

BY-LAWS
OF
CENTRAL NEW YORK CARE COLLABORATIVE, INC.

ARTICLE I

NAME

The name of this corporation is Central New York Care Collaborative, Inc. (the “Corporation”).

ARTICLE II

OFFICE

The principal office of the Corporation shall be in the City of Syracuse, County of Onondaga, and State of New York. The Corporation may also have offices at such other places within or without this State that the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE III

PURPOSE

The Corporation is a collaborative effort created pursuant to a combination of four (4) distinct Performing Provider System initiatives led by the following four (4) hospital systems: Auburn Community Hospital (“ACH”); Faxton St Luke’s Healthcare (“FSLH”); St. Joseph’s Hospital Health Center (“St Joseph’s”); and the State University of New York Upstate Medical University (“Upstate”), each of which desire to work together to improve the delivery of healthcare services for the population in the counties of Cayuga, Lewis, Madison, Oneida, Onondaga and Oswego (the “Central New York Region”).

The Corporation shall develop a Delivery System Reform Incentive Payment (“DSRIP”) Project Plan to reform New York State’s health care system and reduce costs by participating in New York’s Medicaid Redesign Team’s Waiver Amendment authorizing the development of the DSRIP Plan. The Corporation will be subject to the rules and regulations of the New York State Department of Health (hereinafter “Department of Health”) and, should it so choose, active supervision under and subject to New York Public Health Law Section 2999-aa and regulations promulgated thereunder.

The Corporation will submit a DSRIP Project Plan Application to the Department of Health to be a Performing Provider System (PPS) and collaborate on, and carry out, a DSRIP Project Plan by developing and implementing: integrated delivery systems; primary care and behavioral health access and coordination; care coordination and transitional care programs; clinical improvement projects relating to behavioral health and physical health needs identified in a community needs assessment; and population health, promoting New York State’s Prevention Agenda. The goals of the Corporation through its DSRIP Project Plan are to create and sustain an

integrated, high performing health care delivery system that can effectively and efficiently meet the needs of Medicaid and other eligible patients under the DSRIP Program in the Central New York Region by improving care, improving health and reducing costs.

The Corporation, with its Partner Organizations (as defined below), will collaborate to achieve predefined results in the transformation of care delivery for Medicaid and other eligible patients under the DSRIP Program in the Central New York Region, focusing on improving outpatient clinical management and population health and reducing avoidable and preventable hospitalizations and emergency department visits. "Partner Organizations" shall mean health care providers and other organizations that have entered into a Partner Organization Agreement with the Corporation. A list of the Partner Organizations will be posted by the Board of Directors from time to time on the Corporation's website.

The Corporation intends to become an integrated delivery system, with the expectation and intention of evolving over the DSRIP Program period consistent with applicable laws and regulations and the directives of the Department of Health for the DSRIP Program.

The Corporation shall have and may exercise all powers necessary and convenient to effect any and all of the foregoing purposes for which the Corporation is formed, together with all the powers now or hereafter granted to it by the State of New York.

ARTICLE IV

MEMBERS

SECTION 1. MEMBERS

The Corporation shall have two (2) classes of Members, Class A Members and Class B Members. The Class A Members shall be FSLH, St. Joseph's and Upstate. The Class B Member shall be ACH. Each Class A Member and Class B Member shall have an equal vote with respect to any action required or permitted to be taken by the Members, other than with respect to powers reserved solely to the Class A Members, as further provided below. The act of the Chief Executive Officer of a Member on behalf the Member shall be deemed the act of the Member with respect to the Corporation.

In the event that a Member: (i) enters into an arrangement that results in another Member having decision-making authority over any of the powers enumerated in 10 NYCRR 405.1(c) with respect to such Member, (ii) enters into an arrangement that results in another person or entity having decision-making authority over any of the powers enumerated in 10 NYCRR 405.1(c) with respect to such Member and another Member, or (iii) ceases to be an established operator of an Article 28 facility, the Member's membership in the Corporation shall automatically terminate; provided, however that if the event described in subsection (ii) occurs simultaneously with respect to more than one Member, the membership of one of those Members may continue, as determined by those Members.

