

CONFIDENTIAL AND PRIVILEGED COMMON INTEREST MATERIALS
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Adopted on December 20, 2001
Revised _____, 2009

AMENDED AND RESTATED
BY-LAWS OF
CMC HEALTHCARE SYSTEM

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CMC HEALTHCARE SYSTEM

ARTICLE I

NAME, OFFICES AND PURPOSE

Section 1. Name. The name of the corporation whose By-Laws are set forth hereinafter is CMC HEALTHCARE SYSTEM (the “Corporation”).

Section 2. Principal Office. The principal office of the Corporation shall be located on the premises of 100 McGregor Street, Manchester, New Hampshire 03102, or such other place as may be determined from time to time by the Board of Trustees.

Section 3. Purpose. As set forth in Article II of the Articles of Agreement of the Corporation, the purpose of the Corporation is to function as a supporting organization to benefit, serve as the Sole Member of, help carry out the purposes of, and uphold, promote and further the welfare, programs and activities of Catholic Medical Center and its subsidiary corporations or related entities and Alliance Health Services and its subsidiary corporations or related entities , (collectively, the "Subsidiary Entities" or, alternatively, referred to as the “Manchester System”). The Corporation, which is an agency of the Roman Catholic Church and is established as a public juridic person of diocesan right, shall provide its services within the scope and in a manner consistent with the Canon Law of the Roman Catholic Church and the *Ethical and Religious Directives for Catholic Health Care Services*, in accordance with the direction of, and as interpreted by, the Bishop of the Roman Catholic Diocese of Manchester, New Hampshire (the “Bishop”).

ARTICLE II

SOLE MEMBER

The Sole Member of the Corporation shall be the Dartmouth-Hitchcock Health (“DHH”). DHH as Sole Member of the Corporation shall have all powers and responsibilities conferred on it by law and Article VIII of the Corporation’s Articles of Agreement, and in particular to oversee the delivery of healthcare throughout the State of New Hampshire, particularly in the Greater

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Manchester community, and throughout the State of New Hampshire (collectively when acting in conjunction with the Corporation, referred to as the “Regional System”).

ARTICLE III

BOARD OF TRUSTEES

Section 1. General Powers. The affairs and business of the Corporation shall be controlled and managed by the Board of Trustees, who may exercise all of the powers of the Corporation, except those powers reserved to DHH as the Sole Member pursuant to Article VIII of the Corporation’s Articles of Agreement and/or the Bishop pursuant to Article IX of the Corporation’s Articles of Agreement. The Board of Trustees is responsible for establishing the policies of the Corporation. It shall serve as the judicial organ for review, appraisal and ultimate appeal within the Corporation and its Subsidiary Entities.

Without limiting the generality of the foregoing, the Board of Trustees shall, with respect to the Corporation, have the power to determine all policies of the Corporation with regard to the conduct of the business of the Corporation, subject to the limited reserved powers of DHH as the Sole Member pursuant to Article VIII of the Corporation’s Articles of Agreement or the Bishop set forth in Article IX of the Corporation’s Articles of Agreement.

Section 2. Number and Qualifications. The number of Trustees of the Corporation shall be a minimum of five (5). There shall at all times be a minimum of at least five (5) Trustees who are not of the same immediate family or related by blood or marriage. A majority of the Trustees will be individuals appointed by CMC with the approval of the Bishop and DHH. Specifically, the Board of Trustees shall be comprised as follows:

(a) *Ex-Officio Members.* The President/CEO of DHH, the President/CEO of CMCHS and the Bishop’s Health Care Delegate, who also serves on the CMC Board of Directors, each will serve on the CMCHS Board *ex-officio*, with full voting rights.

(b) *Members Nominated by CMC.* In addition to the *ex-officio* positions described above, the CMC Board of Directors will identify and nominate to the CMCHS Board seven (7) candidates for election to the CMCHS Board, one of whom is expected to be the President of the CMC Medical Staff. Nominees may, but need not, be members of the CMC Board of Directors. If the CMCHS Board does not approve any of such candidates, the CMC Board of Directors will nominate to CMCHS a new candidate for approval. As noted in Article IX of the Articles of Agreement, the nomination by the CMC Board of Directors of candidates for election to the CMCHS Board also is subject to the Bishop’s approval.

