

HOSPITAL FINANCIAL REVIEW
BYLAWS OF THE
CHATTANOOGA-HAMILTON COUNTY HOSPITAL AUTHORITY

CHATTANOOGA-HAMILTON COUNTY
HOSPITAL AUTHORITY

ADOPTED:	January 11, 1977	
AMENDED:	November 8, 1977	
AMENDED:	January 10, 1978	
AMENDED:	May 8, 1979	
AMENDED:	June 10, 1980	
AMENDED:	September 15, 1981	
AMENDED:	October 9, 1984	
AMENDED:	April 9, 1987	Res. #87-04-3
AMENDED:	November 5, 1987	Res. #87-11-9
AMENDED:	April 21, 1988	Res. #88-04-9
AMENDED:	September 7, 1989	Res. #89-09-4
AMENDED:	April 5, 1990	Res. #90-04-4
AMENDED:	October 3, 1991	Res. #91-10-6
AMENDED:	April 8, 1993	Res. #93-03-10A
ADOPTED:	May 28, 1993	Res. #93-05-7
AMENDED:	July 15, 1993	Res. #93-07-9
REVIEWED:	July 18, 1995	
ADOPTED:	February 15, 1996	Res. #96-02-9
AMENDED:	April 16, 1998	Res. #98-4-1
TYPOGRAPHICAL CORRECTIONS:		July 28, 1998
AMENDED:	October 21, 1999	Motion at regular meeting
AMENDED:	November 18, 1999	Res. #99-11-9
AMENDED:	February 22, 2001	Res. #01-02-06
AMENDED:	June 28, 2001	Motion at regular meeting
AMENDED:	August 22, 2002	Res. #02-08-05
AMENDED:	March 27, 2003	Res. #03-03-06
AMENDED:	April 24, 2003	Res: #03-04-12
AMENDED:	April 24, 2003	Res: #03-04-01
AMENDED:	November 18, 2004	Res: #04-11-08
AMENDED:	April 26, 2007	Res: #07-04-10
AMENDED:	January 24, 2008	Res: #08-01-10
AMENDED:	July 22, 2010	Res: #10-07-02

(BYLAWS SECTION 11)

Notwithstanding any other provision of this law to the contrary, no bonds and/or bond anticipation notes shall be authorized or issued unless contributions required shall be current. Contributions required shall be as determined by actuary to amortize over a 40 year period or less any unfunded-accrued liability of pension funds administered and/or controlled by the Authority Board of Trustees.

"A certificate by such actuary with respect to the currency of such required pension fund contributions shall be conclusive for the purpose of determining compliance by the authority with the provisions of this section."

SECTION 10. The Board of Trustees shall annually prepare and submit to the Board of Commissioners of the City of Chattanooga, Tennessee, the Hamilton County Council and the Financial Review Committee a budget reflecting in detail all estimated revenue and expenses of the Hospital Authority. Said budget shall be for the fiscal year July 1 to June 30, shall reflect expenses within revenues, and shall be submitted by the Board no later than April 15, prior to the commencement of the fiscal year. No expenditures in excess of estimated revenues may occur except upon declaration by resolution of a majority of the members to which the Authority is statutorily entitled, but in no event shall such expenditures exceed actual revenues received plus one-half of undesignated fund balance.

"Notwithstanding the foregoing provisions of this section, nothing herein contained shall be construed as limiting any expenditures made by the authority for the payment of principal of and interest on bonds or other obligations issued by the authority."

*SECTION 11. A Financial Review Committee shall be created consisting of seven (7) members, one (1) of whom shall be Black. The membership shall be composed of the auditor of the city, the auditor of the county, and five (5) other persons who are residents of Hamilton County, three (3) of whom shall be appointed by the county judge with the approval of a majority vote of the county council and two (2) of whom shall be appointed by the mayor with the approval of a majority vote of the Board of Commissioners;

provided, that if any members of such committee shall not have been so appointed within 90 days from the date of approval of this act by the county council of the county, such members shall thereupon be appointed by a majority vote of the members of the legislative delegation.

*The members of the committee shall serve without compensation. They shall be indemnified by the authority for any liability they might incur while acting in such capacity other than for culpable negligence. With the exception of the city auditor and the county auditor, the remaining members shall be initially appointed to staggered terms as follows: two (2) for terms of three (3) years; one (1) to be so appointed by the county judge and one (1) to be so appointed by the mayor; two (2) for terms of two (2) years; one (1) to be so appointed by the county judge and one (1) to be so appointed by the mayor; and one (1) to be so appointed by the county judge for a term of one (1) year. Thereafter, each appointee shall serve for a period of three (3) years and such appointee's successor shall be appointed in the same manner and by the same official who appointed the person whose term has expired. Any person appointed to fill a vacancy for any reason other than expiration of term of office shall be appointed to hold office for the remainder of the term of the member vacating the office. Said vacancy shall be filled in the same manner as the original appointment.

*The Financial Review committee shall review the proposed issuance of bonds or long-term notes, to consider if the issuance of said obligations is within the fiscal ability of the authority based upon the appropriate preceding annual audits, monthly operating statements subsequent to the closing date of the most recent audit period included in the most recent annual audit, additional revenue projections reasonably anticipated as a result of the proposed capital expenditure (taking into account any probable revenue loss during replacement, if any), and any other data reasonably bearing upon the fiscal soundness of the issuance of such bonds or long-term notes. At such time or times as the Board of Trustees of the authority shall desire to authorize the issuance of bonds or long-term notes it shall first submit the proposal to issue such obligations to the Financial Review Committee, which committee shall file its advisory report thereon

with the Board of Trustees within sixty (60) days after the receipt of such proposal. Upon the filing of such report with the Board of Trustees, or after sixty (60) days following the date of submission of such proposal to such committee, whichever is earlier, the Board of Trustees may proceed with the issuance of such bonds or long-term notes; provided, that the submission to the Financial Review Committee herein required shall not be necessary at any time if such committee has not then been validly appointed and is not in existence.

*The Financial Review Committee shall annually review the proposed budget prepared by the Board of Trustees and shall file its report thereon with the Board of Trustees and the County Council.

All reports of the Financial Review Committee shall be made to the County Council of the county, the Board of Commissioners of the city and the Board of Trustees of the authority, and shall be considered by the respective governing bodies with which such reports are filed.

SECTION 12. Chattanooga-Hamilton County Hospital Authority shall be obligated to make available without regard to race, religion or national origin, its facilities and patient care programs to the indigent (as defined from time to time by the County Auditor) residents (as defined from time to time by the County Auditor with the approval of the county legislative body) of Hamilton County, City of Chattanooga, and all other incorporated municipalities within Hamilton County to the extent that funds are appropriated from time to time by the County Council and adjusted profits (profits minus principal payments on Hospital building bonds and long-term notes) derived from operation of the Hospital are utilized. To assist the Council in determining its annual appropriation, the Hospital Authority shall submit to the Hamilton County Council the cost to the Hospital Authority of providing indigent patient care which shall include patient days, clinic visits, emergency room visits and other approved patient services. In any event, the annual appropriation to the Chattanooga Hamilton County Hospital Authority shall not be less than \$3,000,000 in each fiscal year without approval of the Authority, so long as the 1966 Hamilton County Sales Tax Agreement shall remain in effect.

CHATTANOOGA-HAMILTON COUNTY HOSPITAL AUTHORITY
BOARD OF TRUSTEES

RESOLUTION NUMBER 94-11-7 A

RESOLUTION TO ADOPT A JOB DESCRIPTION OUTLINING THE DUTIES
AND RESPONSIBILITIES OF THE HOSPITAL AUTHORITY BOARD MEMBERS

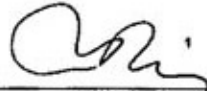
WHEREAS, the Tennessee Hospital Association seminars and other educational programs are beginning to address the importance of having Job Descriptions for Trustees, and

WHEREAS, because it is felt that having a Job Description outlining the responsibilities of Trustees would be beneficial not only to the Trustees, as a reminder of their duties as Board members, but to the appointing bodies in their selection of the new Trustees appointed to the Board, the attached Job Description has been developed in accordance with and using the criteria from the Hospital Authority Act, the Hospital Authority Bylaws and the JCAHO Standards for the Governing Body, and

WHEREAS, the attached Job Description has been distributed to all Trustees for review and the suggested changes have been made, and

NOW THEREFORE BE IT RESOLVED, that the Chattanooga-Hamilton County Hospital Authority Board of Trustees adopts the attached Job Description, which outlines the duties and responsibilities of the Hospital Authority Board Members, but which is subordinate to the Hospital Authority Act's and Bylaws.

DATE ADOPTED: November 15, 1994



CHAIRMAN

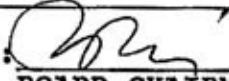
ATTEST:



SECRETARY

CHATTANOOGA-HAMILTON COUNTY HOSPITAL AUTHORITY
BOARD OF TRUSTEES

JOB DESCRIPTION

TITLE: BOARD MEMBERS APPROVED BY: 
BOARD CHAIRMAN

DEPARTMENT: BOARD OF TRUSTEES DATE: 15 Nov 94

GOVERNING AUTHORITY

The Board of Trustees of the Chattanooga-Hamilton County Hospital Authority derives its power to own and operate Erlanger Medical Center and other related health facilities from Chapter 297 of the Private Acts of 1976 passed by the General Assembly of the State of Tennessee.

POWERS

The Board of Trustees shall have all powers set forth in Chapter 297 as well as all other powers that would legally allow it to prudently and properly manage Baroness Erlanger Hospital, T.C. Thompson Children's Hospital, Willie D. Miller Eye Center and other related facilities.

POWER TO DELEGATE

The Board of Trustees shall have the power and may delegate the powers set out in the Hospital Authority Board Policy Manual (Bylaws) or the duties of the Board or any officer of the Board to the Chief Executive Officer of the Authority or to any of the Authority's employees. Such delegation of powers or duties may be limited or changed by the Board of Trustees from time to time as it deems to be in the best interest of the Authority.

