



BYLAWS

OF THE

TENNESSEE HOSPITAL ASSOCIATION

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**BYLAWS
OF THE
TENNESSEE HOSPITAL ASSOCIATION**

ARTICLE I

NAME, PHILOSOPHY, MISSION AND OBJECTIVES

Section 1. Name

This association shall be known as the Tennessee Hospital Association.

Section 2. Philosophy

The Tennessee Hospital Association (THA) is a voluntary, nonprofit organization incorporated under the laws of the state of Tennessee as a mutual benefit corporation.

THA's membership consists of individuals and institutions representing a diversity of ownership providing a wide range of health services.

The Tennessee Hospital Association (THA) shall be affiliated with the American Hospital Association (AHA) and will participate in activities and programs of mutual interest to our joint membership.

Its principal purpose is to improve the health of the people of Tennessee by assisting this diverse membership to provide needed health services of high quality, accessible to all at a reasonable cost.

THA will cooperate with other organizations having a similar purpose with the goal of coordinating efforts.

THA believes providers of health care have the responsibility to maintain high standards of quality and professionalism. This responsibility extends to the protection of the human dignity and individual rights of every patient and employee. It is, therefore, the philosophy of the association that every patient and every employee be treated with common human dignity and respect.

Section 3. Mission

THA's mission is to lead its members in advocacy for, and support of, Tennessee hospitals and health systems and assist them in delivering accessible, cost-effective quality health services.

Section 4. Strategic Planning Process

THA's strategic planning process shall be based on the six pillars of the association: advocacy, education, products and services, quality and patient safety, information and technology, and serving as a neutral healthcare forum. The THA board of directors and approved guests will convene each year to discuss the association's priorities for the next year. Goals of the session include:

1. Reviewing results of the association's annual membership satisfaction survey;
2. Identifying the membership's most challenging issues;
3. Identifying areas with the greatest opportunity to improve member satisfaction;
4. Developing association priorities for the coming year; and
5. Identifying activities that require reallocation or additional resources.

Following this strategic planning board convening each year, THA staff will develop plans to implement programs and services based on the board's recommendations and priorities. Staff will develop corporate goals and present them to the THA board for approval. Staff also will develop detailed departmental objectives necessary to implement the board-approved goals.

Section 5. Compliance

The association, its directors, officers, and employees, shall comply with all applicable federal and state statutes and regulations. Each member of the board shall sign a statement agreeing that they have read and will comply with the THA confidentiality policy, the THA conflict of interest policy and the THA code of conduct.

Section 6. Fiscal Year

The fiscal year of the Tennessee Hospital Association shall be from January 1 through December 31.

ARTICLE II
MEMBERSHIP

Section 1. Classes

Membership shall consist of two classes: primary and secondary.

Section 2. Primary and Secondary Definitions

Primary memberships shall be available for all hospitals and health systems in Tennessee.

Secondary membership shall be available to organizations and individuals interested in the objectives of THA, on application, and election as provided herein.

Section 3. Membership Classifications and Descriptions

A. Primary Membership Classifications:

Type I – Acute: Shall include both general and specialty acute care hospitals licensed by the State of Tennessee that primarily care for patients with conditions normally requiring a comparatively short stay.

Type II – Post-Acute Care, Psychiatric and Research: Shall include long-term acute care, research, chronic disease, rehabilitation, psychiatric and other long-term care hospitals licensed by the State of Tennessee.

Type III – Parent Corporation Offices: Shall include the parent corporation or separate corporate office of Types I and II institutional members. Parent corporations are eligible for membership only if all of their licensed hospitals that are located within the state are members of THA.

Type IV – Governmental Hospitals: Shall include hospitals that are owned and operated by the federal government, including the Veteran’s Administration and armed forces, and State-owned and operated mental institutions.

B. Secondary Membership Descriptions:

1. Supporting Members: Available to firms that offer services and/or products to providers of healthcare services and who are employees of these firms.
2. Allied and Affiliate membership. Available to THA’s allied and affiliate organizations.
3. Life membership. Available to individuals who have served as past chairs of the association.

4. Other Members: Available to individuals who are employed by primary members of the association or hospital based or affiliated institutions; trustees of member institutions; physicians; faculty members of accredited medical, dental, nursing, pharmacy and other allied health schools in Tennessee; officers of medical, dental and nursing associations in Tennessee; and chief executive officers and assistants at any Tennessee State health agency. Membership also is available to individuals not categorized above at the discretion of the president.

