

BYLAWS

OF

THE CHILDREN'S HOSPITAL OF PHILADELPHIA

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ARTICLE I
PURPOSES AND OFFICES

Section 1.1 Purposes. The purposes of The Children's Hospital of Philadelphia (the "Hospital") are exclusively charitable, scientific, and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding provision of any successor law (the "Internal Revenue Code"), including the promotion of health, particularly of children, by: maintaining and operating a hospital; providing health care and medical services; sponsoring and conducting research; training doctors, dentists, nurses, and allied health care professionals; undertaking other educational activities; working to improve the welfare of children; and engaging in other lawful activities. The use of any surplus funds for private inurement to any person in the event of a sale or dissolution of the Hospital is expressly prohibited.

Section 1.2 Principal Office. The principal office of the Hospital shall be at 34th Street and Civic Center Boulevard, Philadelphia, Pennsylvania 19104.

Section 1.3 Other Offices. The Hospital may have such other offices in such places as the Board of Trustees may from time to time designate.

ARTICLE II
NO MEMBERS

Section 2.1 No Members. The Hospital shall have no members. Any provision of law requiring notice to, the presence of or the vote, consent or other action by members shall be satisfied by notice to, the presence of or the vote, consent or other action by the Board of Trustees of the Hospital.

ARTICLE III
BOARD OF TRUSTEES

Section 3.1 Number and Qualifications. The Board of Trustees (the "Board") shall consist of not less than fifteen nor more than thirty-two voting members, as may be determined from time to time by The Children's Hospital of Philadelphia Foundation (the "Foundation"). No more than three Voting Trustees may be employees or common law employees of the Foundation or of entities controlling, controlled by, or under common control with the Foundation. Each Voting Trustee must be a natural person, at least eighteen years of age, show an interest in and a commitment to the Hospital and its goals, and bring to the Board

a talent or expertise that shall help further the attainment of those goals in areas in which the Hospital serves.

Section 3.2 Powers.

(a) The Board shall oversee the business and affairs of the Hospital and establish policy for the Hospital. Without limiting the generality of the foregoing, the Board shall oversee the specific healthcare facilities operated by the Hospital, including, without limitation, the facilities of Children's Hospital of Philadelphia, and ambulatory centers and facilities operated by the Hospital, including the ambulatory surgical facilities operated by the Hospital in Chalfont, PA, Exton PA and Voorhees NJ, and further including any other ambulatory surgical facilities operated by the Hospital in the future. The Board may exercise all powers of the Hospital and take all actions not prohibited by applicable law, by the Articles of Incorporation, or by these Bylaws. The Board shall appoint and remove all members of the Medical Staff as more fully set forth in Article VII; periodically evaluate its own performance; orient new Trustees and ensure ongoing training and education of the Board; review and approve the Hospital's annual budget and long-term capital expenditure plan; provide for the establishment and review of the Hospital's safety program; and periodically reexamine the relationship of the Board to the community served by the Hospital. No assignment, referral, or delegation of authority by the Board shall preclude the Board from exercising its authority.

(b) The following actions of the Hospital also must be approved by the Foundation: adoption of the Hospital's annual operating and capital budgets; incurrence of debt requiring a mortgage on or security interest in any part of the assets of the Hospital; adoption of the Hospital's long-range plans and objectives, including the execution of any agreement with a consortium, alliance or similar organization; and any purchase, sale, lease or other disposition of real property. In addition, capital expenditures of the Hospital shall be in accordance with policies approved by the Foundation and funds held by the Hospital shall be in accordance with written investment policies approved from time to time by the Foundation.

Section 3.3 Voting Trustees; Election, Term of Office.

(a) The Voting Trustees shall be those persons serving as Voting Trustees of the Foundation. Accordingly, there shall be two classes of Voting Trustees: Elected Trustees and Ex Officio Trustees.

(b) Pursuant to the bylaws of the Foundation: Elected Trustees shall be elected at the annual meeting of the Foundation board or to fill

an unexpired term; Elected Trustees shall be divided into three classes as nearly equal as possible, which terminate in staggered terms at successive annual meetings of the Foundation; Elected Trustees shall be elected by the Foundation board to three-year terms, to fill an unexpired term, or for a term of less than three years if the Foundation board determines it to be desirable in order to better equalize the size of the three classes, and shall continue to serve until their successors are elected and qualified or until they sooner die, become disabled, resign, become disqualified, or are removed; Elected Trustees may serve for a maximum of four consecutive three-year terms, and thereafter must have at least a one-year break in service before being elected to another term as an Elected Trustee; where an Elected Trustee serves an initial term that is less than three years, such initial term shall not be counted in determining the maximum four consecutive three-year terms, but under no circumstances may an Elected Trustee serve more than fourteen consecutive years without being subject to a one-year break in service; for purposes of the limit of four consecutive three-year terms, Elected Trustees in office as of July 1, 2006 shall be deemed to have begun an initial term as of July 1, 2006; and notwithstanding the above, the executive committee of the Foundation may, by the vote of three-quarters of the Voting Trustees who are members of the Foundation executive committee at any meeting at which a quorum is present, recommend to the Foundation board that an exception to the above Trustee term limits be made in an extraordinary case where it believes a one-year break in service is inappropriate.

(c) Pursuant to the bylaws of the Foundation, the following persons shall serve as Voting Ex Officio Trustees of the Foundation while they hold office and, therefore, shall simultaneously serve as Voting Ex Officio Trustees of the Hospital:

- (1) President of the Foundation and the Hospital;
- (2) Physician-in-Chief of the Hospital; and
- (3) Surgeon-in-Chief of the Hospital.

Pursuant to the bylaws of the Foundation, where a person holds one of the above offices only on an acting basis, the Voting Trustee position shall remain vacant until the office is filled on a regular basis.

Section 3.4 Emeritus and Non-Voting Ex Officio Trustees.

(a) Emeritus Trustees shall be persons who have ceased serving as members of the Boards of the Foundation and the Hospital and who

distinguished themselves as Board members by making extraordinary contributions to one or both of the entities in furtherance of its or their purposes and who continue to exemplify high standards of professional and ethical conduct. Emeritus Trustees shall be elected to life-time terms by the vote of three-quarters of the Voting Trustees in office at any meeting of the Board at which a quorum is present and shall serve until their deaths or earlier resignations or removal.

