and he shall not be counted in determining the presence of a quorum for acting on such matter. The minutes of the meeting shall reflect that a disclosure was made and the abstention from voting.

The Governor shall not be disqualified from briefly stating his position in the matter nor from answering questions from the other Governors. However, he shall leave the meeting before the matter is discussed or voted on. These requirements shall apply to actions of any Governor serving as an Officer or member of any committee. Any new Governor shall be advised of this policy upon entering on the duties of the office.

The Board of Governors may adopt such other policies, not inconsistent with these Bylaws, as it deems necessary and appropriate with regard to conflicts of interest.

10.3

INDEMNIFICATION

The Corporation shall indemnify to the fullest extent authorized or permitted in accordance with Section 15:A: 3-4 of the Act any person and such person's heirs, executors, administrators and legal representatives, who was or is made or threatened to be made a party to any threatened, pending or completed action, suit, or proceeding (whether civil, criminal, administrative, arbitratve or investigative) by reason of the fact that:

- (1) Such person serves or served as a Trustee, Officer, Employee or Agent of the Corporation;

- (2) Such person serves or served on any formally constituted advisory body or voluntary committee of the Corporation; or
- (3) Such person serves or served at the request of the Corporation as a Trustee, Member, Officer, Director, Shareholder, Employee or Agent of any other Corporation, Partnership, Joint Venture, Trust, Association or any other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit, or proceeding. The foregoing indemnification shall apply only if the person acted in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe that the conduct was unlawful. Notwithstanding the foregoing, no indemnification shall be provided to any agent of the Corporation with respect to his or her provision of professional medical services.

10.4 **GENDER**

Reference in these bylaws to the masculine gender shall be deemed to describe and include the feminine gender.

ARTICLE 11

CONTRACTS, LOANS, CHECKS AND DEPOSITS

11.1 **CONTRACTS**

Subject to the powers reserved to the Member by the Certificate of Incorporation and these Bylaws, the Board of Governors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

11.2 **LOANS**

No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Governors.

11.3 **CHECKS, DRAFTS, ETC.**

All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation, shall be signed by the officer(s) of the Corporation herein named (The Chairman, either Vice Chairman, the Treasurer, the Secretary, the Assistant Treasurer, the Assistant Secretary, the President & Chief Executive Officer of the Medical Center and the Executive Vice President & Chief Financial Officer of the Medical Center) and in such manner, as shall from time to time be determined by resolution of the Board of Governors, subject to the power reserved to the Members by the Certificate of Incorporation and these Bylaws.

11.4 **DEPOSITS**

All funds of the Corporation not otherwise employed shall be promptly deposited to the credit of the Corporation in such depositories as the Board of Governors may select.

11.5 **INVESTMENTS**

All funds of the Corporation available for investment shall be promptly invested in such manner as shall be approved generally or specifically by the Board of Governors, or by a duly constituted committee of the Board charged with this function.

ARTICLE 12

AMENDMENTS

The Member may amend, alter, or repeal any Bylaws of the Medical Center and make new Bylaws. The Board of Governors may propose to amend, alter or repeal any Bylaws of the Medical Center and make new Bylaws except that any such action shall not become effective unless and until approved by the Member.