C. Duration of Membership:

Primary and Secondary members may continue such membership as long as it conforms with regulations instituted by the board of directors of the association and pays dues in a timely manner.

Section 4. Election

An applicant for primary membership shall become a member upon meeting requirements and payment of dues.

Application for secondary membership shall be submitted to the association, and the applicant shall become a member upon meeting qualifications for secondary membership and payment of dues.

Section 5. Standards for Primary Membership

The standards for primary membership in the association shall be as follows:

- A. The institution shall be licensed by the State of Tennessee where applicable.
- B. The institution participates in the THA Health Information Network and pays THA HIN dues.
- C. Duly authorized bylaws for the governing board and medical staff shall be adopted by the institution.
- D. The institution has paid its membership dues or established a payment plan with THA within ninety (90) calendar days of receipt of the original dues invoice.
- E. The THA board of directors shall have the authority to establish new standards for membership by type of membership.

Section 6. Resignation

A member not in default of dues, and against whom no complaint or charge is pending, may at any time file a resignation in writing with the association president, and it shall become effective on the date it was filed. The executive committee shall review the time and reasons for the resignation and make a recommendation to the THA Board regarding refund of any portion of the dues that have been paid by the member.

Section 7. Expulsion and Reinstatement of Members

The THA board of directors may censure, suspend or expel any primary or secondary member for cause following reasonable notice to such member with an opportunity to be heard. For cause action is defined as an action in violation of the goals and objectives or code of conduct approved by the THA board of directors of the association, some unprofessional conduct causing an embarrassment to association members or nonpayment of dues.

A. Appeal Process:

Notice of censure, suspension or expulsion from membership must be forwarded to the member by certified letter or e-mail over the signature of the secretary or chair of the THA board of directors. The appeal process shall not apply to suspension or expulsion due to nonpayment of dues.

B. Hearing:

Should a member request a hearing, the request shall be in writing to the secretary of the THA board of directors at the association's principal place of business within ten (10) calendar days of receipt of notice from the association.

The THA board of directors shall, within thirty (30) calendar days of receipt of notice by a member indicating petition for a hearing under this section, convene a special meeting of the board of directors, sitting as a committee of the whole, called for the purpose of presentation of facts by the affected member pertaining only to those issues prompting disciplinary action by the board of directors. Notice shall be given to the aggrieved member at least five (5) calendar days prior to the meeting. The notice shall give the date, place and time of the hearing, and the member shall be informed of his/her right to bring legal counsel and present evidence on the member's behalf. The chair of the board or, in his/her absence, the chair-elect, shall decide at his/her discretion, the manner and scope of the hearing.

C. Board Decision:

Following presentation of facts by an aggrieved individual, the THA board of directors shall enter into executive session to render a decision.

Within ten (10) calendar days of such decision of the THA board of directors, notice shall be forwarded to the affected member through certified mail over the

signature of the secretary or chair of the board of directors.
The decision of the THA board of directors in this matter shall be final.

D. Reinstatement:

Any member suspended or expelled by action of the THA board of directors may be reinstated by a majority vote of the board of directors at any regularly scheduled meeting. Written notice specifically requesting the proposed reinstatement must be provided to the board at least ten (10) calendar days prior to the meeting.

ARTICLE III

ASSOCIATION DUES

Section 1. Scale

A. Primary Membership

The total revenue for the purpose of calculation of primary membership dues shall be the total net revenue, including non-operating revenue, as reported on the most recent *Joint Annual Report of Hospitals* and total revenue from the *Joint Annual Report of Home Health Agencies*.

For the purpose of assessing dues for primary members, the THA board of directors shall be authorized to establish the dues formula.

Primary members that are admitted or reinstated shall pay pro-rata dues from the month of reinstatement to the end of the next membership year of the association.

Provider membership dues shall be paid annually or may be paid in installments at the discretion of the president.

The THA board at its discretion may authorize reductions in membership dues based on an individual facility's ability to pay for any given year. The institution shall submit a request for a reduction to the THA board that explains the reason the facility is unable to pay the full dues amount and the amount of the reduction requested. The THA board at its discretion may also authorize reductions in membership dues to broad groups of members.

B. Secondary Membership

Secondary membership dues are established by the THA board of directors.

