

BY-LAWS

**THE WESTCHESTER COUNTY HEALTH CARE
CORPORATION**

Adopted: December 17, 1997
Last Amended: January 6, 2016

BY-LAWS
OF
THE WESTCHESTER COUNTY HEALTH CARE CORPORATION

ARTICLE I

PURPOSE

SECTION 1. Objective and Purposes

The Westchester County Health Care Corporation (“the Corporation”) is a public benefit corporation created pursuant to and existing by virtue of laws of the State of New York with the purposes, functions, powers and duties as set forth in Article 10-C, Title 1 of the New York State Public Authorities Law, to be exercised consistent with the requirements of applicable law, including without limitation the following:

- A. to provide and deliver high quality, dignified and comprehensive health care services and health care facilities for the benefit of the residents of the Corporation’s surrounding communities, including persons in need of health care services without the ability to pay.
- B. to maintain, equip, support, improve and operate the facilities of the Corporation, for the purposes of providing the highest quality of care and treatment of the sick, injured and infirm without regard to race, creed, color, sex, national origin, age, disability, marital status, sexual orientation, genetic predisposition or carrier status.
- C. to affiliate with an accredited medical school and other educational and health care institutions to promote, carry on or participate in any educational and medical activities consonant with the role of an academic medical center which, in the judgment of the Board of Directors of the Corporation, may be justified and appropriate by the facilities, personnel, funds or other resources that can, are, or may be made available to the Corporation.
- D. to promote, carry on or participate in any activities reasonably designed to enhance or protect the general health and welfare of the people of the State of New York as may be permitted by applicable law and consistent with the powers, functions and duties of the Corporation.
- E. to carry on or participate in any activities reasonably designed to enhance the reputation of the health care facilities and institutions of the Corporation; extend or improve the quality of the health care services provided by the Corporation, and

increase the resources available to the Corporation in the fulfillment of its mission and purposes.

- F. to promote, carry on or participate in any activities reasonably designed to plan for and address the changing health care needs and requirements of the residents of the State of New York and the Corporation's surrounding community as may be permitted by applicable law and consistent with the powers, functions and duties of the Corporation, including, without limitation, the operation of such additional health care facilities to be developed or otherwise provided by or for the use of the Corporation, which the Board of Directors of the Corporation may, from time to time, determine to be necessary and appropriate.
- G. to promote, carry on or participate in any other activities, permitted by law, which in the judgment of the Board of Directors, are incidental or related to the foregoing purposes.
- H. to deliver the highest quality of professional and compassionate care, and, in so doing, provide and maintain standards of excellence in its role as an educator of health care providers guided by key values which encompass the concepts of continuous quality improvement and a patient centered philosophy and which incorporate the following dimensions of performance: appropriate and efficient care; available, timely and effective care; and patient safety and respect.

SECTION 2. Powers Not Limited

The foregoing objectives and purposes of the Corporation set forth in Section 1 are not intended, nor shall they be construed to alter, limit or impair any express or implied powers of the Corporation granted by applicable law.

ARTICLE II

MEETINGS OF THE BOARD

SECTION 1.

In accordance with the procedures set forth in §3303 of the New York Public Authorities Law, the Corporation shall be governed by fifteen (15) voting directors, of which eight (8) directors shall be appointed by the Governor and seven (7) directors shall be appointed by the Legislature of the County of Westchester, subject to approval by the County Executive. The initial voting directors shall be appointed to staggered terms but subsequent appointments shall be for terms of five (5) years, and all voting directors may be eligible for reappointment and shall continue to hold office until their successors are appointed and qualified, as more particularly set forth in §3303 of the New York Public Authorities Law.

As provided in §3303(1)(c), there shall be four (4) non-voting representatives, which shall include the Chief Executive Officer of the Corporation, one representative selected by the County Executive, one representative selected by the majority leader of the County Board of Legislators, and one representative selected by the Minority Leader of the County Board of Legislators, each possessing all of the rights and powers of the voting directors other than the right and power to vote.

SECTION 2.

The annual meeting of the Board of Directors shall be held in November on the first Wednesday of the month, or such other day of the month established by custom and practice for regularly scheduled meetings of the Board, or on such other day and place as the Board may by resolution direct. The annual meeting shall be convened for the election of officers and the transaction of other business; provided, however, that the officers elected at such annual meeting shall take office and assume their duties on the first day of January following their election. Regular meetings of the Board of Directors shall be held (at least ten (10) times per year) at such time and place as the Board may by resolution direct. Written notice of all Board meetings shall be sent by the Secretary to each voting and non-voting Director and at least three (3) days before each meeting.

SECTION 3.

Special meetings of the Board may be called by the Chair at his or her discretion, and must be called by the Secretary at the written request of any five (5) voting directors and non-voting representatives of the Board. Special meetings may be called on two (2) days' notice.

SECTION 4.

In accordance with Section 3303(4)(c) of the New York Public Authorities Law, at all meetings of the Board, eight (8) voting directors of the Board shall constitute a quorum for the transaction of business and taking any Board action.

SECTION 5.

The Board of Directors may adopt rules and procedures governing the proceedings at its meetings from time to time. In the absence of the adoption of any such rules and/or procedures, Robert's Rules of Order shall govern the proceedings at all meetings of the Board of Directors.

