

CORPORATE BYLAWS
OF
WOLCOTT, WOOD AND TAYLOR, INC.,
an Illinois not-for-profit corporation

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CORPORATE BYLAWS
OF
WOLCOTT, WOOD AND TAYLOR, INC.

ARTICLE I.

THE CORPORATION

Section 1.1. **Corporate Purposes.** The purposes for which the Corporation is organized are as follows:

- (a) benevolent;
- (b) eleemosynary;
- (c) educational;

(d) to serve as a “university-related organization” (“URO”) as that term is defined in Article VI of the University Guidelines (amended 1997), or any successor authority established by the Illinois Legislative Audit Commission of the State of Illinois (the “URO Guidelines”) and, as such, to support the public ~~educational~~education policies and programs of the Board of Trustees of the University of Illinois, a body corporate and politic of the State of Illinois (the “University”);

(e) to support, consistent with ~~said “university-related organization” guidelines~~the URO Guidelines, the interests and operations of the statutorily-authorized Medical Service Plan (“MSP”) of the College of Medicine of the University of Illinois at Chicago, which MSP is integral to the educational operations and mission of the University of Illinois Hospital and Clinics and the College of Medicine of the University of Illinois at Chicago; provided, however, that the Corporation shall not engage in the practice of medicine.

(f) to do any and all things which the board of directors may determine, consistent with the provisions hereof, to be necessary or appropriate to effectuate the purposes for which the Corporation is organized in support of the MSP as herein set forth, to the extent that the doing of such act or things is not inconsistent with these Bylaws, the Articles,~~the bylaws of Incorporation~~ of the Corporation, or the provisions of any other applicable law or statute of the State of Illinois;

(g) to engage in, accordance with applicable law and the URO Guidelines, in any and all activities consistent with or in furtherance of the above purposes including, but not limited to, the following:

- (i) to solicit and acquire by gift, exchange or otherwise, property of any and all kinds, and to sell, transfer, and otherwise dispose of any property it so acquires; to invest and reinvest any such property and the increments in, and avails or proceeds of, any such property in such investments as may be deemed advisable from time to time by the board of directors including but not limited to stocks, bonds, secured and unsecured obligations, undivided interests, leases, commercial paper, financial and governmental instruments, savings and other depository accounts, and other securities

and properties;

(ii) to take title, and hold in its own name, or lease or manage, such real or personal property, or both, and such interests in either such type of property as the Corporation may acquire, for the purposes herein set out, and to sell, transfer, and dispose of any such property or reinvest the proceeds thereof as herein permitted;

(iii) to borrow money and give security ~~therefore~~therefor by pledging, mortgaging, or otherwise hypothecating any property it may own, or any interest it may have in such property;

(iv) to become a member of any other ~~nonstick or~~ nonprofit corporation organized under the ~~law~~laws of any state, or to become affiliated with any other organization of like character existing under the laws of any state; to join associations of similar organizations to further the mission of the Corporation;

(v) to promote, by donation, loan or otherwise, the interests of any organization formally affiliated with the Corporation or the University of Illinois, the purposes of which are not inconsistent with those of the Corporation or the URO Guidelines; and

(vi) to engage in any lawful activities within the purposes for which a corporation may be organized under the Illinois General Not-For-Profit Corporation Act.

ARTICLE II.

MEMBER OF THE CORPORATION

Section 2.1. **Sole Member.** The sole member of this Corporation shall be the Board of Trustees of the University of Illinois, a body corporate and politic of the State of Illinois established pursuant to 110 ILCS 305/1 et seq.

Section 2.2. **Powers of the Sole Member.** In addition to all of the rights and powers allowed by law, the sole member shall have reserved to it the following rights and powers:

(a) To amend the ~~articles~~Articles of ~~incorporation~~Incorporation and corporate bylaws of the Corporation.

(b) To elect by a simple majority vote the Corporation's board of directors other than those serving *ex officio* (if any).

(c) To remove a director by a two-thirds vote of the sole member's board of trustees at any time for good cause.

(d) To approve the nomination of the ~~chair, the vice chair and the~~ president of the Corporation.

