

**AMENDED AND RESTATED BYLAWS**  
**OF**  
**ALLEGANY FRANCISCAN MINISTRIES, INC.**  
**A FLORIDA NOT FOR PROFIT CORPORATION**  
**PALM HARBOR, FLORIDA**

**Effective Date: November 12, 2015**

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## Article I. DEFINITIONS

For the purposes of these Bylaws, the following defined terms shall have the following meanings:

“Affiliate” means a corporation or other entity that is subject to the direct or indirect Control or Ownership of the Corporation.

“Articles of Incorporation” means the Articles of Incorporation of the Corporation, as amended or restated from time to time.

"Board" or "Board of Directors" means the Board of Directors of the Corporation, and the term “Director” means an individual member of the Board.

"Catholic Health Ministries" or "CHM" means Catholic Health Ministries, a public juridic person that is the religious sponsor of the Corporation under the canon law of the Roman Catholic Church.

"Catholic Identity" means the theological, ethical, and canonical underpinnings of a Catholic-sponsored organization without which the entity cannot be considered a Roman Catholic church-related ministry.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time.

“Control” or “Ownership” will be deemed to exist:

(i) as to a corporation: (a) through ownership of the majority of voting stock or the ownership of the class of stock which exercises reserved powers, if it is a stock corporation; or (b) through serving as member and having the power to appoint (including through appointing one’s own directors or officers who then serve *ex officio* as to the Affiliate) the majority of the voting members or the class of members which exercises reserved powers, if it is a corporation with members; or (c) through having the power to appoint (including through appointing one’s own directors or officers who then serve *ex officio* as to the Affiliate) the majority of the voting directors or trustees or the controlling class of directors or trustees, if it is a corporation without members; or

(ii) as to a partnership or other joint venture: through the possession of sufficient controls over the activities of the partnership or joint venture that the entity having control is permitted to consolidate the activities of the partnership or joint venture on its financial statements under generally accepted accounting principles.

The terms “Controlled,” “Controlling,” “Owned” or “Owning” shall be subsumed within the definitions of “Control” or “Ownership.”

“Corporation” shall mean Allegany Franciscan Ministries, Inc., a Florida not for profit corporation.

"Governance Documents" means the Articles of Incorporation, Certificate of Incorporation, Bylaws, System Authority Matrix, Code of Regulations or equivalent organizational documents of a corporation or other entity.

"Health System" or "Trinity Health System" means the health system which consists of the Member, its subsidiaries and Affiliates.

"Key Bylaws Provisions" shall refer to sections of these Bylaws that concern any of the following: (a) the name and corporate purposes of the Corporation; (b) the Catholic Identity and Mission and Core Values of the Corporation and the powers exercisable by CHM; (c) the identity of, reserved powers exercisable by, and other matters pertaining to, Trinity Health; and (d) the authority and membership (including election, composition and removal) of the Board of Directors of the Corporation.

"Member" shall refer to Trinity Health Corporation, which is the sole member of the Corporation.

"Significant Finance Matters" shall refer to the following which pursuant to the System Authority Matrix are subject to the approval of Trinity Health: (a) capital expenditures and dispositions, (b) incurrence of additional debt, and (c) execution of contracts and leases.

"System Authority Matrix" refers to the document that sets forth an allocation of corporate governance authority that is binding on the Corporation and its Affiliates as part of the Health System, a copy of which is attached and incorporated into these Bylaws as Exhibit A, and as may be amended by Trinity Health from time to time.

"Trinity Health" means Trinity Health Corporation, an Indiana nonprofit corporation, its successors and assigns.

## **Article II. PURPOSES**

### **Section 2.01 Purposes**

The purposes of the Corporation are set forth in the Articles of Incorporation of the Corporation.

### **Section 2.02 Catholic Identity**

The activities of the Corporation shall be carried out in a manner consistent with the teachings of the Roman Catholic Church and "Founding Principles of Catholic Health Ministries" or successor documents which set forth principles describing how the apostolic and charitable works of Catholic Health Ministries are to be carried out, as well as the values and principles inherent in the medical-moral teachings of the Roman Catholic Church (such as the *Ethical and Religious Directives for Catholic Health Care Services* as promulgated from time to time by the United States Conference of Catholic Bishops (or any successor organization), as amended from time to time).

### **Section 2.03 Mission Statement**

The Mission and Core Values of the Corporation shall be as adopted and approved from time to time by Catholic Health Ministries. The mission statement of the Corporation shall be as follows:

*“We, Allegany Franciscan Ministries and Trinity Health, serve together in the spirit of the Gospel as a compassionate and transforming healing presence within our communities.”*

The mission statement may by action of the Corporation’s Board of Directors be supplemented by reference to the purpose of the Corporation.

#### **Section 2.04 Alienation of Property**

Under Canon Law, Catholic Health Ministries shall retain its canonical stewardship with respect to those facilities, real or personal property, and other assets that constitute the temporal goods belonging, by operation of Canon Law, to Catholic Health Ministries. No alienation, within the meaning of Canon Law, of property considered to be stable patrimony of Catholic Health Ministries shall occur without prior approval of Catholic Health Ministries.

### **Article III. MEMBER**

#### **Section 3.01 Sole Member**

The sole member of the Corporation is Trinity Health Corporation, an Indiana nonprofit corporation, or its successors or assigns.