Section 2. Default in Payment

If primary membership dues are not paid in a timely manner after invoices are mailed at the beginning of each association year and the facility has not requested a reduction in accordance with Article III, Section 1 (A.) of these bylaws, the president shall notify the THA board of directors and request direction as to when to discontinue membership.

Section 3. Membership Year

The membership year shall begin on January 1 and shall continue through December 31.

ARTICLE IV

ANNUAL MEETING

Section 1. Time and Place

There shall be an annual meeting of the association, either within or outside the state, which shall include a meeting of the House of Delegates. The time and place of the annual meeting shall be approved by the THA board of directors and announced in written notice to each member no less than thirty (30) calendar days before the date so fixed.

Section 2. Election During Emergency

In the event of a national emergency that would prevent holding the annual meeting in any given year, voting by mail or e-mail shall be substituted for voting in person in order that there may be an election of officers and directors and for the transaction of essential and necessary business.

ARTICLE V

HOUSE OF DELEGATES

Section 1. Membership

The membership of the House of Delegates of the association shall consist of one (1) voting representative from each Type I and II primary member in good standing. Said representative shall register at the annual meeting or at any other called meeting of the membership. Voting representatives shall be the chief executive officer of each institutional member or his/her specifically designated alternate. The alternate

delegate must be from the same institution as the delegate and must be a trustee, executive or department head.

Section 2. Meetings

The House of Delegates shall meet during the annual meeting of the association and at such other times as the board of directors shall determine, or as called by the chair of the board of the association upon written request of any ten (10) institutional members. At least a fourteen (14) calendar day notice of the time and place of each meeting of the House of Delegates shall be given to each delegate by mail or e-mail. Invitation to the house of delegates will be sent to CEOs of member facilities. Relevant materials, as well as a survey link for voting, as appropriate, will be provided electronically in advance of the annual meeting. A quorum at the annual meeting business section of the House of Delegates duly convened shall be voting representatives of one-third (1/3) of the Type I and II institutional members that are registered at the annual meeting. For all other meetings of the House of Delegates, a quorum shall be one-fourth (1/4) of the voting members of the House of Delegates.

Section 3. Voting

Each primary member classified as Type I or Type II shall have one vote. When a hospital license includes a parent facility and one or more satellites, only the parent facility shall have one vote. This vote is to be cast by a single delegate or alternate. The only exception is that a single representative of all institutional members under the same ownership (including leased facilities) may cast collective votes for all such members. Prior to the annual meeting or any special meeting, each Type I and Type II primary member shall register the name and address of its voting representative and/or alternate with the corporate secretary of the association. Representatives of primary members and secondary members, other than the voting representatives, shall have the privilege of the floor at the House of Delegates, but shall not have the right to vote as such.

Section 4. Powers

Authority to make association policy decisions shall be vested in the House of Delegates, which shall elect the directors and officers of the association as provided in the bylaws. The House of Delegates shall have the authority to approve or disapprove such recommendations, reports, actions or resolutions as may be placed before the House of Delegates by the officers and directors.

Further, the House of Delegates shall have the authority to make proposals and recommendations to the board of directors and such proposals and recommendations shall be referred by the board of directors to the appropriate body of the association for study and recommendations which, if the House of Delegates shall so determine, must again be placed before the House of Delegates for final action. All resolutions or recommendations of the House of Delegates pertaining to the expenditure of money must be approved by the board of directors before the same shall become effective.

ARTICLE VI

OFFICERS

Section 1. Officers

The officers of the association shall be:

Elected:

- A. Chair of the Board
- B. Chair-Elect
- C. Immediate Past Chair

Appointed:

- A. President
- B. Chief Operating Officer
- C. Corporate Secretary
- D. Treasurer

Section 2. Elections

Persons eligible to serve as elected officers of the association shall be the chief executive officer; chief operating officer, the senior executive of a licensed facility, an individual who is in executive management over a group of hospitals that are members in good standing; or a hospital trustee who has served a full term on the board.

The chair-elect shall be elected from eligible membership of the association at each annual meeting of the House of Delegates. The chair-elect shall assume the office of chair of the board for one (1) year at the adjournment of the annual meeting following the annual meeting at which he/she was elected. All other officers shall serve for a term beginning with the adjournment of the annual meeting at which elected and ending with the adjournment of the next annual meeting, or until their successors shall have been elected.