ARTICLE III

CORPORATE OFFICERS

SECTION 1.

The Corporate Officers of the Corporation shall be a Chair, a first Vice Chair, up to two (2) Vice Chairs, a Secretary and a Treasurer, all of whom shall be voting directors and shall be elected at the annual meeting of the Board of Directors, and they shall assume their office and duties as of the first day of January next succeeding their election at the annual meeting. The Board of Directors also may appoint the President and Chief Executive Officer, Chief Financial Officer, General Counsel and an Assistant Secretary, as officers, or such other officers as the Board may deem necessary, who need not be voting directors of the Board, who shall have such duties and powers as from time to time may be determined by the Board, and who shall serve at the pleasure of the Board.

SECTION 2.

The Officers shall hold office until their successors shall have been duly elected and assumed their duties. A vacancy in any office may be filled by an election at any regular meeting of the Board. Elections need not be by ballot unless requested by any voting Director of the Board present at the meeting. The term of office for the Officers shall be two years. A voting Director shall not be eligible for election to more than two consecutive two year terms as Chair, Vice Chair, Secretary or Treasurer. In situations where the First Vice Chair is elected to a second term of office, the Board of Directors may designate the First Vice Chair to be Chair-Elect at the commencement of the second year of his or her second term of office. In the event the Chair resigns or otherwise fails to complete his or her term after the Chair-Elect has been elected to such office, the Chair-Elect shall serve as Chair for the balance of the prior Chair's term, be elected to a full two year term at the next election, and be eligible to serve a second consecutive two year term consistent with these Bylaws. Nothing contained herein shall be construed to preclude any voting director from holding a different office from the office for which he or she shall have become ineligible pursuant to the provisions of this paragraph.

SECTION 3.

The Chair shall preside at all meetings of the Board of Directors. In addition, the Chair shall be, ex officio, a member of all other committees, but as such shall have no vote, except in cases of a tie. The Chair shall carry out such other functions and duties as shall be delegated by the Board of Directors.

SECTION 4.

In the absence of the Chair, his or her duties and powers shall be assumed by the First Vice Chair, the Vice Chair of his or her choice, the Secretary and the Treasurer, in that order.

SECTION 5.

The Secretary and/or the Assistant Secretary shall keep the minutes of all meetings and official transactions of the Board of Directors and its Committees; he or she shall have custody of the seal of the Corporation, affixing it to such documents as may be required; he or she shall have custody of all correspondence of the Board; he or she shall give notice of all meetings of the Board in accordance with the By-laws and shall perform such other duties as usually appertain to such office. The Secretary may also hold a Vice Chair position.

SECTION 6.

The Treasurer shall render to the Board of Directors when required by the Board, an account of the financial condition of the Corporation. The Treasurer shall perform such other duties as the Board of Directors may from time to time prescribe. He or she shall be Chair of the Finance Committee. The Treasurer may also hold a Vice Chair position.

Article IV

Committees

Section 4.1 Appointment of Committees

(a) The Board of Directors, by resolution adopted by a majority of the entire Board, may designate from among its members Standing Committees of the Board of Directors, each consisting of three or more Directors, and each of which, to the extent provided in such resolution or in these By-laws, shall have all of the authority of the Board of Directors that lawfully may be delegated to such a committee and is so delegated by the Board of Directors. Except as otherwise provided in these By-laws, the Chair of the Board of Directors shall designate the members of each Standing Committee of the Board of Directors at the Annual or other meeting of the Board. Standing Committee members shall serve for one-year terms or until their successors are designated. Members of all Standing Committees shall serve at the pleasure of the Board of Directors. By virtue of their office, the Chairman and the President and Chief Executive Officer shall be *ex-officio* members of all Standing and Special Committees of the Board of Directors, provided that the Chief Executive Officer shall not be a member of the Personnel and Compensation Committee or the Audit and Corporate Compliance Committee.

(b) The Board of Directors may create such Special Committees of the Board as it may deem desirable. Such Committees shall have only the powers specifically delegated to them by the Board of Directors.

(c) Committees other than Standing or Special Committees of the Board of Directors shall be considered Committees of the Corporation. The members of Committees of the Corporation need not be Directors.

(d) There shall exist an Executive Committee, a Finance Committee, a Personnel and Compensation Committee, an Audit and Corporate Compliance Committee and a Committee on Quality as Standing Committees of the Board. Such Standing Committees shall have such powers, duties and responsibilities as may be prescribed by these By-laws or the Board of Directors; however, other than as set forth in Section 4.5, each such Committee shall be advisory, rather than decision-making, in nature. The other Committees and Sub-committees provided for in this Article IV shall be considered Special Committees of the Board of Directors or Committees of the Corporation. Such Special Committees are: a Governance Committee, a Strategic and Facilities Planning Committee, a Development Committee, and an Information Technology Committee. Special Committees will have no authority of the Board of Directors but may advise on matters within their specified areas of concern, but the naming and description of such Committees does not require them to consider or advise on all such matters or for matters to be presented to other Committees, as well. Each Committee of the Board shall serve at the pleasure of the Board of Directors, which may create new committees or eliminate or combine any or all of the committees or sub-committees provided for in this Article IV, subject to any required appropriate amendments to this Article IV.

