



November 21, 2016

Dear HealthTrust Member:

We are writing to inform you of a Public Hearing for comment on proposed amendments to the HealthTrust, Inc. Bylaws.

**Summary of the Proposed Bylaw Amendments:**

- Elimination of the requirement that a Member must continue to participate through the date of distribution in order to share in a return of surplus. Instead, the revised language provides that if a Member participated in the period from which a surplus is declared, the Member may be eligible to participate in the return whether or not it continues to participate in the subsequent coverage year.
- The term "Coverage Program" is replaced with the term "Coverage Line" throughout the bylaws. The term Coverage Line is now more commonly used and eliminates possible confusion between the terms Coverage Program (meaning coverage line, e.g. health, dental, etc.) and Pool Risk Management Program (which includes all of HealthTrust's coverage lines).
- The term "Application and Participation Agreement" is replaced with the term "Application and Membership Agreement" throughout the bylaws. Last year, the HealthTrust Board approved a new Application and Membership Agreement to replace the old Application and Participation Agreement. Thus, the appropriate term should now be Application and Membership Agreement.

**The Public Hearing:**

A Public Hearing will take place at the Center at Triangle Park, 25 Triangle Park Drive, Concord, NH, on Thursday, December 8, 2016 at 12:30 p.m. At that time, Members of the HealthTrust Board of Directors will be available to take comments about the bylaw amendments. We hope, as Members of HealthTrust, you will join us for that Hearing.

Enclosed in this important mailing is a copy of the proposed amended bylaws for HealthTrust, Inc. If you cannot attend the Public Hearing but have any questions or concerns, please don't hesitate to contact us. You may reach us at [bolson@healthtrustnh.org](mailto:bolson@healthtrustnh.org) or 603-226-1300. We look forward to hearing from you.

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Russell Dean, Chair  
Governance and Nominating Committee  
HealthTrust, Inc.

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Wendy Lee Parker  
Executive Director  
HealthTrust, Inc.



## Proposed Amendments to the HealthTrust, Inc. Bylaws:

To eliminate requirement that a Member must remain a Member through declaration and distribution of Surplus to participate in a return of surplus:

### Amend SECTION 4.7, as follows:

SECTION 4.7. No Claim.

- (a) Except as provided in Section 5.1, A-a Member that is terminated or withdraws from a Coverage Program shall thereupon and at all times thereafter have no right to, or claim on, without limitation, any of the assets, income, distributions (whether past, present or future), reserves or property, whether or not then owned or after acquired, of HealthTrust related to that Coverage Program.
- (b) Except as provided in Section 5.1, A-a Member that is terminated or withdraws from HealthTrust shall thereupon and at all times thereafter have no right to, or claim on, without limitation, any of the assets, income, distributions (whether past, present or future), reserves or property, whether or not then owned or after acquired, of HealthTrust.

### Amend SECTION 5.1, as follows:

## ARTICLE V

### Return of Surplus

SECTION 5.1. Return of Surplus. HealthTrust shall return all earnings and surplus (~~including without limitation any net income that accrues for purposes of Section 115 of the Code~~) in excess of any amounts required for administration, claims, reserves, and purchase of excess insurance ("Surplus") to participating Members in accordance with ~~this Article and RSA 5-B~~ and this Article. The determination of when Surplus exists and the Members who are eligible to participate in a return of Surplus shall be made by the Board of Directors in accordance with this Section 5.1. Once this determination is made, the amount of Surplus, if any, to be allocated for return to any particular eligible Member shall be made in accordance with Section 5.2. Only Members who are eligible under this Section 5.1 and to whom Surplus is allocated for return under Section 5.2 shall have a legal, enforceable right to a share of Surplus. A Member is eligible to accrue rights to Surplus and participate in the return of such Surplus only if ~~(i) that Member is~~ is ~~was~~ in good standing and ~~partieipating participated in~~ HealthTrust ~~on the date of adoption of the Board of Directors' resolution that declares such Surplus and (ii) that Member has been in good standing and participating in HealthTrust continuously and without interruption or absence from the last day of the end of~~ during the year for which the Surplus is declared ~~through the date of distribution as set forth in the Board of Directors' resolution declaring such Surplus. Such return may be by reduction in Contributions due in subsequent Pool Years unless such Member elects otherwise by notice.~~

SECTION 5.2. Proportions in Which Surplus is Distributed. The Board of Directors may provide for Surplus to be distributed among Members who are eligible under Section 5.1 hereof in such proportions as the Board of Directors may determine, provided that such determination shall allocate such Surplus among the eligible Members in a manner that is non-discriminatory as to eligible Members participating in ~~similar the same~~ Coverage Program Lines ~~and having similar payments of, or reservations for, claims.~~ Subject to the foregoing

non-discrimination standard, nothing in the foregoing shall be deemed to require that any eligible Member receive any particular proportion of Surplus or any Surplus at all; rather the allocation shall be made to some or all eligible Members in accordance with the allocation determination made by the Board of Directors in accordance with this Section 5.2. The Board of Directors may furthermore, from time-to-time, modify or change the determination as to the eligible Members' proportionate shares of the future Surplus attributable to a Coverage ~~Program~~Line, provided that no modification or change shall affect Surplus allocated to an eligible Member before the effective date of such modification or change. In the event HealthTrust ~~shall have~~declares a Surplus under Section 5.1 but the Board of Directors does not designate an allocation methodology for such Surplus among eligible Members as provided in this Section 5.2, then such Surplus shall be allocated to eligible Members in proportion to the respective Contributions to the applicable Coverage ~~Program~~Line during the Pool Year for which the Surplus is declared.

**Replace the term "Application and Participation Agreement" with the term "Application and Membership Agreement" throughout the Bylaws.**

**Replace the term "Coverage Program" with the term "Coverage Line" throughout the Bylaws.**

*The following are the Bylaws of HealthTrust, Inc.:*

## ARTICLE I

### Definitions

The terms “his”, “he”, “him”, “hers”, “she”, “her” or any other denomination of gender are used herein in a gender-neutral sense to refer to both male and female gender. Capitalized terms used herein have the following meanings:

“Application and Participation Membership Agreement” means the application and agreement entered into by a Member to participate in HealthTrust pursuant to Section 3.2 (a).

“Articles of Incorporation” means the HealthTrust, Inc. Articles of Incorporation filed with the New Hampshire Secretary of State, as amended from time-to-time whether before or after the date of adoption of the Bylaws.

“Board of Directors” or “Board” or “Directors” means the Municipal Public Officials, School Public Officials, Employee Officials and the County Public Official then serving as the governing body of HealthTrust pursuant to Article VI.