During the annual House of Delegates meeting, the house temporarily may recess for the purpose of electing delegate(s) from Tennessee to the House of Delegates of the American Hospital Association in accordance with the bylaws of that association. Only members of the THA House of Delegates who also are institutional members of the AHA may vote for the AHA delegates.

Section 3. President

The board of directors shall appoint a president of the association and shall determine his/her duties, authorities and terms of his/her office. He/she shall be a voting member of the THA board of directors and the executive committee. The president shall be the chief executive officer of the association. The chief operating officer of THA is authorized by the board of directors to perform the duties of the president in his/her

absence.

The president shall serve as secretary to the THA board of directors and executive committee, and shall be an ex-officio member of all councils and committees of the association without vote.

Upon nomination of the president, the board shall appoint, from among the association's executive staff, a person to serve as corporate secretary, a person to serve as treasurer and other officers necessary for the corporate operation of the association.

Section 4. Duties of Elected Officers

Chair. The chair of the association shall act as chair of the board of directors, monitor the entire operation of the association and require proper reporting to the board of directors. The chair of the board shall be an ex-officio member, without vote, on all councils and committees. The association recognizes a tripartite type of chairmanship, where the duties of the chair shall be spread over a three-year period with the understanding that the chair-elect and the immediate past chair shall be jointly responsible for any duties assigned and requested by the chair of the board.

Chair-elect. The chair-elect shall perform the duties of the office of the chair of the board whenever the chair shall be unable to do so. The chair elect shall serve as the THA PAC chair.

Immediate Past Chair. The immediate past chair shall perform the duties of the office of the chair of the board whenever both the chair and the chair-elect shall be unable to do so. The immediate past chair serves as the chair of the THA nominating committee and as the speaker of the House of Delegates.

In addition, the officers of the association shall perform the duties usually assigned to such officers.

Section 5. Reports

The chair of the board and chair of the audit committee shall submit annual report(s) in writing to the House of Delegates, and the report(s) shall become an official part of the proceedings. The audit committee report shall contain an audit that has been made by a certified public accountant.

Section 6. Signatures

All checks, drafts and other orders for the payment of money shall be signed by such officer or officers, agent or agents, of the association and in such manner as shall be determined by resolution of the board of directors and/or the executive committee as hereinafter provided in article VII, section 2, executive committee.

Section 7. Crime Insurance Requirement

All officers and agent(s) of the association responsible for receipt, custody and the disbursement of funds or securities shall be covered by a commercial crime policy that insures the association against employee theft and dishonesty in such sums with such sureties, as the board of directors shall determine.

Section 8. Vacancies

If the chair of the board is unable to perform the duties of his/her office, the chair-elect shall succeed to the office of chair of the board and shall continue to serve for the remainder of the unexpired term plus the term of the chair to which the chair-elect had been previously elected.

If both the chair of the board and chair-elect shall become unable to perform the duties of their office, the immediate past chair shall serve as chair for the remainder of the unexpired term of the chair. In the event that none of the chair officers are able to perform the duties of the chair for any given year, the board of directors of the association shall appoint a chair of the board pro tempore to serve for the remaining portion of the term of the chair.

In the event that the chair-elect, for whatever reason, cannot succeed to the chairmanship at the time of the annual meeting, it shall be the duty of the nominating committee to nominate a chair in addition to nominating members of the board of directors.

If any other office shall become vacant, it shall be filled by appointment of the executive committee and ratified by the board of directors for the remainder of the term.

ARTICLE VII

BOARD OF DIRECTORS

Section 1. Composition

The board of directors shall consist of 20 elected positions and nine ex-officio positions and taken together be representative of the diversity in geography, size, scope of services rendered, tax status, and ownership structure of the members of the association. Directors are nominated by the nominating committee and approved by the House of Delegates.

ELECTED DIRECTORS

Elected board members shall include the three chair officers and 17 at-large positions. The chair-elect shall serve a three-year term, serving as chair-elect, chair and immediate past chair. Chair-elect shall assume the office of chair of the board for one (1) year at the adjournment of the annual meeting following the annual meeting at which he/she was elected. The individual will serve one (1) additional year as the immediate past chair for a total of three (3) years as a chair officer of the board of directors.

Upon recommendation from the nominating committee, one at-large position may be designated for a business representative and up to two at-large positions designated for hospital trustees.