Section 4.2 Meetings of Committees. Each Standing or Special Committee of the Board of Directors, and each Committee of the Corporation, may adopt its own rules of procedure consistent with these By-laws. In the absence of a contrary provision in rules adopted by a Committee, the following rules shall apply. Committees may meet either regularly at stated times or specially on written notice, given by the chairman or vice-chairman of such Committee or members constituting not less than one-third of the full membership of such Committee, at least six (6) days in advance thereof, if at all possible, by mail, or one day in advance by telephone, facsimile transmission, electronic mail or personal delivery to all members thereof or on such other notice as the Committee or the Board of Directors in creating such Committee may determine. The Committees shall keep regular minutes of their proceedings, reflecting business conducted, including findings, conclusions and recommendations, and shall report such minutes to the Board of Directors when required. Committees of the Corporation shall keep such minutes and prepare such reports as may be required or as they determine are appropriate for matters on which they advise. Except as otherwise expressly required by law or by these By-laws, or unless otherwise determined by the Board of Directors, one-third of the members of a committee shall constitute a quorum and the action of a majority of those present at a meeting at which a quorum is present shall be the act of the Committee. No Committee other than the Executive Committee shall commit the Corporation to any obligation, course of conduct or procedure unless such obligation, course of conduct or procedure is expressly delegated to such Committee in these By-Laws or duly authorized by the Board of Directors.

Section 4.3 Action by Committees Without a Meeting. Any action required or permitted to be taken by any Committee may be taken without a meeting if all members of the Committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto shall be filed with the minutes of the Committee.

Section 4.4 Telephonic Participation in Meetings. Any one or more of the members of a Committee shall be permitted to participate in a meeting of such Committee by means of a conference telephone or similar communication equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 4.5 Executive Committee.

(a) The Executive Committee shall consist of the Chair of the Board of Directors, who shall serve as the Committee's Chair, the remaining Officers of the Board, and, provided they remain as voting members of the Board of Directors, the Board's past Chairs. The President and Chief Executive Officer shall serve as an ex-officio voting member of the Executive Committee. The designation of such Committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

(b) The Executive Committee, between meetings of the Board of Directors, shall have and may exercise all of the authority of the Board, except as such authority is limited by the New York Public Authorities Law and other applicable law, and except to the extent, if any, that such authority would be inconsistent with any provision of these By-laws or is limited

by any resolution to such effect adopted by the Board of Directors. Among other things, the Executive Committee shall have the full authority of the Board of Directors on all matters concerning strategic intent, financial security, financial performance and operational efficiency of the Corporation, and on all matters concerning federal and state laws and regulations relating to health care, the provision of health care services, physician credentialing, and the standards promulgated by accrediting bodies, including the Joint Commission.

(c) The Executive Committee shall meet at the call of the Chair on one (1) days notice or at the written request of any three (3) members of the Committee on three (3) days notice. It is the intent of these By-laws that authority for the Executive Committee to act shall be delegated by the Board of Directors primarily in those instances where it is necessary for the Board of Directors to meet between meetings of the Board regarding matters requiring immediate attention. Three (3) members of the Executive Committee present shall constitute a quorum at any meeting. Such event and outcome thereof shall be reported back to the Board of Directors as soon as is practicable, but in no event later than at the next succeeding meeting of the Board. In addition, the Committee shall have special charge of all matters not expressly assigned to another committee.

(d) The Executive Committee may, upon the request of the President and Chief Executive Officer or the Chief Medical Officer, exercise the authority by and on behalf of the Board of Directors to approve appointments and reappointments to the Medical Staff of Westchester Medical Center, during the intervals between meetings of the Board of Directors, when such appointments and reappointments have been recommended by the Credentials Committee and the Executive Committee of the Medical Staff. Any approval of appointments and reappointments by the Executive Committee shall be reported to the Board of Directors at its next succeeding meeting.

Section 4.6 Audit and Corporate Compliance Committee. The Chair of the Board shall designate members of the Board of Directors to constitute the Audit and Corporate Compliance Committee. The Audit and Corporate Compliance Committee shall be comprised of three or more Directors who are not employees of the Corporation or members of the Medical Staff, and who do not have any relationship, which in the opinion of the Chairman of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a member of the Committee, and who are able to read and understand fundamental financial statements. The Chairman of the Committee should have accounting or related financial management expertise, if possible. The Committee shall have direct responsibility for the appointment, compensation and oversight of the work of the independent auditors employed by the Corporation for the purpose of preparing or issuing an audit report or related work, and such independent auditors shall report directly to the Committee, which, in turn, will report and make recommendations to the Board of Directors. The Committee shall have such other duties and powers as are established in an Audit and Corporate Compliance Committee Charter approved by the Board of Directors, and shall have the resources and authority appropriate to discharge its duties, including the authority to retain and receive advice and assistance from outside legal, accounting or other advisers. The Committee shall meet no less than on a quarterly basis.

Section 4.7 Finance Committee. The Finance Committee may advise, oversee and set policy for budgets, capital requirements, funding sources, pensions, investments, and insurance. The Committee shall consult with and assist the Chief Financial Officer in recommending an annual budget to the Board of Directors for its approval. The Finance Committee shall have no fewer than five (5) voting members and may assist in formulating and executing business models for ancillary services, including subsidiary entities, to ensure that the operations of each entity consider the medical and financial needs of the Corporation and are fully integrated into it. The Committee is expected, but not required, to meet monthly. The Finance Committee shall have such sub-committees as it may determine.

