

BYLAWS OF
BLUE CROSS AND
BLUE SHIELD OF VERMONT

AMENDED AND RESTATED BYLAWS OF

**BYLAWS OF
BLUE CROSS AND
BLUE SHIELD OF VERMONT**

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Chapter 1 CHAPTER I

DEFINITIONS

101. **Definitions**

As used herein:

“Articles of Incorporation” means the Amended and Restated Articles of Incorporation of the Corporation, as the same may be amended from time to time.

“BCBSA” means Blue Cross Blue Shield Association.

“BCBSM” means Blue Cross Blue Shield of Michigan Mutual Insurance Company, and its successor, the sole member of the Corporation (as defined below).

“Board” means the Board of Directors of the Corporation.

“Bylaws” means this governing document of the Corporation, as they may be amended from time to time.

“Corporation” means Blue Cross and Blue Shield of Vermont.

“Director” means any individual authorized to and seated on the Board.

“Effective Date” means [DATE].

“Member Board Appointees” shall have the meaning specified in Section 302.

~~(1)~~ **“Participating Provider”** means a Provider under contract with the Corporation to provide health care, drugs, medical supplies, services and/or devices to a Subscriber.

~~(2)~~ **“Provider”** means (a) any person who is or has been licensed to practice healing arts, (b) hospitals and like health care facilities, (c) any supplier of drugs, medical supplies, services and/or devices ~~to a Subscriber~~ and (d) any person who ~~has been~~ is an owner, of five percent (5%) or more of any of the foregoing, as well as a director, officer, trustee or employee of a ~~provider~~ of any of the foregoing, or of any professional or trade association comprised of providers of any of the foregoing.

~~(3)~~ **“Public”** ~~pertains to a person who is a Director or Consulting Director of this Corporation and who is not: a) a Provider or the spouse of a Provider; or b) an ex-officio Director.~~

“Provider Director” means any person who is a Director of this Corporation and who is a Provider.

“Public Director” means a Director of this Corporation who is a member of the public.
A “member of the public” shall mean, without any further limitations, any individual who is not:

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(a) a Provider or the spouse of a Provider; (b) an ex officio Director; or (c) a member of management of either BCBSVT or BCBSM.

“Sole Member” shall have the meaning specified in Section 201.

(4) “Subscriber” means any person enrolled as a ~~Subscriber~~subscriber or a member in a health service plan of the Corporation or one of its subsidiaries.

Chapter 2

SOLE MEMBER

201. Sole Member Defined.

BCBSM shall be the sole member of the Corporation (the “Sole Member”), thereby affording BCBSM with all rights, privileges and obligations of a member under Chapter 6, Title 11B, Vermont Statutes Annotated or otherwise provided for herein.

202. Reserve Rights of the Member.

Notwithstanding anything in these Bylaws to the contrary, subject to requirements of applicable law, the following actions relating to the Corporation and its business shall not be taken without the prior written approval of the Sole Member:

(a) Entering into, or agreeing to enter into any transaction or series of transactions that would constitute (i) a change of control of the Corporation, (ii) a sale or acquisitions of any subsidiaries of the Corporation, (iii) a merger, consolidation or other reorganization transaction involving the Corporation, (iv) a sale of all or substantially all of the assets of (A) the Corporation or (B) any of its subsidiaries, (v) an acquisition of any material business whether by purchase of stock, assets or otherwise or (vi) a transaction or series of transactions that are substantially similar to the foregoing, including any other transaction that may impact the Corporation’s risk based capital;

(b) Entering into, or agreeing to enter into, any transactions that require any joint investment or other obligation on the part of BCBSM;

(c) Initiating or resolving any material disputes or entering into any agreement with governmental authorities or regulators that would have a material adverse impact on the Corporation or BCBSM or their affiliates or their respective businesses or that could limit or impose requirements on the manner in which any of the foregoing is permitted or able to conduct its business;

(d) Initiating or resolving any material disputes or agreements with the BCBSA;

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(e) Adopting any changes to the mission, strategy, organizational documents, organizational form, nonprofit status, governance, membership or board size, structure, or composition of the Corporation or any of its subsidiaries;

(f) Dissolving, liquidating or voluntarily entering into any bankruptcy, rehabilitation or similar proceedings with respect to the Corporation or any of its subsidiaries;

(g) Entering into any material financial transactions for which amounts are paid or payable by any person in excess of ten percent (10%) of the Corporation's surplus;

(h) Exiting from or entering into any new line of business;

(i) Issuing any membership interest or other voting or economic rights of the Corporation;

(j) Adopting annual budgets and five-year capital plans of the Corporation; and

(k) Engaging in any other matters with respect to which approval rights are afforded to members by BCBSA rules or applicable law.