(b) Pursuant to the bylaws of the Foundation, the following persons shall serve as Non-Voting Ex Officio Trustees of the Foundation while they hold office and, therefore, shall simultaneously serve as Non-Voting Ex Officio Trustees of the Hospital:

- (1) President of the Medical Staff of the Hospital;
- (2) Anesthesiologist-in-Chief of the Hospital;
- (3) Pathologist-in-Chief of the Hospital;
- (4) Psychiatrist-in-Chief of the Hospital;
- (5) Radiologist-in-Chief of the Hospital;
- (6) Chief Nursing Officer of the Hospital;
- (7) President of the Executive Council of Volunteer Organizations; and
- (8) a person holding one of the offices described in Section 3.3(c) only on an acting basis.

(c) Emeritus and Non-Voting Ex Officio Trustees may attend all meetings of the Board, except for executive sessions, and, when present, may participate in discussions at the Board on the same basis as Voting Trustees but may not vote and are not counted in determining the presence of a quorum.

Section 3.5 Attendance at Meetings. Pursuant to the bylaws of the Foundation, the Foundation shall, absent significant countervailing considerations, remove any Voting Trustee who fails to attend at least two-thirds of the meetings of the Board during any two consecutive fiscal years.

Section 3.6 Removal. Pursuant to the bylaws of the Foundation, Elected Trustees and Emeritus Trustees may be removed with or without cause

at any time by the Foundation board and Ex Officio Trustees may be removed with cause at any time by the Foundation board.

Section 3.7 Vacancies. Pursuant to the bylaws of the Foundation, a vacancy caused by the death, disability, resignation, disqualification, or removal of any Elected Trustee, or by the creation of a new Trustee position, may be filled for the unexpired portion of the term by the Foundation at any meeting.

Section 3.8 Annual Meeting. A regular meeting of the Board, denominated as the annual meeting of the Board, shall be held each year in June concurrently with or immediately following the annual meeting of the Foundation for the purpose of organization of the Board. Written notice of the annual meeting shall be mailed or delivered to each Trustee not less than five days prior to the date of the meeting.

Section 3.9 Regular Meetings. Regular meetings of the Board shall be held at least quarterly at such times and at such places as the Board may determine from time to time. Written notice of regular meetings shall be mailed or delivered to each Trustee not less than five days prior to the date of meeting.

Section 3.10 Special Meetings. Special meetings of the Board may be called for any permitted purpose at any time by the Chairman of the Board or by a majority of the Voting Trustees then in office. Written notice of the time, place, and purpose of special meetings shall be mailed or delivered to each Trustee not less than three days prior to the date of the meeting. No business may be transacted at the meeting except as set forth in the notice.

Section 3.11 Public Meeting. The Board shall designate one regular meeting of the Board each fiscal year to be open to the general public. This meeting shall be well publicized in advance of the meeting date and shall be held at a time convenient for attendance by the general public.

Section 3.12 Telephone Meetings. Trustees may participate in meetings of the Board or any committee thereof by conference telephone or similar communications equipment by means of which all persons participating in the meetings can hear each other. Trustees so participating shall be deemed present at any such meeting.

Section 3.13 Quorum and Voting. One-third of the Voting Trustees in office shall constitute a quorum for the transaction of business at any meeting of the Board. Each Voting Trustee shall have one vote. Unless otherwise required by law or by these Bylaws, the acts of a majority of the Voting Trustees present at a meeting at which a quorum is present shall be the acts of the Board.

Section 3.14 Unanimous Consent. Any action which may be taken at a meeting of the Board or any committee thereof may be taken without a meeting if a consent or consents in writing, setting forth the action so taken, shall be signed by each of the Voting Trustees in office or members of the committee, as the case may be, and shall be filed with the Secretary.

Section 3.15 Limitation on Liability. A Trustee shall not be personally liable, as such, for monetary damages for any action taken, or any failure to take any action, on or after January 27, 1987 unless (a) the Trustee has breached or failed to perform the duties of such Trustee's office as provided under Sections 5711 through 5717 of the Pennsylvania Nonprofit Corporation Law, as amended from time to time, or any successor provisions, and (b) the breach or failure to perform constitutes self-dealing, willful misconduct, or recklessness. The provisions of this Section 3.15 shall not apply to (a) the responsibility or liability of a Trustee pursuant to any criminal statute or (b) the liability of a Trustee for the payment of taxes pursuant to local, state, or federal law. Any repeal, amendment, or modification of this Section 3.15 shall be prospective only and shall not increase, but may decrease, a Trustee's liability with respect to actions or failures to act occurring prior to such change.

ARTICLE IV **OFFICERS**

Section 4.1 Number and Qualifications. The Hospital shall have the same offices as the Foundation and the officers of the Hospital shall be those persons holding those offices in the Foundation. Accordingly, pursuant to the bylaws of the Foundation, there shall be the following officers: a Chairman of the Board, one or more Vice Chairmen of the Board, a President, a Secretary, a Treasurer, a General Counsel, and such other officers and assistant officers with such powers and duties as the Foundation may from time to time authorize. In addition, each officer must be a natural person, at least eighteen years of age, and the Chairman, Vice Chairmen, Secretary and Treasurer must be Elected Trustees.

Section 4.2 Election; Term of Office Pursuant to the bylaws of the Foundation: the officers, other than the Chairman, and the assistant officers, if any, shall be elected by the Foundation at its annual meeting for a one-year term beginning July 1 and shall continue to serve until their successors are elected and qualified or until they sooner die, become disabled, resign, become disqualified, or are removed; each of the Vice Chairmen, Secretary and Treasurer may serve for a maximum of five consecutive one-year terms,

thereafter must have at least a one-year break in service before being elected to another term in that office and for purposes of the limit of five consecutive one-year terms, officers in an office as of July 1, 2006 shall be deemed to have begun an initial term as of July 1, 2006; the Chairman shall be elected at the annual meeting of the Foundation board for a term of three years beginning July 1 and shall continue to serve until the Chairman's successor is elected and qualified or until the Chairman dies, becomes disabled, resigns, becomes disqualified, or is removed; and the Chairman may serve for a maximum of two consecutive three-year terms and thereafter must have at least a three-year break in service before being elected to another term in that office.

Section 4.3 Removal. Pursuant to the bylaws of the Foundation, any elected officer or assistant officer may be removed at any time by the Foundation with or without cause.