Position	Origin of Nomination	Term (Term Limit)
Chair	Nominating Committee	One year (2 nd year of three-year term as chair officer)
Chair-Elect	Nominating Committee	One year (1 st year of three-year term as chair officer)
Immediate Past Chair	Nominating Committee	One year (3 rd year of three-year term as chair officer)
At-Large Representatives (17)	Nominating Committee	Three years (Maximum of five consecutive terms before one year off the board is required)

If the office of an elected member of the board of directors, other than a chair officer, shall become vacant between regular and annual meetings of the House of Delegates, such office shall be filled by appointment by the chair and ratified by the THA board of directors until the next annual meeting, at which time the House of Delegates shall elect a member for the unexpired term. In the absence of the chair of the board, the chair-elect shall be the presiding officer of the board of directors.

EX-OFFICIO DIRECTORS

Ex-officio board members include the association president, two AHA delegates, and representatives of various THA councils and committees as outlined below. All ex-officio positions have full voting rights.

Position	Origin of Nomination	Term (Term Limit)
Association President	Board of Directors	Duration of presidency
AHA Delegates (Two)	House of Delegates	Three years (consistent with AHA terms)
Government Affairs Council Representative	Government Affairs Council	Two years (Maximum of three consecutive terms before one year off the board is required)
Tennessee Center for Health Workforce Development (TCWD) Representative	TCWD Board	Two years (Maximum of three consecutive terms before one year off the board is required)
THA Center for Innovative Solutions (TCIS) Representative	TCIS Board	Two years (Maximum of three consecutive terms before one year off the board is required)
Small or Rural Constituency Representative	Small or Rural Constituency	Two years (Maximum of three consecutive terms before one year off the board is required)
Physician Representative	CMO Society	Two years (Maximum of three consecutive terms before one year off the board is required)
Council on Inclusion and Health Equity (CIHE) Representative	CIHE	Two years (Maximum of three consecutive terms before one year off the board is required)

Section 2. Election

No more than one (1) director shall sit on the board of directors representing the same institution or healthcare system during the same period of time. This provision does not apply to ex-officio members of the board. However, no institution may have more than two members, regular or ex-officio, employed by the same institution or healthcare system on the board during the same period of time.

Persons eligible to serve as directors of the association shall be the current chief executive officer, chief operating officer, the senior executive of a licensed facility, or a member of executive management over a group of hospitals that are institutional members in good standing. This applies to all board positions except AHA delegates who must also be members of the AHA, Council on Inclusion and Health Equity representative, hospital trustees, physician, and business representatives, the president, and the representative of the TCWD board of directors.

Section 3. Quorum

A majority of the THA board of directors shall constitute a quorum.

Section 4. Voting

A director who is present when a vote is taken is deemed to have assented to the action, unless (a) the director objects at the beginning of the meeting to holding the meeting, (b) the director's dissent is entered in the minutes of the meeting, or (c) the director delivers to the presiding officer a notice of dissent in the form of a written document. All dissenting votes shall be clearly indicated in the minutes of each meeting.

Section 5. Powers

The THA board of directors shall have charge of the property, control and management of the affairs and funds of the association, final authority over the acts of councils, committees, officers, and the power and authority to establish administrative regulations, and to do and perform all acts and functions not inconsistent with these bylaws or with any action taken by the House of Delegates. The board of directors shall be a referral committee to which policy recommendations, resolutions, bylaws changes, and financial recommendations are to be submitted before being placed before the association membership for approval.

Between meetings of the House of Delegates, the board of directors has the power to determine policy and approve position statements.

The board of directors shall be authorized to issue notes and other negotiable instruments, upon such terms and for such amounts as they deem necessary, for the lawful conduct of the affairs of the association. The board of directors shall further be authorized to mortgage and encumber the assets of the association (corporation) for such extent and such purposes as they may deem necessary.

Checks for the association and obligations of the association may be executed by the officers of such corporation or such other person as may be designated by the board of directors.

The prohibition against loans to directors or officers or giving loan guarantees does not apply to advances to pay reimbursable expenses, to cover expenses relative to liability incurred when acting in good faith and within the law, or any purpose approved by the board.

Section 6. Meetings

The THA board of directors shall meet at least quarterly. Additional meetings of the board of directors may be called by the president, chair of the board or by any three (3) members of the board of directors, and at least two (2) business days' notice thereof shall be given by mail, e-mail, courier or facsimile. In the event of emergency or when no formal action is required by the board, the chair of the board may call a meeting on shorter notice.