#### **Section 3.02 Trinity Health Authority**

The following actions shall be reserved exclusively to Trinity Health as sole member of the Corporation. Trinity Health may initiate and implement any proposal with respect to any of the following, or if a proposal with respect to any of the following is otherwise initiated, it shall not become effective unless the requisite approval and other actions shall have been taken by Trinity Health, as required pursuant to the Corporation’s Governance Documents:

- (a) Adopt, amend, modify or restate the Articles of Incorporation and Bylaws of the Corporation, in whole or in part, or if any such action is recommended by the Board of Directors of the Corporation, approve such action as recommended;
- (b) Appoint and remove Directors of the Corporation, with or without cause, of if any such action is recommended by the Board of Directors of the Corporation, approve such action as recommended;
- (c) Ratify the appointment and removal of the Chair of the Board of Directors of the Corporation;
- (d) Appoint and remove the President of the Corporation;

- (e) Approve the strategic plan of the Corporation to the extent required pursuant to the System Authority Matrix, which shall be consistent with the strategic plan of Trinity Health;
- (f) Approve those Significant Finance Matters which pursuant to the System Authority Matrix are subject to the approval of Trinity Health;
- (g) Approve the operating and capital budgets of the Corporation;
- (h) Appoint and remove the independent fiscal auditor of the Corporation;
- (i) Approve any merger, consolidation, transfer or relinquishment of membership rights, or the sale of all or substantially all of the operating assets of the Corporation (certain transactions and transfers of real property and immovable goods may also be subject to the approval of Catholic Health Ministries);
- (j) Approve any dissolution, winding up or abandonment of operations, liquidation, filing of action in bankruptcy, receivership or similar action affecting the Corporation;
- (k) Approve any formation or dissolution of Affiliates, partnerships, cosponsorships, joint membership arrangements, and other joint ventures involving the Corporation;
- (l) Approve any pledge or encumbrance of assets whether pursuant to a sale, capital lease, mortgage, disposition, hypothecation, or other transaction in excess of limits established by Trinity Health (pledges or encumbrances of certain real property and immovable goods may be subject to approval by Catholic Health Ministries);
- (m) Approve any change to the structure or operation of the Corporation which would affect its status as a nonprofit entity, exempt from taxation under Section 501(c)(3) of the Internal Revenue Code;
- (n) In recognition of the benefits accruing to the Corporation from Trinity Health, and in addition to any other rights reserved to Trinity Health under applicable law or Governance Documents of the Corporation, Trinity Health shall have the power to transfer assets of the Corporation, or to require the Corporation to transfer assets, to Trinity Health or an entity Controlled by, Controlling or under common Control with Trinity Health, whether within or without the state of domicile of the Corporation, to the extent necessary to accomplish Trinity Health's goals and objectives. The Corporation shall not be required to violate its charitable purposes, the terms of any restricted gifts, the covenants of its debt instruments, or the law of any applicable jurisdiction as a result of any asset transfers to be made to or directed by Trinity Health pursuant to this provision;

- (o) Neither the Corporation, nor any of its Affiliates, shall transfer assets to entities other than Trinity Health without the approval of Trinity Health, except for (i) transfers previously approved by Trinity Health, either individually or as part of Trinity Health's budget process, (ii) transfers to any entity which is a direct or indirect subsidiary of Trinity Health and that is subject to the reserved powers set forth in this Section 3.02, or (iii) transfers in the ordinary course of business; and
- (p) Approve all other matters and take all other actions reserved to members of nonprofit corporations (or shareholders of for-profit corporations, as the case may be) by the state laws of the state in which the Corporation is domiciled or as reserved in the Governance Documents of the Corporation.

### **Section 3.03 Meetings of Trinity Health**

Meetings of Trinity Health shall be held at the principal office of Trinity Health or as otherwise provided in the bylaws of Trinity Health. Such meetings shall be held at such time and date determined in accordance with the bylaws of Trinity Health. Notice of meetings of Trinity Health shall be given in accordance with the bylaws of Trinity Health.

## **Article IV. BOARD OF DIRECTORS**

### **Section 4.01 Duties and Powers**

With the exception of the powers reserved to Trinity Health or Catholic Health Ministries under the Corporation's Governance Documents or applicable law, the Board of Directors shall govern, regulate and direct the affairs and business of the Corporation, carry out the policies and guidelines adopted by Trinity Health and carry out such responsibilities as shall be delegated to it by the Board of Directors of Trinity Health, all in a manner consistent with the Mission and Core Values of the Corporation. Additional descriptions of the duties and powers of the Board of Directors are set forth in the System Authority Matrix. Among the matters under the direction of the Corporation's Board of Directors are the following actions:

- (a) Elect the officers of the Corporation (except the President), subject to the ratification of the Chair by Trinity Health;
- (b) Approve the strategic plan of the Corporation to the extent required pursuant to the System Authority Matrix, which shall be consistent with the strategic plan of Trinity Health, and recommend such strategic plan to Trinity Health if required by the Trinity Health System Authority Matrix;
- (c) Approve those Significant Finance Matters which pursuant to the System Authority Matrix are subject to the approval of the Board of Directors of the Corporation, recommend such Significant Finance Matters to Trinity Health if required by the Trinity Health System Authority Matrix;
- (d) Adopt and amend from time to time rules, regulations and policies for the conduct of the operations and affairs of the Corporation;

- (e) Oversee the Corporation's Compliance Program; and
- (f) Recommend to Trinity Health matters relating to the Corporation that require the approval or other action of Trinity Health pursuant to the Corporation's Governance Documents.