Section 4.4 Vacancies. Pursuant to the bylaws of the Foundation: a vacancy caused by the death, disability, resignation, disqualification, or removal of any officer, other than the Chairman, or of any assistant officer, or by the creation of a new office, may be filled for the unexpired portion of the term by the Foundation board at any meeting; where the unexpired portion of a vacancy in the office of Vice Chairman, Secretary or Treasurer is filled, such partial term shall not be included in the limit of five consecutive one-year terms; in the case of a vacancy in the office of Chairman, the Foundation board at any meeting may fill the unexpired portion of the term or elect a Chairman for an initial term; where the Foundation board chooses to fill the unexpired portion of a vacancy in the office of Chairman, such partial term shall be considered a three-year term for purposes of the limit of two consecutive three-year terms if and only if the unexpired portion is more than one full year; and where, instead, the Foundation board chooses to elect a new Chairman for an initial term, such term shall end as follows: if the initial term begins on July 1, then such term shall end three years thereafter, if the initial term begins between July 2 and September 30, inclusive, then such term shall end three years from the July 1 immediately prior to the beginning of the term, and if the initial term begins between October 1 and June 30, inclusive, then such term shall end three years from the July 1 immediately following the beginning of such term, and the initial term shall be considered a three-year term for purposes of the limit of two consecutive three-year terms.

Section 4.5 Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board; shall be permitted to attend all Board committee meetings, subject to Board policies related to conflicts of interest; and shall, in general, have all powers and perform all duties incident to the office of chairman and such other powers and duties as the Board may prescribe from time to time.

Section 4.6 Vice Chairmen of the Board. The Vice Chairman of the Board or the Vice Chairmen of the Board, if there shall be more than one, shall, in the order provided by the Foundation, assume the powers and duties of the Chairman of the Board in the absence or incapacity of the Chairman of the Board; and shall, in general, have such other powers and perform such other duties as the Board or the Chairman of the Board may prescribe from time to time.

Section 4.7 President/Chief Executive Officer. The President shall serve as the Chief Executive Officer of the Hospital; shall be delegated authority and the responsibility for the administration and management of the Hospital consonant with the Hospital's expressed aims and policies; shall have all powers and perform all duties incident to the office of president and such other powers and duties as the Board may prescribe from time to time; and shall, in the absence of the Chairman of the Board and the Vice Chairmen of the Board, preside at all meetings of the Board. Such officer shall be a person who by virtue of formal education and experience in business, hospital, or health care management is qualified to act in this capacity. The President shall be permitted to attend all Board committee meetings, subject to Board policies related to conflicts of interest and to a committee's decision to hold an executive session; shall serve as a liaison between the Board and the Medical Staff; shall have the right to attend all meetings of the Medical Staff and all other institutional meetings; and shall act as the duly authorized representative of the Board in all matters except those where the Board has specifically designated some other person to act, or where the President's own performance of duties or status is being considered or evaluated. The President of the Hospital may make emergency and temporary appointments to the Medical Staff in accordance with the procedures set forth in the Medical Staff Bylaws (as defined in Section 7.2). The President shall designate, in writing, other individuals by name or position who are, in order of succession, authorized to act for the President during any period of the President's absence from the Hospital.

The President's performance shall be evaluated, and the President's compensation shall be determined, by the Executive Compensation Committee.

Section 4.8 Secretary. The Secretary shall be custodian of the books and records of the Hospital other than those in the custody of the Treasurer; shall be custodian of the corporate seal and is hereby authorized to affix the seal to all documents, the execution and delivery of which are duly authorized; shall record the minutes of all meetings of the Board; shall be responsible for the giving of all notices of such meetings in accordance with these Bylaws; shall disseminate minutes on a regular basis to all Trustees; shall

keep or cause to be kept a roster showing the names of the current members of the Board and their addresses; and shall, in general, have all powers and perform all duties incident to the office of secretary and such other powers and duties as the Board may prescribe from time to time.

Section 4.9 Treasurer. The Treasurer shall be the financial officer of the Hospital; shall have charge and custody of, and be responsible for, all funds of the Hospital, and the books and records relating to the same, and shall deposit all such funds in the name of the Hospital in depositories selected by the Board; shall see that an accounting system is maintained in such a manner as to give a true and accurate accounting of the financial transactions of the Hospital; shall render to the Board and to the President, upon request, an account of all the Treasurer's transactions as treasurer and of the financial condition of the Hospital; and shall, in general, have all powers and perform all duties incident to the office of treasurer and such other powers and duties as the Board may prescribe from time to time. If required to do so by the Board, the Treasurer shall furnish a bond in such form and amount and to cover such risks as the Board may determine. The Board may authorize payment by the Hospital of the Treasurer's bond.

If, at any time, the office of Treasurer shall be filled by a Board member who is serving on a voluntary basis without compensation, the foregoing duties shall be discharged by such full time financial officer of the Hospital as may be designated by the Board, and the Treasurer's duties shall be limited to acting as the member of the Board who maintains general awareness of matters of finance affecting the Hospital and reports thereon from time to time to the Board.

Section 4.10 General Counsel. The General Counsel shall represent the Hospital in its legal affairs. Except for those matters where the General Counsel's own performance of duties or status is being considered or evaluated, or where the Board or the Audit & Compliance Committee decides to engage independent counsel, all matters requiring legal advice or legal action shall be referred to the General Counsel who shall provide legal advice or take legal action directly or through counsel engaged for such purpose by the General Counsel. The General Counsel shall attend meetings of the Board and its Executive Committee. The General Counsel shall report to the President and to the Board. In the event of a vacancy in the office of General Counsel, an Acting General Counsel may be elected, who will have the powers and duties of the General Counsel.

ARTICLE V **COMMITTEES**

Section 5.1 Committees.

(a) The Standing Committees of the Board shall be: the Executive Committee; and the following Joint Committees with the Hospital: the Executive Compensation Committee; the following four Mission Committees: Education, Advocacy & Talent, Healthcare & Health Status, Institutional Advancement, and Translational Medicine & Science; and the following four Operating Committees: Audit & Compliance, Finance & Capital Projects; Governance and Investment. In addition, there shall be such additional standing, ad hoc, and other non-joint committees as the Board or the Executive Committee may authorize and such additional standing, ad hoc, and other joint committees as the Boards of the Foundation and the Hospital or their Executive Committees may jointly authorize and with such powers and responsibilities as set forth in the resolutions by which they are created.