Section 4.8 Governance Committee.

(a) The Governance Committee, which shall have no fewer than three (3) voting members, may advise and coordinate Corporation Board activities in the areas of governance of the Corporation, including evaluation of Board performance, Board education, the functionality of the Committee structure, legal affairs, nominating, and Corporate By-laws. It may recommend ways that the functioning of the Committees can be improved in order to provide for active participation of additional Directors and to facilitate the growth and development of future leaders. The Committee may meet as frequently as needed, but not less than quarterly. The Governance Committee may have such other sub-committees as it may determine.

(b) The Committee shall review, assess and report to the Board of Directors on the governance of the Corporation, including but not limited to matters related to the performance, records, diversification and composition of the Board of Directors and its Standing and Special Committees.

(c) The Committee shall make nominations for Officers of the Board of Directors to fill the places of those whose terms are expiring, which nominations shall be filed at least fifteen (15) days prior to the annual meeting of the Board of Directors with the Secretary and mailed by him or her to each voting Director and non-voting representative of the Board of Directors at least ten (10) days before the annual meeting of the Board of Directors. Any five (5) or more voting directors and non-voting representatives of the Board may make additional nominations by filing the same in writing with the Secretary at least two (2) days prior to the annual meeting of the Board; The Committee also shall:

- make recommendations to the full Board of Directors concerning the appointment of any individual to fill any vacancy or for the reappointment of any member upon expiration of his or her term. The Board of Directors may then adopt a resolution recommending the nominee(s) to the appointing authority set forth in Article 10-C, Title I of the New York Public Authorities Law;
- make recommendations to the full Board of Directors, as Member of the Westchester Medical Center Foundation and Children’s Hospital Foundation at WMC, Inc. concerning the election of their Trustees;

- establish goals and objectives for the Board of Directors for each year and conduct a review and assessment of whether such goals and objectives for the previous year have been successfully accomplished;
- recommend if specific education, expertise or other qualifications should be represented or made available to assist the Board of Directors or any of its standing committees in the conduct of their respective powers, functions and duties;
- develop, in conjunction with management, an orientation curriculum for new members and a continuing education program for existing members of the Board of Directors; and
- from time to time review the By-laws and make recommendations to the Board of Directors concerning their revision or amendment.

Section 4.9 Personnel and Compensation Committee. The Chair of the Board of Directors shall designate members of the Board of Directors to constitute the Personnel and Compensation Committee. The Committee shall review annually the compensation proposed to be paid by the Corporation to its Corporate Officers who receive compensation from the Corporation, shall recommend approval of such compensation or recommend such adjustments thereto as it deems appropriate and shall recommend to the Board of Directors approval of all employment contracts to be entered into by the Corporation with any Corporate Officers and relevant members of senior management, as outlined below. No employee, whether or not a member of the Board of Directors or a Corporate Officer, shall be a member of the Personnel and Compensation Committee, provided however, that the Chief Executive Officer and other Corporate Officers may be invited to attend and participate in meetings except with respect to decisions as to their respective compensation. With respect to matters within its purview, the Personnel and Compensation Committee shall make its recommendations to the Board of Directors, which recommendations are subject to its ratification. This Committee shall consist of not fewer than four (4) voting directors of the Board. The Committee shall meet at the call of the Chair of the Committee. Specifically, the Committee shall:

- (a) review and report to the Board on major personnel policies of the Corporation;
- (b) monitor the progress of collective bargaining negotiations conducted on behalf of the Corporation and review and report to the Board on any proposed collective bargaining agreements between the Corporation and any union representing employees of the Corporation;
- (c) review and report to the Board on the Executive Compensation policy and compensation parameters for employees at the Vice President level and above, as well as the compensation packages for any such employee in the event the proposed decision will result in an action outside of the approved compensation policy of the Corporation;

- (d) review the performance of the President and Chief Executive Officer (“CEO”) and Chief Financial Operating Officer (“CFO”); review and evaluate the annual objectives of the President and CEO and the CFO and report to the Board thereon, and subsequently lead the Board’s annual review of the President and CEO’s and CFO’s performance in light of approved objectives;
- (e) recommend to the Board all changes in compensation and set compensation levels for the President and CEO and CFO consistent with the Corporation’s compensation policy;
- (f) review the CEO’s assessment of the performance of employees at the level of Executive Vice President and above;
- (g) review the President and CEO’s decisions with respect to the salaries, pay-at-risk determinations and other compensation for all eligible staff (with the exception of the CFO) at the level of Executive Vice President and above and make an appropriate report to the Board;
- (h) review, through the President and CEO, the management succession plan and professional/personal development plans for each senior vice president and above;
- (i) review periodic reports from management on matters relating to the organization’s personnel appointments and practices;
- (j) review and recommend to the Board the fringe benefit package, including, without limitation, any perquisites and severance policy, for all non-represented employees of the Corporation; and
- (k) perform such other functions as may, from time to time, be referred to the Committee by the Board of Directors.