#### **Section 4.02 Appointments and Composition**

Trinity Health shall appoint a Board of Directors on the basis of qualifications and criteria established by Trinity Health. Except as otherwise authorized by action of Trinity Health, the members of the Corporation's Board of Directors shall include: (i) at least one representative of Trinity Health, designated by Trinity Health (who shall serve ex officio with vote) (the "System Representative"), (ii) the President of the Corporation (who shall serve ex officio with vote), (iii) if the Corporation operates or controls a hospital or medical center, at least one physician, (iv) at least two (2) members or associates of a Roman Catholic religious congregation, and (v) members of the local community. The Board should be comprised of Directors from diverse backgrounds which reflect the population demographics of the community served, including gender, race, and ethnicity.

#### **Section 4.03 Term**

Directors shall serve a three-year term, or such shorter term as may be determined by Trinity Health in order to achieve continuity in board composition. Ex officio members of the Board of Directors shall cease to be Directors upon the termination of their service in the office resulting in their ex officio service on the Board of Directors. Other than ex officio members, no Directors may serve for more than nine (9) consecutive years, unless appointed to complete the unexpired term of another Director, in which case a Director may serve for up to ten (10) consecutive years. Former Directors are eligible for reappointment after a one-year absence from service.

#### **Section 4.04 Annual Meeting of the Board of Directors**

An annual meeting of the Board of Directors shall be held during the six month period prior to the end of the calendar year for the purpose of appointment of officers and transaction of such other business as may properly come before the meeting. Notice of the annual meeting shall be given not less than ten (10) or more than sixty (60) days before the date of the meeting. The meeting notice shall specify the date, time and place of the meeting. Presence at any such meeting shall be deemed to be waiver of notice of said meeting.

#### **Section 4.05 Regular Meetings and Notice**

Regular meetings of the Board of Directors shall be held as determined by the Board but no less frequently than quarterly at such time, place and date as determined from time to time by the Board of Directors. An agenda, indicating items requiring a vote of the members of the Board of Directors, together with copies of reports, statements and other supporting information shall be mailed by the President prior to meetings. No notice of regular meetings shall be required other than the resolution setting the time, place and date of the meeting.

#### **Section 4.06 Special Meetings and Notice**

Special meetings of the Board may be called by or at the request of the Chair, by written request of any two (2) members of the Board, or by Trinity Health. The special meeting shall be held within five (5) days after receipt of such request. Notice of the special meeting shall be given in writing, personally, by telephone, electronic transmission or by facsimile transmission at least forty-eight (48) hours prior to the special meeting. The notice of any special meeting shall state the purpose for which it is called. No other business shall be transacted at the special meeting except for that business stated in the notice.

#### **Section 4.07 Waiver of Notice**

Attendance of a Director at a meeting constitutes a waiver of notice of the 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. Notice also may be waived in writing, either before or after the meeting.

#### **Section 4.08 Quorum and Valid Director Action**

At all meetings of the Board, a simple majority of the Directors then in office shall constitute a quorum for the transaction of business. The vote of a majority of the Directors present and voting at any meeting at which a quorum is present shall constitute the act of the Board, unless the vote of a larger number is specifically required by law, or by the Articles of Incorporation, Bylaws or policies of the Corporation.

#### **Section 4.09 Written Consents**

Any action required or permitted to be taken by vote at any meeting of the Board or of any committee thereof may be taken without a meeting, if before or after the action, all members of the Board or committee consent in writing. The written consents shall be filed with the minutes of proceedings of the Board or committee. Such consents shall have the same effect as a vote of the Board or committee for all purposes.

#### **Section 4.10 Communication Equipment**

Members of the Board of Directors, or any committee designated by the Board, may participate in a meeting of the Board or committee by means of teleconference, video conference or similar communications equipment by virtue of which all persons participating in the meeting may hear each other if all participants are advised of the communications equipment and the names of the participants in the conference are divulged to all participants. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

#### **Section 4.11 Resignation**

Any Director may resign by written notice to the Chair of the Board. The Chair of the Board may resign by written notice to the Corporation's President who shall promptly thereafter notify

Trinity Health. Resignations shall be effective upon receipt or at a subsequent time if specified in the notice of resignation.

#### **Section 4.12 Removal**

Any Director may be removed with or without cause at any time by Trinity Health. Absences of a Director from three (3) consecutive regular meetings of the Board of Directors may constitute cause for removal from the Board of Directors.

#### **Section 4.13 Periodic Performance Review**

The Board of Directors shall periodically review its own performance and issue reports to Trinity Health summarizing the results of its review.

### **Article V. COMMITTEES**

#### **Section 5.01 Committees in General**

The Executive Committee of the Board of Directors and such other committees as state law may require shall be standing committees of the Corporation. The Board of Directors may establish such additional standing or special committees from time to time as it shall deem appropriate to conduct the activities of the Corporation and shall define the powers and responsibilities of such committees. Those other committees shall serve at the pleasure of the Board. The Corporation shall not have a separate audit committee as matters related to the audit of the Corporation's finances are consolidated at the Trinity Health level. The Board shall establish the purpose, composition, term and other operating matters relative to each such other committee. Each committee shall keep minutes in some manner reasonably intended to record the business that occurred at the meeting and shall forward these minutes to the Board of Directors.