SECTION 2. POWER AND AUTHORITY

The Members shall retain the power and authority to:

- A. Adopt and/or amend the Certificate of Incorporation;
- B. Adopt and/or amend the By-laws;
- C. Each Member shall designate an individual representative to serve on the Board of Directors, who shall be a voting member of the Board (each a “Member Designated Director”);
- D. Elect the remaining members of the Board of Directors from the slate proposed by the Nominating Committee (each an “Elected Board Member”), and, in the event that the Members’ do not approve any such slate, to appoint a new Nominating Committee;
- E. Appoint the Chairperson and the Executive Director as provided in Article VI, Section 2 herein;
- F. Elect the members of the Executive Committee of the Board of Directors from the slate proposed by the Nominating Committee;
- G. Approve the sale or transfer of all or substantially all of the Corporation’s assets;
- H. Approve the merger, consolidation or affiliation of the Corporation with another corporation, organization or program;
- I. Dissolve the Corporation and approve the disposition of its assets;
- J. Approve the DSRIP Project Plan Application to be submitted to the Department of Health, including but not limited to the methodology and distribution plan for allocating any DSRIP payments held by the Corporation and any modifications to the approved DSRIP Project Plan;
- K. Approve service agreements between a Member and the Corporation, or any amendment thereto, whereby the Member will provide services to the Corporation at fair market rates;
- L. Approve an agreement between Upstate and the Corporation, or any amendment thereto, whereby Upstate will provide to the Corporation DSRIP payments paid to Upstate as the financial lead for PPS;
- M. Approve and enforce the Corporation’s written policy for addressing the management and, if necessary, sanction of poor performing Partner Organizations; and
- N. Approve settlement of litigation involving the Corporation when any such settlement amount exceeds applicable insurance coverage.

The Class A Members, voting as a separate class, shall retain the sole power and authority to approve the Corporation’s: (i) annual capital and operating cash budgets; (ii) subventions; (iii) indebtedness; (iv) capital calls and/or funding requests to the Class A Members; and (v) dues assessments to all of the Members and Partner Organizations.

It is intended that the Class A Members will meet the operating and capital needs of the Corporation that cannot otherwise be satisfied through operating revenue, DSRIP payments, grants, loans from non-Class A Members, or the implementation of an equitable assessment to be shared by all the Members and all the Partner Organizations through Class A Member loans, Class A Member capital contributions, or subventions, where applicable pursuant to separate agreements to be entered with the Corporation from time to time. In the event that a Class A Member fails to match the contributions and or loans that are (i) approved by the Class A Members and (ii) made by the other Class A Members, after 150 days’ notice, such Class A Member shall automatically become a Class B Member until such Member has matched the contributions and or loans made by the other Class A Members, at which time such Member will once again become a Class A Member.

The following will not be subject to a separate vote by the Members or the Board of Directors: (1) Repayment of a loan to the Corporation from a Class A Member according to the terms of the agreement between the Class A Member and the Corporation approved by the Class A

Members, (2) Payment to a Member for services according to the terms of an agreement between the Member and the Corporation approved by the Members, and (3) Repayment of other expenses by Members on behalf of the PPS prior to formation of the Corporation that were incurred in excess of DSRIP planning grants received by such Members.

SECTION 3. ANNUAL MEETINGS

An annual meeting of the Members of the Corporation will be held within one hundred twenty (120) days after the end of the Corporation's fiscal year, which will coincide with the end of the PPS's recommended fiscal year pursuant to DSRIP guidance issued by the Department of Health, for the purpose of approving successor directors, and for the transaction of such other business as may properly come before this meeting.

SECTION 4. SPECIAL MEETINGS

Special meetings of the Members of the Corporation may be called by the Members, the Chairperson of the Board or the Executive Director when he/she deems it to be in the best interest of the Corporation. Notice of any such meeting shall be mailed, faxed or e-mailed to the Members at least ten (10), but no more than fifty (50), days before the scheduled date set for said special meeting. Such notice shall state the reasons that such meeting has been called, the business to be transacted at such meeting, and by whom called.

At the request of two (2) members of the Board of Directors, the Chairperson of the Board of Directors or Executive Director shall cause a special meeting of the Members to be called. Such request shall be made in writing at least ten (10) days before the requested scheduled date.

SECTION 5. MEETING WITHOUT PHYSICAL PRESENCE

The Members of the Corporation may meet by means of a conference telephone, electronic video screen communications or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Such participation in a meeting shall constitute presence in person at the meeting for purposes of establishing quorum.