ROLE OF BOARD MEMBERS AS RELATED TO THE ORGANIZATION

The Hospital Authority Governing Board represents the corporate leadership and ownership of Erlanger Medical Center and its other related facilities. The Board is ultimately responsible for the institution, the protection of its assets and the quality of services provided to its patients.

The Hospital Authority Governing Board is responsible for guiding and directing the organization, for establishing policies, and for charting its future course. The Board is concerned with legal and regulatory compliance, proper investment and business procedures, and liability insurance coverage. In addition, the Board concerns itself with determining the hospital's role such as deciding whether a particular activity or service falls within the organization's expressed purpose. The Board is also concerned with its relations with the public and with other health care organizations.

The Hospital Authority Governing Board ensures the competence and integrity of those who provide patient services.

The Hospital Authority Governing Board respects the responsibilities delegated by the Board to the CEO, Management, and the Medical Staff, avoiding interference with their duties but insisting upon accountability and reporting mechanisms for assessing actual performance.

The Hospital Authority Governing Board assumes the role of "court of last resort" when differences of opinion arise within the organization.

The Hospital Authority Governing Board ensures that specific organizational goals and philosophies are identified so that all parties (Board, Administration and Medical Staff) have a clear understanding of why the institution exists and what goals they should be working toward.

The Hospital Authority Governing Board carries out the functions of various Board committees, which have been appointed to focus on particular issues of concern.

RESPONSIBILITIES OF THE HOSPITAL AUTHORITY GOVERNING BOARD

1. **Quality Improvement** - The Board's first responsibility is to maintain the quality of patient care and service. This responsibility extends to every facet of patient care that is delivered within the institution. As outlined in the Board Bylaws, the Board shall retain the final authority on Medical Staff issues and issues regarding the quality of patient care.

The Board shall revise and approve Quality Improvement Plans and monitor indicators of the quality of care and quality of service.

The organized Medical Staff has the primary responsibility to oversee the physicians' practices as they relate to the quality of care provided in the hospital. This responsibility is delegated to the Medical Staff by the Board of Trustees, and the Board receives reports from the Medical Staff on how this responsibility is carried out. The Board adopts the Medical Staff Bylaws. The Board shall appoint and reappoint members of the Medical Staff and approve delineation of clinical privileges, based on fully supported Medical Staff recommendations. Even though the Board may delegate certain tasks to the Medical Staff, it retains ultimate responsibility for what happens in the hospital.

2. **President/Chief Executive Officer** - In accordance with the Board Bylaws, the Board shall employ or contract with and fix the compensation of a Chief Executive Officer. The Chief Executive Officer shall be designated as "President" and shall: (a) be the principal executive officer of the Authority; (b) be subject to the control of the Board of Trustees; and (c) generally supervise and control the operations of the Authority. He shall in general perform all duties incident to the office of a Chief Executive Officer or President and such other duties as may be prescribed by the Board of Trustees from time to time.

The Board supports the CEO and Management; however, the final decision on a given issue rests entirely with the Board of Trustees. The Board delegates authority to the Chief Executive Officer to run the hospital, but in the final analysis, it cannot delegate its responsibility for the hospital's role and proper functioning.

The Board evaluates the performance of the Chief Executive Officer. In accordance with the Hospital Authority Bylaws, the Board shall remove the CEO at any time by a majority vote of the Board whenever in its judgment the best interest of the Authority would be served thereby.

3. Hospital Authority Bylaws - The Board adopts bylaws in accordance with its legal accountability and its responsibility to the patient population served.

4. Mission - Goals and Objectives - In order to properly and effectively carry forth the duties imposed upon it to properly manage the Chattanooga-Hamilton County Hospital Authority, the Board adopts the Mission, Vision Statement, Statement of Values, and Goals and Objectives as outlined in the Hospital Authority Bylaws. The Board will review on an annual basis the Authority's established goals and objectives to assure they are consistent with changes in the Medical Center's marketplace, economic and reimbursement conditions and changing operational needs.

5. Policy - The Board reviews and adopts the hospital's overall policies pertaining to finance investments, human resources, delivery of services, quality of care, and other significant areas. The Chief Executive Officer is responsible for implementing the Board's policy directives in the daily operation of the organization.

6. Strategic Planning - The Board provides for institutional Planning. Through the Board Planning Committee, the Board shall review the long-range and short-term strategic plans to assure that the hospital is meeting its mission to the community. In addition, the Board shall annually review and approve the Management Plan submitted by Executive Management through the budget process.

The Board monitors the effectiveness of major programs and takes appropriate action to support organizational excellence.

7. Fiduciary - The Board approves an annual operating budget, develops a long-term capital expenditure plan as required by applicable law and regulation, and monitors implementation of the plan. The Chief Executive Officer, or his designee, shall periodically, but no less frequently than quarterly, report to the Board the status of the capital and operating budgets and expenditures contained therein. However, in accordance with the Hospital Authority Bylaws, the approval of the budget by the Board shall not constitute the approval of any project contained therein, except such that is below the expenditure threshold herein set out or as revised hereafter by the Board. Rather, the Chief Executive Officer, or his designee, shall submit each such project to the Board for specific project approval. The Bylaws term "project" as an expenditure for equipment and/or construction of permanent improvements or demolition thereof in excess of One Hundred Thousand and 00/100 Dollars (\$100,000), or such other amount as the Board may determine by resolution.

The Board members carry out their responsibilities in recognition of a fiduciary responsibility to the organization and do not represent the interests of a narrow constituency.

8. Regulatory Requirements - The Board appoints the Joint Conference and Accreditation Committee to oversee hospital compliance with the laws and regulations of federal, state, and local governmental agencies and with the various rules and regulations of the various accreditation and approval agencies, including the Joint Commission on Accreditation of Healthcare Organizations (JCAHO).

9. Legal Counsel - The Board appoints and retains legal counsel for the Hospital Authority. The Board is to receive monthly reports from legal counsel through the Legal Committee or some other mechanism agreed to by the Board Members, such as through written confidential reports regarding the legal issues facing the Hospital Authority.

In addition, the Board provides support systems for risk management functions related to patient care and safety.

10. Duality of Interest (Disclosure Statements) - The Board members are responsible for signing Duality of Interest Statements provided by Legal Counsel and for disclosing to the Board any potential conflict of interest and removes himself/herself from discussions where a potential conflict of interest exists.

11. Personnel/Pension - The Board of Trustees, through the Board Personnel Committee, reviews and makes appropriate recommendations to the Board for modifications in the Hospital Authority's general personnel policies, fringe benefit program and wage and salary programs and other duties as outlined in Section 11, Article VI of the Board Bylaws.

In addition, the Board of Trustees, through the Pension Committee, review the financial status of the Pension Plan and investments therein, the audited pension report(s) and recommends any modifications or revisions deemed appropriate to the pension policies of the Authority, and other duties as outlined in Section 16, Article VI, of the Board Bylaws.

12. Internal Audit - The Board of Trustees employ the Internal Auditor of the Authority. He and his staff carry out their responsibilities as outlined in the Internal Audit Department Charter, which was approved by the Hospital Authority Board (Resolution 87-3-2). Through the Audit Committee, the Board

members review the financial and operational propriety of various activities of the Authority; review and oversee the implementation, operation and coordination of the Audit Department; review each audit report and evaluate corrective measures being taken; report to the full Board all matters discussed at each Audit Committee meeting; make recommendations deemed appropriate by the Audit Committee; and consider any other matters deemed appropriate by the Committee members.

13. Board Evaluations - To comply with JCAHO standards, the Board evaluates its own performance through annual evaluations. The results of the individual evaluations are compiled into one report by the Board Office staff. The evaluation forms do not have to be signed by the Trustee.

14. Continuing Education - The Board members participate in continuing education within the hospital and by attending out of town seminars regarding changes in the healthcare industry and current healthcare issues and trends.

15. Board and Committee Meeting Attendance - Without the support and participation of all Board members, the Board cannot effectively fulfill its fiduciary duties to the Authority. To stay up-to-date on current issues, healthcare trends, and specific concerns at Erlanger, Board members are encouraged to attend all Board meetings, meetings of committees to which each is assigned, and other committee meetings, when possible.

16. Confidentiality - The Board members respect the confidentiality of information provided to the Board.

17. Board Committee Assignments - The Board members willingly accept committee assignments. Each Board member is expected to chair or co-chair one or more Board committees during his or her tenure and shall serve as a member on various other committees.

18. Community Education - Whenever possible, the Board members educate the community regarding the issues facing the medical center and serve as an advocate for the organization.

BYLAWS OF THE

CHATTANOOGA-HAMILTON COUNTY
HOSPITAL AUTHORITY

JULY 22, 2010

CHATTANOOGA-HAMILTON COUNTY HOSPITAL AUTHORITY BYLAWS

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ARTICLE I

GOVERNING AUTHORITY

The Board of Trustees of the Chattanooga-Hamilton County Hospital Authority (hereinafter sometimes referred to as the "Authority") derives its power to own and operate Baroness Erlanger Hospital, T. C. Thompson Children's Hospital, Willie D. Miller Eye Center and other related health facilities from Chapter 297 of the Private Acts of 1976 passed by the General Assembly of the State of Tennessee on March 11, 1976, and adopted by a majority of the qualified voters of Hamilton County, Tennessee, on August 5, 1976. The original Act was amended by Chapter 125 of the Private Acts of 1977 which was passed by the General Assembly of the State of Tennessee on May 19, 1977, and approved unanimously by the Hamilton County Council on August 3, 1977. Minor amendments also were made in these Acts by Chapter 80 and Chapter 99 of the Private Acts of 1985, and Chapter 51 of the Private Acts of 2003 (collectively referred to as the "Acts").

The Board of Trustees shall have all powers set forth in Chapter 297 of the Private Acts of 1976, as amended by Chapter 125 of the Private Acts of 1977, as well as all other powers that would legally allow it to prudently and properly manage Baroness Erlanger Hospital, T. C. Thompson Children's Hospital, Willie D. Miller Eye Center and other related facilities.