(b) The Chairman shall recommend the committee members and a chair or two or more co-chairs and one or more vice chairs for each non-joint committee, who shall be elected by a majority of the Voting Trustees in office for a term of one year or such other term as designated by the Board and shall continue to serve until their successors are elected and qualified or until they sooner die, become disabled, resign, become disqualified, or are removed. The Chairmen of the Foundation and the Hospital shall jointly recommend the committee members and a chair or two or more co-chairs and one or more vice chairs for each joint committee, who shall be elected jointly by a majority of the Voting Trustees in office of the Foundation and the Hospital for a term of one year or such other term as designated by the Boards and shall continue to serve until their successors are elected and qualified or until they sooner die, become disabled, resign, become disqualified, or are removed. The chair/co-chair and each vice chair of each committee may serve for a maximum of five consecutive one-year terms in that position and thereafter must have at least a one-year break in service before being elected to another term as chair/co-chair or vice chair, as applicable, of that committee. The standing committees were restructured effective June 26, 2008 and service as a chair or vice chair prior to July 1, 2008 shall not count for purposes of the limit of five consecutive one-year terms.

(c) All voting committee members and chairs, co-chairs and vice chairs of committees shall be Voting Trustees. Where authorized by the Board or these Bylaws, a committee, other than the Executive Committee, the Audit & Compliance Committee, the Executive Compensation Committee and the

Governance Committee, may have non-voting members who are not Voting Trustees.

(d) No Trustee other than the President shall serve as a voting member of more than one Mission Committee or serve as a voting member of more than one Operating Committee unless authorized by the vote of three-quarters of the Voting Trustees in office of the Foundation and the Hospital.

Section 5.2 Executive Committee. The Executive Committee shall consist of (a) the Chairman of the Board, the Vice Chairmen of the Board, the President, the Secretary and the Treasurer and (b) such other Voting Trustees elected by the Board. The Chairman of the Board or, in the absence of the Chairman, the Vice Chairmen in the order determined by the Foundation, shall serve as chairperson of the Executive Committee. The Executive Committee shall have and exercise all of the powers and authority of the Board unless prohibited by law or by the Board.

Section 5.3 Executive Compensation Committee. The Executive Compensation Committee shall be a joint committee of the Foundation and the Hospital Executive Committees. It shall consist of a chair or co-chairs and three or more additional Voting Trustees, including one or more vice chairs. Each member of the Committee who deliberates and/or votes on a matter must not have a conflict of interest, within the meaning of Section 4958 of the Internal Revenue Code, with respect to the matter. The Committee shall keep records of its deliberations and shall assure that such records are kept in a confidential manner.

The Committee shall engage in the following activities:

(a) Evaluate, at least annually, the performance of the President of the Foundation and the Hospital.

(b) Determine the compensation, including benefits, of the President. In so doing, the Committee shall consider data as to compensation levels paid for functionally comparable positions, such as independent compensation surveys, and other data to assure that such compensation is commensurate with the responsibilities and performance of similarly situated chief executive officers and that the total compensation package is reasonable in light of the evaluation and data; and document the basis for its determination.

(c) Review and approve the compensation, including benefits, for executives of the Foundation and the Hospital, as recommended by the President.

(d) Perform such other activities as may be assigned by the Boards.

Section 5.4 Education, Advocacy & Talent Committee. The Education, Advocacy & Talent Committee shall be a joint committee of the Foundation and the Hospital. It shall consist of a chair or co-chairs and three or more additional Voting Trustees, including one or more vice chairs, and may have non-voting members as jointly determined by the Boards of the Foundation and the Hospital.

The Committee shall engage in the following activities:

(a) Provide strategic input and oversight with respect to the educational mission of the Hospital, including the training of physicians, scientists, nurses and allied health professionals, as well as the education of Foundation and Hospital employees.

(b) Provide strategic input and oversight with respect to the Hospital's initiatives to advocate for the health and well-being of children.

(c) Provide strategic input and oversight with respect to issues involving personnel policies of the Foundation and the Hospital, including their impact on the recruitment, retention, motivation and development of the workforce.

(d) Provide strategic input and oversight with respect to labor relations and contracts of the Foundation and the Hospital.

(e) Perform such other duties regarding education, advocacy and talent as may be assigned to it by the Boards.

(f) Oversee and evaluate the personnel policies of the Foundation and the Hospital, including their impact on the recruitment, retention, motivation and development of the workforce.

Section 5.5 Healthcare & Health Status Committee. The Healthcare & Health Status Committee shall be a joint committee of the Foundation and the Hospital. It shall consist of a chair or co-chairs and three or more additional Voting Trustees, including one or more vice chairs, and may have non-voting members as jointly determined by the Boards of the Foundation and the Hospital.

The Committee shall engage in the following activities:

(a) Provide strategic input and oversight with respect to issues involving healthcare operations and how the institutions can improve the health status of patients.

(b) Ensure that the Trustees are adequately informed about patient safety, quality improvement, risk management, utilization review, accreditation matters and professional liability issues with respect to the Hospital.

(c) Receive, at least annually, an appraisal of the Hospital's patient safety programs and quality improvement programs that includes an assessment of the monitoring and evaluation process.

(d) Make recommendations to the Hospital Board in order to assure that the Hospital has in place ongoing and integrated patient safety, quality improvement and risk management programs designed to systematically monitor and evaluate the quality and appropriateness of patient care and to meet accreditation and legal requirements.

(e) Review and evaluate the credentialing policies and procedures of the Hospital.

(f) Perform such other duties regarding patient safety, quality improvement, risk management, utilization review, accreditation matters, and professional liability issues as may be assigned to it by the Boards.

Section 5.6 Institutional Advancement. The Institutional Advancement Committee shall be a joint committee of the Foundation and the Hospital. It shall consist of a chair or co-chairs and three or more additional Voting Trustees, including one or more vice chairs, and may have non-voting members as jointly determined by the Boards of the Foundation and the Hospital.

The Committee shall engage in the following activities:

(a) Provide strategic input and oversight with respect to the development and public relations, including enterprise branding, activities of the Foundation and the Hospital;

(b) Review the proposed goals and activities of the development and public relations enterprises and monitor the programmatic activities in relationship to the goals;

(c) Participate, as desirable and requested, in the development and public relations activities of the Foundation and the Hospital, including encouraging others to become involved, as desirable and requested;

(d) Review the proposed annual operating and capital budgets for the development and public relations enterprise of the Foundation and the Hospital, recommend such budgets to the Finance & Capital Projects Committee, and maintain ongoing oversight of the financial status of the development program.