“Bylaws” means these amended and restated bylaws that govern HealthTrust.

“Chair” means the presiding officer of the Board of Directors elected by the Directors as provided in Section 7.1 to perform certain duties as more specifically described in Section 7.3.

“Code” means the Internal Revenue Code of 1986, as amended, and regulations pertaining thereto and subsequent and corresponding federal law and regulations.

“Contribution(s)” means any required payment by Members to participate in HealthTrust pursuant to the Operative Documents.

“County Public Official” means a Public Official of one of New Hampshire’s ten (10) counties.

“County Director” means at any time, the person then serving as a Director by reason of being a County Public Official.

“Coverage Documents” means the documents governing the ~~Coverage Program~~Coverage Lines, including but not limited to plan certificates, transmittals and other governing documents, contracts or agreements for benefits or services provided.

“Coverage ProgramLine” means each of the following: group health, dental, short-term disability, long-term disability, life insurance or any additional coverage ~~program-product~~ provided by HealthTrust to Members.

“Director” means a person serving as a member of the HealthTrust Board of Directors.

“Elected or Appointed Official” means, solely for purposes of Director qualification, (i) any publicly elected official of a Member or entity eligible to be a Member whose term of office is at least one (1) year’s duration (or who is appointed to fill the unexpired term of such office) or (ii) any official appointed to a department head level administrator position by the Governing Body or chief executive officer of a Member or entity eligible to be a Member.

“Employee” means in whole or in part as each Member in HealthTrust may determine, any individual (but not including an independent contractor) described in the categories below and on whose behalf Contributions are made to HealthTrust by a Member:

(a) An employee within the meaning of Sub-Title C of the Code;

(b) Any person who has been an employee described in the immediately preceding subsection (a) but is on leave of absence or is retired;

(c) Any publicly elected official of a Member whose term of office is at least one (1) year’s duration (or official appointed to fill the unexpired term of a publicly elected official) regardless of his or her scheduled work week if such official is described in one of the categories as follows:

(i) Individuals serving on the Governing Body of a Member; or

(ii) Officials who serve in an administrative position of a Member which position is comparable in status to a department-head level appointed administrator, but which, by law or option of the Member, is an elected position. Such position shall include, but not be limited to, clerks, treasurers, tax collectors, road agents and police chiefs.

(d) Volunteer firefighters and part-time firefighters of a Member’s fire department, regardless of his or her scheduled work week, upon satisfaction of the following criteria (“firefighters”):

(i) The Member’s fire department or service is subject to RSA 154:1;

(ii) It is determined by resolution of the Governing Body of a Member that its firefighters shall be eligible for participation in HealthTrust;

(iii) The firefighter has continuously served as a firefighter in the Member's fire department for one year;

(iv) The firefighter meets and maintains State of New Hampshire, Division of Fire Standards & Training, Firefighter I certification as a firefighter.

(e) Any elected or appointed official serving on a permanent board or commission of a Member which board or commission is established pursuant to a statute of the State of New Hampshire and whose term of office is at least one (1) year's duration regardless of his or her scheduled work week.

(f) Any spouse or dependent, including a surviving spouse or dependent, of any of the foregoing persons.

"Employee Directors" means at any time, as a group, the persons then serving as members of the Board of Directors by reason of being Employee Officials.

"Employee Official" means an employee within the meaning of Sub-Title C of the Code of a Member or an entity eligible to become a Member and who is not an Elected or Appointed Official.

"Executive Director" means the person appointed pursuant to these Bylaws by the Board of Directors to be responsible for the daily activities of HealthTrust.

"Finance and Personnel Committee" is defined in Section 7.5 (b) (ii).

"Governance and Nominating Committee" is defined in Section 7.5 (b) (iii).

"Governing Body" means the board of selectmen in towns, the city council or board of aldermen in cities, the town council in towns, the board of commissioners in counties and village districts, the school board in school districts, and other similar governing bodies of authorities, agencies or entities eligible to become Members.

"HealthTrust" means HealthTrust, Inc., a New Hampshire voluntary corporation.

"Insurer" means any insurance company providing any insurance, reinsurance, or excess insurance contract to HealthTrust related to a ~~Coverage Program~~ Coverage Line including, but not limited to, any such policy that HealthTrust deems necessary or prudent.

"Member(s)" means any entity that is participating in HealthTrust pursuant to Article III, remains in compliance with Sections 3.1 and 3.2 ; and has not withdrawn or been terminated pursuant to Article IV.

“Municipal Directors” means at any time, as a group, the persons then serving as Directors by reason of being Municipal Public Officials.

“Municipal Public Official” means a Public Official of a New Hampshire city, town, village district, or an entity created for a special purpose administered or funded by any of the above-named governmental units.

“Officers” means the Chair and Vice Chair, or, if in the singular, the Chair or Vice Chair, as the context requires.

“Operative Documents” means (i) these Bylaws, (ii) the Articles of Incorporation, (iii) the Application and ~~Participation~~ Membership Agreement, (iv) the Coverage Documents, and (v) any Rules and other agreements pursuant or incident thereto.

“Pool Year” means a twelve (12) consecutive month period chosen from time-to-time by the Board of Directors for periods of coverage for HealthTrust. HealthTrust may have more than one (1) Pool Year and Pool Years may be different between and within ~~Coverage Program~~ Coverage Lines. A Pool Year may be any period less or more than twelve (12) months if it is the first or last such year of a coverage, or a year or years involving a change in the Pool Year.

“Public Official” means an individual who is serving as an Elected or Appointed Official of a Member or an entity eligible to be a Member pursuant to Section 3.1.

“Rules” means any rules adopted by HealthTrust for the operation of its program.

“School Directors” means at any time, as a group, the persons then serving as Directors by reason of being School Public Officials.

“School Public Official” means a Public Official of a New Hampshire school district, charter public school or school administrative unit.

“Service Company” means any entity or independent contractor designated to operate or provide claims administration or other administrative services including but not limited to human resources, information technology, wellness, risk management, financial services, or to perform similar or other services for or on behalf of HealthTrust.

“Standing Committees” is defined in Section 7.5 (b).

“Strategic Planning Committee” is defined in Section 7.5 (b) (i).



“Vice Chair” means the member of the Board of Directors elected by the Board of Directors as provided in Section 7.1 to perform certain duties as more specifically described in Section 7.4.

## ARTICLE II

### Mission

#### SECTION 2.1. Mission.

The mission of HealthTrust is to provide high quality, cost-effective employee benefit products and services for public employers and employees in New Hampshire in order to reduce costs through pooling strategies with a commitment to education, health promotion and disease prevention.