203. Annual Meeting of Sole Member.

The annual meeting of the Sole Member shall be held annually on [●] or on such other date specifically set forth in the notice of meeting with the change in time being duly noted. The annual meeting may be held within or outside of the State of Vermont.

204. Informal Action by Sole Member.

Any action required or permitted to be taken by the Sole Member may be taken without a meeting (including the annual meeting), without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by an authorized officer of the Sole Member and delivered to the Secretary of the Corporation.

Chapter 3 ~~CHAPTER II~~

BOARD OF DIRECTORS

301. ~~201.~~ **Duties and Authority.**

~~The Corporation shall be managed by a Board of Directors. Its power shall include the authority, by majority vote, to appoint and remove the President, Treasurer and Secretary with or without cause. The current edition of New Revised Robert's Rules of Order shall be the official parliamentary authority of the Board of Directors and the Committees of the Corporation.~~

Except as otherwise expressly provided in this Agreement, the powers of the Corporation shall be exercised by or under the authority of, and the business and affairs of the

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Corporation shall be managed under the direction of the Board. The Board shall have the exclusive right to manage and control the business and affairs of the Corporation, subject to any provision of the Title 8, Chapters 123 and 125 and Title 11B, Vermont Statutes Annotated, the Articles of Incorporation, or other provisions contained herein specifically requiring the approval of the Sole Member (including Section 202). The Board shall have the right to perform all actions necessary, convenient or incidental to the accomplishment of the purposes and authorized acts of the Corporation, and the Board, acting as a body pursuant to these Bylaws; provided, however, that no individual Director shall have the authority or right to act for or bind the Company without the requisite consent of the Board and, if required hereunder, the Sole Member.

302. ~~202.~~ **Number and Qualifications.**

The Corporation shall have ~~not less than 11 nor more than 15~~ twelve (12) Directors, ~~or such other number~~ as may be determined by the Board ~~and BCBSM, as sole member of the Corporation,~~ from time to time. ~~Within such limits, no Board action shall be required to change the size of the Board in order to add or remove Directors pursuant to the procedures set forth in Section 204. At least three quarters of~~ For so long as BCBSM is the Sole Member of the Corporation, the Board shall be ~~composed of subscribers and members of the public. The remainder may be providers. The subscriber members of the Board shall comprise at least a majority of the Board.~~ comprised as follows:

(a) At least five (5) Directors shall be individuals who are appointed by the Sole Member (the "Member Board Appointees"), each of whom shall be considered an appointed director for purposes of Section 8.04, Title 11B, Vermont Nonprofit Corporation Act;

(b) At least seven (7) Directors shall be individuals each of whom is any of (i) a Public Director, (ii) a Subscriber or (iii) the Chief Executive Officer or President of the Corporation.

(c) Notwithstanding the foregoing, (i) at least three quarters (3/4) of the Board shall be composed of individuals who are Subscribers or Public Directors; and (ii) a majority of the Directors shall be Subscribers. The remainder may (but need not) be Providers.

(d) Except for the Chief Executive Officer or President of the Corporation, as applicable, and the Member Board Appointees, all Directors shall be elected from those nominated by the Governance and Nominating Committee constituted pursuant to Section 213312 of these Bylaws or by any Director. The, subject to approval of BCBSM. The Chief Executive Officer or President of the Corporation, as applicable, shall be a Director ex officio with full powers. If any member: voting powers and all such other powers as granted to Directors.

(e) If any Director, other than for a Member Board Appointee:

(i) fails, in any twelve (12) month period, to attend the lesser of at least six (6) or seventy-five percent (75%) of the meetings of the Board, then that

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person shall cease to be a Director if a majority of the directors then in office vote for such removal; or

(ii) a) ~~shall become~~ becomes disqualified for no longer ~~being a Public member, or~~ meeting the qualifications listed in this Section 302, then that person shall automatically cease to be a Director.

Any Director may resign, at any time, by giving notice in writing to the Chairperson of the Board, if any, or the Chief Executive Officer or President, as applicable. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the occurrence of some other event, and, unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective. For the avoidance of doubt, any act taken by such Director prior to resignation or declaration of vacancy shall be valid.

Any Provider Director shall be a Participating Provider at the time of such Provider Director's initial election to the Board. In the event such Provider Director ceases to be a Participating Provider, he/she/they shall be disqualified as a Director, unless the Board consents to such individual's continued service as a Director.

The Board may remove any Director from office at any time and for any reason upon a three-fourths (3/4) vote of the Board, subject to the consent of the Sole Member.