#### **Section 5.02 Executive Committee**

There shall be an Executive Committee, consisting of the Chair of the Board, who shall serve as chair of the Executive Committee, the President, and at least two (2) other Directors selected by vote of the Board of Directors. All members of the Executive Committee must be members of the Board of Directors. The Executive Committee shall meet on the call of the Chair or President. Except as otherwise provided by resolution of the Board or as limited by law, the Executive Committee shall exercise the power and authority of the Board when necessary or advisable between meetings of the Board and shall exercise such other powers as may be assigned from time to time by the Board. The Executive Committee shall report on its actions at the next meeting of the Board and such actions shall be subject to revision and alteration of the Board; provided, however, that the rights of third parties shall not be affected by any such revision or alteration.

#### **Section 5.03 Service on Committees**

The committees shall establish rules and regulations for meetings and shall meet at such times as are necessary, provided that a reasonable notice of all meetings shall be given to committee

members. No act of a committee shall be valid unless approved by the vote or written consent of a majority of its members. Committees shall keep regular minutes of their proceedings and report the same to the Board from time to time as the Board may require. Members of the committees (except the Executive Committee) shall be appointed for one (1) year by the Chair of the Board of Directors as soon as possible after the annual meeting of the Board. Members of the committees shall serve on their respective committees through the next annual meeting or until their respective successors are appointed. The Chair of the Board shall fill vacancies on committees (except the Executive Committee) and appointees shall serve through the next annual meeting or until their successor is appointed. The President shall be an ex officio member of all committees, except for any committee that reviews compliance or executive compensation matters.

#### **Section 5.04 Quorum, Meetings, Rules and Procedures**

A quorum for any meeting of a committee shall be a simple majority of the committee members or as otherwise required by applicable law, except that any ex officio members of the committee shall not be included in calculating the quorum requirement unless they are present at the meeting, in which event they shall be included towards meeting the quorum requirement. The affirmative vote of a majority of the quorum is necessary to take action of the committee, including the affirmative vote of at least one member of the Board present at the meeting of the committee in order to take any action other than recommendation by the committee to the Board or Executive Committee. Minutes of all committee meetings shall be kept and forwarded to the Board. Each committee shall adopt rules for its own governance not inconsistent with these Bylaws or the acts of the Board.

#### **Section 5.05 Committee Composition**

The members and all chairs of committees other than the Executive Committee shall be appointed by the Chair of the Board. The chair of each committee shall be a Director. Committees, other than the Executive Committee, may include persons other than members of the Board of Directors; provided that each standing committee shall have at least two (2) Director members in addition to the Chair and President who shall serve ex officio; and provided further, that no authority of the Board may be delegated to a committee unless the majority of the members of such committee with Board delegated authority are members of the Board of Directors and otherwise in accord with applicable law.

### **Article VI. OFFICERS**

#### **Section 6.01 Officers**

The officers of the Corporation shall be the Chair, Vice-Chair, President, Secretary and Treasurer. Additionally, upon recommendation of the President, the Board of Directors may appoint an Assistant Secretary, an Assistant Treasurer, and such other officers of the Corporation as shall be deemed necessary and appropriate from time to time. Officers shall hold their respective offices until their successors are chosen and qualified.

## **Section 6.02 Appointment and Election of Officers**

The President of the Corporation shall be appointed, evaluated, reappointed and/or removed by Trinity Health. The President shall be the Chief Executive Officer of the Corporation, and any vacancy in such office shall be filled by Trinity Health. The Chair (and any person or office that serves as the designated successor to the Chair) shall be elected by the Board and recommended for ratification to the Trinity Health Board of Directors by the Corporation's Board of Directors in a manner consistent with any applicable policy of Trinity Health. The Chair shall serve a term of one year and may be elected for a total of three (3) consecutive complete one (1) year terms. The Vice-Chair (unless the Vice-Chair serves as the designated successor to the Chair), Secretary and Treasurer of the Corporation shall be elected at the annual meeting of the Directors by the members of the Board of Directors. The Treasurer and Secretary need not be members of the Board.

## **Section 6.03 Vacancies**

Vacancies, occurring for any reason, shall be filled in the same manner as appointment or election and the officer so appointed or elected shall hold office until a successor is chosen and qualified.

## **Section 6.04 Chair and Vice-Chair**

The Chair shall preside at all Board meetings and shall be an ex-officio voting member of all committees. The Vice-Chair shall act as Chair in the absence of the Chair and, when so acting, shall have all the authority and powers of the Chair.

## **Section 6.05 President**

The President shall have general and active management responsibility for the business of the Corporation and shall see that all orders and resolutions of the Board of Directors and the policies of Trinity Health are carried into effect, consistent with the Mission and Core Values of the Corporation. The President shall be responsible for the appointment, evaluation, compensation and removal of the respective executive officers of those corporations of which this Corporation is the member or other controlling shareholder or owner. The President shall be a voting ex officio member of all committees and shall have the general powers and duties of supervision and management usually vested in the office of President of a corporation.

## **Section 6.06 Secretary**

The Secretary of the Corporation shall issue, or cause to be issued, notices of all Board meetings, shall be responsible for the keeping and the reporting of adequate records of all transactions of the Board, and shall record the minutes of all meetings of the Board of Directors. The Secretary shall further perform such other duties incident to his or her office and as the Board of Directors may from time to time determine.