(e) To approve all plans of merger or consolidation, and the creation or acquisition of all joint ventures and all majority-controlled or majority-owned subsidiaries or affiliates.

- (f) To approve the Corporation's incurring of long-term debt.
- (g) To approve the appointment of independent certified public accountants for the Corporation.
- (h) To approve any voluntary dissolution and any liquidation or distribution of corporate assets.

In addition, the University Counsel of the sole member shall be delegated the reserved power of approving the appointment of any legal counsel for the Corporation.

Section 2.3. **Annual Meeting**. Action constituting the annual meeting of the sole member shall be taken each year at such time and place as is designated by the board of trustees of the sole member.

Section 2.4. **Action by the Sole Member**. The sole member shall act by executing and delivering to the chairman, president or secretary of the Corporation a written instrument or instruments, signed by an authorized officer of the sole member, setting forth the action taken and the applicable corporate authorizations or directions from the board of trustees of the sole member. The action of the sole member shall be deemed to have been taken as of the date on which there is evidence of such written instruments having been delivered, unless the instruments provide otherwise.

ARTICLE III.

BOARD OF DIRECTORS

Section 3.1. **Powers**. Subject to the authority of the sole member in Article II, the Corporation's board of directors shall govern and manage the affairs of the ~~board of directors shall~~ Corporation, determine compliance with the Corporation's stated purposes and ~~shall~~ have the power and authority to do and perform acts or functions not inconsistent with these ~~bylaws~~ Bylaws or the Corporation's ~~articles of incorporation. It~~ Articles of Incorporation. The board of directors shall be the initiating body of governance decisions.

Section 3.2 **Composition of the Board**. The board of directors shall consist of ~~five~~ (5) seven (7) individuals. The ~~five~~ seven individuals shall include: ~~(1)~~ a designee of the Vice President/Chancellor of the Chicago Campus of the University; ~~(2)~~ the Vice President for Health Affairs ("VPHA"), ex officio, with vote; the Dean of the University's College of Medicine, who shall be chair of the board, ex officio, with vote; ~~(3)~~ the Executive Director of the Medical Service Plan (the "MSP"), ex officio, with vote; ~~(4)~~ a Clinical Department Head ~~who will chair the Board~~, as nominated from time to time by the ~~Dean of the University's College of Medicine following consultation with the~~ Executive Committee of the ~~College of Medicine of the University of Illinois at Chicago~~ MSP and elected by the sole member to serve for a two (2) year term; and ~~(5)~~ three (3) individual individuals selected by the ~~sole member from among its membership~~ VPHA, at least one of whom shall be a person with financial expertise, and elected annually by the sole member. ~~In addition to the sole member's reserved powers, the Dean of the College of Medicine shall have the authority to remove the Clinical Department Head chosen, and nominate another individual.~~

Section 3.3. **Advisors to the Board.** The sole member and/or the board of directors may by resolution designate non-voting advisors to the board, who shall be entitled to notice of and to attend all meetings of the board, who may express their views, but who shall not be entitled to vote. All such advisors shall serve terms ending on the next annual meeting of the board.

ARTICLE IV.

MEETINGS OF THE BOARD OF DIRECTORS

Section 4.1. **Annual Meeting.** The annual meeting of the board of directors shall be held no later than the second quarter of each fiscal year at such hour and place as may be determined by the board of directors. The purposes of the annual meeting shall be (a) to seat all newly-elected at large directors, (b) to elect the officers of the Corporation (subject to Section 2.2), and (c) to transact such other business as may be necessary or desirable.

Section 4.2. **Regular Meetings.** The board of directors shall hold regular meetings at least ~~two (2)~~ four (4) times each year at the principal office of the Corporation or at such place and at such time as may be designated by the board chair in the notice. The annual meeting shall be considered a regular meeting of the board.

Section 4.3. **Special Meetings.** Special meetings of the board of directors may be called by the board chairman, the president, the secretary, upon receipt of a written request of two (2) directors, or the sole member.