ARTICLE II

MISSION, VISION AND VALUES

Mission Statement

Deliver excellence in medical care to improve the health status of our region, while providing vital services to those in need and training to health professionals through affiliation with academic partners.

Vision Statement

Erlanger will lead as a comprehensive provider of acute care and ambulatory health services, offering a "system of care" that delivers value in terms of quality, cost effectiveness, customer service, teaching and research - directed at improving the health of our community and region.

Core Values

Our values define who we are and how we act as stakeholders, individually and collectively. We live these values in all that we do. Values are inconsequential unless they drive our behavior, decisions and priorities. Values in action create a culture, and an organization's culture determines its success.

Honesty

We believe in honesty and are fully transparent in all we do.

Excellence

We distinguish ourselves by our commitment to deliver exceptional care, every time, demonstrating results in measurable ways.

Appreciation

We recognize and value the significance of the individual, contributing to the outcomes achieved by the team.

Respect

We recognize and advocate for the Erlanger team and for those served, embracing the power of appreciation, communicating and listening, treating each other with dignity, compassion and understanding.

Trust

We earn the trust of others because we hold ourselves accountable and conform to professional standards of conduct.

ARTICLE III

GOVERNING BOARD

Section 1. Board Composition and Tenure of Office:

The Board of Trustees shall consist of eleven (11) members as set forth in Section 3 of Chapter 297 of the Private Acts of 1976, as amended by Chapter 125 of the Private Acts of 1977, heretofore referred to. The method of appointment of the members of the Board of Trustees shall be governed by the Acts establishing the Authority. All vacancies and reappointments of members of the Board of Trustees shall also be governed in accordance with those Acts, pertinent portions of which are attached hereto as Exhibit 1.

Section 2. Powers:

The Board of Trustees shall have all power and authority set out in the Acts and other applicable laws including, without limitation, the exclusive control of all matters pertaining to the management and operation of Baroness Erlanger Hospital, T. C. Thompson Children's Hospital and Willie D. Miller Eye Center. In addition, the Board shall have the authority to operate other facilities that supplement or coordinate with the operation of Baroness Erlanger Hospital, T. C. Thompson Children's Hospital and Willie D. Miller Eye Center.

Section 3. Power to Delegate:

The Board of Trustees shall have the power and may delegate the powers set out herein or the duties of the Board or any officer of the Board to the Chief Executive Officer of the Authority or to any of the Authority's employees. Such delegation of powers or duties may be limited or changed by the Board of Trustees from time to time as it deems to be in the best interest of the Authority.

Section 4. Prior Resolutions:

The Board of Trustees specifically reaffirms and readopts any resolutions enacted by this Board or its predecessor Boards.

Section 5. Board Evaluations:

The Board of Trustees shall periodically, but not less frequently than annually, evaluate its own performance as a group and as individual members of the Board. Evaluation forms shall be completed by each Trustee, the results compiled, and the results reviewed by the Management and Board Evaluation Committee. The Management and Board Evaluation Committee shall then make any recommendations it deems appropriate to the Board regarding the evaluations and such actions as the Committee deems appropriate.

Section 6. New Board Member Orientation:

When and as new members of the Board of Trustees are appointed and accept the duties, responsibilities and obligations of being a member of the Board of Trustees, such new member shall participate in a Board orientation program.

ARTICLE IV

MEETINGS OF BOARD OF TRUSTEES

Section 1. Regular Meetings:

The Board of Trustees shall hold regular meetings at such time and place as designated by the Board. The frequency of such meetings shall be determined by the Board but shall not be less than quarterly.

Section 2. Annual Meeting:

One regular meeting shall be designated as the annual meeting. That annual meeting shall be the first meeting in November or as otherwise set by the Board by resolution.

Section 3. Special Meetings:

Special Meetings of the Board of Trustees may be called at the request of the Chairperson or the Secretary or three (3) members of the Board. Such request of three(3) members of the Board shall be in writing and addressed to the Chairperson and/or the Secretary of the Board stating the purpose of the meeting. In the event that a special meeting is called, notice of the business to be transacted shall be set forth in the notice sent to each Trustee. Notice of special meetings except as herein otherwise provided shall be given in the same manner as prescribed for notice of regular meetings.

Section 4. Notice of Meetings:

Written notice of the regular meetings of the Board of Trustees shall be given to the members of the Board of Trustees by the Chairperson of the Board or by the Secretary of the Board of Trustees or by such other person as the Board of Trustees designates at least four calendar days prior to each meeting. The notice shall state the time and place of each meeting. In the event that the nature of any meeting is an emergency, telephone notification shall be sufficient and the four-day requirement of written notice waived. It shall be the duty of each member of the Board to keep the Chairperson or Secretary of the Board advised of his or her current address to which notices shall be sent. Furthermore, even if the nature of the meeting is not an emergency, but if for any reason in the discretion of the Chairperson or Secretary an issue needs to be considered and decided at such time when the four-day notice cannot be given, then written or telephonic notification of a special meeting of at least twelve hours shall be sufficient; provided, adequate notice under the circumstances is also given to the public.

The public shall be given adequate notice of all regular and special meetings.

Section 5. Quorum:

At all meetings of the Board, a minimum of six (6) members shall constitute a quorum for the transaction of business.

Section 6. Recording of Minutes and Resolutions:

Adequate written minutes shall be kept recording the action taken at the meetings of the Board. The minutes shall be prepared, approved and maintained in such manner as the Board deems appropriate. Whenever practicable, written resolutions of the actions of the Board of Trustees shall be prepared for each action of the Board of Trustees. Said written resolution shall be maintained and individually numbered and styled in the manner deemed appropriate and as directed by the Board of Trustees.

Section 7. Order of Business:

The order of business to be followed at Board meetings shall be as set forth in Exhibit 2 attached hereto and made a part hereof. However, this order of business may be changed or revised at any time by the Board and Exhibit 2 may be changed or revised at any time by written resolution properly approved by the Board.

Section 8. Attendance at Meetings:

The Board, by resolution adopted by a majority of the Trustees, shall establish requirements for attendance of Trustees at meetings of the Board and of their respective assigned committees. In the event a Trustee shall fail, without just cause, to satisfy these requirements, the Board may recommend to the authority who appointed the Trustee that such Trustee should be replaced as a member of the Board.

Section 9. Intentionally Deleted.

Section 10. Manner of Acting:

The act of a majority vote at a meeting at which a quorum is present shall be the act of the Board so meeting. A majority vote when viewed in this Article IV, Section 10, means a majority of the votes cast, ignoring blanks, abstentions and absentees at a legal meeting, a quorum being present when the vote is taken.

Section 11. Roberts Rules of Order:

The Board of Trustees of the Chattanooga-Hamilton County Hospital Authority shall use the latest published edition of Roberts Rules of Order for the conduct of its meetings and business unless Roberts Rules of Order is in direct conflict with Authority Rules, Authority Bylaws, the Acts establishing the Authority, or the general laws of the State of Tennessee. A copy of the latest published edition shall be available to Trustees in the Board office.

ARTICLE V

OFFICERS

Section 1. Officers:

The Authority shall have two types of officers which shall be as follows:

- (A) **Board Officers:** The officers of the Board of Trustees of the Authority shall be designated as "Board Officers" and shall be as follows:

- (1) a Chairperson;
- (2) a Vice Chairperson; and
- (3) a Secretary

as set forth in Section 6 of Chapter 297 of the Private Acts of 1976; and

(B) Executive Management Officers: The second type of officers of the Authority shall be designated as "Executive Management Officers" and shall be as follows:

- (1) the Chief Executive Officer who shall be denominated as President of the Authority;
- (2) one or more Executive Vice Presidents;
- (3) one or more Senior Vice Presidents;
- (4) one or more Vice Presidents; and
- (5) such other members of Executive Management or other persons as the Board of Trustees may from time to time designate as Officers.

Any two or more offices may be held by the same person, except the offices of Chairperson, Secretary and Chief Executive Officer.

Section 2. Election and Tenure:

- (A)** The Board of Trustees shall employ or contract with and fix the compensation of a Chief Executive Officer of the Authority, who shall be an officer of the Authority. The Executive Vice President, Senior Vice Presidents, Vice Presidents, and others who shall be officers of the Authority shall be appointed by the Chief Executive Officer and their duties shall be prescribed by the Chief Executive Officer pursuant to Article VII of these Bylaws.
- (B)** The Board Officers (the Chairperson, Vice Chairperson and Secretary of the Board of Trustees of the Authority) shall be elected by the Board from among its members at the Board's annual meeting. The term for said officers shall run from the time of election until the next annual meeting or until their successor is chosen if no successor is chosen at said annual meeting.
- (C)** Each Board Officer shall hold office for a one (1) year term and until his/her successor is duly elected and qualified, until his/her death or until he/she shall resign or be removed as provided in the Bylaws or the Acts establishing the Authority.
- (D)** The Board Officers (the Chairperson, Vice Chairperson and Secretary of the Board of Trustees) shall be eligible to succeed themselves in such office, but such Board Officers shall not be eligible to serve more than four (4) consecutive terms in the same office.

Section 3: Resignation and Removal:

Any officer may resign at any time by giving written notice to the Chairperson or to the Secretary. Such resignation, which may or may not be made contingent upon formal acceptance, shall take effect on the date of receipt or at any later time specified in it. Any Board Officer or the Chief Executive Officer may be removed at any time by a majority vote of the Board whenever in its judgment the best interests of the

Authority would be served thereby. Other Executive Management Officers can be removed by the Chief Executive Officer whenever in his/her judgment it is in the best interests of the Authority.

Section 4. Vacancies:

A vacancy in the office of Chairperson, Vice Chairperson or Secretary of the Board of Trustees may be filled by the Board of Trustees for the unexpired portion of the term. A vacancy in the office of Chief Executive Officer and President may be filled by the Board of Trustees in accordance with the Acts and these Bylaws as it deems appropriate. Other vacancies shall be filled pursuant to Article VII of these Bylaws.