## **Section 6.07 Treasurer**

The Treasurer of the Corporation shall be responsible for all funds of the Corporation, shall make reports to the Board of Directors as requested by the Board of Directors, and 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 Corporation. The Treasurer shall further perform such other duties incident to his or her office as the Board of Directors may from time to time determine. The Treasurer may delegate any of the functions, powers, duties, and responsibilities to any agent or employee of the Corporation. In the event of such delegation, the Treasurer shall thereafter be relieved of all responsibility for the proper performance or exercise thereof.

## **Article VII. INDEMNIFICATION AND STANDARD OF CARE**

### **Section 7.01 Indemnification**

The Corporation shall, to the maximum extent allowed by law, indemnify those persons (including religious congregations and their members or other canonical persons and their members) who

- (a) are serving or have served as members, trustees, directors, sponsors, officers, employees, committee or subcommittee members, or agents of the Corporation, or
- (b) are serving or have served at the request of the Corporation as a member, trustee, director, sponsor, officer, employee, committee or subcommittee member, agent, manager, or partner of another corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise, whether for profit or nonprofit,

against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with any threatened, pending or completed action, suit, or proceeding, by reason of the fact that they have served in any capacity set forth above.

### **Section 7.02 Insurance**

Except as may be limited by law, the Corporation may purchase and maintain insurance on behalf of any person (including religious congregations and their members or other canonical persons and their members) who

- (a) is or was a member, trustee, director, sponsor, officer, employee, committee or subcommittee member, or agent of the Corporation, or
- (b) is or was serving at the request of the Corporation as a member, trustee, director, sponsor, officer, employee, committee or subcommittee member, agent, manager, or partner of another corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise, whether for profit or nonprofit,

to protect against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not this Corporation would have power to indemnify him or her against such liability under state law.

### **Section 7.03 Standard of Care**

Each Director shall stand in a fiduciary relation to the Corporation and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the Corporation and Trinity Health, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

### **Section 7.04 Justifiable Reliance**

In performing his or her duties, a Director (including when such Director is acting as an officer of the Corporation) shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

- (a) One or more officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented.
- (b) Counsel, public accountants or other persons on matters that the Director reasonably believes to be within the professional or expert competence of such person.
- (c) A committee of the Board upon which he or she does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

### **Section 7.05 Consideration of Factors**

In discharging the duties of their respective positions, the Board of Directors, committees of the Board and individual Directors may, in considering the best interests of the Corporation and Trinity Health, consider the effects of any action upon employees, upon suppliers and customers of the Corporation and upon communities in which offices or other establishments of the Corporation and Trinity Health are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of the standards described herein.

### **Section 7.06 Presumption**

Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a Director or any failure to take any actions shall be presumed to be in the best interests of the Corporation and Trinity Health.

### **Section 7.07 Personal Liability of Directors**

No Director shall be personally liable for monetary damages for any action taken, or any failure to take any action, unless the Director has breached or failed to perform the duties of his or her office under the standards described herein, has engaged in self-dealing, or the action or inaction constitutes willful misconduct or recklessness. The provisions of this Section shall not apply to the responsibility or liability of a Director pursuant to any criminal statute or the liability of a Director for the payment of taxes pursuant to local, state or federal law.

Nothing in this Article is intended to preclude or limit the application of any other provision of law that may provide a more favorable standard or higher level of protection for the Corporation's Directors.

## **Article VIII. SUBSIDIARIES**

In accordance with policies of Trinity Health, including, without limitation, those referenced in the System Authority Matrix, each organization of which the Corporation is the sole or majority member or owner shall have reserved certain powers to be exercised by this Corporation.

## **Article IX. MISCELLANEOUS**

### **Section 9.01 Fiscal Year**

The fiscal year of the Corporation shall end on the 30<sup>th</sup> day of June of each year and shall begin on the 1<sup>st</sup> day of July of each year.

### **Section 9.02 Required Records**

The officers, agents and employees of the Corporation shall maintain such books, records and accounts of the Corporation's business and affairs as may be from time to time required by the Board of Directors, or required by the laws of the state in which the Corporation is domiciled.

### **Section 9.03 Confidentiality**

Except as otherwise publicly disclosed, or in order to appropriately conduct the Corporation's business, the records and reports of the Corporation shall be held in confidence by those persons with access to them.

### **Section 9.04 Conflict of Interest**

Each of the Corporation's officers and members of the Board shall at all times act in a manner that furthers the Corporation's charitable purposes and shall exercise care that he or she does not act in a manner that furthers his or her private interests to the detriment of the Corporation's

community benefit purposes. The Corporation's officers and members of the Board shall fully disclose to the Corporation any potential or actual conflicts of interest, if such conflicts cannot be avoided, so that such conflicts are dealt with in the best interests of the Corporation. Conflicts of interest shall be resolved in accordance with the Corporation's conflict of interest policy. The Corporation and all its officers and members of the Board shall comply with any policies of the Corporation and Trinity Health regarding conflicts of interest, as well as the requirements of applicable state law regarding such conflicts, and shall complete any and all disclosure forms as may be deemed necessary or useful by the Corporation for identifying potential conflicts of interest.

## **Article X. AMENDMENT AND REVIEW**

### **Section 10.01 Amendment**

These Bylaws may be amended only by Trinity Health in accordance with Article III of these Bylaws.

### **Section 10.02 Periodic Review**

These Bylaws shall be reviewed periodically by the Board of Directors and any recommended revisions shall be forwarded to Trinity Health.