## ARTICLE III

### Membership in HealthTrust

SECTION 3.1. Eligibility to Become a Member of HealthTrust. Entities eligible to become a Member of HealthTrust are: any city, town, county, school district, chartered public school, village district, school administrative unit, or any district or entity created for a special purpose administered or funded by any of the above-named governmental units, and which is located in and authorized by New Hampshire law.

SECTION 3.2. Requirements to Become a Member of HealthTrust. Prior to becoming a Member of HealthTrust, an entity must:

- (a) Complete an Application and ~~Participation~~-Membership Agreement or such other written request to become a Member as the Board of Directors shall determine;
- (b) Meet all other criteria established and provide all information requested by HealthTrust which it deems necessary and prudent;
- (c) Receive the approval of any Insurer whose approval is required as a condition of providing insurance;
- (d) Be a political subdivision for Federal income tax purposes or an entity the income of which is exempt under Section 115 of the Code; and
- (e) Not cause HealthTrust to be disqualified under NH RSA 5-B, Code §115 or any other applicable Federal or state law.

SECTION 3.3. Acceptance as a Member of HealthTrust. The Executive Director has the authority to accept any entity which meets the criteria set forth in Sections 3.1 and 3.2. An entity which in the judgment of the Executive Director does not meet the criteria set forth in Sections 3.1 and 3.2 may request that the decision of the Executive Director be reviewed by the Board of Directors. After conducting such review, the Board of Directors shall decide whether or not the applicant meets the eligibility criteria. The decision of the Board of Directors in this regard shall be final.

SECTION 3.4. Effect of Acceptance. Upon becoming a Member, each Member agrees to be bound by the provisions and terms of the applicable Operative Documents, any documents required by an Insurer then in effect, or any other requirements that may be adopted from time-to-time by HealthTrust.

SECTION 3.5. Meetings of the Members. A meeting of the Members shall be held at least annually (the Annual Meeting) for the purposes of receiving reports on the operations of HealthTrust; voting upon nominations for members of the Board of Directors; and transacting any other business which may be transacted at an annual meeting. The time and place of any meeting will be determined by the Board of Directors. Members shall be notified of the time and place of any meeting by at least ten (10) days written notice which may include email notification, provided that the notification for the Annual Meeting shall be governed by Section 6.3 (f) and (g) of these Bylaws. Each Member present shall be entitled to one vote. Any number of Members shall constitute a quorum for the conduct of elections and the transaction of any business. Determination of who may vote at any meeting shall be governed by Section 6.3 (c), (d) and (e) of these Bylaws.

## ARTICLE IV

### | Termination of Membership or Participation in a Coverage ProgramLine

SECTION 4.1. Termination. Status as a Member in HealthTrust or participation in any of its Coverage Programs-Lines shall be continuous unless terminated for:

(a) Conduct that is determined by the Board of Directors in their sole absolute discretion pursuant to Section 4.2 to warrant termination for cause.

(b) Failure to pay any Contribution when due and owing. The Executive Director shall have the authority and discretion to work out alternative payment arrangements in lieu of bringing termination for non-payment issues before the Board.

(c) Failure to continue to meet the criteria required by HealthTrust or any Insurer including without limitation underwriting criteria.

(d) Failure to comply or continue to comply with any material provisions of the applicable Operative Documents.

Termination pursuant to this Section 4.1 shall be accomplished by a resolution of the Board of Directors. The Board of Directors in such resolution may set forth the date of termination and any conditions precedent to such termination that the Board of Directors deem reasonable in their sole, absolute discretion. Except in the case of termination for non-payment of Contributions pursuant to Section 4.1(b), any termination shall be preceded by a written notice to the Member from the Board of Directors or Executive Director.

SECTION 4.2. Member Review and Process for Termination. Prior to termination pursuant to Section 4.1:

(a) When in the determination of the Executive Director a Member has engaged in conduct that warrants termination, the Executive Director shall file a written report with the Board of Directors. Such report shall contain a summary of the facts and the Executive Director's recommendations regarding termination.

(b) A copy of the Executive Director's report shall be mailed to the Member along with a notice of hearing of the Board of Directors at least ten (10) days prior to such hearing. Such notice of hearing shall include the place, date and time of the hearing and a request for attendance at the hearing. A Member objecting to the report and recommendations of the Executive Director shall submit a written statement to the Board of Directors setting out in detail the basis of the objection and any other information the Member desires to submit. Said statement must be mailed to the Executive Director no later than five (5) calendar days prior to the hearing.

(c) The Board of Directors shall meet at the time and place designated in the notice of hearing. The Member shall be entitled to be represented at the hearing and present an oral statement and other information.

(d) Following the hearing, the Board of Directors shall affirm, modify, or reject the recommendation of the Executive Director. The Board of Directors shall have the authority to place a Member on probation, the terms and duration of which it shall determine and shall also have the authority to terminate a Member. A copy of the decision of the Board shall be mailed to the Member.

(e) The action of the Board of Directors shall be final and binding.

SECTION 4.3. Withdrawal by a Member. Subject to Section 4.5, a Member may withdraw from HealthTrust or terminate its participation in any of the ~~Coverage Program~~Coverage Lines subject to the terms of the applicable Operative Documents and the following conditions:

(a) A Member may withdraw its participation from a ~~Coverage Program~~Coverage Line effective as of the last day of the month following sixty (60) days advance written notice to HealthTrust.

(b) In the case of withdrawal, a Member shall remain liable for any Contribution that may have accrued prior to the effective date of such withdrawal.

(c) Membership status shall be forfeited when a Member no longer participates in any ~~Coverage Program~~Coverage Line.

SECTION 4.4. Effect of Termination or Withdrawal. Upon termination or withdrawal pursuant to Sections 4.1, 4.2 and 4.3, HealthTrust shall remain liable for any claim or other liability incurred prior to the effective date of such termination or withdrawal and for which HealthTrust is responsible pursuant to the Operative Documents. HealthTrust shall have no liability for any claim or other liability incurred by a withdrawing or terminating Member or its Employees after the effective date of such termination or withdrawal.

SECTION 4.5. Two Year Lockout from Medical Benefits Coverage.

(a) When a Member cancels, terminates, withdraws from or otherwise ceases to participate in medical benefits coverage provided by or through HealthTrust, such Member shall not be eligible to participate in medical benefits coverage provided by or through HealthTrust, in any manner, for at least two full years from the date of such cancellation, withdrawal, termination or other cessation of participation.