Section 5. Duties of Board Officers:

- (A) **Chairperson:** The Chairperson shall be the principal elected officer of the Board of Trustees of the Authority and shall preside at all meetings of the Board and of the Executive Committee. Unless otherwise provided in these Bylaws, he/she shall be an ex-officio member without voting privileges of all committees or organizations that are associated or affiliated with the Authority. Unless otherwise provided in these Bylaws, he/she shall appoint the Chairperson of all standing and/or special committees.
- (B) **Vice Chairperson:** The Vice Chairperson shall perform such duties as may be assigned to him/her by the Board or the Chairperson. In the absence of the Chairperson or in the event of his/her disability, inability or refusal to act, the Vice Chairperson shall perform the duties of the Chairperson with the full powers of, and subject to the reservations upon, the Chairperson.
- (C) **Secretary:** The Secretary shall provide for the keeping of minutes of all meetings of the Board and Board Committees. he/she shall act as custodian of all records and reports of the Authority and perform all duties incident to the office and such other duties as may be assigned to him/her by the Chairperson of the Board. The Secretary may delegate these duties to the Chief Executive Officer of the Authority or to any of the Authority's employees when, in the Secretary's discretion, he/she deems it advisable that the same be done and does so in writing and with Board approval.

Section 6. Duties of the Chief Executive Officer:

The Chief Executive Officer shall be designated as "President," and shall: (a) be the principal executive officer of the Authority; (b) be subject to the control of the Board of Trustees; and (c) generally supervise and control the operations and functions of the Authority. The Chief Executive Officer shall in general perform all duties incident to the office of a Chief Executive Officer or President and such other duties as may be prescribed by the Board of Trustees from time to time. The Chief Executive Officer shall represent the Authority and other related facilities of the Authority. he/she shall have the authority to operate the Authority and its facilities and all other activities and departments as directed by the Board of Trustees or any of its committees to which the Board has delegated the power for some action. Subject to approval by the Board of Trustees of material terms and conditions, he/she may sign, on behalf of the Authority, any deeds, mortgages, bonds, leases, contracts or other instruments which the Board has authorized to be executed; except (i) in cases where the signing and execution thereof shall have been reserved expressly to the Board of Trustees by the Private Acts establishing the Authority or by operation of law; (ii) where pursuant to these Bylaws or action of the Board of Trustees, the signing and execution thereof shall be delegated expressly to some other officer or agent of the Authority.

ARTICLE VI

COMMITTEES OF THE AUTHORITY

Section 1. Standing Committees:

The Authority shall have two types of standing committees, regular standing committees and ancillary standing committees. The Chairperson of the Board shall appoint a Board member to serve as the Chairperson of each of the committees.

- (A) **Regular Standing Committees:** The regular standing committees of the Authority shall be the Joint Conference and Accreditation Committee, Planning Committee, and the Budget and Finance Committee.

- (B) **Ancillary Standing Committees:** The ancillary standing committees of the Authority shall be the Legal Committee, the Audit Committee, the Management and Board Evaluation Committee, and the Personnel Committee. Unless otherwise set out in these Bylaws, the ancillary standing committees shall meet as called to perform the duties and functions as hereinafter set out in these Bylaws and as directed by the Board of Trustees. Unless otherwise set out in these Bylaws, the Board of Trustees shall perform the duties of the ancillary standing committees, unless by its direction one or more matters within the course and scope of the duties outlined in these Bylaws for the committee has been referred to the committee.

Section 2. Special Committees:

The Chairperson of the Board of Trustees, subject to limitations imposed on his/her authority by the Board, or the Board itself, may create additional special committees. Any additional committees created shall discharge such responsibilities as may be assigned to them. The Chairperson of any such special committee shall be a Board member. Preference in appointment to Chairpersonships of these special committees shall be given to Board members not serving as a Chairperson of a standing committee. The Chairperson of any such special committees may appoint administrative staff members, employees, professional advisors and other interested persons to serve as the members of the special committees, subject to approval of the Board of Trustees.

Section 3. Appointments:

Except as specifically required elsewhere in this Article, the Chairperson of the Board, upon the advice of the Chairperson of any standing or special committee, shall appoint such persons including other Board members as he/she deems appropriate to serve thereon, subject to the approval by the majority vote of the Board. If a standing committee (a regular standing committee or an ancillary standing committee) or a special committee has or is assigned a duty to discuss and/or report to the Board regarding one or more Medical Staff issues, then at least one (1) member of that Committee shall be a member of the Medical Staff.

Section 4. Tenure:

Each member of a standing committee shall hold office until the next annual meeting of the Authority and until his/her successor as a member of such standing committee is appointed, unless he/she shall sooner cease to be a Trustee or shall resign or be removed from the committee. Each Chairperson and member of a special committee shall continue to serve until the next annual meeting of the Board and until his/her successor is appointed, unless he/she shall sooner resign or be removed from the committee.

Section 5. Additional Consultants:

The Chairperson may invite additional individuals with expertise in pertinent areas to meet with and assist any standing or special committee. Such consultant shall not vote or be counted in determining the existence of a quorum and may be excluded from any executive session of a committee by a majority vote of the committee members present.

Section 6. Meetings, Notice and Quorum:

Meetings of standing or special committees may be called by the Chairperson of the committee, by the Vice Chair or by the lesser of (a) three (3) voting members, or (b) fifty percent (50%) or more of the committee's voting members. Each committee shall meet as often as is necessary to perform its duties as determined in the sole discretion of the Committee. Notice shall be given at any time and in any manner reasonably designed to inform the members of the Committee, each member of the Board of Trustees, and to give adequate notice to the public of the time and place of the meeting. Fifty percent (50%) or more of the voting members of a standing or special committee shall constitute a quorum for the transaction of business at any meeting of such committee. Each standing and each special committee shall keep minutes of its proceedings as are necessary and shall report periodically to the Board. Reasonable notice also shall be given to the public of such meetings.

Section 7. Manner of Acting:

The act of a majority of the voting members of a standing or special committee present at a meeting at which a quorum is present shall be the act of a committee so meeting. No act taken at a meeting at which less than a quorum was present shall be valid.

Section 8: Order of Business:

Except as appropriate for each committee or as modified by such committee, the order of business shall be as set forth in Exhibit 3. This order of business may be changed or revised at any time by the Board or by the committee and Exhibit 3 may be changed or revised at any time by written resolution, properly approved by the Board.

Section 9: Resignations and Removals:

Any member of a standing or special committee may resign at any time by giving written notice to the Chairperson of the committee or to the Chairperson of the Authority. Such resignation shall take effect on the date of receipt or at any later time specified in such notice. Any member of a standing committee, except an ex-officio member, may be removed at any time by a resolution adopted by a majority of the Trustees then in office. The Chairperson of the Board, may with prior approval of the Board, remove any appointed member of a special committee. An ex-officio member of a standing or special committee shall cease to be an ex-officio member of such committee if he/she shall cease to hold a designated position which is the basis of his/her ex-officio membership.

Section 10: Committee Voting Members:

All Committee members shall be entitled to vote at Committee meetings, except for employees of the Authority who are appointed as ex officio members of a Committee by virtue of their position with the Authority who shall not be entitled to vote.

Section 11. Vacancies:

A vacancy on any standing committee and any mid-year increase in membership thereof shall be filled for the remaining or unexpired portion of the term, by appointment by the Chairperson of the Board with approval of a majority vote of the Trustees then in office. A vacancy on any special committee and any mid-year increase in membership thereof shall be filled for the remaining or unexpired portion of the term, by appointment by the Chairperson of the Board with approval of a majority vote of the Trustees then in office.

Section 12. Joint Conference and Accreditation Committee:

- (A) **Composition:** The Joint Conference and Accreditation Committee shall consist of five (5) members of the Board of Trustees; the Chief, Vice Chief and Secretary of the Medical Staff; the Immediate Past Chief of the Medical Staff, the Associate Dean of the University of Tennessee College of Medicine -Chattanooga Unit, and the Chief Medical Officer of the Authority. The President of the Authority shall also be a member of the Committee and its secretary. The Chairpersonship of the Committee shall be held by the Chairperson of the Board, or some other member of the Board designated by said Chair.
- (B) **Duties:** The duties of the Joint Conference and Accreditation Committee shall be to:
- (1) Conduct itself as a forum for the discussion of administrative and medical policies and procedures requiring agreement among the Board, Medical Staff and Administration.
 - (2) Oversee hospital compliance with the laws and regulations of federal, state and local governmental agencies and with the various rules and regulations of the various accreditation and approval agencies, including the Joint Commission on Accreditation of Health Care Organizations.
 - (3) Oversee the Medical Center's Quality Improvement Program and the Medical Care Review System and processes, which the Medical Staff and Medical Center Management have an ongoing responsibility to develop and maintain. To facilitate this duty the Joint Conference and Accreditation Committee will establish a Medical Center wide Quality Improvement Committee to implement the Program and to give overall direction to the Program. The Joint Conference and Accreditation Committee will receive reports from the Quality Improvement Committee, the Medical Staff, and Management on the effective evaluation of patient care throughout the Authority, on the Authority's compliance with its Quality Improvement Program, and the Medical Care Review System. Such will be reported to the Board periodically in a summary fashion, which will preserve and protect privileges, confidences, and confidential material and matters.
 - (4) Consider the formulation and implementation of standards and activities for the review and maintenance of the quality and efficiency of care within the hospital, including but not limited to a system for granting clinical privileges.
 - (5) Consider, review, approve and periodically update plans for the hospital's appropriate response to protection and care of patients and others at the time of internal and external disasters.
 - (6) Recommend to the Board of Trustees the adoption of amendments to or repeal of Bylaws, Rules and Regulations governing the Medical Staff.
 - (7) Oversee the Hospital and Medical Staff compliance with the Medical Staff Bylaws, Rules and Regulations.