~~b) shall have failed, in any period between annual meetings of the Board, to have attended at least six or seventy-five percent, whichever is less, of the meetings of the Board,~~

~~then that person shall automatically cease to be a Director unless Board of Directors, by a two-thirds majority, consents to the Director's continued membership. The attendance requirements in Section 202 (a) and (b) above shall be measured from one annual meeting until the next annual meeting, with only one annual meeting included in the calculation. Nevertheless, any act taken by such member prior to resignation or declaration of vacancy shall be valid. Each Provider Director shall be a Participating Provider at the time of his or her first election. In the event such Provider Director ceases to be a Participating Provider, he/she shall be disqualified as a Director, unless the Board of Directors consents to continued membership. A Director may be removed from office at any time, without cause, if three-fourths of the Board of Directors so vote.~~

203: Independent Directors

~~A majority of the Board of Directors shall be independent directors, and the Board of Directors shall make an annual determination that a majority of its directors are independent. For purposes of these Bylaws:~~

~~(a) No director qualifies as "independent" unless the Governance and Nominating Committee affirmatively determines that the director has no material relationship with the Corporation (either directly or as a partner, shareholder or officer of an organization that has a~~

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~~relationship with the Corporation). The Governance and Nominating Committee shall refer to the current applicable sections of the Blue Cross Blue Shield Association Guidelines to Administer Membership Standards Applicable to Regular Members when making this determination.~~

~~(b) In addition, a director is not independent if:~~

~~(i) The Director is, or has been within the last three years, an employee of the Corporation.~~

~~(ii) An immediate family member of the Director is, or has been within the last three years, an executive officer of~~

~~the Corporation.~~

~~(iii) The Director has received, or has an immediate family member who has received, during any twelve month period within the last three years, more than \$100,000 in direct compensation from the Corporation, other than Director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).~~

~~(iv) (A) The Director or an immediate family member is a current partner of a firm that is the Corporation's internal or external auditor; or (B) the Director is a current employee of such a firm.~~

~~(v) The Director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Corporation for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues.~~

~~As used above, an "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home. When applying the look-back provisions herein, the Corporation need not consider individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated.~~

303. **204. Election and Term of Directors.**

~~Except for the President of the Corporation, Directors of the Corporation shall be elected by the then serving Directors present at the March Annual meeting of Directors or at any special meeting called for that purpose and shall serve until their successors are elected and qualified. Election shall be by plurality of the votes cast. Directors shall be elected for three (3) year terms unless a shorter term is specified at time of election. No director shall be eligible for election or~~

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~~service for more than four terms. In determining the number of terms served, terms commencing before March 28, 2001 shall not be counted.~~

(a) Except for the Chief Executive Officer or President of the Corporation, as applicable, and the Member Board Appointees, Directors of the Corporation shall be elected by the Sole Member from a list of candidates nominated by the Governance and Nominating Committee and submitted to the Sole Member by the Board, and shall serve until their successors are elected and qualified. The initial terms of all Directors, other than the Member Board Appointees that are Public Directors, shall be for a term as set forth on Schedule A. In the event of a vacancy on the Board (whether due to termination, resignation or otherwise) prior to the expiration of the term applicable to such Director, then such vacancy shall be filled in accordance with Section 305 for the remainder of the applicable term. The persons who are Directors as of the Effective Date, their initial term length and the number of remaining terms, as applicable, are set forth on Schedule A.

(b) Following the initial terms, as set forth above, all Directors, other than the Member Board Appointees and the Chief Executive Officer or President, as applicable, shall be elected for three (3) year terms unless a shorter term is specified at the time of election. No Director shall be eligible for election or service for more than four (4) terms. Notwithstanding the foregoing, the Directors serving immediately prior to the Effective Date shall be eligible for election or service for five (5) terms. Unless otherwise approved by the Board and the Sole Member, the term limits as set forth above shall remain in effect indefinitely, but in any event for a period of no less than five (5) years following the Effective Date. The terms and years served by any individual who was a Director at or prior to the Effective Date shall count toward the limitations of this section.

304. Voting.

Each Director shall have one (1) vote. An affirmative vote of a majority of the Board shall be required for all actions except as otherwise provided for herein.

305. ~~205.~~ Vacancies.

~~The Board of Directors may, if it expressly states its intention to do so in its vote, fill a vacancy on the Board for the unexpired term of said vacancy. This action may be taken by a majority of all of the remaining Directors.~~

Any vacancy on the Board (whether due to termination, resignation, expiration of term, death or otherwise) shall be filled by BCBSM; provided, that with respect to a vacancy of a Director other than a Member Board Appointee, the Board, based on the recommendation of the Governance and Nominating Committee, shall nominate one or more individuals to fill such vacancy, which nominees shall be submitted to the Sole Member for approval.

306. ~~206.~~ Meetings; Chairpersons and Vice Chairpersons.