**EXHIBIT A**

**TRINITY HEALTH  
System Authority Matrix**

This Authority Matrix summarizes a number of important activities that might be taken by an entity within the Trinity Health System and the corresponding actions or approvals that must be taken before proceeding with such activity. Many of these actions are delegations from the Board of Trinity Health to management, to Committees of the Board of Directors of Trinity Health and to governance of entities affiliated with Trinity Health. Trinity Health has adopted the following Operating Principles which apply to these delegations:

**Unity:** We act as a unified system, recognizing the interdependency of all its parts in fulfillment of its mission and vision while promoting the strength of our ministries serving our unique communities.

**Excellence:** We seek to continually innovate and improve our performance excellence and to add value by leveraging our skill and scale.

**Simplicity and Clarity:** Local, regional and system office leadership work in partnership to make decisions in a timely and collaborative manner that takes into account the variety of interests being affected.

**Accountability:** We are flexible in shaping roles, responsibilities and accountabilities at all leadership levels of the organization.

The Trinity Health Board retains control over its statutory obligations in carrying out the purposes of the corporation as the parent of a large Catholic health system. The Board is responsible for key strategic decisions and issues that will significantly impact the Trinity Health System. Delegations are established taking into account the balance between making efficient decisions close to the business activity and the need for the board and management to oversee areas of significant impact on the system as a whole in terms of Catholic Identity, strategic direction, risk and value.

The Board has adopted a process of Mission Discernment, which is intended to ensure that in the course of making major decisions, the Mission and Core Values are used as a measure to evaluate the effect of the proposed action.

This Authority Matrix is not intended to be an exclusive listing of the various actions reserved to Trinity Health or its affiliated entities. Trinity Health may clarify these delegations through policies. State law may confer additional rights or require additional actions. Those variations will be set forth in the governing documents of the entity and prevail over any conflicting authorities described in this System Authority Matrix. Different rights may also be set forth in the terms of joint venture organizing documents or other agreements. Decisions related to those joint venture entities should be made in accordance with the organizing documents; however, decisions which exceed financial thresholds or which may, in management's judgment, affect the reputation or identity of the Trinity Health System are required to be reviewed by Trinity Health management, regardless of the minority position held by the CHE Trinity affiliate in the joint venture.

**Entities:**

Catholic Health Ministries or CHM means the public juridic person that sponsors the Trinity Health system and exercises all canonical responsibilities related to its operations, subject to certain rights retained by sponsoring congregations or public juridic persons until such time as the stable patrimony (property) under the control of those sponsoring congregations or public juridic persons is alienated (transferred) to CHM.

Trinity Health means Trinity Health Corporation, an Indiana nonprofit corporation, which is the parent of the Trinity Health System.

Trinity Health System means Trinity Health, together with its subsidiaries and affiliates.

Ministry or Ministries means any or all RHMs, NHMs, and MHMs.

Mission Health Ministry or MHM means a first tier subsidiary of Trinity Health that maintains a governing body and which has oversight of non-institutional health operations and/or grant making. A list of MHMs is set forth on Exhibit A to this Matrix.

National Health Ministry or NHM means a first tier (direct) subsidiary that maintains a governing body that has day to day management oversight of a business line throughout the Trinity Health System. A list of NHMs is set forth on Exhibit A to this Matrix.

Regional Health Ministries or RHM means a first tier (direct) subsidiary, affiliate or operating division of Trinity Health that maintains a governing body that has day to day management oversight of a designated portion of the Trinity Health System within a geographical market. A list of RHMs is set forth Exhibit A to this Matrix.

Group 1 RHM means an RHM which had a minimum total operating revenue of \$300 million in the previous fiscal year or an RHM that has been selected by management for inclusion in Group 1 RHMs based on operational objectives.

Group 2 RHM means an RHM which is not a Group 1 RHM.

Second Tier Subsidiaries means subsidiaries and affiliates of Ministries.

**Actions:**

Approve means to have ultimate authority over an action. Approval includes the authority to adopt, accept, modify, disapprove or send back for further consideration an action recommended or approved by another entity in the Trinity Health System. Some actions required approval at more than one level. Final approval authority is exercised by the highest level independently of any recommendation or participation actions. If more than one entity has Approval authority, the matter may be initiated and approved by the highest level of Approval authority when permitted by law.

Participate means a timely, meaningful, collaborative and consultative process among interested parties to inform the decision under consideration.

Ratify means to confirm and adopt the act of another even if it was not approved beforehand. It also means final decision making authority, but without the power to initiate or change a recommendation.

Recommend means to review and present a matter for approval by another entity in the Trinity Health System. Recommending authority does not limit the right of the approving entity to initiate an action without a recommendation.

**Other:**

Governing documents are documents which establish and describe an entity, including the purposes, the powers reserved to the members or shareholders, and which set forth the rights of partners or joint owners relative to each other. Governing documents include documents

filed with the state (such as articles or certificates of incorporation), bylaws (whether a corporation or an unincorporated division which has its own governing body), operating agreements and partnership agreements.

Key Bylaws Provisions are variations from the standard Governing Documents that concern any of the following: (a) the Ministry name and corporate purposes; (b) the Mission, Core Values and Catholic Identity of the Ministry and powers exercisable by CHM; (c) the identity of, reserved powers exercisable by and other matters pertaining to Trinity Health; and (d) the authority and membership (including election, composition and removal) of the Ministry Board of Directors. All other variations are not Key Bylaw Provisions.