- (8) At least quarterly, receive reports from the Medical Executive Committee and review and evaluate same. In addition, review and evaluate the quality, appropriateness, effectiveness, efficiency and cost efficiency of care rendered to patients at the Authority. When necessary, and in accordance with the Medical Staff Bylaws, the Committee may initiate appropriate disciplinary action to include reduction of, or modification of, the privileges of a member of the Medical Staff. Final action shall be reported to the Board of Trustees.
 - (9) Review all applications for appointment and reappointment to the Medical Staff and recommend to the Board of Trustees for their approval, the appointment and/or reappointment of a member of the Medical Staff and the initial privileges granted to him/her as well as any increase or reduction of privileges. All action taken by the Committee in this connection shall be subject to approval by the majority vote of the Board.
 - (10) Oversee the Medical Center's Safety and Risk Management programs, which the Medical Center Management has an ongoing responsibility to develop and maintain. The Joint Conference and Accreditation Committee will receive reports from such committees, as are appropriate to effectively evaluate and monitor safety and risk matters, including those involving plant technology. Such will be reported to the Board periodically in summary fashion, which will preserve and protect privileges, confidences, and confidential material and matters.
- (C) **Meetings:** The Joint Conference and Accreditation Committee shall meet no less frequently than quarterly. Special meetings shall be held at such time and place as shall be called to consider those items and things as directed by the Board of Trustees within the scope and course of the duties and responsibilities herein set out.

Section 13. Personnel Committee:

- (A) **Composition:** The Personnel Committee shall consist of five (5) members of the Board of Trustees appointed by the Chairperson; the President of the Authority or his/her designee; the Vice President of Human Resources of the Authority; and three (3) employees of the Authority, elected by the Employee Advisory Committee. The Chairperson of the Board shall appoint a member of the Board to act as Chairperson of this Committee, subject to the approval of the majority vote of the Board.
- (B) **Duties:** The duties of the Committee shall be:
- (1) to review and make appropriate recommendations to the Board for modifications in the Hospital Authority's general personnel policies which have a significant fiscal impact on the Authority, its fringe benefit program(s) and wage and salary programs;
 - (2) to review and approve modifications in the Hospital Authority's general personnel policies that do not have a significant impact on the Authority;
 - (3) in performing the foregoing duties, a majority of the Board members on the Committee shall determine which policies have a significant fiscal impact. In addition, the Committee may ask the Board to approve any other policy which a majority of the Board members on the Committee determine will have such a significant impact on the Authority, its employees, or programs that the Board should review and approve said policy.

- (C) **Meetings:** Meetings of the Personnel Committee shall be held as needed and as directed by the Committee, its Chairperson or its Vice-Chair.

Section 14. Planning Committee:

- (A) **Composition:** The Planning Committee shall include at least four (4) members from the Board, one (1) or more members of the Administration, one (1) or more members from the Nursing Services Division of the Authority, and four (4) members of the Medical Staff and the Dean of the University of Tennessee College of Medicine - Chattanooga.

- (B) **Duties:** The Duties of the Planning Committee shall be as follows:

- (1) The Planning Committee shall review on an annual basis the Authority's established Mission, Vision, Values and Goals to assure:
 - (a) Alignment with the changing healthcare needs and conditions within the service area and the needs of the Health System.
 - (b) Necessary recommendations are sent to the Board for adjustments to the Mission, Vision, Values or Goals.
- (2) Develop and oversee the strategic planning process, goals and objectives for the Health System.
- (3) Review Management's short and long term tactical plans to ensure alignment with the existing strategic plans.
- (4) Periodically review Management's facilities plan to determine whether the plans are progressing as outlined and that necessary modifications are made as changing requirements dictate, and that appropriate recommendations are made to the Board on specific projects requiring Board approval.
- (5) Review significant new programs that focus on areas of service by the Health System (e.g. Women or Geriatrics) and make recommendations to the Board for approval of such programs as appropriate.

- (C) **Meetings:** The Planning Committee shall hold regular scheduled meetings not less than quarterly.

Section 15. Budget and Finance Committee:

- (A) **Composition:** The Budget and Finance Committee shall be composed of at least four (4) members of the Board, the President of the Authority and two (2) members of the Medical Staff. The Chief Operating Officer and the Chief Financial Officer of the Authority shall be ex-officio members of the Committee.

- (B) **Duties:** This Committee's responsibilities will be to:

- (1) Consider and recommend plans for securing capital and operating funds for the Authority.
- (2) Review the financial feasibility of the Authority's projects, acts and undertakings referred to it by the Board and make recommendations thereon to the Board.
- (3) Review the capital and annual operating budget of the Authority.

- (4) Review the monthly financial statements and apprise the Board of the Authority's operating performance.
- (5) In accordance with Section 9 of Chapter 297 of the Private Acts of 1976 heretofore referred to, obtain an annual audit of the Authority's financial operations and services by an independent accounting firm experienced in the financial affairs of hospitals, the accounting firm to be selected by the Financial Review Committee which is created under Section 11 of Chapter 297 of the Private Acts of 1976.
- (6) Receive, review and evaluate the findings and final reports of auditors and, based thereon, make recommendations to the Board concerning the financial operation of, and services required by and provided to the Authority.

(C) Retirement Plan(s) Subcommittee.

- (1) **Composition:** The Retirement Plan Subcommittee shall be composed of the following members: The Chairman of the Budget and Finance Committee, the Chief Financial Officer, the Chief Operating Officer, and the Vice President of Human Resources.
- (2) **Duties:** The duties and responsibilities of the Budget and Finance Committee with regard to pension and retirement matters shall be to oversee the Retirement Plan Subcommittee which is hereby established and shall have the following duties:
 - (a) Review the financial status of the Authority's retirement plans and the investments therein;
 - (b) Review the investment and actuarial report(s) and any other appropriate reports for the retirement plans;
 - (c) Review and recommend to the Budget and Finance Committee any modifications or revisions deemed appropriate to the pension plan, other retirement plan(s) and retirement policies of the Authority;
 - (d) To select and employ one or more Investment Managers (including but not limited to Fund Managers and Investment Advisory Services) to perform with such authority and responsibility as specified in the Authority's Pension Plan, the pension policies, other retirement plans and their policies;
 - (e) To monitor and review the performance of any Investment Manager serving any retirement plan and to report, at least yearly, upon its observations and findings to the Budget and Finance Committee;
 - (f) To determine, at least yearly, regarding whether an Investment Manager serving any retirement plan should be retained. If an Investment Manager is to be discharged, the Sub-Committee should decide whether another Investment Manager should be engaged to replace the discharged Investment Manager, and, if so, to employ another Investment Manager;

- (g) To select and recommend to the Budget and Finance Committee the employment of one or more Trustees to perform with such authority and responsibility as specified in the Authority's Pension Plan and pension policies; and to select and recommend to the Budget and Finance Committee the employment or selection of one or more Companies that sponsor the other retirement plans and their policies;
 - (h) To monitor and review the performance of any Trustee serving any retirement plan;
 - (i) To recommend to the Budget and Finance Committee regarding whether a Trustee serving any retirement plan should be discharged. The Sub-Committee shall recommend to the Budget and Finance Committee as to whether another Trustee should be engaged to replace the discharged Trustee, and, if so, to recommend another Trustee to the Budget and Finance Committee;
 - (j) To consult with the Investment Advisory Services for any appropriate retirement plan regarding the performance of the Investment Manager and the investments selected by the Investment Manager;
 - (k) To consult with the Trustee regarding the performance of the Trustee;
 - (l) To timely report on all of the Sub-Committee's activities and the discharge of its responsibilities and to include therein such recommendations to the Budget and Finance Committee as it deems appropriate;
 - (m) To keep itself apprised of the nature and amount of the various investments maintained by the Investment Manager and the Trustee and to consult with the Budget and Finance Committee (if appropriate) regarding such;
 - (n) To consult with the Plan Administrator in determining the appropriate funding and investment policies and method to be followed by the retirement plans; and
 - (o) To perform such other tasks and discharge such other duties and responsibilities as may be assigned to it by the Board of Trustees and/or Budget and Finance Committee.
- (3) **Meetings:** The Retirement Plan Subcommittee shall hold meetings at least semi-annually (two times each year).

(D) Duties of Building and Grounds Committee (now dissolved).

The duties and responsibilities of the Budget and Finance Committee with regard to Building and Grounds matters which were previously performed by the Building and Grounds Committee shall be as follows:

- (i) The Committee shall review, evaluate and make recommendations to the Board of Trustees regarding maintenance and upkeep of the buildings, grounds and facilities of the Authority.

- (E) **Meetings:** The Budget and Finance Committee shall hold regular meetings at least quarterly. In addition, the Budget and Finance Committee shall meet at least annually with the above mentioned Financial Review Committee to discuss the overall financial condition of the Authority.

Section 16. Legal Committee:

- (A) **Composition:** The Legal Committee shall consist of such persons as are nominated by the Chairperson of the Board and approved by the Board of Trustees of the Authority.
- (B) **Duties:** The Committee shall review annually the Bylaws, organization and general policies of the Authority and shall submit to the Board a report based on its review, including any recommendations for changes. The Committee shall, as it deems appropriate or as immediately necessary to reflect changes in the Bylaws of the Authority, submit recommendations to the Board for amendments to the Bylaws, organization and policies at any other time during the course of the year. The Committee shall also address, review, evaluate and make recommendations to the Board on any legal issues referred to it by the Board.
- (C) **Meetings:** Regular meetings of the Legal Committee shall be held at least annually.