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(a) Meetings of the Board ~~of Directors~~ shall be upon the call of the Chairperson, the Chief Executive Officer or President, as applicable, or a majority of the ~~Board of Directors~~. Regular meetings of the Board ~~of Directors~~ shall be held according to a schedule established by the Board.

(b) Meetings of any committee shall be called— by the Chairperson of the Board, the Chief Executive Officer or President, as applicable, the Chairperson of that committee or by a majority of the members of such committee.

(c) Notice of the time, place and purposes of all meetings of the Board or ~~Committees~~committees shall be given at least five (5) days before the meeting to each member of the Board or ~~Committees~~applicable committees either in person, by mail, by electronic mail or by telephone by the Secretary at the Director's last known ~~address (postal mailing~~ or electronic mail address or telephone number, as applicable) ~~as kept by the Secretary, except as provided herein~~. In the case of any meeting called by the Chief Executive Officer or President, as applicable, or Chairperson, notice of the meeting may be given by that person, who shall be deemed to be secretary for that purpose, in which case notice shall be simultaneously filed with the Secretary. If a meeting is called by the majority of the Directors, they shall file notice of the meeting with the Secretary at least five (5) days before the meeting, and the Secretary shall provide at least three (3) days' notice to the entire Board ~~of Directors~~ or the committee as provided herein. Meetings may be within or without the State of Vermont.

(d) ~~(d)~~ When in attendance, the Chairperson shall preside at all meetings of the Board ~~of Directors~~ and its Executive Committee. When the Chairperson is not present, the Vice-Chairperson shall serve. If neither the Chairperson nor Vice-Chairperson is present, a moderator shall be chosen from among those present.

(e) ~~(e)~~ The Chairperson and Vice-Chairperson shall be elected from among the Public ~~members of the Board~~Directors at the ~~March Annual~~annual meeting of Directors. ~~Consulting Directors who are Public Consulting Directors shall be eligible to serve as Chairperson and Vice-Chairperson, subject to the consent of the Sole Member.~~

307. ~~207.~~ **Waiver of Notice.**

A Director may waive in writing notice of any meeting of the Board ~~of Directors~~ or of one of its committees, either before or after the meeting. Attendance of a Director at a meeting shall constitute waiver of notice of that meeting unless such Director attends for the express purpose of objecting to the transaction of business because the meeting was not lawfully called or convened, and the Director voices such objection at the meeting, and does not vote in or otherwise participate in the meeting.

308. ~~208.~~ **Quorum.**

(a) Board of Directors Meetings.

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A quorum for the transaction of business by the Board ~~of Directors or Committees~~ shall consist of a majority of Directors then holding office, including at least two (2) Member Board Appointees, at least one of whom is an officer of BCBSM (to the extent that an officer of BCBSM is serving on the Board at such time), exclusive of recused or disqualified Directors. If such BCBSM officer is not present at the meeting of the Board, then the applicable meeting will be postponed; provided that if such BCBSM officer fails to be present at the next meeting of the Board notwithstanding delivery of notice in accordance with Section 306(c), then such BCBSM officer will be deemed to be present for the purposes of determining whether the quorum requirements are satisfied.

(b) Committee Meetings.

A quorum for the transaction of business by the committees shall consist of a majority of Directors on such committee, exclusive of recused or disqualified Directors.

309. ~~209.~~ **Committees.**

(a) Standing Committees.

The standing committees shall include the following committees, and such other committees as are established by the Board ~~of Directors~~ from time to time:

- (1) ~~(1)~~ **Executive and Compensation Committee**
- (2) ~~(2)~~ **Audit Committee**
- (3) ~~(3)~~ **Governance and Nominating Committee**
- (4) ~~(4)~~ **Finance Committee**

To the extent consistent with these Bylaws, the members of the standing committees, and their Chairpersons, shall be nominated from among the current Directors and appointed by the Chairperson of the Board, subject to the prior written approval of the Sole Member. In addition to the approval of the Sole Member as described in the immediately preceding sentence, all committee appointees shall be subject to approval by the Board. In making such appointments, the Chairperson shall give due consideration to the interests, education, experience and expertise of appointees. Each committee shall include at least one (1) Member Board Appointee. The Chairperson shall appoint such committee members, and their Chairpersons, as soon as practicable after the ~~March Annual meeting of Directors and shall submit such appointees to the Board for its approval at the next ensuing Board meeting. Notwithstanding the absence of Board approval, during such interim period all such appointees shall be empowered to act as fully as if Board approval has been given~~annual meeting of the Board. Standing committees may make their own rules, consistent with these Bylaws, for the holding and conduct of their meetings. Vacancies shall be filled by the Chairperson of the Board, ~~with the~~subject to approval ~~of by~~ the ~~Board of Directors. The Board of Directors shall,~~

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~~upon majority of the Board, choose to amend the Chairperson's committee appointments~~Sole Member.