(c) *Members Nominated by DHH Members of AHS.* In addition to the *ex-officio* positions described above, the DHH Members of the AHS Board of Trustees will

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identify and nominate to the CMCHS Board five (5) candidates for election to the CMCHS Board. If the CMCHS Board does not approve any of such candidates, then the DHH Members of the AHS Board of Trustees will nominate to the CMCHS Board a new candidate for approval.

(d) *Approval by DHH.* As set forth in Article VIII of the Bylaws, all candidates elected by the CMCHS Board to serve as its Trustees also must receive the approval of DHH. If DHH objects to any nominee, then the organization which initially identified and nominated such individual will nominate a replacement for approval by both CMCHS and DHH, and by the Bishop under Article IX of the Articles of Agreement, if applicable.

Section 3. Voting. Each Trustee shall have the full right to vote and participate in the affairs of the Corporation.

Section 4. Term of Office. Except with respect to *ex officio* Trustees whose terms will run concurrently with their office, each Trustee shall continue in office for a renewable three year term for a maximum of two consecutive terms and until his or her successor shall have been appointed and shall have been qualified, or until his or her death, resignation or removal in the manner provided herein.

Section 5. Quorum and Manner of Acting. A quorum of the Trustees shall be required to transact any business. A majority of the total number of Trustees then holding office shall constitute a quorum for the transaction of business at any meeting except where otherwise provided by statute, the Corporation's Articles of Agreement or these By-Laws. Less than a quorum may adjourn the meeting. At all meetings of the Board of Trustees, each Trustee present shall have one (1) vote. At all meetings of the Board of Trustees, all questions, the manner of deciding which is not specifically regulated by statute, by these By-Laws or by the Corporation's Articles of Agreement, shall be determined by a majority of the Trustees present at the meeting.

Section 6. Place of Meeting. The Board of Trustees may hold its meetings and have one or more offices at such places within the State of New Hampshire as the Board from time to time may determine or, in the case of meetings, as shall be specified or fixed in the respective notices or waivers of notice thereof.

Section 7. Books and Records. The correct and complete books and records of account and minutes of the proceedings of the Board of Trustees shall be kept by the Secretary of the Corporation.

Section 8. Regular Meetings. Regular meetings of the Board of Trustees shall be held at such places and at such times as the Board shall from time to time by resolution determine. Notice of regular meetings need not be given.

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Section 9. Special Meetings; Notice. Special meetings of the Board of Trustees shall be held whenever called by the Chair, or by the Secretary at the request of any three (3) Trustees at the time being in office. Written notice of each such meeting shall be given to each Trustee either (a) by mail addressed to such Trustee at his or her residence or usual place of business at least five (5) days before the day on which the meeting is to be held, or (b) by facsimile, by electronic mail, in person or by telephone, prior to the time of such meeting. Every such notice shall state the time and place of the meeting, and shall state the agenda of items to be discussed at such meeting. No business other than that specified in the agenda contained in the notice for the meeting shall be transacted at any special meeting of the Board of Trustees, without the unanimous written consent of each of the Trustees. Notice of any meeting of the Board need not be given to any Trustee, however, if waived by him or her in writing, by electronic mail or by facsimile, whether before or after such meeting be held, or if he or she shall be present at such meeting unless his or her attendance at the meeting is expressly for the purpose of objecting to the transaction of any business because the meeting is not lawfully convened; and any meeting of the Board shall be a legal meeting without any notice thereof having been given, if all of the Trustees shall be present thereat without objection that the meeting is not lawfully convened.

Section 10. Executive Session. Upon the call of the Chair of the Board of Trustees, the Board of Trustees shall meet in executive session without the presence of the employees, including employee Trustees, of the Corporation, or any of the Subsidiary Entities, unless invited by the Chair to remain during the Executive Session. The Board may conduct any lawful business of the Corporation at such meeting.