SECTION 6. ACTION BY THE MEMBERS

Any action required or permitted to be taken by the Members, except as otherwise required by law or these By-laws, shall be authorized by a majority of the votes cast at a meeting of the relevant class of Members by the Members entitled to vote at such meeting on such matter. Unless otherwise specified in these By-laws, at any meeting of the Members, each Member present shall be entitled to one (1) vote.

SECTION 7. ACTION BY CONSENT OF MEMBERS WITHOUT A MEETING

Any action required or permitted to be taken at a regular or special meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Members. Such consent may be in writing or electronic as permitted by law.

SECTION 8. WAIVER OF NOTICE OF MEETING

Whenever the Members are authorized to take any action after notice to any person or persons, or after the lapse of a period of time, such action may be taken without notice and without the lapse of such period of time, if at any time before or after such action is completed, the person or persons entitled to such notice or are entitled to participate in the action to be taken, submit a signed waiver of notice of such requirements in writing or electronically as permitted by law.

SECTION 9. NON-VOTING ATTENDEES FOR MEMBER MEETINGS

Two Directors shall be selected at the annual meeting of the Members as Non-Voting Attendees for meetings of the Members of the Corporation pursuant to the slate recommended by the Nominating Committee and approved by the Board of Directors. The Non-Voting Attendees shall serve one (1) year terms. At least one Non-Voting Attendee shall be selected from the FQHC Category of Elected Board Members. Non-Voting Attendees shall be permitted to attend, receive notices, and participate with respect to all meetings of the Members, unless the Members elect to go into executive session. For the avoidance of doubt, under no circumstances shall the Non-Voting Attendees be permitted to vote on any matters submitted to the Members at any meeting of the Members.

ARTICLE V

BOARD OF DIRECTORS

SECTION 1. MANAGEMENT OF THE CORPORATION

The governing board of the Corporation shall be the Board of Directors consisting of not fewer than the four (4) Member Designated Directors, plus any Elected Board Members (each a "Director"); provided, however, that the total number of voting Directors shall not exceed more than twenty-two (22). No Partner Organization shall have more than one (1) representative on the Board of Directors. The Board of Directors shall be charged with the general management of the affairs, property and business of the Corporation, taking into due consideration the recommendations and suggestions of the Project Advisory Committee ("PAC") in conformance with Department of Health requirements.

SECTION 2. ELECTION AND QUALIFICATIONS OF BOARD

The Elected Board Members shall be elected at the annual meeting of the Members pursuant to the slate recommended by the Nominating Committee and shall serve for a period of up to three years or until their successors are elected. The slate shall be arranged so that approximately one-third of the Board of Directors shall be elected or reelected annually. The maximum number of successive terms shall be two, except for initial Directors who serve for less than a three year term may serve for three successive terms. The Elected Board Members shall be comprised of employees or contractors of Partner Organizations. To promote shared governance among the Partner Organizations, the Elected Board Members shall include:

- (i) up to seven (7) representatives from the licensed hospitals located in the Central New York Region that are not Members (the "Hospital Category");

(ii) four (4) representatives from Federally Qualified Health Centers located in the Central New York Region (the “FQHC Category”); and

(iii) up to seven (7) additional representatives, consisting of: one (1) representative from either a County Health Department or County Mental Health Department; one (1) representative from either an OMH licensed provider or an OPWDD licensed provider; one (1) representative from either an OASAS licensed provider or a designated Health Home; one (1) representative from either a licensed skilled nursing facility or a licensed home care agency; and three (3) at large representatives who are affiliated with Partner Organizations, in each case which serve the Central New York Region’s Medicaid, uninsured and low income population (the “Community Partner Category”). If the Nominating Committee is in good faith unable to recommend to the Members a slate that represents each of the foregoing criteria for the Community Partner Category, the Nominating Committee may complete the slate for the Community Partner Category from among representatives of other Partner Organizations. In completing any slate to be recommended to the Members, the Nominating Committee shall give consideration to including representation from: (i) primary care and behavioral health care providers, including physicians and nurses and (ii) community based organizations and peer supported organizations.

To the extent that there are less than eleven (11) seats on the Board of Directors filled from the Hospital Category, the number of seats to be filled from the Community Partner Category shall be correspondingly reduced, so that the aggregate number of Member Designated Directors and Directors from the Hospital Category equal the aggregate number of Directors from the FQHC Category and the Community Partner Category.