Section 4.10 Strategic and Facilities Planning Committee. This Committee shall consist of at least the Chair of the Board of Directors, President of the Medical Staff or designee, the President and Chief Executive Officer of the Corporation, and voting Directors of the Board, including at least one member each from the Finance and Executive Committees. In addition, members of the medical community, government and general public, may also be appointed to serve on this Committee. It shall be the function of this Committee to advise the Board regarding a written long-range plan for the Corporation consistent with its mission statement to provide tertiary and quaternary care and act as a safety net for the medically indigent, and to coordinate the hospital services with those of other health care facilities and related community resources and needs. This Committee shall monitor the implementation of the long-range plan to ensure that the Hospital’s mission is honored and shall report its findings to the Board of Directors not less than quarterly. The Strategic and Facilities Planning Committee shall evaluate the adequacy of existing facilities, examine the feasibility of renovation and/or new construction, and examine

the availability of property for present and future expansion. The Committee, which serves to advise the Board of Directors, may meet as frequently as needed.

Section 4.11 Development Committee. The Development Committee shall consist of the Chairs of the Finance, Strategic Planning and Audit and Compliance Committees, as well as the Chair of the Board and President and CEO of the Corporation. The Development Committee shall make recommendations to the Board of Directors with respect to the matters that are within the purview of the Corporation as sole member of Westchester Medical Foundation, Inc. and Children's Hospital Foundation at WMC, Inc. (each a "Foundation"). Such recommendations will include, but not be limited to, appointment, reappointment and terms of each Foundation's trustees; their Board Committee structures and adoption and amendment of each Foundation's Bylaws; approval of each Foundation's mission statements, and donor recognition and giving levels; and approval of each Foundation's budget. The Committee will meet at least quarterly. The Chairs of each Foundation's Board of Trustees and the Senior Vice President, Corporate Communication and Fund Development shall be invited to such Committee meetings.

Section 4.12 Committee on Quality. The Committee on Quality serves as the Committee of the Board of Directors advising on and overseeing the quality of care provided at Westchester Medical Center and serves as a liaison between the Corporation's Medical Executive Committee and the Board of Directors. Quality information, which includes the results of measures that evaluate clinical performance of the Corporation, generated by Medical Board committees, may be presented to the Committee on Quality for review to better understand how the Corporation meets accepted standards of practice. The Committee on Quality also may review analyses of sentinel events in order to understand how these incidents can be prevented in the future, to communicate lessons learned and for establishing best practices. The Committee on Quality will meet not less than ten times per year, and will be comprised of members of the Board of Directors and senior leadership representing administration, nursing and the Medical Staff.

Section 4.13 Information Technology Committee. The Information Technology Committee shall be consulted regarding and advise on the Corporation's development and adoption of information technology initiatives, infrastructure and standards to ensure that the Corporation's health information technology system meets the needs of its patients, clinical staff, and management.

Section 4.14 Diversity and Inclusion Committee. The Diversity and Inclusion Committee, which shall have a minimum of two (2) members, shall oversee, from a governance perspective, the Corporation's Diversity, Inclusion and Community Engagement programs. The focus of such programs include (i) workforce diversity; (ii) inclusive environments where all are treated equitably; (iii) diversity among vendors, including issues relating to the Corporation's MWBE Program; (iv) diversity and inclusion training; and (v) community engagement. The Committee also will review and approve the Corporation's annual Diversity and Inclusion Strategic Plan, as well as reviewing the mid-year and end-of-year accomplishments under the Diversity and Inclusion Strategic Plan.

ARTICLE V

PRESIDENT AND CHIEF EXECUTIVE OFFICER

SECTION 1. Appointment, Tenure and Compensation

The Board of Directors of the Corporation shall appoint an individual to be President and Chief Executive Officer who shall be the Board of Directors' representative in the management and operation of the Corporation. The Board of Directors shall determine the salary and benefits of the President and Chief Executive Officer. The Board of Directors shall have the authority to remove the President and Chief Executive Officer with or without cause, provided, however, that removal without cause shall not prejudice the contract rights, if any, of the President and Chief Executive Officer.

SECTION 2. Authority and Responsibility

The President and Chief Executive Officer shall have the responsibility for the day-to-day operations of the Corporation. He or she shall exercise management and control of the business and affairs of the Corporation, subject to the requirements of all applicable laws and the policies established by the Board of Directors. The President and Chief Executive Officer shall act as the duly authorized representative of the Board of Directors in all matters unless the Board of Directors shall, by duly adopted resolution, designate some other person to act for that specific purpose. He or she shall see to it that all orders and resolutions of the Board of Directors are carried out, and shall be responsible only to the Board of Directors for the proper performance of his or her duties. The authority and duties of the President and Chief Executive Officer shall include, without limitation, the following:

- A. Carrying out all policies established by the Board of Directors and advising on the formation of these policies.
- B. Developing and submitting to the Board of Directors for approval a plan of organization for the conduct of hospital operations and recommending changes when necessary.
- C. Preparing an annual budget showing the estimated revenues and expenditures and recommending the same to the Finance Committee.
- D. Selecting, employing, controlling and discharging employees and developing and maintaining personnel policies and practices for the Corporation in accordance with applicable law and subject to the requirements of any collective bargaining agreement.
- E. Maintaining the physical properties of the Corporation in a good and safe state of repair and operating condition.