Section 11. Resignations. Any Trustee of the Corporation may resign at any time by giving written notice to the Chair of the Board of Trustees or to the Secretary of the Corporation. Such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 12. Removal of Trustees. Any Trustee may be removed, with cause, at any time, by a majority vote of the Trustees and the written approval of DHH and the Bishop with respect to a CMC-affiliated Trustee, at a duly called meeting of the Board of Trustees of the Corporation or by the Bishop with respect to a CMC-affiliated Trustee with or without cause.

Section 13. Vacancies. Any vacancy in the Board of Trustees caused by death, resignation or removal shall be filled for the unexpired portion of the term in the manner prescribed in these By-Laws for appointment to the Board of Trustees.

Section 14. Compensation. With the exception of the President and Chief Executive Officer, the Trustees shall not receive any compensation for attendance at regular or special meetings or for services rendered to the Corporation, but may be reimbursed for actual expenses incurred incidental to services performed for the Corporation.

Section 15. Trustees' Participation in Meeting By Telephone. A Trustee may participate in a meeting of the Board of Trustees by means of conference telephone or similar communication

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equipment enabling all Trustees participating in the meeting to hear one another. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

Section 16. Trustees' Action Without Meeting. If all the Trustees entitled to vote and then holding office severally or collectively consent in writing to any action taken or to be taken by the Corporation, then such action shall be valid as though it had been authorized at a meeting of the Board of Trustees. The Secretary shall file such consent or consents with the minutes of the meetings of the Board of Trustees.

Section 17. Committees; Executive Compensation Committee. The Board of Trustees may from time to time establish Committees and delegate particular responsibilities to Committees of the Corporation, as it shall deem advisable. The Board will have an Executive Compensation Committee, which will be responsible for evaluating the overall performance, and determining the compensation, of the CMCHS CEO. The DHH CEO will be an ex-officio member of the CMCHS Executive Compensation Committee with full voting rights, and will deliver his or her evaluation of the CMCHS CEO's performance to the Committee. The CMCHS Executive Compensation Committee will make decisions regarding the CMCHS CEO's compensation based on overall performance, market conditions and any regulatory restraints.

Section 18. Strategic Planning. CMCHS will develop a strategic plan for the Manchester System which is compatible with the Regional System plan developed by DHH and which addresses those portions of the Regional System plan for which CMCHS is responsible.

Section 19. Clinical Operations; Financial and Administrative Matters. Significant clinical and other programmatic initiatives and development in the Manchester System will be identified by the CMCHS Board and management, which initiatives will require the approval of DHH to ensure compatibility with the goals and plans of the Regional System. DHH agrees that any change (expansion or reduction) in program services that may impact the Manchester System in any material way will be presented to the CMCHS Board for discussion, approval and implementation. CMCHS will be accountable to DHH for adherence within the Manchester System of overall quality goals established for the Regional System.

ARTICLE IV

OFFICERS

Section 1. Number. The officers of the Corporation shall include a Chair of the Board, a President and Chief executive Officer, a Treasurer and a Secretary who shall be the registered agent and such other officers as the Board of Trustees may from time to time deem appropriate. One person may hold the offices and perform the duties of more than one of said officers.

Section 2. Election, Term of Office and Qualifications. The officers shall be elected annually by the Board of Trustees with the approval of DHH and the Bishop and shall serve for a

CONFIDENTIAL AND PRIVILEGED COMMON INTEREST MATERIALS

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renewable term of two years or until such time as their successors are appointed. Each officer shall hold office for such term or until the death, resignation, or removal of such officer in the manner hereinafter provided.

Section 3. Removal. Any officer may be removed by the Bishop whenever he believes that the best interests of the Corporation will be served by such action.

Section 4. Resignations. Any officer may resign at any time by giving written notice to the Chair of the Board of Trustees, to the President or to the Secretary. Such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal or any other cause shall be filled for the unexpired portion of the term in the manner prescribed in these By-Laws for election or appointment to such office.