SECTION 3. RESIGNATION OF DIRECTORS

Any Director may resign by presenting to the Secretary a written statement of resignation. In the event that a Director ceases to be an employee or contractor of a Partner Organization, such Director shall be deemed to have resigned when the applicable Partner Organization delivers to the Secretary a written statement that such Director ceases to be an employee or contractor of the Partner Organization.

SECTION 4. VACANCIES

If any vacancy occurs on the Board of Directors by reason of the death, resignation, or retirement of an Elected Board Member, the vacancy shall be elected by the Members after receiving the recommendation of the Nominating Committee.

SECTION 5. QUORUM OF DIRECTORS

A majority of the entire Board of Directors (excluding non-voting Directors) shall constitute a quorum for the transaction of business or of any specified item of business.

If a quorum is not present at any meeting of the Board of Directors, a majority of the Directors present may adjourn the meeting without notice other than announcement at the meeting, until quorum is present.

SECTION 6. POWERS AND RESPONSIBILITIES

The Board of Directors shall have the general power to manage and control the affairs, property and business of the Corporation and shall have the full power by majority vote (unless otherwise provided in these By-Laws) to adopt rules and policies governing the action of the Board of Directors and the Corporation to assure compliance with existing laws and regulations and the attainment of DSRIP goals, taking into consideration the recommendations and suggestions of the PAC. The Board of Directors shall have full authority with respect to the distribution and payment of monies received and owed by the Corporation from time to time, subject to the rights of the Members in Article IV, Section 2 herein. A vote of two-thirds (2/3) of the Board of Directors shall be required to approve: (i) the Corporation's DSRIP Project Plan Application and any modifications to such Plan; (ii) the Corporation's annual capital and operating budgets, and (iii) the methodology and distribution plan for allocating DSRIP payments held by the Corporation, in each case subject to the rights of the Members in Article IV, Section 2 herein. The Board of Directors shall ensure that the Corporation adheres to the fundamental and basic purposes of the Corporation, as expressed in the Certificate of Incorporation, these By-laws and the DSRIP Program requirements of the Department of Health. The Board of Directors shall not permit any part of the net earnings of the Corporation to inure to the benefit of any director, officer, or other private person.

ARTICLE VI

OFFICERS

SECTION 1. OFFICERS

The officers of the Corporation shall be the Chairperson, Vice Chairperson, Secretary and Treasurer of the Board of Directors and the Executive Director ("Officers").

SECTION 2. ELECTION/TERM OF OFFICE/VACANCIES

All Officers, other than the Executive Director and the Chairperson, shall be elected by the Board of Directors at any special meeting and thereafter at its annual meeting from among the Directors. The Members shall appoint the Chairperson and the Executive Director. All other Officers shall hold office for a period of one year or until their successors have been duly elected and qualified. Any vacancy in any of the offices shall be filled for the unexpired portion of the term by the Board of Directors at any regular meeting or special meeting called for that purpose.

SECTION 3. OTHER OFFICERS

The Board of Directors may appoint such other Officers, including an Assistant Secretary, Assistant Treasurer or second Vice Chairperson, and agents as it shall deem necessary, each of whom shall hold their offices for such terms and shall exercise such powers and shall perform such duties as shall be determined from time to time by the Board of Directors.

SECTION 4. EXECUTIVE DIRECTOR

The Executive Director shall be an employee and the Chief Executive Officer of the Corporation and an ex-officio, non-voting Director. The Executive Director shall have such powers as may be reasonably construed as belonging to the Chief Executive Officer of any organization.

The Executive Director shall supervise implementation of the policies of the Corporation and shall perform all other duties required to be performed by these By-Laws and as may be prescribed by or assigned from time to time by the Board of Directors. Without limiting the generality of the foregoing, the Executive Director shall have such powers as are necessary to oversee operations of the Corporation and implement the goals of the Corporation as determined by the Board of Directors and as required by the DSRIP Program, including but not limited to oversight of the projects identified in the Corporation's DSRIP Project Plan.

SECTION 5. CHAIRPERSON OF THE BOARD

The Chairperson shall preside at all meetings of the Board of Directors. The Chairperson shall have such powers and duties as may from time to time be assigned by the Board, and shall serve as ex-officio member of any committee of the Board of Directors other than the Nominating Committee. No employee of the Corporation shall serve as Chairperson or hold any other title with similar responsibilities.