- F. Supervising the Corporation's business affairs to ensure that funds are collected and expended to the best possible advantage.
- G. Carrying out the procurement policy of the Corporation in the matter of authorized purchases to procure maximum quality of goods and services at minimum cost.
- H. Working continually with other health care professionals to the end that the highest quality care is rendered to the patients of the Corporation's health care facilities at all times.
- I. Presenting to the Board of Directors, or its authorized committees, periodic reports reflecting the professional services and financial activities of the Corporation, and such special reports as may be required by the Board of Directors, including reports on appropriate federal, state and local developments that affect the provision of health care services.
- J. Serving as a liaison and channel of communication between the Board of Directors and any of its committees and the Medical Staff.
- K. Preparing a plan for the achievement of the Corporation's specific objectives and periodically reviewing and evaluating that plan in cooperation with the appropriate committees of the Board of Directors.
- L. Serving as the administrative and professional representative of the Corporation in the communities serviced by it and with health agencies, as well as with community, state and national hospital and professional associations dealing with the delivery and planning of health care services and facilities.
- M. Carrying out such additional duties and responsibilities as are set forth in these By-laws, or as are established by the Board of Directors, or that may be necessary or in the best interest of the Corporation.

ARTICLE VI

MEDICAL DIRECTOR

SECTION 1. Qualifications

The Medical Director shall be a physician duly licensed to practice medicine in the State of New York and a member in good standing of the Medical Staff who is qualified by training, experience and administrative ability for the position.

SECTION 2. Selection

- A. A Special Committee comprised of not less than three (3) voting directors plus the President and CEO shall be convened by call of the Chair of the Board to review the qualifications and credentials of the two leading candidates identified through the efforts of the Search Committee described in Article Four of the Affiliation Agreement between the Corporation and the New York Medical College. The Special Committee shall submit the names and credentials of the two leading candidates to the Board of Directors together with its recommendation. The final decision regarding the appointment of the Medical Director rests with the Board of Directors.

- B. If the Board of Directors approves a candidate who is not a member of the Medical Staff, his or her application will be processed pursuant to the credentialing process for appointment to the Medical Staff. If the candidate does not successfully complete the application or credentialing process the Board of Directors may, in its sole discretion, proceed with the appointment of the remaining candidate (subject, if applicable, to the application or credentialing process) or request that the Search Committee identify additional candidates.

SECTION 3. Term of Office

The term of office of the Medical Director, subject to the terms and conditions of the Affiliation Agreement between the Corporation and the New York Medical College, shall be at the pleasure of the Board of Directors.

SECTION 4. Responsibilities

The Medical Director shall report to the Board of Directors through the President and Chief Executive Officer and shall carry out his or her activities in accordance with these By-laws, Medical Staff By-laws, New York State Regulations, and other relevant laws. The responsibilities of the Medical Director with respect to the organization and conduct of the Medical Staff shall include the following:

- A. Oversee Medical Staff peer review to assure that the Medical Staff has established and observes mechanisms to monitor the on-going

performance of physicians in delivering patient care and to assure that such mechanisms are in compliance with federal, state and Joint Commission requirements, these By-laws and the Medical Staff By-laws.

- B. Ensure that appropriate criteria and professional standards regarding application for appointment and reappointment to the Medical Staff are established and observed and that such appointments and reappointments are conducted in accordance with these By-laws, Medical Staff By-laws, New York State Regulations and other relevant laws.
- C. Collaborate with the Directors of the Medical Center's clinical departments and Medical Staff committees to establish and attain objectives for the maintenance and improvement of the quality of patient care.
- D. Assure that appropriate systems are maintained in all clinical Departments and Divisions for the ongoing review and evaluation of the performance of Medical Staff members.
- E. Oversee the activities and findings of all Medical Staff monitoring programs and initiate, where appropriate, and monitor any corrective actions.
- F. Participate in the formulation of the Corporation's policy regarding the appropriate use of its facilities and closely monitor the activities of utilization review.
- G. Be a member of the Corporation's Quality Care Group and serve on such other committees as are designated by the Board of Directors or the President of the Medical Staff.
- H. Advise the Corporation's President and Chief Executive Officer through the Medical Staff organization of perceived deficiencies in quality of medical care and recommend appropriate corrective action.
- I. Inform the Corporation's President and Chief Executive Officer and the Executive Committee of the Medical Staff of any information which reasonably appears to show a violation of the Corporation's policy, these By-laws, patient safeguards or Medical Staff By-laws, Rules and Regulations.
- J. Such other duties as may be defined in the Affiliation Agreement between the Corporation and the New York Medical College or as assigned to him or her by the President and Chief Executive Officer or the Board of Directors.

The appointment of a physician as Medical Director shall not preclude him or her from serving in another Medical Staff, Medical Center or departmental capacity, but in no event may he or she use his or her office's prerogatives to vote more than once on any matter.

ARTICLE VII

MEDICAL STAFF

SECTION 1. Organization, Appointments, and Hearings

The Board of Directors shall provide for the formal organization of physicians granted practice privileges in the hospital into a medical staff under Medical Staff By-laws approved by the Board of Directors. The Board shall consider recommendations of appointment to the Medical Staff, in numbers not exceeding the hospital's needs, physicians and others who meet the qualifications for membership as set forth in the By-laws of the Medical Staff. Each member of the Medical Staff shall have appropriate authority and responsibility for the care of his or her patients, subject to such limitations as are contained in these By-laws and in the By-laws, Rules and Regulations for the Medical Staff and subject, further, to any limitations attached to his or her appointment.