(b) **Other Committees.**

The Chairperson of the Board may, from time to time, with the approval of the Board ~~of Directors, appoint members and Chairpersons of,~~ form other committees with such responsibilities and authority as may be delegated by the Board ~~of~~ and appoint current Directors as members and Chairpersons thereof, subject to the prior written approval of the Sole Member.

(c) The ~~Committees of the Board~~committees shall keep and maintain minutes of their meetings and shall, from time to time but in any event no less than annually, submit such minutes to the Board along with such other materials or reports requested by the Board.

310. ~~210.~~ **Executive and Compensation Committee.**

(a) **Number and qualifications.**

The Executive and Compensation Committee shall consist of no ~~less~~fewer than four (4) Directors including the Chairperson or ~~Vice-Chairperson~~Vice-Chairperson of the Board ~~of Directors. Any Director who serves on the Executive and Compensation Committee who is not an independent director shall have no right to vote on any matter pertaining to executive compensation.~~ Provider Directors shall not comprise a majority of the Executive Committee. The Chairperson of the Board ~~of Directors~~ shall serve as Chairperson of the Executive and Compensation Committee.

(b) **Powers and duties.**

The Executive and Compensation Committee may, between regular meetings of the Board, act instead in the stead of the Board ~~in~~if circumstances ~~between regular board meetings where situations have arisen that cannot wait for resolution until~~ arise which must be resolved prior to the next regularly scheduled Board meeting and with respect to which it is not reasonable to attempt to schedule a special Board meeting either in person or through remote telecommunications, ~~it being understood that this provision will only.~~ The foregoing authority shall be exercised in rare circumstances ~~or if it, and only when the Chairperson or Vice-Chairperson of the Board reasonably determines that it will be~~ impossible to obtain a quorum of the Board in a timely manner. Said authority shall include general authority to manage the affairs of the Corporation including authority to authorize purchases, sales, offers, conveyances, transfers, bank deposits, and negotiable instruments; and to settle claims for and against the Corporation. Excepted from this authority are the following: any transaction involving all or substantially all of the assets of the Corporation; amendment of the ~~articles of association~~Articles of Incorporation or these ~~bylaws~~Bylaws; election of officers or ~~directors~~Directors; and any other matter expressly reserved to the full Board ~~of Directors~~ by law; or Board resolution, ~~or these Bylaws.~~

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The Executive and Compensation Committee shall have the authority to review compensation for all ~~Officers~~officers and Directors and to recommend for approval to the Board ~~the~~ compensation of ~~the~~Directors and all officers, including the Chief Executive Officer or President, as applicable. The Executive and Compensation Committee shall: conduct periodic performance evaluations of the Chief Executive Officer or President, as applicable; review and approve the incentive compensation plan for the Corporation; and periodically review the performance of the qualified pension plans of the Corporation.

The Executive and Compensation Committee shall report its actions at the next meeting of the Board ~~of Directors~~.

311. ~~211.~~ **Audit Committee.**

(a) **Number and qualifications.**

The Audit Directors ~~independent majority of not~~ shall consist of no less than three (3) ~~Directors. The~~ members. At least one (1) member of the Audit Committee ~~shall be comprised entirely of independent Directors~~ must have relevant financial experience. Provider Directors shall not comprise a majority of the Audit Committee.

(b) **Powers and duties.**

The Audit Committee shall assist the Board in fulfilling its responsibility to oversee management's conduct of the financial reporting process. In so doing it shall evaluate and recommend the retention, compensation, and if necessary, replacement of the independent financial audit firm, and shall review the annual independent audit. It shall review the internal audit work plan, and shall monitor results of the plan and corrective actions, if any. It shall also oversee legal compliance and ethics programs of the Corporation.

312. ~~212.~~ **Governance and Nominating Committee.**

(a) **Number and Qualifications.**

The Governance and Nominating Committee shall consist of not more than six (6) nor fewer than four (4) members. ~~Any Director who serves on the Governance and Nominating Committee who is not an independent director shall have no right to vote on the nomination of any person to serve as a Director or officer of the Corporation or its affiliates.~~ Provider Directors shall not comprise a majority of the Governance and Nominating Committee.