Section 6. The Chair of the Board. The Chair of the Board shall, if present, preside at all meetings of the Board of Trustees. Except where by law the signature of the President is required, the Chair of the Board shall possess the same power as the President to sign all certificates, contracts and other instruments of the Corporation which may be authorized by the Board of Trustees. The Chair of the Board shall, in general, perform all duties incident to the office of Chair of the Board, subject, however, to the direction and control of the Board of Trustees, and such other duties as from time to time may be assigned to him or her by the Board of Trustees. Employees of the Corporation are ineligible to serve as the Chair of the Board.

Section 7. The President. The President shall be the individual selected by a majority vote of the Board of Trustees and approved by DHH and the Bishop. The President shall be the chief executive and administrative officer of the Corporation and shall have general and active supervision and direction over the day-to-day business and affairs of the Corporation and over its several officers, subject, however, to the direction and control of the Board of Trustees. The President shall sign or countersign all certificates, contracts and other instruments of the Corporation as authorized by the Board of Trustees, and shall perform all such other duties as from time to time may be assigned to him or her by the Board of Trustees. The responsibilities of the President and further terms and conditions related to the exercise of such office may be set forth in such an Employment Agreement as is authorized by the Board of Trustees.

Section 8. The Secretary. The Secretary shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him or her by the Board of Trustees or by the Chair.

Section 9. The Treasurer. The Treasurer shall perform all the duties incident to the office of Treasurer and such other duties as may, from time to time, be assigned to him or her by the Board of Trustees or by the Chair.

ARTICLE V

CONFLICT OF INTEREST

Any possible conflict of interest on the part of any Trustee or officer or employee, or a member of the immediate family of any such person, of the Corporation shall be disclosed in writing to the Corporation's Board of Trustees. The possible conflict of interest shall be made of record through complete and full written disclosure to the Board of Trustees when such individual has an interest that involves a specific issue before the Board of Trustees.

A transaction involving a Trustee or officer, or a member of the immediate family of any such person, shall be prohibited unless it is in the best interests of the Corporation, the transaction is for goods or services in the ordinary course of business of the Corporation for the actual or reasonable value (or a discounted value) of the goods or services, the transaction is fair to the Corporation and the appropriate actions as set forth herein are taken. When the transaction involving a Trustee or officer, or a member of the immediate family of any such person, exceeds Five Hundred Dollars (\$500.00) but is less than Five Thousand Dollars (\$5,000.00) in a fiscal year, the transaction must be approved by affirmative votes (and those affirmative votes must equal or exceed any quorum requirement specified herein) from at least two-thirds (2/3) of the Disinterested Trustees (as hereinafter defined) without the participation, voting or presence of any Trustee or officer with a financial interest in the transaction or a Trustee or officer who has had a pecuniary benefit transaction with the Corporation in the same fiscal year. When the transaction involving a Trustee or officer, or a member of the immediate family of any such person, is in an amount equal to or greater than Five Thousand Dollars (\$5,000) in a fiscal year, then: (i) the two-thirds vote of the Disinterested Trustees set forth in the preceding sentence is required; and (ii) the Corporation must publish notice of the transaction in a newspaper of general circulation in the community in which the Corporation's principal office is located, Manchester, or a newspaper of general circulation throughout the State of New Hampshire prior to consummation of the transaction; and (iii) the Corporation must provide written notice of the transaction to the Office of the Director of Charitable Trusts within the Office of the New Hampshire Attorney General prior to consummation of the transaction. The minutes of the meeting in which a transaction is discussed pursuant to this Article VI shall reflect that a disclosure was made, the abstention from voting and the actual vote itself.

Every new Trustee will be advised of this policy upon assuming the position of Trustee and shall sign a statement acknowledging an understanding of and agreement to the Conflict of Interest Policy as set forth in this Article VI. The Board of Trustees will comply with all requirements of New Hampshire law concerning conflicts of interest related to non-profit entities and such New Hampshire requirements are incorporated into and made a part of this Article VI. For the purposes of these By-Laws, a "Disinterested Trustee" is a Trustee who does not have a financial interest in the transaction under consideration and has not been involved in a different transaction subject to this Article V within the same fiscal year.