	Action	Ministry Management	Ministry Governance	Trinity Health Management	Trinity Health Governance	Catholic Health Ministries
<b>I</b>	<b>Statements of Identity</b>					
I a	Trinity Health System Mission Statement	-	-	-		Approve
1 b	Trinity Health System Core Values	-	-	-		Approve
<b>II</b>	<b>Governing Documents</b>					
II a	Articles and Bylaws of Trinity Health Corporation	-	-	Recommend	Approve and Recommend	Ratify
II b	Governing Documents of Ministries consistent with standard form approved by Trinity Health Board	-	Approve and Recommend	Approve variations from the approved standard Bylaws which are not Key Bylaws Provisions (determination by the General Counsel)	Approval of Governing Documents by Executive and Governance Committee, except as to Bylaws limited to approval of variations from the approved standard which are Key Bylaws Provisions	-

	Action	Ministry Management	Ministry Governance	Trinity Health Management	Trinity Health Governance	Catholic Health Ministries
II c	Governing Documents of Second Tier Subsidiary which operates licensed healthcare facilities consistent with standard form approved by Trinity Health Board	-	Approve and Recommend	Approve variations from the approved standard Bylaws which are not Key Bylaws Provisions (determination by the General Counsel)	Approval of Governance Documents by Executive and Governance Committee, except as to Bylaws limited to approval of variations from the approved standard which are Key Bylaws Provisions	-
II d	Governing Documents of Second Tier Subsidiary	Recommend	Approve	Approve		
<b>III</b>	<b>Appointments and Removals</b>					
III a	Appointment or removal of CHM Members (which comprise the Trinity Health Board of Directors)					Approve
III b	Appointment or removal of Trinity Health Board Chair				Approve	Ratify

	Action	Ministry Management	Ministry Governance	Trinity Health Management	Trinity Health Governance	Catholic Health Ministries
III c	Appointment or removal Ministry Boards of Directors		Recommend	Recommend	Approve (Executive and Governance Committee)	
III d	Appointment or removal of Ministry Board Chairs		Approve		Ratify (Executive and Governance Committee)	
III e	Appointment or removal of Second Tier Subsidiaries Governing Body	Recommend	Approve			
III f	Appointment or removal of Trinity Health CEO				Approve	Ratify
III g	Appointment or removal of Ministry CEOs	Participate	Recommend	Approve		
III h	Appointment or removal of Second Tier Subsidiaries CEOs	Approve				
<b>IV</b>	<b>Strategy</b>					

IV a	Trinity Health System Strategic Plans			Recommend	Approve	
IV b	Group I RHM and NHM Strategic Plans	Recommend	Approve	Approve		
IV c	Group 2 RHM and MHM Strategic Plans	Recommend	Approve	Participate		
	<b>Action</b>	<b>Ministry Management</b>	<b>Ministry Governance</b>	<b>Trinity Health Management</b>	<b>Trinity Health Governance</b>	<b>Catholic Health Ministries</b>
<b>V</b>	<b>Finance Matters</b>					
V a	Group I RHM and NHM Capital Acquisitions and Dispositions	Recommend	Approve up to 2% of net assets with a maximum of \$5million	Approve above the RHM Governance level up to \$25 million	Approval \$25-\$50 million by Stewardship Committee and above that level by Board (upon recommendation by Stewardship Committee)	Approval as required by Canon Law
V b	Group II RHM and MHM Capital Acquisitions and Dispositions	Recommend	Approve up to 2% of net assets with a minimum of \$250,000 and a maximum of \$2 million	Approve above the RHM Governance level up to \$25 million	Approval \$25-\$50 million by Stewardship Committee and above that level by Board (upon recommendation by Stewardship Committee)	Approval as required by Canon Law

V c	Additional Debt and System Five Year Plan of Finance			Recommends	Approval up to \$50 million by the Stewardship Committee and above that level by the Board (upon recommendation by Stewardship Committee)	
	<b>Action</b>	<b>Ministry Management</b>	<b>Ministry Governance</b>	<b>Trinity Health Management</b>	<b>Trinity Health Governance</b>	<b>Catholic Health Ministries</b>
V d	System Operating and Capital Budget			Recommend	Approve (upon recommendation by Stewardship Committee)	
V e	RHM Operating and Capital Budget	Recommend	Approve	Approve		
V f	Second Tier Operating and Capital Budget	Recommend	Approve			
V g	Contracts (including leases) in which the Trinity Health is the financially obligated			Approve up to \$25 million	Approval up to \$50 million by the Stewardship Committee and above that level by the Board (upon recommendation by Stewardship Committee)	

					Committee)	
V h	Contracts (including leases) in which a Group I RHM or a NHM is financially obligated	Recommend	Approve up to 2% of net assets with a maximum of \$5million	Approve above the RHM Governance level up to \$25 million	Approval \$25-\$50 million by Stewardship Committee and above that level by Board (upon recommendation by Stewardship Committee)	
	<b>Action</b>	<b>Ministry Management</b>	<b>Ministry Governance</b>	<b>Trinity Health Management</b>	<b>Trinity Health Governance</b>	<b>Catholic Health Ministries</b>
V i	Contracts (including leases) in which a Group II RHM or MHM is financially obligated	Recommend	Approve up to 2% of net assets with a minimum of \$250,000 and a maximum of \$2 million	Approve above the RHM Governance level up to \$25 million	Approval \$25-\$50 million by Stewardship Committee and above that level by Board (upon recommendation by Stewardship Committee)	
V j	Auditor Selection (Trinity Health System and separate audits)			Recommend	Approve (upon recommendation by the Audit Committee)	
V k	Annual Trinity Health System Audit			Recommend	Approve (upon recommendation by the Audit Committee)	