(b) The provisions of this Section 4.5 may be waived in the sole, absolute discretion and by a vote of the Board of Directors upon a written request signed by the Governing Body of the former Member. Any such written request of the former Member must be made within six (6) months of termination and must set forth the specific reasons and circumstances that, in the former Member's view, justifies the exercise of discretion by the Board of Directors to waive the provisions of this Section 4.5 and may include any or all of the following:

(i) that the former Member was misled as to coverage and/or final terms offered by the insurer or other entity providing coverage to the former Member after such termination or withdrawal from HealthTrust;

(ii) the insurer or other entity providing coverage to the Member after such withdrawal or termination from HealthTrust failed to accept retirees of the former Member as covered persons; or

(iii) the former Member did not realize the financial savings from a substitution of or change from the coverage provided by HealthTrust, as was or to the extent promised or represented by the insurer or other entity providing coverage to the former Member after its withdrawal or termination from HealthTrust.

SECTION 4.6. Portion of a Member. The provisions of this Article IV shall be separately and independently applied to those distinct subunits of a Member which are actually participating in or are eligible to participate in HealthTrust pursuant to the applicable Operative Documents, such as, by way of example and without limitation, a collective bargaining unit that comprises a portion of a Member or a school district that comprises a portion of a Member that is an SAU.

SECTION 4.7. No Claim.

(a) Except as provided in Section 5.1, A-a Member that is terminated or withdraws from a ~~Coverage Program~~Coverage Line shall thereupon and at all times thereafter have no right to, or claim on, without limitation, any of the assets, income, distributions (whether past, present or future), reserves or property, whether or not then owned or after acquired, of HealthTrust related to that ~~Coverage Program~~Coverage Line.

(b) Except as provided in Section 5.1, aA Member that is terminated or withdraws from HealthTrust shall thereupon and at all times thereafter have no right to, or claim on, without limitation, any of the assets, income, distributions (whether past, present or future), reserves or property, whether or not then owned or after acquired, of HealthTrust.

## ARTICLE V

### Return of Surplus

SECTION 5.1. Return of Surplus. HealthTrust shall return all earnings and surplus (~~including without limitation any net income that accrues for purposes of Section 115 of the Code~~) in excess of any amounts required for administration, claims, reserves, and purchase of excess insurance ("Surplus") to participating Members in accordance with ~~this Article and RSA 5-B~~ and this Article. The determination of when Surplus exists and the Members who are eligible to participate in a return of Surplus shall be made by the Board of Directors in accordance with this Section 5.1. Once this determination is made, the amount of Surplus, if any, to be allocated for return to any particular eligible Member shall be made in accordance with Section 5.2. Only Members who are eligible under this Section 5.1 and to whom Surplus is allocated for return under Section 5.2 shall have a legal, enforceable right to a share of Surplus. A Member is eligible to accrue rights to Surplus and participate in the return of such Surplus only if ~~(i)~~ that Member is was in good standing and participating-participated in HealthTrust during on the date of

~~adoption of the Board of Directors' resolution that declares such Surplus and (ii) that Member has been in good standing and participating in HealthTrust continuously and without interruption or absence from the last day of the end of the year for which the Surplus is declared as through the date of distribution set forth in the Board of Directors' resolution declaring such Surplus. Such return may be by reduction in Contributions due in subsequent Pool Years unless such Member elects otherwise by notice.~~

SECTION 5.2. Proportions in Which Surplus is Distributed. The Board of Directors may provide for Surplus to be distributed among Members who are eligible under Section 5.1 hereof in such proportions as the Board of Directors may determine, provided that such determination shall allocate such Surplus among the eligible Members in a manner that is non-discriminatory as to eligible Members participating in ~~the same similar Coverage Program~~Coverage Lines and ~~having similar payments of, or reservations for, claims.~~ Subject to the foregoing non-discrimination standard, nothing in the foregoing shall be deemed to require that any eligible Member receive any particular proportion of Surplus or any Surplus at all; rather the allocation shall be made to some or all eligible Members in accordance with the allocation determination made by the Board of Directors in accordance with this Section 5.2. The Board of Directors may furthermore, from time-to-time, modify or change the determination as to the eligible Members' proportionate shares of the future Surplus attributable to a ~~Coverage Program~~Coverage Line, provided that no modification or change shall affect Surplus allocated to an eligible Member before the effective date of such modification or change. In the event ~~HealthTrust shall have~~declares a Surplus under Section 5.1 but the Board of Directors does not designate an allocation methodology for such Surplus among eligible Members as provided in this Section 5.2, then such Surplus shall be allocated to eligible Members in proportion to the respective Contributions to the applicable ~~Coverage Program~~Coverage Line during the Pool Year for which the Surplus is declared.

## ARTICLE VI

### Board of Directors

SECTION 6.1. Board of Directors. The Board of Directors shall comprise eleven Directors each serving in one of the following categories: Municipal Public Officials, School Public Officials, Employee Officials or County Public Officials. The Board of Directors shall comprise three (3) Municipal Public Officials, four (4) School Public Officials, three (3) Employee Officials and one (1) County Public Official. Two-thirds (2/3) of the Directors then serving must be Public Officials or Employee Officials of Members presently participating in HealthTrust.

SECTION 6.2. Qualification of Directors.

(a) Each Director shall at the time of election or appointment and at all times while serving in such office be qualified to fill the category of Director described in Section 6.1 for which they were elected or appointed. In nominating Directors, the Governance and Nominating Committee may, but need not, give due regard to varying geographic location, population of the Members or entities eligible to be Members, experience in risk management, administrative ability and fiduciary experience.

(b) A person serving on the board of Property-Liability Trust, Inc. is ineligible to serve as a Director of HealthTrust.

(c) Only one Public Official or Employee Official per Member or entity eligible to be a Member may serve on the Board of Directors at the same time.

**SECTION 6.3. Election of Directors: Voting Procedures and Nominations for Directors:**

The following procedures will govern the Members' election of Directors:

(a) The Members shall elect the Directors at the Annual Meeting for the terms specified in Section 6.5.

(b) Each Member shall be entitled to cast one vote for each Director position on the ballot. All votes must be cast in person at the Annual Meeting.

(c) Provided the required forms are submitted pursuant to Section 6.3 (d), the Member's top administrative official (for example, superintendent of schools, town manager, town administrator, etc.) or his or her certified designee shall be entitled to cast the Member's vote, unless the governing board of the Member, by resolution, appoints a different representative to cast the Member's vote, in which case such representative shall be entitled to cast the Member's vote. Governing bodies are encouraged to participate in this fashion.

(d) To vote, upon registration at the meeting, the following forms must be provided to HealthTrust by the person entitled to cast the Member's vote:

(i) For the Member's top administrative official: written certification, signed by the individual certifying that he or she is the Member's top administrative official and entitled to vote on behalf of the Member,

(ii) For the designee of the Member's top administrative official: written certification, signed by the top administrative official, certifying that he or she is the Member's top administrative official, entitled to vote on behalf of the Member and that that he or she designates the specified individual to cast the Member's vote on his or her behalf, together with written certification signed by the designee, that her or she is the named designee and is entitled to vote on behalf of the Member.