CONFIDENTIAL AND PRIVILEGED COMMON INTEREST MATERIALS
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Under no circumstances is the Corporation to make any loans of money or property to any Trustees or officers of the Corporation. The Corporation shall not sell, lease for a term of greater than five (5) years, purchase or convey any real estate or interest in real estate to or from a Trustee or officer without the prior approval of the probate court after a finding that the sale or lease is fair to the Corporation.

ARTICLE VI

CONTRACTS, CHECKS, NOTES, ETC.

Section 1. Execution of Contracts. All contracts and agreements authorized by the Board of Trustees, and all checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall, unless otherwise directed by the Board of Trustees, or unless otherwise required by law, be signed by any one of the following officers: Chair, President, Treasurer or Secretary. The Board of Trustees may, however, authorize any two of said officers to sign checks, drafts and orders for the payment of money in excess of specified amounts, and may designate officers and employees of the Corporation other than those named above, or different combinations of such officers and employees, who may, in the name of the Corporation, execute checks, drafts, and orders for the payment of money on its behalf.

Section 2. Loans. No loans shall be contracted on behalf of the Corporation and no negotiable paper shall be signed in its name unless authorized by resolution of the Board of Trustees. When authorized by the Board of Trustees, any officer may effect loans and advances at any time for the Corporation from any bank, trust company or other institution, or from any firm, corporation or individual, and for such loans and advances may make, execute and deliver promissory notes, bonds or other certificates or evidences of indebtedness of the Corporation and, when authorized so to do, may pledge, hypothecate or transfer any securities or other property of the Corporation as security for any such loans or advances. Such authority may be general or confined to specific instances. Notwithstanding the foregoing or anything herein to the contrary, under no circumstances is the Corporation to make any loans of money or property to any Trustees or officers of the Corporation.

ARTICLE VII

FISCAL YEAR

The fiscal year of the Corporation shall be fixed by the Board of Trustees.

ARTICLE VIII

WAIVER OF NOTICE

Whenever any notice is required to be given to any Member or Trustee by these By-Laws or the Articles of Agreement or the laws of the State of New Hampshire, a waiver of the notice in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to giving the notice.

ARTICLE IX

AMENDMENT OF BY-LAWS

The power to alter, amend or repeal these By-Laws or to adopt new By-Laws, shall be vested in the Board of Trustees, who may make any such alteration, amendment, repeal or adoption by a two-thirds (2/3) majority vote at any meeting or special meeting of the Board of Trustees called for such purpose, provided that notice of the proposed change is given in the notice of the meeting and distributed prior to the meeting to members of the Board of Trustees and the notice shall state that such change shall be subject to the approval of DHH, where applicable, and the Bishop.

ARTICLE X

INDEMNIFICATION

The Trustees and officers of the Corporation shall not be personally liable to the Corporation or its Member or Members for monetary damages for any breach or alleged breach of fiduciary duty as a Trustee or officer, or both, except with respect to:

1. Any breach of the Trustee's or officer's duty of loyalty to the Corporation or its Member or Members;
2. Acts or omissions which are not in good faith or which involve intentional misconduct or a knowing violation of the law; or
3. Any transaction from which the Trustee or officer derived any improper personal benefit.

ARTICLE XI

TAX EXEMPT STATUS

These By-Laws of the Corporation shall at all times be so construed and limited as to enable the Corporation to qualify and to continue qualifying as a voluntary charitable corporation duly organized and existing pursuant to the provisions of Chapter 292 of the Revised Statutes Annotated of the State of New Hampshire, as amended, and as a tax exempt charitable organization organized and operated for any purpose for which an organization may be exempt pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

ARTICLE XII

POWER TO AUDIT

In their sole and absolute discretion, either DHH or the Bishop shall have the power to require a certified audit of the finances of the Corporation, and to appoint the certified public accountant to perform such audit. The expense of such audit shall be borne by the Corporation.

ATTEST:

I, the undersigned Secretary of the Corporation, hereby attest that the foregoing is a true, complete and accurate set of the Amended and Restated By-Laws of the Corporation as adopted on

_____.

_____, Secretary