SECTION 6. VICE CHAIRPERSON OF THE BOARD

The Vice Chairperson shall perform all duties which may be assigned to him or her from time to time by the Chairperson or the Board of Directors. The Vice Chairperson shall serve as Chairperson in the absence or inability to act of the Chairperson or if the office of Chairperson is vacant. If there is more than one Vice-Chairperson, the first Vice-Chairperson and, in his or her absence the second Vice-Chairperson, shall perform the duties of the Chairperson hereunder.

SECTION 7. SECRETARY

The Secretary shall attend all meetings of the Board of Directors and record all the proceedings of the meetings of the Corporation and of the Board of Directors in a book to be kept for that purpose. The Secretary shall give and serve all notices of all Annual and Special Meetings of the Members and Board of Directors, and shall maintain a roll of all Member and Director physical and email addresses, and telephone and facsimile numbers, to effect such notice. The Secretary shall have custody of the corporate seal and the authority to affix the same to any instrument requiring it, and attest by signature the affixing of the corporate seal. The Secretary shall act as custodian of all records and reports of the Board of Directors and will carry on the duties regularly assigned to the Secretary by the Board of Directors.

SECTION 8. TREASURER

The Treasurer shall have general supervision care and custody of, and be responsible for the funds and securities of the Corporation. The Treasurer shall keep complete and accurate account of the receipts and disbursements of the Corporation and shall deposit all monies and other valuable effects of the Corporation in the name of and to the credit of the Corporation in such banks and depositories as the Board of Directors may designate. Upon reasonable request, the books and accounts of the Corporation shall be exhibited to any Officer or Director of the Corporation.

The Treasurer shall serve as the Chairperson of the Finance Committee and perform such other duties as shall from time to time be assigned by the Board of Directors.

ARTICLE VII

MEETINGS

SECTION 1. ORGANIZATION

The Chairperson or a Vice-Chairperson shall preside at all meetings of the Board of Directors. The Secretary of the Corporation shall act as Secretary at all meetings of the Board of Directors. In the absence of the Secretary, the presiding officer may appoint any person to act as Secretary at that meeting.

SECTION 2. VOTING

At any meeting of the Board of Directors, each Director present shall be entitled to one (1) vote.

SECTION 3. NOTICE

Notice of the annual and special meetings of the Board of Directors shall be given by the Secretary to each Director personally, by telephone, by mail, by email, or by fax, not less than seven (7) days before the meeting. Any Director may waive notice of any meeting either in written or electronic format as permitted by law, or by presence at the meeting without protesting lack of notice.

SECTION 4. ANNUAL MEETING

The annual meeting of the Board of Directors shall be held within one hundred twenty (120) days after the end of the Corporation's fiscal year for the purpose of nominating Directors and electing officers, appointing committees and for the transaction of such other business as may be properly brought before the meeting.

SECTION 5. REGULAR MEETING

Regular meetings of the Board of Directors shall be held at such time and at such place as may be determined by the Directors in advance pursuant to an annual schedule. No notice shall be required for any regular meeting.

SECTION 6. SPECIAL MEETINGS

Special meetings of the Board of Directors may be called at any time by the Chairperson, the Executive Director or two (2) Directors. Notice shall be sent not less than seven (7) days prior to any special meeting of the Board of Directors to each Director either personally, by email, by mail or facsimile.

SECTION 7. CONSENT WITHOUT MEETING

Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if a consent in writing to the adoption of a resolution authorizing the action taken shall be signed by all of the Directors entitled to vote. Such consent may be in written or electronic form in the manner permitted by law. The resolutions and consents shall be filed with the minutes of the Corporation.

SECTION 8. MEETING WITHOUT PHYSICAL PRESENCE

Any Director may participate in a meeting of the Board of Directors by means of a conference telephone, electronic video screen communications or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Such participation in a meeting shall constitute presence in person at the meeting for purposes of establishing quorum.