(iii) For a representative appointed by the Member's governing board, a copy of the executed resolution of the governing board appointing the representative together with written certification signed by the representative, that her or she is the named representative and is entitled to vote on behalf of the Member.

(e) A single individual shall be entitled to cast the vote of multiple Members provided he or she is duly authorized to vote for each such Member pursuant to Sections 6.3 (c) and (d).

(f) HealthTrust shall provide Members written notice, which may include email notification, of the Annual Meeting at least 60 days in advance of said meeting. HealthTrust shall attempt to send such notice to both the chief administrative officer and the chair of the governing board of each member; however, failure to send the notice to these specific individuals shall not invalidate the results of any election.

(g) Said notice shall include:

(i) the date, place and time of the Annual Meeting;

(ii) information on how to become a candidate for a Director position;

(iii) a copy of the certification forms and sample resolution to be submitted by the person voting on behalf of the Member pursuant to Section 6.3 (d); and

(iv) notice of the date and method by which the Governance and Nominating Committee will notify the Members of its recommended a slate of candidates.

(h) The Governance and Nominating Committee shall recommend a slate of candidates to the Membership at least 30 days prior to the Annual Meeting by written notice, which may include email notification or on-line posting, Nominations will also be taken from Members at the Annual Meeting.

#### SECTION 6.4. Acceptance of Office of Directors; Board Commitment Letter.

(a) Each Director shall accept the office of Director by acceptance, execution and delivery of the Board Commitment Letter.

(b) The Board of Directors shall adopt and annually review a Board Commitment Letter which sets out the expectations of the Directors and the commitments those Directors have to the Members.

(c) If the Board amends the Board Commitment Letter, all Directors must execute and deliver the revised Board Commitment Letter.



(d) A Director who has not delivered an executed copy of the then current Board Commitment Letter shall not be entitled to vote.

**SECTION 6.5. Tenure of Directors.**

(a) As of the 2013 annual meeting of the Members, the terms of office of all the Directors then serving shall expire, and the Members at that meeting shall elect the full Board of Directors with three Directors elected to a one-year term, four Directors elected to a two-year term, and four Directors elected to a three-year term. After the expiration of the terms established in 2013, the Members shall elect Directors to three (3) year terms, and the terms will be staggered so that no more than four (4) Directors will be elected to full terms in any one year.

(b) A Director may serve no more than three (3) consecutive 3-year terms. A Director who is appointed to fill a vacancy shall serve the remainder of the vacant term and may, then, serve no more than three (3) consecutive 3-year terms.

**SECTION 6.6. Power of Other Directors to Act in Case of Vacancy.** If a vacancy occurs in any office of Director for any reason, the remaining Directors then in office shall have full power and authority to act until such vacancy is filled. The remaining Directors have the authority to fill any vacancy on the Board of Directors for the remainder of the term of the vacant position. The Governance and Nominating Committee shall make recommendations to fill such vacancies.

**SECTION 6.7. Regular Meetings.** The Board of Directors may provide the time and place within the State of New Hampshire for the holding of regular meetings. All regular meetings of the Board shall comply with the public notice and open meeting requirements contained in RSA 91-A, the New Hampshire Right-to-Know Law. This Section shall apply equally to meetings of committees.

**SECTION 6.8. Special Meetings.** Special Meetings of the Board of Directors may be called by or at the request of the Chair, a majority of the Directors or by a Standing Committee. The person or persons authorized to call any such Special Meeting may fix the time and the place for the holding of any such Special Meeting of the Board of Directors. Any such meeting may be called upon at least twenty-four (24) hours' notice delivered by email to each such Director at his or her business or residential address. A second form of notification which may include a telephone call or voice mail message shall be provided unless the Director acknowledges receipt of the email notification with a return email. Notices shall specify the date, time, place and purposes thereof. This Section shall apply equally to meetings of committees. All special meetings of the Board shall comply with the public notice and open meeting requirements contained in RSA 91-A, the New Hampshire Right-to-Know Law.

**SECTION 6.9. Attendance at Meeting.** The attendance of a Director at any meeting of the Board of Directors shall constitute a waiver of notice of such meeting, except where a Director attends

a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. A Director may attend a meeting by telephone as long as such attendance does not violate any applicable provisions of RSA 91-A, the New Hampshire Right-to-Know Law.

SECTION 6.10. Quorum. A quorum for the transaction of business at a duly called meeting of the Board of Directors shall consist of a majority of the Directors then serving. A quorum for the transaction of business at a duly called meeting of a committee of the Board of Directors shall consist of a majority of the Directors then serving on the committee. The Chair, as an ex officio member of each Standing Committee, shall not be considered serving on the committee, for purposes of a quorum, unless he or she is present.

SECTION 6.11. Voting.

(a) Other than as provided in Section 6.11 (b), all actions of the Board of Directors shall be by a majority vote of the Directors present and voting at a duly called meeting at which there is a quorum present.

(b) A two-thirds (2/3) majority of the Directors then serving is required to (i) change the composition of the Board of Directors, (ii) sell or otherwise transfer assets other than in the regular course of business, merge, consolidate, amalgamate or engage in a similar transaction whether or not at arms-length or for fair value, (iii) remove a Director pursuant to Section 6.14, or (iv) amend or otherwise modify this Section 6.11 or Section 11.1.

SECTION 6.12. Reimbursement of Expenses for Directors. Directors shall not receive compensation but may be reimbursed for mileage and other reasonable expenses properly and actually incurred in the course of acting as Directors.

SECTION 6.13. Resignation of a Director. A Director may resign by an instrument in writing, including email, delivered to the Chair or to the Executive Director, who shall forthwith notify the Chair. Such written notice of resignation may state a prospective date upon which such resignation shall become effective; otherwise, such resignation shall become effective upon receipt by the Executive Director or the Chair. Upon the effective date of any such resignation, such Director shall become and be fully discharged from all further duties, responsibilities or liabilities associated with such office. A Director, upon vacating such office shall turn over and deliver any and all records, books, documents, or other property of HealthTrust in the possession or under the control of such Director to the Executive Director.

SECTION 6.14. Removal of a Director. A Director may be removed from office by a vote of a two-thirds (2/3) majority of Directors then serving on the Board of Directors at any time and for any reason, including, but not limited to, for (i) failure to attend two (2) consecutive meetings of the Board of Directors, (ii) failure to attend two (2) consecutive meetings of a committee, (iii) material violations of the Bylaws, Rules or policies of the Board of Directors, or (iv) breach of a

fiduciary duty to be performed by a Director. The Chair, as an ex officio member of each Standing Committee, shall be exempt from the attendance requirement for Standing Committee meetings.