Discussions and materials provided in THA board meetings are confidential to the board and THA. Unless information is otherwise public or permission is granted from the THA president or Chair of the board, board members should not share or release information obtained in board meetings. This section does not prohibit board members from sharing information with their staffs, systems, owners, hospital boards, or contractors working directly with the hospital. However, any of these entities also should be prohibited from sharing confidential information outside of the interactions with the facility.

Section 7. Notices

A notice may be given by any means approved by the board. A copy of each notice shall be maintained in the files of the association. A notice may be given by electronic means, United States mail, or courier. Electronic signatures are permitted.

Section 8. Terms of Office

The term of office for members of the THA board of directors shall be as follows:
1) At-large, three (3) years; 2) Ex-officio, two (2) years, except that the AHA delegate(s) serve three-year terms consistent with their AHA terms. 3) The individual elected to the position of chair-elect shall serve a three-year term, serving as chair-elect, chair and immediate past chair of the board.

Members of the board of directors with two-year terms are elected for one two-year term and may be re-elected for two additional, sequential two-year terms. After serving three sequential two-year terms, these directors must remain off the board of directors for one year after which time they may be re-elected to the board. At-large directors only may serve up to five consecutive three-year terms and then must remain off the board for one year, after which time they may be re-elected to the board. AHA delegates shall serve one three-year term consistent with their AHA terms. The board at its discretion may approve exceptions.

In the event a member is appointed to the board of directors for less than a full term to fill a vacancy occurring on the board, eligibility to serve full terms will not be impacted by the partial term service. Any member of the board is eligible to be nominated to fill the chair-elect position at the end of their term without waiting for one year.

Section 9. Executive Committee

The THA executive committee of the THA board of directors shall be composed of the chair of the board, who also serves as the chair of the executive committee, chair-elect, immediate past chair, president and at least three (3) directors but no more than five (5) directors who shall be appointed by the chair of the board to coincide with his/her term of office.

Position	Origin of Nomination	Term
Chair*	Elected by House of Delegates	One year
Chair-Elect*	Elected by House of Delegates	One year
Immediate Past Chair*	Elected by House of Delegates	One year
Association President*	Appointed by Board of Directors	Duration of presidency
Appointed Directors (at least three, no more than five)	Chair of the Association	One year

**ex-officio, full voting members*

The executive committee shall have authority to transact business between regular and special meetings of the board of directors. All official actions taken by the executive committee shall be reported to the board of directors for ratification at its next regular or special meeting.

A majority of the executive committee shall constitute a quorum.

ARTICLE VIII
COMMITTEES

Section 1. Appointment

The chair of the Board may be directed by the board to appoint special committees, councils or task forces.

Section 2. Vacancies

The president of the association shall make recommendations to the chair of the board for filling vacancies on any committee that occur during the year. The chair of the board shall have the authority to fill committee vacancies, unless otherwise noted herein.

Section 3. Quorum

A majority of the members of any committee shall constitute a quorum.

Section 4. Procedure

Each committee may adopt rules for its governance, not inconsistent with these bylaws, subject to approval by the board of directors.

Section 5. Nominating Committee

The composition of the THA nominating committee shall be three (3) past chairs of the board, who are still active in the association, and 9 at-large members. The past chairs must have served within the last six (6) years and cannot be from the same congressional district. The chair of the board shall ensure that the committee is balanced with a diversity of the membership considering hospital size, type of ownership, scope of services rendered and geographic location.

The immediate past chair shall serve as chair of the nominating committee and shall vote only in case of a tie.

Position	Origin of Nomination	Term
Immediate Past Chair of the Association	Elected by House of Delegates	One year
Past Chairs of the Association (Three)	Chair of the Association	One year
At-Large Representatives (9)	Chair of the Association	Three years
Chair of the Association*	Elected by House of Delegates	One year

**ex-officio, non-voting member*

The chair of the board shall appoint the committee with well-balanced geographic representation for terms of three (3) years and the initial terms shall be staggered. The three (3) past chairs of the board are to be annually appointed. All members of the committee must be chief executive officers, chief operating officers or senior executives at licensed facilities that are members in good standing.

The nominating committee shall offer nominations to the House of Delegates at the annual meeting for chair-elect and members of the board of directors.

Other nominations for any one or all of the officers may be made from the floor during the House of Delegates meeting.