SECTION 9. TERMINATION OF DIRECTORSHIP

A Director shall automatically be deemed to have resigned from his or her position on the Board of Directors if the Director fails to attend at least one-half of the regular meetings of the Board of Directors held in any calendar year, unless this provision is waived by action of the Board of Directors. If a Member Designated Director has been appointed by a Member whose membership in the Corporation is terminated pursuant to Article IV, Section 1, such Director shall automatically be deemed to have resigned from his or her position on the Board of Directors. If any Partner Organization affiliates, merges or otherwise comes under common control with another Partner Organization, and more than one of such Partner Organizations have an employee or contractor serving on the Corporation's Board of Directors, any such Director shall automatically be deemed to have resigned from his or her position on the Board of Directors.

ARTICLE VIII

COMMITTEES

SECTION 1. COMMITTEES

Committees of the Board of Directors and other committees of the Corporation may be authorized by the Board of Directors and shall have only those duties and powers as may be specifically assigned and delegated to them by the Board of Directors. The Board of Directors shall authorize committees as required by the Department of Health's DSRIP rules and regulations.

Committees shall be established as set forth in these By-Laws or as determined by the Chairperson with the consent of a majority of the Board of Directors. Committees of the Board of Directors shall be comprised only of Directors. The Board of Directors also may establish committees of the Corporation, which may include members who are not Directors but who possess relevant expertise and experience to assist the committee, and committees with such members shall be committees of the Corporation and advisory to the Board. The Chairperson of the Board shall

designate a Director to serve as the chairperson of each committee, and each committee member shall serve at the pleasure of the Board of Directors.

Each committee Chairperson shall designate a member of the committee to keep and deliver a report of each committee meeting to the Board of Directors. Unless otherwise specified below, a majority of the members of a committee shall constitute a quorum.

Vacancies occurring from time to time in the membership of any committee may be filled by the Chairperson.

The term of each Non-Director Committee Member shall be for two years. The maximum number of successive terms shall be two. After which, a Non-Director Committee Member may be eligible for reappointment after a two-year absence from the Committee. The initial slate of Non-Director Committee Members shall be arranged so that approximately fifty percent of the Non-Director Committee Members' two-year term shall have commenced at the beginning of DSRIP Year-1 and the two-year term of the remaining Non-Director Committee Members shall commence at the beginning of DSRIP Year-2.

SECTION 2. EXECUTIVE COMMITTEE

The members of the Executive Committee shall be elected initially at any special meeting and thereafter at the annual meeting of the Members pursuant to the slate recommended by the Nominating Committee and approved by the Board of Directors. The Executive Committee shall consist of the Member Designated Directors, one Director from the Hospital Category (who shall not be a representative of a Member), two (2) Directors from the FQHC Category and three (3) Directors from the Community Partner Category. It shall be the duty of the Executive Committee to provide continuity of the Board of Directors' activities and to act in the place of the Board of Directors when the Board of Directors is not in session, and the Executive Committee shall have the full power to act on behalf of and bind the Corporation between meetings of the Board of Directors. The Corporation shall maintain minutes of the Executive Committee meetings, and all actions taken by the Executive Committee shall be reported to the Board of Directors at any subsequent meeting of the Board.

Two-thirds (2/3) of the members of the Executive Committee shall constitute a quorum for the transaction of business, and at any meeting at which a quorum is present, a majority of those present and acting shall bind the Committee.

SECTION 3. NOMINATING COMMITTEE

The members of the Nominating Committee shall be appointed by the Board of Directors. The Nominating Committee shall consist of nine (9) persons, all of whom shall be Directors (but shall not include the Chairperson), and shall include the Member Designated Directors (except a Member Designated Director that serves as the Chairperson) and at least one representative from each of the Hospital Category (who shall not be a representative of any Member), the FQHC Category and the Community Partner Category. The Nominating Committee will participate in active recruitment efforts to attract Directors and, at the annual meeting, will forward to the Members: (i) a slate of Directors for election to the Board; (ii) a slate of Directors for election to the Executive Committee; and (iii) a slate of Directors to act as Non-Voting Attendees for meetings of the Members. Subject to the rights of the Members in Article IV, Section 2 herein, if any vacancy occurs on the Board of Directors or the Executive Committee, the Nominating

Committee will provide the Board of Directors with a recommendation to fill such vacancy. In compiling proposed slates or making recommendations to fill vacancies, the Nominating Committee shall give due consideration to promoting geographic inclusiveness across the Central New York Region and the goal of ensuring that the Board of Directors has the necessary expertise to oversee the mission and activities of the Corporation. The Nominating Committee shall also provide recommendations on an orientation process for new Directors and education programs regarding the purposes and goals of the Corporation and its DSRIP Project Plan.