(e) Perform such other duties relating to development as assigned by the Boards.

Section 5.7 Translational Medicine & Science Committee. The Translational Medicine & Science Committee shall be a joint committee of the Foundation and the Hospital. It shall consist of a chair or co-chairs and three or more additional Voting Trustees, including one or more vice chairs, and may have non-voting members as jointly determined by the Boards of the Foundation and the Hospital.

The Committee shall engage in the following activities:

(a) Provide strategic input and oversight with respect to the translational medicine and science activities conducted by or at the Foundation and the Hospital.

(b) Oversee, evaluate and, when appropriate, make recommendations with respect to the patents and licensing programs of the Foundation and Hospital.

(c) Evaluate and assist in the development of relationships between the research program of the Foundation and Hospital and other research institutions and commercial entities.

(d) Oversee, evaluate and, when appropriate, make recommendations with respect to the Conflicts of Interest Policy of the Foundation and the Hospital as it relates to research programs and activities.

(e) Review the proposed annual operating and capital research budgets of the Foundation and the Hospital, recommend such budgets to the Finance & Capital Projects Committee, and maintain ongoing oversight of the financial status of the research efforts of the Foundation and the Hospital.

(f) Evaluate, make recommendations with respect to and monitor major construction renovation projects and budgets for research activities in coordination with the Finance & Capital Projects Committee.

(g) Coordinate with the Institutional Advancement Committee development programs in support of research at the Foundation and Hospital.

(i) Perform such other research-related activities as may be assigned by the Boards.

Section 5.8 Audit & Compliance Committee. The Audit & Compliance Committee shall be a joint committee of the Foundation and the Hospital. It shall consist of a chair or co-chairs and three or more additional Voting Trustees, including one or more vice chairs. Each member of the Committee must be financially knowledgeable and at least one member must possess accounting or financial management expertise. No member of the Committee may receive fees or compensation, directly or indirectly, for consulting, advisory, or other services provided to the Foundation, the Hospital or their affiliates, or otherwise have a relationship that might interfere with the exercise of independent judgment with respect to the Foundation, the Hospital or their affiliates.

The Committee shall:

(a) Be directly responsible for the selection, reappointment, retention, terms of engagement (which shall require the independent auditors to report directly to the Committee), compensation, and oversight of the independent auditors and for the annual financial audits of the Foundation, the Hospital and their affiliates, including review of the scope and plan of the audit, review of the audit and all material written communications between the auditors and management, and resolution of disagreements between management and the auditors regarding financial reporting matters.

(b) Ascertain that the auditors are independent from the Foundation, the Hospital and their affiliates and their management.

(c) Review and approve in advance any assignment to the independent auditors that is not connected with audit services unless guidelines established by the Committee permit such services to be performed without advance approval.

(d) Establish policies with respect to good institutional financial practices that may include, for example, a code of ethics for the senior

financial officers of the institutions, the periodic rotation of the lead and concurring audit partners, and requiring the President and Chief Financial Officer to attest to the accuracy of the financial statements on an annual basis.

(e) Promote ethics, integrity, and compliance with laws, policies and procedures within the institutions.

(f) Oversee the institutional Compliance Program, including assuring that there are procedures for the confidential and anonymous submission by employees and medical staff members of complaints regarding questionable financial matters or possible violations of laws or institutional policies relating to conflicts of interest, and for the protection of whistleblowers.

(g) Oversee the internal audit processes of the institutions, including reviewing the proposed audits to be undertaken, suggesting internal audits as appropriate and assessing the effectiveness of the internal audits and the internal auditor program.

(h) Review institutional policies and compliance with respect to conflicts of interest and other policies relating to institutional compliance with laws and ethics.

(i) Assure that each of the institutions' Chief Financial Officer, Compliance Officer, Internal Auditor, and General Counsel has a direct reporting line to the Committee.

(j) Have the authority to engage and pay for independent counsel and other advisors as it determines necessary to carry out its duties.

(k) Perform such other related activities as may be assigned by the Boards.

Section 5.9 Finance & Capital Projects Committee. The Finance & Capital Projects Committee shall be a joint committee of the Foundation and the Hospital. It shall consist of a chair or co-chairs and three or more additional Voting Trustees, including one or more vice chairs, and may have non-voting members as jointly determined by the Boards of the Foundation and the Hospital.

The Committee shall engage in the following activities:

(a) Review the annual operating and capital budgets of the Foundation and the Hospital, recommend such budgets to their respective Boards, and maintain ongoing oversight of the financial performance of the

Foundation and the Hospital.

(b) Review economic trends likely to affect the Foundation and the Hospital and, when appropriate, make policy recommendations with respect thereto.

(c) Oversee, evaluate and, when appropriate, make recommendations with respect to the accounting methods and techniques, budgeting procedures and management information systems of the Foundation and the Hospital.

(d) Evaluate, and when appropriate, make recommendations with respect to proposed construction and renovation projects and budgets.

(e) Monitor progress and expenses of major construction and renovation projects.

(f) Review and monitor any labor contracts of the Foundation and the Hospital.

(g) Coordinate with other committees as appropriate to carry out the above activities.

(h) Perform such other related activities as may be assigned by the Boards.

Section 5.10 Governance Committee. The Governance Committee shall be a joint committee of the Foundation and the Hospital. It shall consist of a chair or co-chairs and three or more additional Voting Trustees, including one or more vice chairs.

The Committee shall engage in the following activities:

(a) Present to the Foundation board a list of suggested candidates to serve as Elected Trustees at least two weeks prior to the annual meeting of the Foundation Board.

(b) Present to the Foundation board a recommended slate of officers at least two weeks prior to the annual meeting of the Foundation Board.

(c) When appropriate, nominate for election by the Foundation board persons to serve as Emeritus Trustees in accordance with Section 3.4 of these Bylaws.

- (d) Establish criteria for Board self-evaluation.
- (e) Develop and implement programs of self-evaluation.
- (f) Make recommendations to the Boards with respect to their improving their performance.
- (g) Assist the Boards to develop and implement programs of orientation for new Trustees.
- (h) Review annually the Bylaws of the Foundation and the Hospital with the General Counsel and, when appropriate, recommend changes to their respective Bylaws.
- (i) Perform such other related activities as may be assigned by the Boards.