Section 17. Management and Board Evaluation Committee:

- (A) **Composition:** The Management and Board Evaluation Committee shall consist of such members of the Board as are nominated by the Chairperson of the Board and approved by the Board of Trustees of the Authority.
- (B) **Duties:** The duties of the Management and Board Evaluation Committee shall be as follows:
- (1) The President shall report to the Committee at least annually any changes in compensation (both direct and indirect) for all Executive Management Officers of the Authority.
 - (2) The Committee shall review at least annually the performance of the President of the Authority and shall report the same to the Board.
 - (3) The Committee shall review increases in compensation (both direct and indirect) of the President of the Authority which are in excess of the total average budgeted increase approved by the Board for all employees during the annual budget process and recommend any such increases therein to the Board for final approval. The Committee will also be responsible for reviewing the Employment Agreement of the President of the Authority and making recommendations to the Board for changes in the Employment Agreement.
 - (4) The Committee shall review at least annually the results of the Trustees' evaluations and make any recommendations to the Board regarding any actions the Committee deems appropriate.
 - (5) The Committee shall review the continuing education provided to the Trustees and determine if it is sufficient and make any changes it deems appropriate in order to keep Trustees appropriately educated and informed.
- (C) **Meetings:** Regular meetings of the Management and Board Evaluation Committee shall be held at least annually.

Section 18. Audit Committee:

- (A) **Composition:** The Audit Committee shall be comprised of at least five (5) members of the Board of Trustees and the Chief Executive Officer of the Authority and the Chief Financial Officer, both of whom shall be non-voting members. One (1) of the members appointed from the Board of Trustees shall be either the Chairperson or Vice Chairperson of the Budget and Finance Committee.
- (B) **Duties and Responsibilities:** The duties and responsibilities of the Committee shall be to:
- (1) Consider those matters deemed appropriate and necessary by the Committee members;
 - (2) Review the financial and operational propriety of various activities of the Authority;
 - (3) Review and oversee the implementation, operation and coordination of the Audit Department as set out in the internal Audit Department Charter as approved by the Board in Resolution No. 87-3-2 and as may be hereafter amended, modified or revised;
 - (4) Review each audit report and evaluate corrective measures being taken;
 - (5) Receive regular reports and recommendations from the Chief Compliance Officer, oversee the Compliance Program, review any and all significant compliance issues, matters or concerns and report to the Board appropriate compliance matters and issues.
 - (6) Coordinate with the Joint Conference and Accreditation Committee to avoid unnecessary duplication, but to the extent appropriate, oversee hospital compliance with laws and regulations of the federal, state and local governments and their agencies.
 - (7) Report to the Board all matters discussed at each Audit Committee meeting; and
 - (8) Make recommendations to the Board deemed appropriate by the Audit Committee.
- (C) **Meetings:** There shall be no regular meetings of the Audit Committee. Meetings of the Audit Committee shall be held as needed and as directed by the Committee, its Chairperson or its Vice Chair.

Section 19. Government and Community Relations Committee:

This Committee was dissolved when the Board accepted the Ad Hoc Committee report dated May 20, 1999. That report recommended that its composition, duties and meetings be on an ad hoc basis. Therefore, the following shall be its composition, duties and meetings, when and if, it is appointed as an ad hoc committee:

- (A) **Composition:** The Government and Community Relations Committee shall consist of such persons as are nominated by the Chairperson of the Board, and approved by the Board of Trustees of the Authority.

- (B) **Duties:** To address, review, evaluate and make recommendations to the Board regarding public relations between the County and City Governments, the community, and the Authority.
- (C) **Meetings:** There shall be no regular meetings of the Government and Community Relations Committee.

Section 20. Relationship of Management to the Committee Structure:

It shall be the responsibility of management at the Authority to inform the Board members serving as Chairperson of any committee of any matters pertaining to the committee's particular area of responsibility. Conversely, it shall be the responsibility of the Board member serving as Chairperson of any committee to inform the Board of Trustees, the officers of the Board of Trustees and the officers of the Authority of any matters that pertain to his/her area of responsibility as committee Chairperson.

Section 21. Specific Committee Assignments:

Each Board member will be assigned to one or more of the Regular Standing Committees and to such other committees as the Chairperson of the Board of Trustees deems, in his/her sole discretion, appropriate.

ARTICLE VII

ADMINISTRATION

Section 1. Chief Executive Officer:

The Chief Executive Officer in carrying out his/her duties as herein prescribed shall appoint one (1) or more Executive Vice Presidents, one (1) or more Senior Vice Presidents, and one (1) or more Vice Presidents to perform any and all of the duties which he/she may prescribe in the setting up and appointment of these positions, from time to time and as he/she may change from time to time.

The Chief Executive Officer shall also appoint the heads of various departments which have been established or which are to be established by him/her from time to time.

Section 2. Removal:

Any officer or agent appointed by the Chief Executive Officer may be removed by the Chief Executive Officer whenever in his/her judgment, the best interest of the Authority would be served thereby.

Section 3. Vacancies:

A vacancy in any office appointed or created by the Chief Executive Officer, because of death, resignation, removal, disqualification or otherwise, may be filled by the Chief Executive Officer.

Section 4. Medical Center Organization:

In carrying out the duty to supervise and control all of the business and affairs of the Authority, the Chief Executive Officer shall prepare and keep such records as he/she deems appropriate and necessary, relating to the organization of the Medical Center, its officers and department heads appointed by him/her and the duties and functions of each. These records shall be reviewed periodically (no less frequently than annually) by the Board of Trustees.

Section 5. Organizational Charts:

The Chief Executive Officer of the Authority shall, not less frequently than annually, submit an organizational chart to the Board. Said organizational chart shall set forth each officer, department head, title, and the name of the person holding the same as of the date such is submitted to the Board.

Section 6. Budget:

The Chief Executive Officer of the Authority shall cause to be prepared the annual capital and operating budget and submit the same to the Board for approval. Thereafter, the Chief Executive Officer of the Authority shall periodically, but no less frequently than quarterly, report to the Board the status of the capital and operating budgets and expenditures contained therein. However, any approval of the Board of a budget shall not constitute the approval of any project contained therein, except such that is below the expenditure threshold herein set out or as revised hereafter by the Board. Rather, the Chief Executive Officer of the Authority or his/her designee shall submit each such project to the Board for specific project approval. For the purposes of this section, the term "project" shall refer to an expenditure for equipment and/or construction of permanent improvements or demolition thereof in excess of One Hundred Thousand and 00/100 Dollars (\$100,000.00), or such other amount as the Board may determine by resolution at any regular or special meeting.

ARTICLE VIII

MEDICAL STAFF

Section 1. Organization of Medical Staff

The Board shall cause to be created a Medical Staff organization whose membership shall be comprised of all licensed physicians who have privileges pursuant to the Medical Staff Bylaws. The Medical Staff shall adopt Bylaws which shall be subject to approval of the Board of Trustees. Membership in the Medical Staff organization shall be a prerequisite to the exercise of clinical privileges in the hospital, except as otherwise specifically provided in the Medical Staff Bylaws.

The Board shall delegate to the Medical Staff the responsibility and authority to investigate and evaluate all matters relating to Medical Staff membership, status, clinical privileges and corrective action, and shall require that the Staff adopt and forward to it specific written recommendations with appropriate supporting documentation that will allow the Board to take action.

Final action on such matters shall be taken by the Board after considering the Medical Staff's recommendations, providing that the Board shall act in any event if the Staff fails to adopt and submit any such recommendation within the period required by the Medical Staff Bylaws. Such forward action without a Staff recommendation shall be based on the same kind of documented investigation and evaluation of current ability, judgment and character as is required for Staff recommendations.

Section 2. Terms and Conditions of Membership and Privileges:

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

The procedure to be followed by the Medical Staff and the Board in acting on matters of membership status, clinical privileges, and corrective action shall be specified in the Medical Staff Bylaws, which the Board required the Staff to develop and adopt and which shall be approved by the Board.

In action on matters of Medical Staff membership status, the Board shall consider the Staff's recommendations, the hospitals and community's needs and such other criteria as are contained in the Medical Staff Bylaws. In granting and defining the scope of clinical privileges to be exercised by each practitioner, the Board shall consider the Staff's recommendations, and the supporting criteria as are set forth in the Medical Staff Bylaws. No aspect of membership status nor specific clinical privileges shall be limited or denied to a practitioner on the basis of sex, race, creed, color or national origin, or on the basis of any other criteria unrelated to quality patient care at the hospitals, to professional qualifications, to the hospitals' purposes, needs and capabilities, or to the community needs.

The Board shall retain the final authority on Medical Staff issues and issues regarding the quality of care.

Section 3. Denial for Inability to Accommodate:

A recommendation by the Medical Executive Committee, or a decision by the Board, to deny Staff membership, a department or Staff category affiliation, or particular clinical privileges, either; (a) on the basis of the evidence, to provide adequate facilities or supportive services for the applicant and its patients; or (b) on the basis of inconsistency with the hospitals' written plan of development (including the mix of patient care services to be provided) as currently being implemented; shall be considered adverse to nature and shall entitle the applicant to the procedural rights as provided in these Bylaws.

If the Board's final decision in the matter remains adverse, the notice of final decision shall state that, upon written request by the applicant to the Chief Executive Officer, the applicant will be kept in a pending status for the next succeeding three (3) years. If during this period, the hospital finds it possible to accept Staff applications for which applicant is eligible, and there is no obligation to applicants with prior pending status, the Chief Executive Officer shall promptly so inform him/her by written notice. Within thirty (30) days of receipt of such notice, the applicant shall provide, in writing on the prescribed form, such supplemental information as required to update all elements of his/her original application. Thereafter, the procedure provided for initial appointments shall apply.

Section 4. Allied Health Professionals:

The Board hereby delegates to the Medical Staff the responsibility and authority to investigate and evaluate each application by an allied health professional not employed by the Authority as an employee for specified services, department affiliation and modification in the services such affiliate may perform, and shall require that the Staff make recommendations to it.

ARTICLE IX

AUXILIARY GROUPS

All Auxiliary groups may be permitted to provide volunteer services on a regular basis within the institution operated by the Authority. Such organizations shall coordinate their services with the administration of the hospitals. The Bylaws of any auxiliary group which bear the name of any institution operated by or under the direction of this Board shall be submitted to the Board for its review and approval. The power of the Board to adopt or amend any auxiliary group's Bylaws shall not be dependent upon ratification by the auxiliary group.