SECTION 4. CLINICAL GOVERNANCE COMMITTEE

The Clinical Governance Committee shall be appointed by the Board of Directors. The Chairperson of the Clinical Governance Committee shall be a Director, but the other members of the committee need not be Directors. Members of the committee shall possess expertise in management, quality measurement, improvement and reporting, patient safety, care coordination and population health. The Clinical Governance Committee members shall also have expertise in differing professional disciplines and care settings, as needed to oversee the Corporation's DSRIP Projects. The Clinical Governance Committee shall be responsible for overseeing PPS care delivery, care coordination, quality standards and the quality performance of DSRIP Projects. Such responsibility shall include approval of: (i) standardized care management processes and evidence-based pathways; (ii) uniform, valid metrics for reporting by Partner Organizations participating in DSRIP Projects; and (iii) recommendations for workforce training relative to quality and patient safety to carry out DSRIP Projects. The Clinical Governance Committee shall review the reports and data of quality measures for each DSRIP Project, including data and recommendations generated by the rapid cycle evaluation process, and assess the progress of DSRIP Projects in relation to established quality goals.

SECTION 5. INFORMATION TECHNOLOGY AND DATA GOVERNANCE COMMITTEE

The members of the Information Technology and Data Governance Committee shall be appointed by the Board of Directors. The Chairperson of the Information Technology and Data Governance Committee shall be a Director, but the other members of the committee need not be Directors. Members of the committee shall possess expertise in management, information technology, including electronic health records and the use of information technology to advance quality and administrative goals, and HIPAA/HITECH privacy and security. The Information Technology and Data Governance Committee shall be responsible for: (i) overseeing the assessment of information technology capacity and systems of Partner organizations; (ii) setting goals and a strategy to advance data reporting as required by DSRIP, including plans for interoperability of data systems and data sharing among Partner organizations; (iii) prioritizing the use of information technology resources to advance DSRIP Project and PPS goals; (iv) evaluating and recommending information technology systems and applications to Partner organizations; (v) overseeing development of the information technology budget for the Corporation and making a recommendation to the Board of Directors regarding adoption of the budget; and (vi) overseeing data sharing agreements between and among the Corporation and/or Partner Organizations.

SECTION 6. COMPLIANCE COMMITTEE

The Compliance Committee shall be appointed by the Board of Directors. The Chairperson of the Compliance Committee shall be a Director, but the other members of the

committee need not be Directors. Members of the committee shall possess expertise in management, finance, corporate compliance, compliance risks relevant to the operation of the Corporation as a PPS and privacy of protected health information. The Compliance Committee shall oversee development and implementation of the Corporation's Compliance Plan, and shall receive periodic reports from the Corporation's Compliance Officer and reports of any significant compliance matter identified by the Compliance Officer or any other member of the Corporation's senior staff. The Compliance Committee shall implement and oversee the Corporation's Conflict of Interest and Whistleblower Policies. The Compliance Committee shall also oversee compliance with HIPAA and state law privacy standards, including the adoption of standards for HIPAA security and overseeing HIPAA/HITECH security for the PPS.

SECTION 7. FINANCE COMMITTEE

The Finance Committee shall be appointed by the Board of Directors. The Chairperson of the Finance Committee shall be the Treasurer of the Corporation, but the other members of the committee need not be Directors. Members of the committee shall possess expertise in management and finance. The Finance Committee is authorized to receive and review all matters relating to the fiscal operation of the Corporation and to exercise any authority of the Board of Directors which may be lawfully delegated to it. Otherwise, it shall recommend actions to the Board of Directors and shall report its actions and recommendations to the Board of Directors.

The Finance Committee shall have responsibility to assist the Board of Directors in fulfilling its oversight of the accounting and financial reporting processes of the Corporation and the audit of the Corporation's financial statements. The Finance Committee is responsible for the following audit functions:

- (1) annually retaining or renewing the retention of, and monitoring the audit efforts of the Corporation's independent external auditors and reviewing with the auditors the results of their audit and any related management letter;
- (2) reviewing with the independent external auditors the scope and planning of the audit prior to its commencement;
- (3) upon completion of the audit, reviewing and discussing with the independent external auditors: (a) any material weaknesses and weaknesses in internal controls identified by the auditor; (b) any restrictions on the scope of the auditor's activities or access to requested information; (c) any significant disagreements between the auditor and management; and (d) the adequacy of the Corporation's accounting and financial reporting processes;
- (4) annually considering the performance and independence of the independent external auditor;
- (5) reporting on the Finance Committee's activities with respect to the Corporation's audit to the Board of Directors; and
- (6) monitoring the financial impact of DSRIP across the Corporation's Members and Partner Organizations.