Section 5.11 Investment Committee The Investment Committee shall be a joint committee of the Foundation and the Hospital. It shall consist of a chair or co-chairs and three or more additional Voting Trustees, including one or more vice chairs, and may have non-voting members as jointly determined by the Boards of the Foundation and the Hospital.

The Committee shall engage in the following activities:

- (a) Manage the investments of the Foundation and the Hospital in accordance with the investment objectives and policies established by the Boards from time to time, including: reviewing the investment objectives and policies at least annually and more frequently if warranted; recommending changes to the investment objectives and policies, as appropriate; hiring, reviewing and changing investment managers; providing direction to the investment managers regarding the investment objectives and policies established by the Boards; authorizing specific investments; monitoring implementation of the investment objectives and policies established by the Boards; and authorizing the execution, delivery and performance of investment-related agreements.
- (b) Report, at least quarterly, to the Boards of Trustees on investment performance.
- (c) Perform such other investment-related activities as may be assigned by the Boards.

Section 5.12 Subcommittees and Task Forces. Subcommittees and task forces may be established with the approval of the Board or Executive Committee and joint subcommittees and task forces may be established with the approval of the Boards of the Foundation and the Hospital or their Executive Committees and shall have such powers and responsibilities as set forth in the resolutions by which they are created. Unless the Board or Boards provide otherwise, a committee may, however, establish an ad hoc subcommittee or ad hoc task force for the limited purpose of reviewing or evaluating specific committee matters and reporting back to the committee on such review or evaluation without the approval of the Executive Committee or the Board.

Section 5.13 Dissolution of/Withdrawal from Committees. The Board of Trustees may dissolve any non-joint committee, subcommittee or task force or have the Foundation withdraw from any joint committee, subcommittee or task force.

Section 5.14 Removal/Disqualification. Any member of a committee, subcommittee or task force may be removed with or without cause at any time by the vote of a majority of the Voting Trustees present at any meeting of the Board at which a quorum is present. Any Voting Trustee who serves as a voting member of a committee, subcommittee or task force automatically ceases to qualify as a member of the committee, subcommittee or task force if the person ceases to be a Voting Trustee. Any Non-Voting Trustee, employee of the Foundation or Hospital, or member of the Medical Staff of the Hospital who serves as a non-voting member of a committee, subcommittee or task force automatically ceases to qualify as a non-voting member of the committee, subcommittee or task force if the person ceases to be an employee of the Foundation or Hospital or a member of the Medical Staff of the Hospital, unless the Voting Trustees vote to continue the person's membership as a non-voting member of the committee, subcommittee or task force.

Section 5.15 Vacancies. A vacancy caused by the death, disability, resignation, disqualification, or removal of any member of a committee, subcommittee or task force may be filled for the unexpired portion of the term in the same manner in which the original appointment was made.

Section 5.16 Quorum and Voting. Unless otherwise provided, a majority of the voting members of a committee, subcommittee or task force present shall constitute a quorum for the transaction of business at any meeting of the committee. Each voting member of a committee, subcommittee or task force shall have one vote and the acts of a majority of the voting members

present at a meeting of the committee, subcommittee or task force at which a quorum is present shall be the acts of the committee.

Section 5.17 Meetings and Notices. A committee, subcommittee or task force may, by resolution, fix regular meeting dates of which no notice need be given to the members of the committee, subcommittee or task force. Except as otherwise provided, special meetings of a committee, subcommittee or task force shall be held at the call of the chair of the committee, subcommittee or task force upon such notice as is provided in these Bylaws for special meetings of the Board of Trustees.

Section 5.18 Reports to Board. Except as provided in Section 5.3 or as provided by resolution of the Board or Executive Committee, minutes shall be taken at all committee meetings and transmitted to the Secretary of the Board for distribution to all Trustees; and all action taken by a committee shall be reported to the Board not later than the next succeeding regular meeting of the Board. Except as provided by resolution of the Board or Executive Committee, minutes shall be taken at all subcommittee and task force meetings and shall be submitted to the chair of the committee for distribution to all committee members no later than the next succeeding regular meeting of the committee and the committee shall, as appropriate, incorporate into its minutes any recommendations or actions of the subcommittee or task force.

ARTICLE VI

CONFLICTS OF INTEREST

Section 6.1 Conflicts of Interest Policy. The Board shall develop and implement a written policy with respect to conflicts of interest by Trustees. The policy shall prohibit Trustees from maintaining substantial personal or business interests that conflict with those of the Hospital, shall require Trustees to execute at least annually a conflicts of interest statement and shall include guidelines for the resolution of any existing or apparent conflict of interest.

Section 6.2 Disclosure and Determination of Conflicts of Interest. A Trustee who has a direct or indirect financial interest in any matter being considered by the Board (or a committee of the Board with Board-delegated powers) should disclose the financial interest and, after any presentation by the Trustee, should leave the Board (or committee) meeting while the matter is being discussed or voted upon. If there is an issue as to whether the Trustee has a direct or indirect financial interest, after any discussion with the Trustee, the Trustee should leave the Board (or committee) while the remaining members of the Board (or committee) determine if a conflict of interest exists. In appropriate

cases, the Chairman of the Board (or chair of the committee) may appoint a disinterested person or committee to determine the fairness and reasonableness of a transaction or arrangement and/or to consider alternatives to the transaction or arrangement.

ARTICLE VII **MEDICAL STAFF**

Section 7.1 Organization. The Board shall cause to be created a medical staff organization, to be known as the Medical Staff of The Children's Hospital of Philadelphia (the "Medical Staff"), whose membership shall be comprised of physicians, dentists, and certain specified other licensed health care practitioners who are privileged to admit, attend or care for patients or conduct clinical research at the Hospital. Membership in this medical staff organization shall be a prerequisite to the exercise of clinical privileges in and the conduct of medical and dental clinical research at the Hospital, except as otherwise specifically provided in the Medical Staff Bylaws, and members of the Medical Staff may practice only within the scope of the privileges granted by the Hospital. Only a member of the Medical Staff with admitting privileges may admit a patient to the Hospital and each patient's general medical condition shall be the responsibility of a qualified physician member of the Medical Staff. One level of patient care shall be provided to all patients.

Section 7.2 Medical Staff Bylaws and Rules and Regulations.