SECTION 2. Medical Care and Its Evaluation

- A. The Board of Directors shall, in the exercise of its overall responsibility, assign to the Medical Staff reasonable authority for ensuring appropriate professional care to the hospital's patients.
- B. The Medical Staff shall conduct an ongoing review and appraisal of the quality of professional care rendered in the hospital and shall report such activities and their results to the Board of Directors through the Committee on Quality.
- C. The Medical Staff shall make recommendations to the Board of Directors concerning: (1) appointments, reappointments, and other changes in staff status; (2) granting of clinical privileges; (3) disciplinary actions; (4) all matters relating to professional competency; and (5) such specific matters as may be referred to it by the Board of Directors.

SECTION 3. Medical Staff By-laws

There shall be By-laws, Rules and Regulations for the Medical Staff that set forth its organization and governance. Proposed Medical Staff By-laws amendments should be recommended by the Medical Staff, subject to approval by the Board of Directors.

ARTICLE VIII

POLICY REGARDING CONFLICT OF INTEREST

SECTION 1.

The relationship between the Corporation and its directors, officers and appointees with administrative responsibilities, including, but not limited to, appointees to the Medical Staff and employees, is one which carries with it a strict duty of loyalty and fidelity. All voting directors and non-voting representatives, officers, and employees of the Corporation shall exercise utmost good faith, care and diligence in all transactions involving the Corporation. They shall not use their positions or knowledge gained therefrom, nor shall they engage in any activities including but not limited to, investments or other employment, which might involve interests in conflict with those of the Corporation. All voting directors, non-voting representatives, officers and employees shall comply fully with the requirements of all applicable laws including, without limitation, §74 of the New York Public Officers Law. Specifically:

- A. A voting or non-voting director, officer or employee of the Corporation shall not have an interest, financial or otherwise, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his or her duties.
- B. A voting or non-voting director, officer or employee of the Corporation shall not accept other employment which would impair his or her independent judgment in the exercise of his or her duties.
- C. A voting or non-voting director, officer or employee of the Corporation shall not accept employment or engage in any business or transaction which would require him or her to disclose confidential information gained by reason of his or her official position.
- D. A voting or non-voting director, officer or employee of the Corporation shall not disclose information acquired by him or her in the course of his or her official duties or use such information to further his or her own personal interests.
- E. A voting or non-voting director, officer or employee of the Corporation shall not use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself or herself or another.
- F. A voting or non-voting director, officer or employee of the Corporation shall not engage in any transaction as a representative of the state with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his or her duties.
- G. A voting or non-voting director, officer or employee of the Corporation shall not by his or her conduct, give reasonable basis for the impression that any person can improperly

influence him or her, or unduly enjoy his or her favor in the performance of his or her official duties or that he or she is affected by the kinship, rank, position or influence of any party or person.

- H. A voting or non-voting director, officer or employee of the Corporation should abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her or which will otherwise create substantial conflict between his or her official duties and such private interest.
- I. A voting or non-voting director, officer or employee of the Corporation should not conduct himself or herself in a manner that will raise suspicions among the public that he or she is likely to be engaged in acts that are in violation his or her trust.
- J. A voting or non-voting director, officer or employee of the Corporation employed on a full time basis, or any firm or association of which he or she is a member, or any corporation of which he or she owns or controls a substantial portion of stock, may not sell goods or services to any person, firm, corporation or association which is licensed or whose rates are fixed by the Corporation.
- K. A voting or non-voting director, officer or employee of the Corporation having a financial interest having a value of ten thousand dollars or more in any activity which is subject to the jurisdiction of a state regulatory agency, he or she must file a written statement with the secretary of state disclosing such financial interest, which statement shall be open to public inspection.
- L. A voting or non-voting director, officer or employee of the Corporation who knowingly and intentionally violates any of the provisions of the New York State Code of Ethics may be fined, suspended or removed from office or employment.

SECTION 2.

Pursuant to the New York Public Authorities Law, Section 3303(4)(b), no voting or non-voting director of the Corporation shall receive any compensation for any services performed by him or her, but shall be reimbursed for all their actual and necessary expenses incurred in connection with the carrying out of his or her duties.

SECTION 3.

All laws and applicable rules and regulations appertaining to this Article which have been promulgated and to which the Corporation, or its voting and non-voting directors, officers or employees are subject, shall be incorporated by reference into this Section as if fully set forth herein. The Board of Directors shall adopt a Code of Ethics pursuant to the requirements of 19 NYCRR 932.5 and disseminate a copy to each voting director, non-voting representative, officer and employee.

ARTICLE IX

CONTRACTS OR TRANSACTIONS BY THE CORPORATION WITH INTERESTED DIRECTORS OR OFFICERS

SECTION 1.