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(b) **Powers and duties.**

~~The~~Annually or as otherwise directed by the Board, the Governance and Nominating Committee shall nominate one or more qualified persons for the positions of Chairperson and ~~Vice-Chairperson~~Vice-Chairperson, and for each vacancy on the Board ~~of Directors to be filled at the March Annual meeting or, if the Corporation should fail to fill vacancies at the March Annual meeting, at any subsequent meeting held for that purpose~~to be approved by the Sole Member. The Governance and Nominating Committee shall also nominate qualified persons to represent the Corporation on the ~~Board of Directors~~boards of other entities that may be affiliated with the Corporation. The Governance and Nominating Committee shall have the power to consider, and to propose to the Board for its approval, amendments or revisions to the Bylaws. ~~The~~Each nomination or recommendation by the Governance and Nominating Committee shall ~~assist the Board of Directors in fulfilling its obligation to assess its functioning in the discharge of its responsibilities. The Governance and Nominating Committee shall oversee the Community Advisory Boards.~~be subject to approval by Board and the Sole Member to the extent required herein.

313. ~~213.~~ **Finance Committee.**

(a) **Number and Qualifications.**

The Finance Committee shall consist of a minimum of three ~~directors, all of whom must be independent from management. The Chair~~(3) members. The Chairperson of the Audit Committee, or ~~the designee of said Chair (who shall be a director)~~another Director designated by said Chairperson, shall be included as a member of the Finance Committee.

(b) **Powers and duties.**

The Finance Committee shall advise and assist the Board ~~of Directors~~ with respect to the financial and investment policies and objectives of the Corporation. The Finance Committee's primary duties and responsibilities are to: (i) monitor the Corporation's investment policies and performance; (ii) review and evaluate proposed capital projects and other major investments; (iii) review the annual financial forecast and administrative expense budget, and any subsequent changes proposed by management, and (iv) ~~review~~ periodically review the Corporation's financial results to date compared with the results forecasted in the approved business plan.

314. ~~214.~~ **Advisory Committees.**

The Chairperson, Chief Executive Officer or President, as applicable, or Chairperson of a standing committee may, from time to time, with the approval of the Board ~~of Directors, appoint, form~~ one or more Advisory Committees ~~which, which shall be distinct from the Board committees authorized by Sections 309 to 313 of these Bylaws and~~ shall be charged ~~to advise~~with advising the Corporation on matters of concern to it. Members of the Board ~~of Directors~~ may sit on Advisory Committees, but members of the Advisory Committees need not be Directors. Upon invitation, Advisory Committees or members thereof may attend meetings of the Board ~~of Directors~~ but will not be entitled to vote at such meetings. The voting prohibition

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will not apply to a ~~member of the Board of Directors~~ Director who is a member of the Advisory Committee.

315. ~~215.~~ **Informal Action.**

If all of the Directors, or all the members of any committee thereof, consent in writing to any action taken or to be taken by the Corporation and the written consent is inserted in the minute book of the Corporation, the action shall be as valid as though it had been authorized at a meeting of the Board.

316. ~~216.~~ **Telephonic Meetings.**

The Board ~~of Directors,~~ or any committee thereof, may hold a meeting by means of ~~conference~~ video, telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting. Any Director may request participation in any meeting (including any meeting scheduled as an in person meeting) by remote attendance.

~~217.~~ **Consulting Director**

~~In addition to the Directors elected and serving in the manner described above, the Directors may appoint one or more Consulting Directors. A Consulting Director shall be a person having knowledge and expertise regarding Vermont healthcare delivery and financing. Consulting Directors shall have the right to attend meetings of the Corporation's Board of Directors and to participate in deliberations, provided that Consulting Directors shall have no voting rights. Except for the absence of voting rights, Consulting Directors shall discharge their duties as a Consulting Director subject to the same standards applicable to Directors under Vermont law. Consulting Directors shall be eligible to serve as non-voting members of Committees of the Board, subject to any restrictions set forth in Sections 209–214 above.~~

~~A Consulting Director shall be nominated by the Governance and Nominating Committee and elected by a majority vote of the Directors. Consulting Directors shall serve for a term of one year and may be re-elected, provided that no Consulting Director shall serve for more than five successive terms.~~

~~Section 218 (Conflict of Interest) shall apply to Consulting Directors to the full extent that it applies to Directors.~~

317. ~~218.~~ **Conflict of Interest.**

(a) **Conflict of Interest Policy.**

Each Director shall comply with the Conflict of Interest Policy of the Corporation ~~in~~ effect as amended from time to time. Each Director shall file a signed Conflict of Interest

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Statement, in the form last approved by the Board ~~of Directors~~, with the Corporate Secretary concurrent with being seated on the Board and prior to May 1 of each year.

(b) **Recusal by Director.**

At any time that it becomes apparent to a Director that a matter is coming, or is likely to come, under consideration by the Board in which ~~s~~she/he/they has an interest which is, or may be, or may create the appearance ~~therewith, in of a~~ conflict with the interests of the Corporation, ~~s/he~~such Director will disclose such actual or potential conflict to the Board and provide all information reasonably requested by the Board in connection with such actual or potential conflict and will absent her/~~himself~~him/themselves during any Board consideration or take such other actions as are appropriate given the nature of the actual or potential conflict and the potential Board action.