	Action	Ministry Management	Ministry Governance	Trinity Health Management	Trinity Health Governance	Catholic Health Ministries
<b>VI</b>	<b>New Organizations and Major Transactions</b>					
VI a	Major change affecting Trinity Health (merger, consolidation, creation, transfer, sale of substantially all assets)			Recommend	Approve	Approve
VI b	Major change affecting Ministry (merger, consolidation, creation, transfer, sale of all assets) not related to an Trinity Health System reorganization	Recommend	Recommend (Approve if required by State law)	Recommend	Approve	Approve as related to Sponsorship obligations
VI c	Major change affecting Ministry (merger, consolidation, creation, transfer, sale of all assets) related to a Trinity Health System reorganization	Recommend	Recommend (Approve if required by State law)	Recommend	Stewardship Committee Approve	Approve as related to Sponsorship obligations

	<b>Action</b>	<b>Ministry Management</b>	<b>Ministry Governance</b>	<b>Trinity Health Management</b>	<b>Trinity Health Governance</b>	<b>Catholic Health Ministries</b>
VI d	Major change affecting Second Tier Subsidiaries (merger, consolidation, creation, transfer, sale of all assets)	Recommend	Approve	Approve		Approve as related to Sponsorship obligations
VI e	Internal operational reorganization affecting tier structure	Participate	Recommend	Approve		
VI f	Formation or acquisition of an entity in which Trinity Health will be the sole parent			Recommend	Approve	Approve as related to Sponsorship obligations
VI g	Joint venture or other enterprise affecting ownership of a Group I RHM or NHM	Recommend	Approve	Recommend	Approve	Approve as related to Sponsorship obligations

	<b>Action</b>	<b>Ministry Management</b>	<b>Ministry Governance</b>	<b>Trinity Health Management</b>	<b>Trinity Health Governance</b>	<b>Catholic Health Ministries</b>
VI h	Joint venture or other enterprise affecting ownership of a Group II RHM or MHM	Recommend	Approve	Recommend	Approval by Stewardship Committee	Approve as related to Sponsorship obligations
<b>VII</b>	<b>People Centered Care</b>					
VII a	Trinity Health System Wide Quality and Safety Standards	Participates		Recommends	Approves (upon recommendation of the People Centered Care Committee)	
VII b	RHM Quality and Safety Standards (consistent with Trinity Health System Quality Standards)	Recommends	Approves			
VII c	Annual review of Trinity Health System Quality and Safety			Recommends	People Centered Care Committee Approves, Board Receives Report	
VII d	Annual review of RHM Quality and Safety	Recommends	Approves	Receive Report		

**Exhibit A**

**MINISTRIES**

**Based on the FY 2015 Income Statement and Supplemental Materials**

**October 1, 2015**

**REGIONAL HEALTH MINISTRIES (RHMs) – GROUP I**

Holy Cross Health (Maryland)  
Holy Cross Hospital (Florida)  
Loyola University Health System (Illinois)  
Mercy Health (Michigan)  
Mercy Health Services – Iowa (Iowa)  
Mercy Health System of Southeastern Pennsylvania (Pennsylvania)  
Mount Carmel Health System (Ohio)  
Our Lady of Lourdes Health Care Services (New Jersey)  
Saint Agnes Medical Center (California)  
Saint Alphonsus Health System (Idaho)  
St. Francis Care, Inc. (Connecticut)  
Saint Joseph Mercy Health System (Michigan)  
Saint Joseph Regional Medical Center (Indiana)  
St. Joseph's Hospital Health Center (New York)  
Sisters of Providence Health System (Massachusetts)  
St. Mary Medical Center (Pennsylvania)  
St. Mary's Health Care System (Georgia)  
St. Peter's Health Partners (New York)

**REGIONAL HEALTH MINISTRIES (RHMs) – GROUP II**

Mercy Health System of Chicago (Illinois)  
Saint Michael's Medical Center (New Jersey)  
St. Francis Hospital (Delaware)

St. Francis Medical Center (New Jersey)

**NATIONAL HEALTH MINISTRIES (NHMs)**

Trinity Home Health Services (multi-state)  
Trinity Senior Living Communities (multi-state)  
Trinity PACE

**MISSION HEALTH MINISTRIES (MHMs)**

Allegany Franciscan Ministries (Florida)  
Global Health Ministry (Pennsylvania)  
Mercy Medical (Alabama)  
Pittsburgh Mercy Health System (Pennsylvania)  
Saint Joseph's Health System (Georgia)

Approved by Trinity Health Executive and Governance Committee 6/18/14, effective 7/1/14; revised and approved by the Trinity Health Executive and Governance Committee on January 27, 2015; revised and approved by the Trinity Health Board of Directors on February 25, 2015; revised and approved by the Trinity Health Executive and Governance Committee on April 9, 2015; approved by Catholic Health Ministries on June 25, 2015.

**SECRETARY'S CERTIFICATE**

The foregoing Bylaws of Allegany Franciscan Ministries, Inc. were approved in accordance with the Bylaws of the Corporation to be effective as of November 12, 2015.

Date: 11/20/15

  
Secretary of the Corporation