SECTION 8. EXECUTIVE STEERING COMMITTEE

The Executive Steering Committee shall be appointed by the Board of Directors and shall consist of one (1) member from each of the Members. The Executive Steering Committee shall act as a liaison between the Executive Director and the Board of Directors and shall assist the Executive Director in successfully implementing the Corporation's DSRIP Project Plan.

ARTICLE IX

INDEMNIFICATION

Any person who was, is, or is threatened to be made a party to any action or proceeding, whether civil or criminal (including an action by or in the right of this Corporation or of any corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which any Director or Officer of this Corporation served on behalf of and at the request of this Corporation and provided services within the scope of his/her duties to the Corporation), by reason of the fact that such person is or was a Director, Officer, or member of a committee of the Board of Directors or other committee of the Corporation authorized by the Board of Directors, or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise on behalf of and at the request of this Corporation and provided services within the scope of his/her duties to the Corporation, shall be indemnified by this Corporation against all judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees actually and necessarily incurred in connection with the defense or appeal of any such action or proceeding; provided, that no indemnification shall be made to or on behalf of any person if a judgment or other final adjudication adverse to such person establishes that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled. The Corporation shall indemnify any such person seeking indemnity in connection with an action or proceeding initiated by such person only if such action or proceeding was specifically authorized by the Board of Directors. Such right of indemnification shall be a contract right and shall include the right of such person to receive payment from the Corporation for expenses incurred in defending or appealing any such action or proceeding in advance of its final disposition; provided, that the payment of such expenses in advance of the final disposition of such action or proceeding shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such person to repay all amounts so advanced if it should be determined ultimately that the person is not entitled to be indemnified.

Subject to the laws of New York State, the Corporation shall maintain insurance, at its expense, to protect itself and any Director, Officer, employee or agent of the corporation against any expense, liability or loss of the general nature contemplated by this article, whether or not the Corporation would have the power to indemnify the person against such expense, liability or loss under the laws of New York State. In furtherance thereto, the Corporation shall at all times maintain directors and officers coverage of \$3 million and errors and omissions coverage of \$1 million per occurrence, \$2 million aggregate, or such greater amounts as determined by the majority of the Board of Directors.

ARTICLE X

DISSOLUTION

The Board of Directors shall, after paying or making provision of the payment of all of the liabilities of the Corporation, and subject to the provisions of the New York Not-for-Profit Corporation Law, dispose of the remaining the assets of the Corporation to an organization with similar purposes which shall at the time qualify as an exempt organization(s) under Section 501(a) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine, upon approval of the attorney general of the State of New York.

ARTICLE XI

CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

The Corporation shall adopt a conflict of interest policy covering the Corporation's directors, officers, and key employees, and such other persons as may be specified in the policy by the Board. The policy will provide, at a minimum, a definition of the circumstances that constitute a conflict of interest, that any actual or potential conflict of interest shall be disclosed and made a matter of record. The policy will also provide that any individual who is the focus of an actual or potential conflict shall respond to requests for information necessary to make a determination about the conflict, shall not attempt to influence improperly the deliberation or voting on the matter, and shall not be present during any discussion and vote with regard to the conflict situation. The existence and resolution of the conflict shall be documented.

The Corporation shall not enter into a transaction with a "Related Party", as that term is defined in the Corporation's Conflict of Interest Policy, until all of the requirements set forth in the Corporation's Conflict of Interest Policy for approving a transaction with a Related Party have been satisfied, including, without limitation, that the transaction is determined to be fair, reasonable and in the Corporation's best interest at the time of such determination.

ARTICLE XII

AMENDMENT

Subject to the reserved powers of the Members, these By-Laws may be amended by the majority vote of the Board of Directors at any regular or special meeting of the Board of Directors provided the nature of the proposed action is given in the notice of the meeting, and such amendments are approved by the Members pursuant to Article IV, Section 2.