## ARTICLE VII

### Officers and Committees

SECTION 7.1. Officers. The Officers of the Board shall be a Chair and Vice Chair. The Officers shall be elected by the Board of Directors from among their number and each officer shall be a Public Official.

SECTION 7.2. Term of Office. All Officers shall have a two (2) year term beginning at the meeting at which they are elected and ending:

(a) at the first meeting of the Board of Directors after the annual meeting which occurs in the year that their term as an Officer expires;

(b) the date on which they no longer meet the qualification requirements for a Director pursuant to Section 6.2; or

(c) at the time in which their seat is declared vacant for any other reason.

SECTION 7.3. Duties of the Chair. The Chair shall be the presiding officer at all meetings of HealthTrust. The Chair shall appoint all Standing Committees and their chairpersons. The Chair shall be a voting member of each Standing Committee *ex officio*.

SECTION 7.4. Duties of the Vice Chair. In the absence or inability of the Chair to attend a meeting of the full Board of Directors, the Vice Chair shall perform the duties of the Chair. In addition the Vice Chair shall perform such other duties as are delegated by the Chair.

SECTION 7.5. Committees.

(a) General Authority. The Board of Directors shall have the power and authority to appoint from among themselves such committees as the Board of Directors shall deem expedient which may be vested with such powers as the Board of Directors in its sole discretion shall determine. The Board Chair, with the input of the Chairs of the Standing Committees, shall have the authority to promulgate procedures for the coordination and exchange of information among Standing Committees and the internal operational functioning of the Board.

(b) Standing Committees. The chair and all members of all Standing Committees shall be appointed by and removed by the Chair. Each Director shall serve on at least one (1) Standing Committee. Each Standing Committee's recommendations shall be presented to the full Board

for action regardless of its impact upon the functional responsibility of any other Standing Committee. HealthTrust shall have the following Standing Committees (the "Standing Committees"):

(i) Strategic Planning Committee. The Strategic Planning Committee shall review current and potential wellness and risk management programs and employee benefit programs for the purpose of keeping HealthTrust apprised of the latest information and to ensure competitiveness of products and services in order to attract and retain Members. The Committee shall also be responsible for reviewing other policies of HealthTrust not assigned to other committees. The Committee shall make policy and program recommendations to the Board of Directors.

(ii) Finance and Personnel Committee. The Finance and Personnel Committee shall direct the preparation of a proposed budget for each subsequent year and present said budget to the Board of Directors for approval. The Committee shall review, oversee and/or make recommendations on financial and actuarial rating procedures, the annual independent audit process, investment policy, internal audit and financial statements. The Committee shall (i) oversee pay studies, personnel policies, cost of living adjustments and fringe benefits with regard to employees of HealthTrust, (ii) evaluate the Executive Director in consultation with the full Board of Directors, (iii) recommend to the Directors changes to such policies and procedures, in order to improve or ensure competitiveness of HealthTrust and (iv) review and make recommendations to the full HealthTrust Board on requests for the addition of permanent staff positions.

(iii) Governance and Nominating Committee. The Governance and Nominating Committee shall nominate persons to serve as members of the Board of Directors and as Chair and Vice Chair, and shall have the responsibility to review and make recommendations to the Board of Directors on amendments to the Bylaws.

## ARTICLE VIII

### Duties and Powers of the Board of Directors

SECTION 8.1. General Duties of the Board of Directors. The Board of Directors shall set policy, oversee and administer HealthTrust and without limitation to the preceding clause, shall perform the following duties:

(a) Ensure the payment of benefits and claims to or on behalf of the Members in accordance with the Operative Documents.

(b) Create reserves for the payment of benefits and claims and for any other legitimate purpose for HealthTrust.

(c) Pay or provide for the payment on behalf of Members to an Insurer of all premiums as they become due on any policy of insurance or reinsurance.

(d) Cause to be maintained accounts of all investments, receipts, disbursements and all other transactions affecting funds and properties of HealthTrust.

(e) Engage an independent certified public accountant who is appointed by and reports directly to the Board of Directors to perform a financial audit at least once per Pool Year and cause copies of such audits to be distributed to Members.

(f) Maintain minutes of all meetings of the Board of Directors and Members and cause copies thereof to be distributed in a timely manner to all Directors.

(g) Pay all taxes and assessments of any and all kind whatsoever that may be levied or assessed under existing or future laws upon HealthTrust or any of its income.

(h) Cause the terms and provisions of these Bylaws and the other Operative Documents to be performed and carried out and the assets of HealthTrust to be properly held and administered.

(i) Pay or provide for the payment of all reasonable and necessary expenses of administering HealthTrust and all charges reasonably incurred by HealthTrust or the Board of Directors in carrying out the purposes of HealthTrust and the functions of the Board.

(j) Assure compliance with the requirements of NH RSA 5-B, and other applicable laws, as amended.

(k) Assure that HealthTrust and all Members are political subdivisions for Federal income tax purposes or entities the income of which is exempt under Section 115 of the Code.

**SECTION 8.2. Powers of the Board of Directors.** The Board of Directors shall have such powers as may be necessary or prudent to discharge their responsibilities in setting policy, administration and oversight of HealthTrust, and without limiting the prior clause, shall have the following powers:

(a) To designate a bank or banks as a depository and to designate one or more persons as are appropriate to withdraw sums therefrom.

(b) To receive, hold, manage, invest and reinvest such monies and property in stocks, bonds or other securities.

(c) To require and receive such reports from the Members or their employees as they deem necessary or advisable.

(d) To sue and be sued, or to prosecute and defend any and all actions; to oversee litigation policy and strategy; to compromise or settle any suit, claims or demands, or waive or release any rights relating to HealthTrust, or any of its property.

(e) To adopt and enforce Rules not inconsistent with the provisions of the Bylaws or any Operative Documents as the Board of Directors may from time-to-time deem expedient.

(f) To make, execute, acknowledge and deliver any and all documents that may be necessary or appropriate to carry out the powers herein granted.

(g) To borrow or raise money in such amounts and upon such terms and conditions as the Board of Directors shall deem advisable.

(h) To hold cash, uninvested, for such length of time as the Board of Directors may determine without liability for interest thereon.

(i) To continue to have and to exercise, after the termination of HealthTrust and until final distribution, all of the title, powers, discretion, rights and duties conferred or imposed upon the Board of Directors hereunder, or by law.