ARTICLE X
DUALITY OF INTEREST

Section 1. Applicability:

This Article shall apply to Trustees, members of committees of the Board of Trustees and any employee of the Authority or member of the Medical Staff or other person at the Authority who has the responsibility for approving, overlooking, superintending or supervising any purchase, work, or contract. For purposes of this Article, such persons shall be referred to as "key employees" or "key persons."

Section 2. Standards:

The Authority shall operate in accordance with the requirements of Tennessee Code Annotated, Section 12-4-101, as it now exists or may hereafter be amended. Therefore, the Authority shall not enter into any contract in which a Trustee, committee member or key person is directly interested. "Directly interested" has the same meaning as set forth in T.C.A. Section 12-4-101 (a). In addition, the Authority shall not enter into any contract in which any Trustee, committee member or key person is indirectly interested unless the said person publicly acknowledges such indirect interest and refrains from taking any further part in the contracting process. A person having any indirect interest shall not be counted toward any quorum of the Board or any committee when considering said contract. The term "indirectly interested" shall have the same meaning as that set forth in T.C.A. Section 12-4-101 (b). In the event that an indirect conflict of interest exists and is acknowledged, the minutes of the meeting of the Board or any committee shall reflect the disclosure of the same and the withdrawal from participation of the interested person. If the quorum is effected by the interested person's absence, then such shall be noted in the minutes and no action shall be taken.

Section 3. Disclosure Statements:

The Board shall require annual disclosure statements from the Trustees, committee members and key persons in order to disclose any existing or potential conflicts of interest. Such annual disclosure statement shall be in such form as the Board shall prescribe. This annual disclosure requirement shall not relieve any Trustee, committee member or key person from the duty to disclose conflicts of interest as set forth in Section 2, hereof.

Section 4. Corrective Action:

The Board may adopt policies requiring corrective and disciplinary action with respect to transgressions of the conflict of interest policies. Such policies shall be consistent with the requirements of T.C.A. Section 12-4-102.

Section 5. Conflict of Interest and Disclosure Policy (For Trustees and Senior Management):

(A) **Preamble.** It is the policy of the Chattanooga-Hamilton County Hospital Authority, d/b/a Erlanger Health System, including all subsidiaries and affiliates that:

Each of the Authority's Trustees and Officers act at all times in a manner that furthers the Authority's mission and service to the community and exercises care that he/she or she does not act in a manner that furthers his or her private interests to the detriment of the Authority's community benefit purposes; and

Each of the Authority's Trustees and Officers avoids conflicts of interest and otherwise fully discloses to the Authority 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 Authority.

This Policy: (1) covers all key employees as designated by the Board ("Officers"); (2) applies to all members of a committee of the Board of Trustees ("Members"); (3) applies to key members of the Medical Staff, as further designated by the Board ("Medical Staff Leadership"); (4) applies to all Affiliates of the Authority and their Officers and directors; and (5) is intended to supplement, but not replace, any applicable state laws governing conflicts of interest applicable to nonprofit hospital authorities. For Officers, it shall also be considered a supplement to any then applicable conflicts of interest policies. "Affiliate" includes any and every entity directly or indirectly controlled by the Authority and/or considered the same taxable entity under the provisions of the Internal Revenue Code, as further defined in Section 6, Paragraph 1.

For purposes of this Policy, the terms Trustee, Officer, Member" and Medical Staff Leadership shall be used interchangeably and hereafter referred to as Trustee, except in Section 3 which shall not be read to include a prohibition against compensation for Officers, Members or Medical Staff Leadership and Section 7, which employment restrictions shall apply only to Trustees, while other restrictions apply to Trustees, Officers, Members, and Medical Staff Leadership.

If a Trustee has a potential or actual conflict with the Authority and/or any of its Affiliates, such Trustee is deemed to also have a potential or actual conflict with respect to the Authority and all of its Affiliates.

(B) **Purpose:** The purpose of this Policy is to protect the interests of the Authority in circumstances that may result in a conflict between the personal interests of a Trustee or an Officer and those of the Authority.

(C) **Operating Rules:**

(1) **General Rule.** Authority Trustees shall declare to the appointing authority or, if Officers, to the Board of Trustees, and to the Hospital Authority any "direct interest" and/or "indirect interest" that may exist prior or contemporaneously to said initial appointment, and at each and every time thereafter their status shall change.

No Trustee having a direct or indirect interest in any transaction with, by, or for the Authority, or on behalf of the Authority, shall cast a vote thereon, and the Authority shall exercise reasonable care to not count the vote of any Trustee known to be so situated.

A "*direct interest*" is defined to be a circumstance or consideration that can result in the receipt by a Trustee; by a business entity in which a Trustee owns equity of 30% or more; or by an employer of a Trustee (other than the Authority), of revenue or other forms of value from:

- the practice, delivery or provision of healthcare
- the manufacture, distribution, formulation, or selling of any product used or consumed in the delivery of healthcare
- the provision of any service, including the lease or rental of space or equipment that facilitates the delivery of healthcare

An "*indirect interest*" is defined to be a circumstance or consideration that can result in the receipt by a business entity in which a Trustee owns less than 30% equity interest or a parent, sibling, spouse, child, significant other or other member of the Trustee's household, of revenue or other forms of value from:

- the practice, delivery or provision of healthcare
- the manufacture, distribution, formulation, or selling of any product used or consumed in the delivery of healthcare
- the provision of any service, including lease rental of space or equipment, that facilitates the delivery of healthcare

or in which a Trustee serves as a director, whether paid or otherwise, of such a business entity.

All contracts or other financial arrangements with the Authority or its affiliates shall be deemed to be related to the delivery or provision of health care. Ownership of interests in mutual funds or other securities traded on a national exchange shall not be considered an indirect interest unless said ownership constitutes 5% or more of the total equity interest in said entity or fund. The term "Authority" shall include the Chattanooga-Hamilton County Hospital Authority and any other facility or business of which 50% or more is owned by the Authority or which the Authority manages.

(2) **Changes in Status.** Reports of any change of Trustee interest status shall be made within sixty (60) days of such change and are in addition to the currently required annual disclosure of Duality of Interest now called Disclosure Form by Trustees. This Disclosure Form attached hereto as Exhibit A is hereby adopted for use in all reports due on or after the Final Effective Date set forth in Section C 8. An initial disclosure on said form shall be filed by all Trustees by said Final Effective Date with the office of the Chief Legal Officer.

(3) **Gratuities.** No trustee shall, without the consent of the majority of the other, then sitting trustees, accept any money or gratuity or compensation for any service he/she may render as a trustee. Complimentary meals served incident to Authority functions, tickets or merchandise of nominal value (\$50.00 or less per item; \$300.00 annual aggregate), costs for attendance at Authority designated social functions, and reimbursement of reasonable expenses shall not constitute gratuities.

(4) **Confidential Information.** No Trustee shall use confidential information for personal gain or profit.

(5) **Political Activity.** No Trustee shall, in said capacity of a Trustee, cause an employee of the Authority to:

- a) Make any contributions, assessments or other payments to any political organization or member or committee thereof;
- b) Solicit any contribution, or sell any ticket, or procure money by any device from the public or any member thereof, or solicit any other political favor in his or her capacity as a trustee;
- c) Use or threaten to use his or her influence, because of position as a trustee, favoring or opposing any candidate or issue;
- d) Use any Authority funds, supplies or equipment for political purposes; and
- e) Work on any political posters, mailing lists or other materials, whether written or otherwise, which are used to influence or attempt to influence voters.

Nothing in this policy shall prohibit a Trustee from being politically active in his or her personal capacity, nor shall it prohibit a Trustee from assisting the Authority or Authority's management in supporting or opposing proposed legislation affecting the Authority.

(6) **Business Opportunities.** A Trustee of the Authority shall not seek, accept or continue business opportunities or employment in any manner that conflicts with his or her role as a Trustee of the Authority. If a question exists concerning such employment or business opportunities of a

Trustee, that Trustee shall first obtain consent from the full Board of Trustees of the Authority. The criteria for giving such consent should be whether or not the work or business services presents a conflict of interest with the Trustee's service as a Trustee or diminishes the Trustee's capacity to fulfill the responsibility of his or her office in carrying out his/her official duties or the integrity of the Authority.

(7) **Self Dealing/Employment.** No Trustee or any business entity in which a Trustee would be directly or indirectly interested in accordance with this policy shall purchase, sell, or offer to sell, real estate, merchandise, equipment, material or services to the Authority or seek employment therewith during the tenure of said Trustee's office or for six (6) months thereafter. This proscription shall not prohibit a physician Trustee from being a member of the Authority's Medical Staff or for physicians in a physician Trustee's practice group to have medical service contracts with this Authority if such contracts are approved by a disinterested Board or to vote for approval on equipment that said physician Trustee may use in his/her practice if said physician Trustee first discloses such proposed use.

(8) **Transition.** This policy shall be effective, in principle, upon its passage. Any Trustees having a conflict under this policy shall have sixty (60) days to cure any conflict through disclosure, divestiture or otherwise. This date shall be become the Final Effective Date.

(9) **Prior Policy.** This Policy shall supercede and take precedence over all prior policies concerning this subject matter and shall amend Article X, thereof, by adding the above language as Section 5, thereof, to the Authority By-laws.

ARTICLE XI

INDEMNITY

Section 1. Indemnity of Trustees.

The Board of Trustees and individuals who are or were members of the Board ("Trustee") shall be indemnified by the Authority for the acts or omissions that may give rise to liability while performing duties as the Board of Trustees or as a member thereof other than for culpable negligence as set out in the Acts establishing the Authority and the general laws of the State of Tennessee.

Section 2. Indemnity of Officers.

To the extent permitted by law, the Authority shall indemnify and hold harmless any individual who is or was an officer ("Officer") from any act, omission, claim, or liability which may occur or be incurred while acting in the course and scope of his/her employment, unless said act, omission, claim, or liability is a result of willful and wanton disregard for his/her duties as an Officer.