Section 6. Audit Committee

The audit committee shall consist of three (3) appointed members. Each of the appointed members shall hold office for three (3) years, and the terms shall be arranged so that one (1) vacancy shall occur each year. The vacant position shall be filled by the chair of the board. This committee shall select a certified public accountant that meets the approval of the board of directors to audit the records of the accounts of the association.

Section 7. Bylaws Committee

The bylaws committee shall consist of eight (8) members appointed by the chair of the board, with well-balanced geographic representation. Each of the appointed members shall hold office for three (3) years, and the terms shall be staggered so that no more than three vacancies shall occur in any year. The chairman of the THA board shall appoint the chair of the bylaws committee from the current membership for a one-year term.

Position	Origin of Nomination	Term
Chair of the Committee	Chair of the Association	One year
At-Large Representatives (8)	Chair of the Association	Three years
Chair of the Association*	Elected by House of Delegates	One year

**ex-officio, non-voting member*

The bylaws committee, in cooperation with the president, shall review the bylaws of the association and draft changes, if needed, for consideration by the board of directors and presentation to the House of Delegates of THA.

Section 8. Budget and Finance Committee

The budget and finance committee shall consist of as many members as the board of directors shall determine and annually be appointed by the chair of the board.

The budget and finance committee shall review the budget prepared by the president and make recommendations prior to it being presented to the board of directors for approval.

The budget and finance committee shall supervise the long-range financial planning of the association.

Section 9. Compensation Committee

The compensation committee shall consist of the three (3) chair officers of the board of directors: chair, chair-elect and, immediate past chair and up to two additional members appointed by the chair, at the chair's discretion.

In consultation with the president, the compensation committee shall determine the compensation to be paid to the CEO of THA, including benefits, bonuses and terms of any employment contracts.

ARTICLE IX

TENNESSEE HOSPITAL EDUCATION AND RESEARCH FOUNDATION (THERF)

The THA board of directors may accept on behalf of the association any grants, contributions, gifts, bequests or other property or funds for the general purpose or any special purpose of the association.

The association also shall sponsor a hospital education and research foundation to receive contributions, grants, gifts, bequests, contract revenue and other property or funds for financing special education, career or research projects or other related charitable, scientific, literary or educational purposes. The trustees of the foundation shall be composed of the board of directors of the Tennessee Hospital Association in addition to other members who may be appointed by the board of directors of the foundation.

The board of directors of the Tennessee Hospital Association shall have the right to transfer association funds to the foundation - provided that any such funds that are subject to donor, grant or similar restrictions may be transferred to the foundation only subject to such restrictions, so that the foundation may use them only for the restricted purposes. Nothing in this Article XI shall be construed to limit the foundation's right or ability to receive contributions, grants, gifts, bequests, contract

revenue and other property or funds directly from any other person or entity. The trustees of the foundation shall make reports of activities of the foundation in accordance with such regulations as may be established by the THA board of directors.

The president of the association shall be the president of the foundation and shall submit to the THA House of Delegates an annual THA financial report inclusive of the foundation based upon an audit by a certified public accountant. The appointed officers of the association shall serve as the officers of THERF.

ARTICLE X

OTHER CORPORATIONS

The board of directors shall have the right to create such subsidiary corporations as may be required to appropriately carry out the functions of the association. Such corporations shall be taxable or tax exempt according to the needs of the association, as well as state and federal law. Such corporations shall be organized in keeping with the laws of the state of Tennessee regarding incorporation.

Unless a board-approved joint venture or partnership, each such subsidiary corporation shall be subject to the association with the association being the sole shareholder or member. All appointees to the boards of the subsidiary corporations shall be subject to the THA board of directors' approval.

ARTICLE XI

INDEMNIFICATION OF BOARD MEMBERS AND OFFICERS

Section 1. Indemnification

The association shall indemnify any person who was or is threatened with being made a party to any threatened, pending or complete action, suit or proceeding, whether civil, criminal, administrative or investigative, including all appeals (other than action, suit or proceedings by or in the right of the association) by reason of the fact that such person is or was a member of the board of directors or an officer of the association, or is or was serving at the request of the association as a trustee, director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, decrees, fines, penalties and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, a suit or proceeding if he/she acted in good faith and in a manner he/she reasonably believed to be in or not

opposed to the best interests of the association, and with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful.