(j) To construe and interpret the Operative Documents.

(k) To have a judicial settlement of their accounts and judicial determination of any questions in connection with their duties and obligations hereunder, or in connection with the administration or distribution thereof (the costs and expenses, including accounting and legal fees, for such judicial settlement of accounts or other judicial determination shall be paid as a general administrative expense to the extent permitted by applicable law).

(l) To appoint one or more investment managers to supervise and direct the investment and reinvestment of all or a portion of the assets of HealthTrust in accordance with the provisions of the Operative Documents and applicable law and in the same manner and with the same powers, duties, obligations, responsibilities and limitations as apply to the Board of Directors as set forth herein and to pay reasonable compensation for such services.

(m) To acquire, hold, own, rent or lease, alone or in conjunction with any other party or parties, any property, real or personal, and to pay the appropriate pro rata part of the mortgage payments, property taxes, assessments, insurance, maintenance and ordinary repairs on all such property.

(n) To declare return of Surplus for distribution to eligible Members.

(o) To establish the terms and conditions of and set rates for each ~~Coverage Program~~Coverage Line offered by HealthTrust.

(p) To fill any vacancy on the Board of Directors.

(q) To retain the services of legal counsel, actuaries, auditors, private consultants, administrators and advisors as the Board deems necessary in order to manage and administer its duties and to carry out the business and purposes of HealthTrust.

(r) To employ or contract for staff to carry out the business and purposes of HealthTrust.

(s) To do all acts, whether or not expressly authorized herein, which the Board of Directors may deem necessary or proper for the administration and management of HealthTrust.

**SECTION 8.3. Appointment and Authority of The Executive Director.** The Board of Directors shall designate and appoint an Executive Director to administer the daily affairs of HealthTrust. The Executive Director shall serve under such terms and conditions as the Board of Directors shall prescribe.

The duties of the Executive Director shall include, without limitation, carrying out the provisions of these Bylaws and policies established by the Board of Directors, hiring and managing staff, identifying and engaging various contractors, and supervising and reporting on contractor performance, the provision of financial and accounting reports and the maintenance of excess reinsurance or other insurance. The Executive Director shall make reports and be accountable to the Board of Directors. In fulfilling the Executive Director's duties pursuant to this Section, the Executive Director shall have the authority and responsibility to:

(a) Submit annual budgets to the Board of Directors for approval.

(b) Pay benefits and claims to or on behalf of Members in accordance with the Operative Documents.

(c) Accept, determine and make reasonable arrangements for the payment on behalf of each Member of all Contributions due.

(d) Purchase and administer contracts of insurance and reinsurance as necessary or advisable to protect the interests of HealthTrust and its Members.

(e) Administer HealthTrust's ~~Coverage Program~~Coverage Lines.

(f) Establish wellness and risk management procedures and provide general advice and educate Members in relation thereto.

(g) Provide or obtain claims management services for the ~~Coverage Program~~Coverage Lines.

(h) Engage a Service Company, pursuant to Section 8.4.

(i) Employ or retain such staff, agents, advisors, consultants and counsel as may be reasonably necessary in managing and administering his or her duties.

(j) Purchase as a general administrative expense so called general liability insurance and other insurance for the benefit of HealthTrust and/or the protection of the Directors, employees, or agents against any losses by reason of errors or omissions or breach of fiduciary duty or negligence.

(k) Except as otherwise provided in these Bylaws, enter into any and all contracts and agreements for carrying out the policies of the Board and for the administration and operation of HealthTrust pursuant to those policies, and do all acts as he or she may deem necessary or advisable in relation thereto, and such contracts and agreements and acts shall be binding and conclusive on HealthTrust and its Members. The Executive Director, in his or her discretion, may delegate the power to execute contracts and agreements on behalf of HealthTrust to members of Senior Management as designated by the Executive Director.

SECTION 8.4. Service Company. If services are not otherwise to be provided directly by HealthTrust, the Board of Directors or the Executive Director may obtain the services of one or more Service Companies to provide claims administration and/or other administrative services for or on behalf of HealthTrust. The Board of Directors must approve any engagement of a Service Company for which the Executive Director performs duties or in which the Executive Director is an employee or officer. A Service Company shall adhere to guidelines for the performance of its duties as set forth by the Board of Directors or the Executive Director.

## ARTICLE IX

### Limitation of Liability; Indemnification

SECTION 9.1. Definitions. For purposes of Article IX only, the following terms have the following meanings:

The term "expenses" shall include counsel fees.

The term "liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses actually



incurred with respect to a proceeding. The liability may arise from bodily injury, illness, death or property damage or loss, or any other source.

The term “official” means an individual who is or was a Director, officer or employee of HealthTrust; an individual who has been appointed by the Board of Directors to serve HealthTrust in any official capacity; or an individual who, while a Director, officer or employee of HealthTrust is or was serving at HealthTrust’s request as officer, partner, Director, employee or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. An official is considered to be serving an employee benefit plan at HealthTrust’s request if the official’s duties to HealthTrust also impose duties on, or otherwise involve services by, the official to the plan or to participants in or beneficiaries of the plan. Official includes, unless the context requires otherwise, the estate or personal representative of an official.

The term “official capacity” means: (i) when used with respect to a Director, the Office of Director in HealthTrust, (ii) when used with respect to an officer, the office in HealthTrust held by the officer; and (iii) when used with respect to a committee member, the position held in the committee by the member. “Official capacity” does not include service as an employee for HealthTrust or service for any other foreign or domestic business or nonprofit corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise.

The term “party” includes an individual who was, is, or is threatened to be made a named defendant or respondent in a proceeding.

The term “proceeding” means any threatened, pending, or completed action, suit or proceeding whether civil, criminal, administrative, or investigative and whether formal or informal.

#### SECTION 9.2. Obligation to Indemnify.

(a) Except as provided in Section 9.2 (d), if an individual is made a party to a proceeding because the individual is or was an official, HealthTrust shall indemnify the individual against liability incurred in the proceeding if the individual:

(i) conducted him or herself in good faith;

(ii) reasonably believed:

(A) in the case of conduct in an official capacity with HealthTrust, that his or her conduct was in its best interests; and

(B) in all other cases that his or her conduct was at least not opposed to its best interests; and

(iii) in the case of any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

(b) An official's conduct with respect to an employee benefit plan for a purpose the official reasonably believed to be in the interests of the Members in and beneficiaries of the plan is conduct that satisfies the requirements of Section 9.2(a) (ii) (B).

(c) The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not of itself, determinative that the official did not meet the standard of conduct described in this Section.