A Director shall also recuse him/her/themselves at any point when a conflict of interest exists with respect to such Director in accordance with the terms of the Conflict of Interest Policy.

(c) **Recusal of Director ~~by Chairperson~~ by Chairperson.**

If it becomes apparent that a matter is coming, or is likely to come, under consideration by the Board in which a Director has an interest which is, or may be, in conflict with the interests of the Corporation and the Director fails or refuses to act consistently with subsection (b) above, then the Chairperson or acting Chairperson may require such Director to absent her/~~himself~~him/themselves or to take other appropriate action.

Chapter 4~~CHAPTER III~~

OFFICERS

401. ~~301.~~ **Officers.**

The officers of the Corporation shall be the Chief Executive Officer or President, as applicable, one or more Vice-Presidents, a Treasurer, a Secretary, and an Assistant Secretary.

402. ~~302.~~ **Qualifications of Officers.**

Officers of the Corporation need not be members of the Board ~~of Directors~~.

403. ~~303.~~ **Chief Executive Officer or President.**

The Chief Executive Officer of the Corporation as of the Effective Date shall be the President and Chief Executive Officer until his retirement, resignation or termination. From and after such retirement, resignation or termination, as applicable, the Corporation shall no longer have a Chief Executive Officer. The Corporation's principal officer shall thereafter be its President. The Board may remove the Chief Executive Officer or President, as applicable, by

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the affirmative vote of a majority of Directors then in office, subject to the written consent of the Sole Member. The Sole Member may remove the Chief Executive Officer or President as applicable, by delivering written notice thereof to the Board with concurrent notice to the Chief Executive Officer or President. The Sole Member and the Board shall cooperate to determine the appropriate process for determining the requirements of any candidate to become the President and identifying candidates for President. Once determined, the Board will nominate a candidate to become the President, which candidate will be subject to the approval of the Sole Member.

The Chief Executive Officer or President ~~shall be the chief executive officer of the Corporation,~~ as applicable, shall be responsible for ~~its~~ the Corporation's general management with the power to make and execute contracts in the ordinary course of business and to delegate such authority. In the name of the Corporation, and as and when authorized by the Board ~~of Directors, the,~~ the Chief Executive Officer or President, as applicable, shall execute all deeds, mortgages, bonds, and other similar obligations or instruments. The Chief Executive Officer or President, as applicable, shall report to the Chief Executive Officer of BCBSM or his or her or their designee and to the Board.

404. ~~304.~~ Vice-Presidents.

From time to time ~~to time,~~ the Chief Executive Officer or President, as applicable, may appoint "Acting ~~Vice-Presidents~~ Vice-Presidents" who shall be confirmed by the Board ~~of Directors~~ as "~~Vice-President~~ Vice-Presidents." They shall exercise the powers delegated to them by the Chief Executive Officer or President, as applicable, or by the Board ~~of Directors~~ at the pleasure of the Chief Executive Officer or President, as applicable. They shall serve at the pleasure of the Chief Executive Officer or President, as applicable, and may be removed with or without cause.

405. ~~305.~~ Treasurer.

The Treasurer shall have the general supervision over the care and custody of the funds and securities of the Corporation and shall deposit the same or cause the same to be deposited in the name of the Corporation in such banks, trust companies, investment accounts, and safe deposit companies as the Board ~~of Directors~~ designates; shall keep or cause to be kept full and accurate accounts of all receipts and disbursements of the Corporation; and shall render or cause to render financial statements of the Corporation requested by the Board ~~of Directors.~~

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406. ~~306.~~ **Secretary and Assistant Secretary.**

The Secretary shall be responsible for the keeping of minutes of all meetings, and the notice thereof; and shall be responsible for the custody of the corporate records and seal, as applicable. When neither the Secretary ~~and nor the~~ Assistant Secretary ~~are notis~~ present at any meeting, a Secretary ~~pro tern~~ shall keep minutes of the meeting and promptly forward those minutes to the Secretary who shall insert them in the corporate record book. The Secretary shall keep a record of all Directors of the Corporation, designate therein whether they are Public Directors, keep their current mailing addresses and record the date of their election. The Secretary shall make the records of the Corporation available for inspection to Directors. The Secretary and Assistant Secretary will be responsible for the performance of all duties usually incident to the office of Secretary and such duties as may, from time to time, be assigned by the Board ~~of Directors or the~~ or the Chief Executive Officer or President, as applicable. The Assistant Secretary will be responsible for the performance of such duties as may, from time to time, be assigned by the Chief Executive Officer or President ~~or, as applicable, or the~~ Secretary, and shall have full power to act as the Secretary in the event that the Secretary is absent or unavailable.