Section 4.4. **Notice.** Notice of each meeting of the board of directors stating the place, day and hour of the meeting shall be given to each director at such director's preferred designated address at least five days prior thereto by the mailing of written notice by first class, certified or registered mail, or at least two days prior thereto by personal delivery of written notice or by telephonic, telegraphic, electronic or facsimile notice (and the method of notice need not be the same to each director). If mailed, such notice shall be deemed to be given when deposited in the United States mail, with postage thereon prepaid. If telegraphed, such notice shall be deemed to be given when the telegram is delivered to the telegraph company. If sent in electronic or facsimile form, such notice shall be deemed to be given upon receipt of confirmation of successful transmission of such notice from the fax machine or electronic mail system, as applicable, utilized to send such notice. Any director may waive notice of any meeting before, at or after such meeting. Neither the business to be transacted at, nor the purpose of any meeting of the board need be specified in the notice or waiver of notice of such meeting unless otherwise required by statute.

Section 4.5. **Waiver of Notice.** Notice of the time, place and purpose of any meeting of the board of directors or any of its committees may be waived by a director or committee member by telegram, cablegram, facsimile, electronic mail or other writing, either before or after such meeting has been held. A director's or committee member's attendance at any meeting, except for the sole purpose of objecting to the holding of such meeting, shall constitute waiver of notice of such meeting by the director or committee member.

Section 4.6. **Quorum.** For all meetings of the board of directors, a quorum shall be a

simple majority of the directors then serving, who shall be present in person unless a larger number is required by law, the ~~articles~~Articles of ~~incorporation~~Incorporation or these ~~bylaws~~Bylaws to be present. *Ex officio* directors shall be included for purposes of determining whether a quorum exists.

Section 4.7. **Manner of Acting.** The act of a majority of the directors present in person (and not by proxy) at a meeting at which a quorum is present shall be ~~by~~ the act of the board of directors, unless the act of a larger number is required by law, the ~~articles of incorporation~~Articles of Incorporation or these ~~bylaws~~Bylaws.

Section 4.8. **Attendance Requirement.** Inasmuch as attendance at board meetings and participation in committee work are so important to the discharge of a director's responsibilities of office, if a director other than an *ex officio* director, in the absence of extenuating circumstances appropriately indicated, is absent from three (3) consecutive board meetings or ceases to be active on at least one board committee by being absent from three (3) consecutive committee meetings, the director shall be presumed to have resigned as a director.

Section 4.9. **Procedure.** Roberts Rules of Order Revised (latest edition) shall govern procedure at all meetings of the board of directors and its committees where not covered expressly by these ~~bylaws~~Bylaws.

Section 4.10. **Informal Action by Directors.** Any action required to be taken at a meeting of the board of directors, or any other action which may be taken at a meeting of the board or of any committee of the board, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all the directors entitled to vote with respect to the subject matter thereof, or by all the members of the committee, as the case may be. Any such writing shall be filed with, or entered upon, the records of the Corporation. Any consent signed by all the directors or all the members of the committee shall have the same effect as a unanimous vote, and may be stated as such in any document filed with the Illinois Secretary of State or with anyone else.

Section 4.11. **Meeting by Conference Telephone.** Members of the board of directors or of any committee of the board may participate in and act at any meeting of such board or committee by means of conference telephone, video conferencing, or other similar telecommunications equipment by means of which all persons participating in the meeting can hear each other simultaneously. Participation in such a meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating.

Section 4.12. **Compensation.** Directors shall not receive compensation for their services as directors. However, the reasonable expenses of directors related to their attendance at board ~~meeting~~meetings may be paid or reimbursed by the Corporation. Directors shall not be disqualified from receiving reasonable compensation for services rendered to or for the benefit of the Corporation in any other capacity; provided, however, that Article IX of these ~~bylaws~~Bylaws shall have been complied with by all parties.

ARTICLE V.