Any contract or other transaction between the Corporation and one or more of its voting or non voting directors or officers, or between the Corporation and any other corporation, firm, association or other entity in which one or more of such directors or officers are directors, trustees or officers, or have a substantial financial interest therein, as determined by the Board of Directors, shall be void unless both of the following conditions are met:

- A. The material facts of such voting or non-voting director's or officer's interest in such contract or transaction are fully disclosed in good faith to the Board of Directors by such interested director or officer, and the Board authorizes such contract or transaction without the vote of any interested voting director being counted for purposes of establishing a quorum or voting, and
- B. The interested voting or non-voting director or officer establishes affirmatively that the contract or other transaction is fair and reasonable to the Corporation and such determination is indicated in the minutes of the Board.

SECTION 2.

For the purposes of Section 1 of this Article IX, a voting or non-voting director or officer shall be deemed to have a substantial financial interest in any corporation, firm, association or other entity in which such person, together with his or her parents and spouse, and all descendants of either his or her parents or spouse, have any aggregate beneficial equity of ten percent (10%) or more, to be determined on an annual basis through the filing of a disclosure statement.

SECTION 3.

The interested voting or non-voting director or officer shall not be present at the meeting of the Board of Directors at which his or her contract is discussed or approved, except to the extent that his or her presence is necessary in order that he or she make a presentation to the Board or respond to questioning.

ARTICLE X

DEFENSE AND INDEMNIFICATION

Section 1.

In addition to and not in limitation of any right or privilege already explicitly provided by contract or statute including without limitation, New York Public Officers Law § 18, any director, officer or employee who is made a party defendant to any civil action, suit or proceeding, other than one by or on behalf of the Corporation, to procure a judgment in its favor, may be indemnified by the Corporation to the full extent permitted by law, against fines, judgments and damages of every kind and nature, including amounts paid in settlement, and reasonable expenses, including attorneys fees; provided that the Board of Directors of the Corporation shall have determined by a majority of its voting directors not a party to such action, that:

- A. Such director, officer or employee acted in good faith for a purpose which he or she reasonably believed to be within the scope of his or her authority and in the best interest of the Corporation; and
- B. The actions of such director, officer or employee do not, as a matter of law, constitute gross negligence, and
- C. Such director, officer or employee acting in good faith had no actual knowledge and did not reasonably believe that his or her conduct was unlawful; and
- D. Such director, officer or employee did not engage in any active and deliberate dishonesty in connection with the cause of action so adjudicated nor gain a financial profit or other advantage to which he or she was not legally entitled; and
- E. Such director, officer or employee fully cooperates and assists in the defense of the Corporation in connection with such action or proceeding.

ARTICLE XI

AUXILIARY AND VOLUNTEER ORGANIZATIONS

SECTION 1.

The Board of Directors shall authorize such Auxiliary organizations as deemed necessary to accomplish the objectives of the Corporation. The purposes and functions of such organizations shall be clearly set forth in writing. The by-laws, rules and regulations of such organizations, and any and all amendments thereto, shall be subject to the approval of the Board of Directors before becoming effective.

SECTION 2.

The Board of Directors may define the terms and conditions under which individuals who are not members of the official volunteer Auxiliaries may serve the Corporation.

ARTICLE XII

OFFICES

SECTION 1.

The principal office and place of business of the Corporation shall be located at 100 Woods Road, Executive Offices at Taylor Pavilion, Valhalla, New York.

SECTION 2.

The Corporation may also have offices at such other places within the State of New York as the Board may, from time to time, determine or the business of the Corporation may require.

ARTICLE XIII

EXECUTION OF INSTRUMENTS

Section 1.

All checks, notes, drafts, or other orders for the payment of money issued in the name of or for the account of the Corporation shall be signed and/or countersigned by such officers or employees of the Corporation who may be designated for that purpose by the Board of Directors.

SECTION 2.

Deeds and conveyances of real property on behalf of the Corporation may be signed by the Chair of the Board, any Vice Chair, or any other officer or persons, if such other officer or person is specifically authorized by the Board of Directors.

ARTICLE XIV

SUBSIDIARY CORPORATIONS

Pursuant to New York Public Authorities Law, Section 3306(7), the Corporation has the ability to exercise and perform all or part of its purposes, powers, duties, functions or activities through one or more subsidiary corporations owned or controlled wholly or in part by the Corporation. The Chair of the Board shall appoint members to the Board of Directors of any such subsidiary with the approval of a majority of the Board of Directors of the Corporation.

ARTICLE XV

MINUTES

Minutes shall be taken at all meetings of the Board of Directors and of all committee meetings, including a record of attendance, and shall be filed in the office of the Corporation designated for such purposes and maintained as a permanent record for review. Such minutes shall reflect all business conducted, including findings, conclusions and recommendations.

ARTICLE XVI

FISCAL YEAR

The fiscal year of the Corporation shall be from the first day of January to December 31st inclusive, each year, or such other twelve (12) consecutive months as the Board of Directors may from time to time designate.

ARTICLE XVII

AMENDMENTS

Amendments to these By-laws may be proposed by the Governance Committee or by any voting director at either the annual meeting of the Board of Directors, a regular meeting or at a special meeting. The Board may vote upon the adoption of amendments to these By-laws at the meeting at which the proposed amendments to the By-laws are presented; provided, however, that any voting director may postpone voting upon adoption until a time no later than the next regular meeting of the Board, or at a special meeting called for that purpose.