The terminate on of any action, suit or proceeding by judgment order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith or in a manner which he/she reasonably believed to be in or not opposed to the best interests of the association or, with respect to any criminal action, suit or proceeding, that he/she had reasonable cause to believe that his/her conduct was unlawful.

To the extent that a person is a director or officer of the association, or who is a trustee, director or officer of another corporation, partnership, joint venture, trust or to the enterprise which such person is serving at the request of the association, has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in such section (a) of this article, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him/her in connection therewith.

Any indemnification under subsection (a) of this article (unless ordered by a court) shall be made by the association only upon a determination that indemnification of the directors or officers is proper in the circumstance because he/she has met the applicable standard of conduct set forth in subsection (a). Such determination shall be made: 1) by the board of directors by a majority vote of a quorum consisting of directors who were not parties of such action suit or proceeding; or 2) if such a quorum is not obtainable or, if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

Expenses of each person indemnified hereunder incurred in defining a civil, criminal, administrative or investigative action, suit or proceeding as authorized by the board of directors, whether a disinterested quorum exists or not, upon receipt of an undertaking by or on behalf of the member of the board of directors or officer to repay such expenses unless it ultimately shall be determined that such person is entitled to be indemnified by the association.

Persons who are not directors or officers of the association, but are employees or designated agents of the association, or are serving at the request of the association as employees or designated agents of another corporation, partnership, joint venture, trust or enterprise, may be indemnified to the extent authorized at any time, or from time to time, by the board of directors of the association.

The indemnification provided by this article shall not be deemed exclusive or any other rights to which any person indemnified may be or may become entitled as a matter of law by the articles, regulation agreements, insurance, vote of members or otherwise, with respect to action in his official capacity while holding such office and shall continue as to a person who has ceased to be a member of the board of directors or an officer and shall insure to the benefit of their heirs, executors and administrators of such person.

The assumption of a person of a term of office as a director or officer of the association or at the request of the association as a trustee, director or officer of another corporation, partnership, joint venture, trust or other enterprise shall constitute a contract between such person of all of the rights and privileges of indemnification afforded by this article as in effect as of the date of assumption of office, but such contract shall not prevent the amendment of the article in respect of any future term of office of such person or in respect of any other person.

No director or officer shall be indemnified (a) in connection with a proceeding by or in the right of the association in which the director or officer was adjudged liable to the association; (b) in connection with any other proceeding charging improper personal benefit to the director or officer, whether or not involving action in the director's or officer's official capacity in which the director or officer was adjudged liable on the basis that personal benefit was improperly received; (c) for any breach of the director's or officer's duty of loyalty to the association or its members (d) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or (e) an unlawful distribution of association assets. The invalidity or unenforceability of any provision of this article shall not affect the validity or enforceability of any other provision.

Section 2. Liability Insurance

The association may purchase and maintain insurance on behalf of any person who is or was a member of the board of directors, officer, employee or designated agent of the association or is or was serving at the request of the association as a director, officer, employee or designated agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by him in any such capacity, or arising out his/her status as such, whether or not the association would have the power to indemnify him against such liability under the provisions of this article or of applicable statutes.

ARTICLE XII
AMENDMENTS

Section 1. Proposals

Proposals for amendments to these bylaws may be initiated by the board of directors, the bylaws committee or by petition of any five (5) institutional members in good standing. Every proposed amendment shall be submitted in writing to the president and referred thereafter to the board of directors and reported to the House of Delegates with the board's recommendations.

Section 2. Notice

Proposed amendments and recommendations originating outside of actions by the bylaws committee or board of directors must be filed with the president at least sixty (60) calendar days prior to the meeting in which the amendment is to be considered. The president shall cause notice of each proposed amendment, including the exact wording thereof, to be given to all Type I and Type II Institutional members of the association by direct letter not less than ten (10) calendar days nor more than sixty (60) calendar days prior to the meeting in which such amendment is to be considered provided, however, the provisions of Section 2 may be waived by unanimous vote of the board of directors.

After being reported to the membership in the manner described above, an amendment may be adopted and it shall become effective upon receiving the affirmative vote of two-thirds (2/3) of the House of Delegates present and voting.

Amended: November 11, 1993
 November 6, 1996
 November 8, 2000
 October 15, 2003
 November 9, 2005
 October 25, 2006
 November 6, 2007
 October 28, 2009
 November 1, 2011
 January 20, 2012
 November 5, 2014
 October 19, 2016
 October 11, 2017
 October 16, 2019
 October 13, 2021