(d) HealthTrust may not indemnify an official under this Section:

(i) in connection with a proceeding by or in the right of HealthTrust in which the official was adjudged liable to HealthTrust; or

(ii) in connection with any other proceeding charging improper personal benefit to the official, whether or not involving action in his or her official capacity, in which the official was adjudged liable on the basis that personal benefit was improperly received by the official.

(e) Indemnification permitted under this Section in connection with a proceeding by or in the right of HealthTrust is limited to reasonable expenses incurred in connection with the proceeding.

### SECTION 9.3. Advance for Expenses.

(a) HealthTrust may pay for or reimburse the reasonable expenses incurred by an official who is a party to a proceeding in advance of final disposition of the proceeding if:

(i) the official furnishes a written affirmation of his or her good faith belief that he or she has met the standard of conduct described in Section 9.2;

(ii) the official furnishes HealthTrust a written undertaking, executed personally or on the official's behalf, to repay the advance if it is ultimately determined that the official did not meet the standard of conduct described in Section 9.2; and

(iii) a determination by the Board of Directors is made that the facts then known to the Board of Directors making the determination would not preclude indemnification under this Article.

(b) The undertaking required by Section 9.3 (a) (ii) must be an unlimited general obligation of the official but need not be secured and may be accepted without reference to financial ability to make repayment.

(c) If the Board of Directors determines that it is in HealthTrust's best interest to minimize future potential liability for indemnification by offering a common attorney paid for by HealthTrust to multiple officials who are party to the same proceeding, the Board of Directors may waive the undertaking required by Section 9.3(a)(ii) in order to encourage such common representation.

(d) Determinations of payments under this Section shall be made in the manner specified in Section 9.5.

SECTION 9.4. Court-Ordered Indemnification. An official who is a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. On receipt of an application, the court after giving any notice the court considers necessary may order indemnification in the amount it considers proper if it determines that the official is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the official met the standard of conduct set forth in Section 9.2 (a) or was adjudged liable as described in Section 9.2 (d) but if the official was adjudged so liable indemnification is limited to reasonable expenses incurred.

SECTION 9.5. Determination of Indemnification.

(a) HealthTrust shall not indemnify an official under Section 9.2 unless a determination has been made that indemnification of the official is required in the circumstances because the official has met the standard of conduct set forth in Section 9.2.

(b) The determination shall be made:

(i) by the Board of Directors by majority vote of a quorum consisting of Directors not at the time parties to the proceeding;

(ii) if a quorum cannot be obtained under clause (i), by majority vote of a committee duly designated by the Board of Directors (in which designated Directors who are parties may participate), consisting solely of two or more Directors not at the time parties to the proceeding;  
or

(iii) by special legal counsel:

(A) selected by the Board of Directors or its committee in the manner prescribed in clause (i) or (ii); or

(B) if a quorum of the Board of Directors cannot be obtained under clause (i) and a committee cannot be designated under clause (ii), selected by majority vote of all of the Directors (in which selected Directors who are parties may participate).

(c) Evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is required, except that if the determination is made by special legal counsel, evaluation as to reasonableness of expenses shall be made by those entitled under clause (iii) to select counsel.

SECTION 9.6. Insurance. HealthTrust may purchase and maintain insurance on behalf of an individual who is or was an official or who, while an official, is or was serving at the request of HealthTrust as a Director, officer, partner, employee, or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against liability asserted against or incurred by him or her in that capacity or arising from his or her status as an official, whether or not HealthTrust would be required to indemnify the person against the same liability under these Bylaws.

SECTION 9.7. Application to General Rights. The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights to which any official, agent or employee may be entitled.

SECTION 9.8. Indemnity by Contract. HealthTrust may provide indemnity to any official or third party pursuant to a contract or agreement authorized by the Board of Directors.

SECTION 9.9. Limitation of Liability. No Director or officer shall be liable for any acts or omissions whatsoever of any other Director, officer or agent of HealthTrust; nor shall any Director, or officer be liable for any negligence, error, judgment, or for any act or omission unless resulting from his own gross negligence or willful misconduct. Every act or thing done or omitted, and every power exercised or obligation incurred by the Directors or officers or any of them in the administration of HealthTrust or in connection with any affairs, property or concerns of HealthTrust, whether ostensibly in their own names or in their capacities as Directors or officers, shall be done, omitted, exercised or incurred by them as Directors or as officers and not as individuals; and every person contracting or dealing with the Directors or officers or having any debt, claim or judgment against them or any of them, shall look only to the funds or property of HealthTrust for payment or satisfaction, and no Director, officer or agent of HealthTrust shall ever be personally liable for or on account of any contract, debt, tort, claim, damage, or decree arising out of the preservation of HealthTrust or the conduct of any of the affairs of HealthTrust. There shall be purchased a surety bond or insurance in sufficient amount to ensure against the defalcations of any Director or Directors, or agents of HealthTrust under authority of the Directors. Premium for said surety bond or insurance shall be an administration expense of HealthTrust.

SECTION 9.10. Source of Indemnification. All indemnification or reimbursement provided for in this Article shall be limited to HealthTrust. Indemnification or reimbursement provided for in this Article may also be paid from the proceeds of any insurance maintained pursuant to Section 9.6.

## ARTICLE X

### Dissolution

SECTION 10.1. Dissolution and Distribution of Assets. In the event of dissolution of HealthTrust, and after all legal debts, liabilities and retirement plan obligations have been finally discharged, all remaining assets, if any, shall be liquidated and the proceeds shall be distributed pro-rata to the Members, in good standing, of the respective Coverage ~~Program~~Coverage Lines as of the last day of the last full Pool Year of such Coverage ~~Program~~Coverage Line prior to the decision to dissolve. Such net assets shall be distributed, separately by ~~Coverage~~ ~~Program~~Coverage Line, by calculating each Member's relative percentage of the total Member Contributions to the ~~Coverage~~ ~~Program~~Coverage Line for such Pool Year.

## ARTICLE XI

### Amendments

SECTION 11.1. Procedure. The Bylaws may be amended any time by a vote of the Board of Directors pursuant to Section 6.11. Any amendment which would materially affect the rights and responsibilities of any Member may be adopted by the Board of Directors only after a hearing with regard to such proposed amendment is held by the Board of Directors and at which any Member may participate. Written notice of such proposed Bylaws change and the hearing before the Board of Directors shall be delivered to each such Member at least ten (10) days prior to such Board of Directors meeting. The notice shall contain at least the text of the proposed Bylaws change and the date, time and place of such hearing. Notice for these purposes will be considered delivered when deposited in the United States mail for regular delivery.

Amended and Restated Bylaws Adopted August 22, 2013, Effective September 1, 2013.  
Amended October 1, 2014.