(a) Purposes. The Medical Staff shall propose, adopt, and periodically review Bylaws and Rules and Regulations (the "Medical Staff Bylaws"), which shall be effective upon the approval by the Board. The Medical Staff Bylaws shall create an effective administrative unit to discharge the functions and responsibilities assigned to the Medical Staff by the Board. The Medical Staff Bylaws shall set forth, among other things, the purposes, functions, and organization of the Medical Staff; the terms and conditions of Medical Staff Membership and clinical privileges; the procedures for appointment, reappointment, revision of appointment, and termination of appointment to the Medical Staff, delineation of privileges, and a fair hearing mechanism in connection therewith; the manner by which members of the Medical Staff supervise house staff and auxiliary health care personnel; a process designed to assure that dependent limited health practitioners are competent to provide care; and the policies by which the Medical Staff exercises and accounts for its delegated authority and responsibilities.

(b) Procedure. The Executive Committee of the Medical Staff shall have the initial responsibility to formulate, adopt, review, and recommend to the Board Medical Staff Bylaws and amendments thereto, which shall be effective upon the approval by the Board. If the Executive Committee of the Medical Staff fails to exercise this responsibility in good faith and in a reasonable, timely, and responsible manner, and after notice from the Board to such effect including a reasonable period of time for response, the Hospital may, on its own initiative, formulate or amend the Medical Staff Bylaws. In such event, the recommendations and views of the Executive Committee of the Medical Staff shall be considered by the Board during its deliberations and in its actions.

Section 7.3 Medical Staff Appointments.

(a) Action by the Board. Appointments to the Medical Staff shall be made by the Board, or one or more committees of the Board designated by it (provided that the full Board shall consider and, if appropriate, ratify all positive committee decisions at its next regularly scheduled meeting), and shall be subject to biennial reappointment by the Board at its June meeting, with approximately half of the Medical Staff being reappointed each year. The Board shall delegate to the Executive Committee of the Medical Staff the responsibility and authority for making recommendations relating to initial Medical Staff appointments, reappointments, and assignments and curtailment of privileges. In taking action, the Board shall consider the recommendations of the Executive Committee of the Medical Staff, provided that the Board shall act in any event if the Medical Staff fails to adopt and submit any such recommendation within the time periods required by the Medical Staff Bylaws. Such Board action without a recommendation of the Executive Committee of the Medical Staff shall be based on the same kind of documented investigation and evaluation of current ability, judgment, and character as is required for Medical Staff recommendations.

(b) Criteria for Board Action. In acting on matters of Medical Staff Membership Status, the Board shall consider the recommendations of the Executive Committee of the Medical Staff, the Staff Development Plan, the needs of the Hospital and the community, and such other criteria as are set forth in the Medical Staff Bylaws. In granting and defining the scope of clinical privileges to be exercised by each practitioner, the Board shall consider the recommendations of the Executive Committee of the Medical Staff, 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 or 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 Hospital, professional ability and judgment, or Hospital or community needs.

(c) Procedure. The procedure to be followed by the Medical Staff and the Board in acting on matters of Medical Staff Membership Status, clinical privileges, and corrective action shall be specified in the Medical Staff Bylaws and shall include the requirements that every application for appointment to the Medical Staff or for the granting of clinical privileges shall be in writing and shall be addressed to the President of the Hospital; each application shall contain full information concerning the applicant's education, licensure, practice, previous hospital experience, any unfavorable history with regard to licensure and hospital privileges, malpractice claims, judgments, and insurance coverage, and other information required by the Medical Staff Bylaws or application form promulgated thereunder; each application shall be referred by the President of the Hospital to the Credentials Committee of the Medical Staff for its investigation; the Credentials Committee shall submit a written report of its investigation to the Executive Committee of the Medical Staff, together with the application; the Executive Committee of the Medical Staff shall transmit to the Secretary of the Board a written recommendation to the Hospital with respect to the application; and there shall be a mechanism for review of decisions within a reasonable period of time as specified in the Medical Staff Bylaws. Whenever the Board does not concur in a recommendation of the Executive Committee of the Medical Staff relative to Medical Staff Membership Status, clinical privileges, or corrective action, the recommendation shall be reviewed within a reasonable period of time as specified in the Medical Staff Bylaws by a joint committee of the Executive Committee of the Medical Staff and the Hospital Board before a final decision is reached by the Board. The President of the Board shall notify each applicant of the Board's disposition of the application within a reasonable time after receipt of a completed application.

ARTICLE VIII

PATIENT'S BILL OF RIGHTS

Section 8.1 Patient's Bill of Rights. The Board shall establish procedures to assure the implementing, disseminating, and enforcing of a Patient's Bill of Rights.

ARTICLE IX
AUXILIARY ORGANIZATIONS

Section 9.1 Auxiliary. The Auxiliary of The Children's Hospital of Philadelphia shall operate as an auxiliary organization of the Board in accordance with the Auxiliary's bylaws and all amendments thereto, which bylaws and amendments shall be consistent with the Articles of Incorporation and Bylaws of the Hospital and shall be subject to approval by the Board. It shall be the duty of the chairperson of the Auxiliary to report to the Board concerning the activities of the Auxiliary, which shall include fund raising for the benefit of the Hospital.

Section 9.2 Other Auxiliary Organizations. The Board may authorize the formation of other auxiliary organizations to assist in the fulfillment of the purposes of the Hospital. Each such organization shall establish its bylaws, rules, and regulations and make amendments thereto which shall be subject to Board approval and which shall not be inconsistent with these Bylaws or the standing rules of the Board.

ARTICLE X
INDEMNIFICATION

Section 10.1 Right to Indemnification. The Hospital shall indemnify any person who was or is an "authorized representative" of the Hospital (which shall mean, for the purpose of this Article, a Trustee or officer of the Hospital, or a person serving at the request of the Hospital as a director, officer, partner, fiduciary, or trustee of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise) and who was or is a "party" (which shall include for purposes of this Article the giving of testimony or similar involvement) or is threatened to be made a party to any "proceeding" (which shall mean for purposes of this Article any threatened, pending or completed action, suit, appeal, or other proceeding of any nature, whether civil, criminal, administrative, or investigative, whether formal or informal, whether brought by a third party or brought by or in the right of the Hospital) by reason of the fact that such person was or is an authorized representative of the Hospital, to the fullest extent permitted by law, including without limitation indemnification against expenses (which shall include for purposes of this Article attorneys' fees and disbursements), damages, punitive damages, judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such proceeding unless the act or failure to act giving rise to the claim is finally determined by a court to have constituted willful misconduct or recklessness. If an indemnified person is not entitled to indemnification in

respect of a portion of any liabilities to which such person may be subject, the Hospital shall nonetheless indemnify such person to the maximum extent permitted under this Article for the remaining portion of the liabilities.