Section 3. Indemnity of Key Employees.

To the extent permitted by law and also subject to the provision of Section 5(B) hereof, the Authority shall indemnify and hold harmless any individual who is or was a Key Employee ("Employee") of the Authority, as determined from time to time under the process established in this Article XI, from any act, omission, claim, or liability which may occur or be incurred while acting in the course and scope of his/her employment, unless said act, omission, claim, or liability is a result of willful and wanton disregard for his/her duties as an Employee.

Section 4. Expenses.

The foregoing indemnity shall include the reasonable expenses incurred by a Trustee, Officer or Employee incurred in the proceeding in which it is asserted that the Trustee, Officer or Employee is or may be personally liable.

Section 5. Advance for Expenses.

- (A) The Authority may pay for or reimburse the reasonable expenses incurred by a Trustee, Officer, Key Employee, who is a party to a proceeding in advance of final disposition of the proceeding if:
- (1) The Trustee, Officer or Key Employee provides the Authority a written request for such payment or reimbursement that includes a written affirmation of the good faith belief of the Trustee, Officer or Employee that he/she or she has met the Standard of Conduct set forth in Section 6 of this Article; and
 - (2) The Trustee, Officer or Key Employee provides the Authority a written undertaking in form satisfactory to the Authority to repay the advance of expenses if it is ultimately determined that the Trustee, Officer or Key Employee is not entitled to indemnification; and
 - (3) A determination is made by the Authority's legal counsel that the facts then known to the legal counsel would not preclude indemnification. In the event that the Authority has retained special legal counsel to advise it as to the proceeding, the determination shall be made by such special legal counsel.
- (B) The payment or reimbursement of expenses provided for herein shall be terminated if the Authority determines that the Trustee, Officer or Employee is not entitled to indemnification. No indemnification shall be available hereunder for any liability or expense for causes of action arising in negligence for professional liability for healthcare professionals.
- (C) The undertaking required by subsection (A)(2) of this Section 5 must be an unlimited general obligation, but need not be secured and may be accepted without reference to financial ability to make repayment.

Section 6. Standard of Conduct.

- (A) Standard of Conduct means:
- (1) The individual's conduct was in good faith; and
 - (2) The individual reasonably believed that (a) in the case of conduct in the individual's official capacity with the Authority, the individual's conduct was in the Authority's best interests and (b) in all other cases, the individual's conduct was not opposed to the Authority's best interests; and
 - (3) In the case of any criminal proceeding, the individual had no reasonable cause to believe that the individual's conduct was unlawful.
- (B) The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the individual did not meet the standard of conduct described in this section.

Section 7. Definitions.

As used in this Article, terms "expenses", "liability", "official capacity", "party", and "proceeding" shall have the meaning ascribed to them in Tennessee Code Annotated Section 48-58-501.

Section 8. Severability.

Should any separable part or section of this Article be determined to be invalid, the remaining parts and sections of this Article shall continue in full force and effect.

Section 9. No Waiver.

Nothing in these Bylaws shall constitute a waiver of any immunity from or limitation of liability available to the Authority or its present or past Trustees, Officers and Key Employees, nor shall any provision of these Bylaws create a right in favor of third parties.

ARTICLE XII

AMENDMENTS

The foregoing Bylaws of the Authority may be amended by an affirmative vote of a majority of the members of the Board of Trustees entitled to vote at any regular or special meeting of the Board.

Approved and adopted by the Board of Trustees of the Chattanooga-Hamilton County-Hospital Authority and all revisions incorporated as of this the 24th day of January, 2008.



Chairperson, Board of Trustees



Secretary, Board of Trustees

EXHIBIT 1

PERTINENT PORTIONS OF THE ACTS ESTABLISHING THE
CHATTANOOGA-HAMILTON COUNTY HOSPITAL AUTHORITY

"Section 3. Said Hospital Authority shall be operated and controlled by a Board of Trustees consisting of eleven (11) members who shall serve without compensation but who shall be indemnified by the Authority for any liability they might incur while acting in such capacity other than from culpable negligence. The original members of the Board of Trustees and their respective terms of office are declared to be those individuals whose names are set out below, and upon expiration of such terms the members of the Board of Trustees shall be appointed by the county judge of the county, the mayor of the city, the chancellors of the chancery courts, and the legislative delegation for four (4) year terms as provided in the next succeeding paragraph hereof.

*
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*

The method of appointment of the members of the Board of Trustees after the expiration of the terms of the original members of such Board shall be as follows: The mayor of the city shall appoint four (4) trustees, with the approval of a majority of the members of the Board of Commissioners. The County judge of the county shall appoint four (4) trustees, with the approval of a majority of the members of the county council. Said mayor and county judge shall jointly appoint one (1) trustee with the approval of the president of the Chattanooga-Hamilton County Medical Society, Inc., acting with the approval of a majority of the House of Delegates of said society, and with the approval of a majority of the members, respectively, of the Board of Commissioners and of the county council. The chancellors of chancery court shall jointly appoint one (1) trustee. The legislative delegation shall by a majority vote appoint one (1) trustee.

Upon the expiration of the term of office of any trustee, his/her successor shall be appointed for a term of four (4) years by the authority appointing the trustee whose term has expired. The original trustees, for all purposes of this section, shall be considered to have been appointed by the mayor, the county judge, the chancellors and/or the legislative delegation as indicated in the above tabulation.

All such appointments to the Board of Trustees as provided herein shall be made without regard to religious preference, race, sex or national origin, and in the making of appointments, due consideration shall be given to making said Board of Trustees representative, as nearly as may be practicable, of all residents of the city and county, including the various racial groups therein.

Any member so appointed to the Board of Trustees may, for reasonable cause, be removed from his or her office in the same manner and by the same authority as such member was appointed to the office, provided that such removal shall be preceded by a full hearing and adequate notice of such hearing. 'Reasonable cause' shall include, but shall not be limited to, misconduct in office, failure to perform duties prescribed by this act or other applicable law, or failure to diligently pursue the objectives for which the authority was created.

Vacancies on the Board of Trustees caused by any reason whatsoever, shall be filled by appointment of the authority who appointed the Trustee vacating the office, but without the necessity of approval otherwise herein required. A Trustee so appointed shall hold office for the remainder of the term of the Trustee vacating the office.

A member of the Board of Trustees may serve as such Trustee for not more than eight (8) consecutive years, excluding any previous service as a member of the Board of Trustees of Baroness Erlanger Hospital and/or T. C. Thompson Children's Hospital."

EXHIBIT 2

ORDER OF BUSINESS

(BOARD MEETINGS)

- I. **Call to Order**
 - A. **Roll Call** (May be taken silently)
- II. **Invocation**
- III. **Review Agenda**
- IV. **Review Minutes**
- V. **Committee Reports**

(This may include Standing Committees (either Regular or Ancillary), Special Committees, individual committee members, task force or other similar type bodies reporting or bringing business before the Board).
- VI. **Unfinished Business**

(This may include unfinished Special Orders, items of Special Order made for the present meeting, unfinished General Orders from a prior meeting or where discussion was not completed).
- VII. **New Business - Resolutions**

(This may include General Orders, Special Orders, Resolutions planned to be brought before the Board or other items of business which have not previously been considered, or to take any matter laying on the table, off the table).
- VIII. **Informative Items**
- IX. **Medical Staff Report**
- X. **Management Report**
- XI. **Report from Trustee or Officer**

(At this time any Trustee or Officer may address the Board on any issue).
- XII. **Miscellaneous**
 - A. **Upcoming Meetings**
 - B. **Upcoming Events**
- XIII. **Petitions from the Public**
- XIV. **Adjournment**

EXHIBIT 3

ORDER OF BUSINESS

(COMMITTEE MEETINGS)

- I. **Call to Order**
 - A. **Roll Call** (Attendance may be taken silently)
- II. **Review Agenda**
- III. **Review Minutes**
- IV. **Sub-Committee Reports, if appropriate**

(This may include any sub-committee, special sub-committee, individual committee member, task force, or other similar type bodies making any appropriate report to the Committee).
- V. **Unfinished Business**

(This may include unfinished Special Orders, items of Special Order made for the present meeting, unfinished General Orders from a prior meeting or where discussion was not completed).
- VI. **New Business**

(This may include General Orders, Special Orders, Resolutions planned to be brought before the Board or other items of business which have not previously been considered, or to take any matter laying on the table, off the table).
- VII. **Informative Items**
- VIII. **Reports of Committee Members or Other Appropriate Persons**

(At this time any Committee Member or Other Appropriate Person may address the Committee).
- IX. **Miscellaneous**
 - A. **Upcoming Meetings**
 - B. **Other Items**
- X. **Adjournment**

EXHIBIT 4



Chattanooga-Hamilton County Hospital Authority

Trustee and Officer Disclosure Form

(Please attached continuation sheet if more space is needed to respond).

1. I am employed by _____.

(If self-employed, please so state).

2. My principal job responsibilities are as follows: _____

3. If answers to questions 4-8 are "none", please check below and sign at page 2 of this Disclosure Form:

I am aware of no circumstances that would cause me to violate the Chattanooga-Hamilton County Hospital Authority Conflict of Interest Policy.

4. I own an equity interest in the following non-publicly traded entities:

5. I own interests or have financial arrangements (e.g. contracts) with the following businesses in the health care industry: _____

6. I, or my company, parents, spouse, siblings, significant other or member of my household, have the following contracts with the Chattanooga-Hamilton County Hospital Authority or its affiliates: _____

7. I am aware of the following potential conflicts of interests and/or relationships that might appear to be a conflict of interest: _____

8. To my knowledge, the only businesses or equities in which I share an interest with another Board member, Erlanger officer, or physician(s) are:

9. I am not aware of any other circumstances that would cause me to violate the Chattanooga-Hamilton County Hospital Authority's Conflict of Interest.

10. I agree to update this Disclosure Form in accordance with the Chattanooga-Hamilton County Hospital Authority's Conflict of Interest Policy.

SIGNATURE

DATE

Print Name: _____