Chapter 5 ~~CHAPTER IV~~

GENERAL PROVISIONS

501. ~~401.~~ **Bonds.**

The Board ~~of Directors~~, at the expense of the Corporation, shall require the Treasurer and may require any other officer or employee to provide the Corporation with fidelity bonds in an amount, in such form, and with such surety as the Board ~~of Directors demand~~ demands.

502. ~~402.~~ **Negotiable Instruments.**

All checks, drafts, bills of exchange, notes or other obligations or orders for the payment of monies shall be signed by signature (including electronic signature or facsimile thereof) in the name of the Corporation by such officer or officers, person or persons as the Board ~~of Directors~~ may designate.

503. ~~403.~~ **Seal.**

~~The seal of the Corporation shall be circular in form with the name of the Corporation in the circumference and the figure 1980 in the center.~~

The Corporation may, but shall not be required to, have and use a corporate seal bearing the name of the Corporation and any such other information which the Corporation may, from time to time, decide to include in the same.

504. ~~404.~~ **Fiscal Year.**

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The fiscal year of the Corporation shall end on December ~~31st~~31 unless otherwise ordered by the Board ~~of Directors~~.

505. ~~405.~~ **Principal Place of Business.**

The principal office of the Corporation shall be located in the Town of Berlin, Vermont or in such other place as the Board ~~of Directors~~ shall determine.

506. ~~406.~~ **Indemnification of Directors, Officers.**

Each Director and officer serving as such shall be indemnified by the Corporation against any and all claims; and liabilities, including all legal fees in defense thereof, resulting because of (a) service as a Director or officer ~~or~~, (b) by reason of any action taken or alleged to have been taken, omitted, or neglected ~~as such in the role of Director or officer,~~ (c) service as a director or officer of another entity at the request or direction of the Corporation, or (d) by reason of any action taken or alleged to have been taken, omitted, or neglected in the role as director or officer of another entity pursuant to Section 506(c), in each case, except those arising out of willful misconduct or gross negligence; provided, however, that in any dispute between the Corporation and its Directors, ~~or its officers~~ in which an officer or Director was or is a party defendant or is threatened to be made a party defendant to any threatened, pending or completed action, suit, or proceeding, by reason of the fact that ~~he/she~~such individual is or was a Director or officer or is or was a director or officer of another entity at the request or direction of the Corporation, the Corporation shall indemnify him/her/them against expenses (including ~~attorney's~~legal fees) incurred in defense only if such officer or Director ultimately prevails in such action, suit, or proceeding.

507. ~~407.~~ **Amendments.**

~~These~~Subject to the prior written approval of the Sole Member, these Bylaws may be amended at any meeting of the Board ~~of Directors~~ by a two-thirds (2/3) vote of those present at any meeting duly warned, by fifteen (15) days written notice, for that purpose, or by unanimous written consent of the Board.

These Amended and Restated Bylaws were adopted by the Board of Directors of the Corporation at a duly warned meeting held on and [●], at which the Board agreed and approved of these Bylaws replacing all prior Bylaws of the Corporation in their entirety.

~~Adopted by the Board of Directors of the Corporation at a duly warned meeting held on May 26, 1982 and amended on January 26, 1983; March 21, 1984; September 19, 1986; September 28, 1988; December 13, 1988; February 27, 1991; December 2, 1992; December 13, 1995; January 30, 1996; December 11, 1996; February 6, 1998; May 13, 1998; November 23, 1999; March 29, 2000; March 28, 2001; March 26, 2003; March 22, 2006; March 28, 2007; March 26, 2008; March 25, 2009; March 24, 2010, March 27, 2013 and April 2, 2014, March 30, 2016, March 27, 2019, and April 7, 2021, and ADD_DATE April 6, 2022.~~

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~~BLUE CROSS AND BLUE SHIELD OF VERMONT~~

~~BY: _____
Rebecca C. Heintz, Secretary~~

BLUE CROSS AND BLUE SHIELD OF
VERMONT

By: _____
Name:
Title:

SCHEDULE A

Schedule of Staggered Terms

[TO COME]

Summary report:	
Litera Compare for Word 11.3.0.46 Document comparison done on 7/6/2023 11:53:09 AM	
Style name: Sidley Default	
Intelligent Table Comparison: Active	
Original filename: DOC#1847641-v1-BCBS - Bylaws (003).docx	
Modified DMS: nd://4889-5783-9438/21/Project Cedar - Bylaws.docx	
Changes:	
Add	459
Delete	344
Move From	66
Move To	66
Table Insert	1
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	936