Section 10.2 Advancement of Expenses. The Hospital shall pay the expenses (including attorneys' fees and disbursements) actually and reasonably incurred in defending a proceeding on behalf of any person entitled to indemnification under Section 10.1 in advance of the final disposition of such proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Hospital as authorized in this Article and may pay such expenses in advance on behalf of any employee or agent on receipt of a similar undertaking. The financial ability of such authorized representative to make such repayment shall not be a prerequisite to the making of an advance.

Section 10.3 Employee Benefit Plans. For purposes of this Article, the Hospital shall be deemed to have requested an officer or Trustee to serve as fiduciary with respect to an employee benefit plan where the performance by such person of duties to the Hospital also imposes duties on, or otherwise involves services by, such person as a fiduciary with respect to the plan; excise taxes assessed on an authorized representative with respect to any transaction with an employee benefit plan shall be deemed "fines"; and action taken or omitted by such person with respect to an employee benefit plan in the performance of duties for a purpose reasonably believed to be in the interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose which is not opposed to the best interests of the Hospital.

Section 10.4 Amendment or Repeal and Reliance Upon Provisions. All rights to indemnification, including the duty to advance expenses, under this Article shall be deemed a contract between the Hospital and the person entitled to indemnification under this Article pursuant to which the Hospital and each such person intend to be legally bound. Any repeal, amendment, or modification hereof shall be prospective only and shall not limit, but may expand, any rights or obligations in respect of any proceeding whether commenced prior to or after such change to the extent such proceeding pertains to actions or failures to act occurring prior to such change. Each person who shall act as an authorized representative of the Hospital shall be deemed to be doing so in reliance upon the rights of indemnification provided by this Article.

Section 10.5 Scope of Article. The indemnification and advancement of expenses authorized by this Article shall not be deemed exclusive of any other rights to which one seeking indemnification or advancement of expenses may be entitled under any statute, agreement, vote of

disinterested Trustees, or otherwise, both as to action in an official capacity and as to action in any other capacity while holding such office. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article shall continue as to a person who has ceased to be a director, officer, partner, fiduciary or trustee in respect of proceedings pertaining to actions or failures to act occurring prior to such time, and shall inure to the benefit of the heirs, executors, and administrators of such person.

Section 10.6 Medical Staff. Members of the Medical Staff acting in their official capacity in carrying out a Board mandated function may be indemnified and advanced expenses to the same extent as officers and Trustees of the Hospital as defined in this Article to the extent that the Board of Trustees determines such indemnification and/or advancement of expenses is appropriate under the facts of a particular case.

Section 10.7 Security for Indemnification Obligations. To further effect, satisfy, or secure the indemnification obligations provided herein or otherwise, the Hospital may, to the extent not prohibited by law, purchase and maintain insurance, obtain a letter of credit, act as self-insurer, create a reserve, trust, escrow, cash collateral, or other fund or account, enter into indemnification agreements, pledge or grant a security interest in any assets or properties of the Hospital, or use any other mechanism or arrangement whatsoever in such amounts, at such costs, and upon such other terms and conditions as the Board shall deem appropriate.

Section 10.8 Indemnification Claims. As soon as practicable after receipt by any person entitled to indemnification pursuant to this Article of notice of the commencement of any proceeding such person shall notify the Hospital in writing of the proceeding; however, the omission so to notify the Hospital shall not relieve the Hospital from any liability under this Article unless the Hospital shall have been prejudiced thereby or from any other liability that it may have to such person other than under this Article. With respect to any such proceeding as to which such person notifies the Hospital of the commencement or threat thereof, the Hospital may participate therein at its own expense and, except as otherwise provided herein, to the extent it desires, the Hospital shall be entitled to assume the defense thereof to the fullest extent permitted by law, with counsel selected by the Hospital. After notice from the Hospital of its election to assume the defense of the person claiming a right to indemnification, the Hospital shall not be liable to such person for any legal or other expenses of defense subsequently incurred by such person in connection with the defense thereof other than as otherwise provided herein. Such person shall have the right to employ his or her own counsel in such action, but the fees and expenses of such counsel incurred after notice from the Hospital of its assumption of the defense

thereof shall be at the expense of such person unless: (i) the employment of counsel by such person shall have been authorized by the Hospital; (ii) such person shall have reasonably concluded that there may be a conflict of interest between the Hospital and such person in the conduct of the defense of such proceeding; or (iii) the Hospital shall not in fact have employed counsel to assume the defense of such action within a period of time reasonable for the circumstances. The right of any person to indemnification is conditioned upon such person's reasonable cooperation in such person's defense.

ARTICLE XI **ANNUAL REPORT**

Section 11.1 Annual Report. Within a reasonable period of time after the close of each fiscal year, the President and Treasurer shall present to the Board a report showing in appropriate detail the following:

(a) The assets and liabilities, including the trust funds, of the Hospital as of the end of the fiscal year immediately preceding the date of the report.

(b) The principal changes in assets and liabilities, including trust funds, during the year immediately preceding the date of the report.

(c) The revenue or receipts of the Hospital, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Hospital.

(d) The expenses or disbursements of the Hospital, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Hospital.

The annual report shall be filed with the minutes of the Board.

ARTICLE XII **WAIVER OF NOTICE**

Section 12.1 Waiver of Notice. Any notice required to be given under these Bylaws may be effectively waived by the person entitled to such notice by written waiver signed before or after the meeting to which such notice relates or by attendance at such meeting otherwise than for the express purpose

of objecting to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE XIII
FISCAL YEAR

Section 13.1 Fiscal Year. The fiscal year of the Hospital shall begin on July 1 of each year.

ARTICLE XIV
REVIEW AND AMENDMENT OF BYLAWS

Section 14.1 Review. These Bylaws shall be reviewed at least annually as provided in Section 5.10 and dated to indicate when last reviewed or revised.

Section 14.2 Amendment. These Bylaws may be amended or repealed and new Bylaws may be adopted by the vote of a majority of the Voting Trustees present at any regular or special meeting of the Board at which a quorum is present provided that notice of the meeting and of the proposed changes shall have been given to each Voting Trustee not less than five days prior to the meeting; notwithstanding the above, these Bylaws may not be changed without the prior or simultaneous approval of the Foundation.