OFFICERS OF THE CORPORATION

Section 5.1. **Designation of Corporate Officers.** The officers of the Corporation shall be a chair, a vice chair, a president, one or more vice presidents (~~optional~~), as may be deemed necessary by the president, a secretary, a treasurer, and such other assistant secretaries and/or assistant treasurers as may be deemed necessary by the ~~president~~secretary and treasurer, respectively, of the Corporation. Any two or more offices may be held by the same person, except that no person may simultaneously hold the offices of president and secretary. Officers other than the chair and vice chair need not be directors of the Corporation. The ~~Clinical Department Head named by the~~ Dean of the College of Medicine ~~following consultation with the Executive Committee of the~~ Medical Service Plan of the College of Medicine of the University of Illinois at Chicago will serve as Chair. ~~Pursuant to Article II of these bylaws, the nomination of the chair, the vice chair and the president shall be approved by the sole member. The vice chair shall be selected from among the members of the board and elected by the board. The president shall be nominated by the board and approved by the sole voting member.~~ The secretary and the treasurer shall be those persons designated in Sections 5.6 and ~~5.7~~5.7 ~~respectively~~, to serve in those offices *ex officio*. The vice president(s), any assistant vice presidents and any assistant secretaries or assistant treasurers shall be appointed annually by the president of the Corporation. ~~Any chair, vice chair or~~ The president may be removed by the sole member at any time, with or without cause, when in ~~it~~the sole member's judgment the best interests of the Corporation will be served thereby. Any officer appointed by the president may be removed by the president at any time, with or without cause, when in his or her judgment the best interests of the Corporation will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed. Election or appointment of an officer shall not of itself create any contract rights.

Section 5.2. **Duties of the Chair.** The chair shall be the chief policy officer of the Corporation and shall have all the duties which that position would customarily require, including presiding at all meetings of the board of directors, seeing that all orders and ~~resolution~~resolutions of the board of directors are carried out, and performing all other duties assigned to the chair under these ~~bylaws~~Bylaws or by board resolution.

Section 5.3. **Duties of the Vice Chair.** In the absence of the Chair or in the event of the chair's inability or refusal to act, the Vice Chair shall chair meetings of the board of directors and shall perform such other duties as may be delegated into the Vice Chair from time to time by the chair or the board.

Section 5.4. **Duties of the President.** The President, subject to the direction and supervision of the board of directors, shall be the chief executive officer and shall be the direct executive representative of the board of directors in the management of the Corporation and in its dealings with regulatory agencies. In carrying out the duties of the office, the President, consistent with the sole member's established policies and stated rights and powers, shall have general and active control of the affairs and business of the Corporation, and shall have all the duties and authority which such position would customarily require, including, but not limited to the following:

- (a) Carrying out all~~the~~ policies established by the board and advising on the formulation of these policies.
- (b) Developing and submitting to the board for approval a plansplan of

organization and reorganization for the conduct of the various activities of the Corporation and recommending changes when necessary.

(c) Preparing written plans for the achievement of the Corporation's specific objectives and periodically reviewing ~~the~~and evaluating such plans.

(d) Preparing annually an operating budget showing the expected revenue and expenditures and a three year capital budget as required by the board.

(e) Selecting, employing, supervising, and discharging corporate agents and employees of the Corporation and developing and maintaining personnel policies and practices for the Corporation.

(f) Maintaining physical properties of the Corporation in a good and safe state of repair and operating condition.

(g) Supervising the financial affairs of the Corporation to ensure that funds are collected and expended to the best possible advantage of the Corporation.

(h) Presenting to the board, or its authorized committees, periodic reports reflecting the activities of the Corporation and such other special reports as may be required by the board.

(i) Attending meetings of the board, serving as an *ex officio* non-voting member of the board and its committees, and coordinating the preparation of board meeting materials.

(j) Representing the Corporation in its relationships with the University ~~of Illinois~~ and with all of the Corporation's affiliated organizations and non-affiliated organizations.

(k) Performing such other duties as may from time to time be assigned by the board Chair or by the board.

The overall performance of the President shall be evaluated annually by the Chair and the board of directors in a formal process to be established from time to time by the board.

Section 5.5. **Duties of the Vice Presidents.** The vice presidents shall perform such duties and have such responsibilities as may be prescribed from time to time by the President.

Section 5.6. **Duties of the Secretary.** The Secretary, who shall be the University Counsel of the Board of Trustees of the University ~~of Illinois~~ *ex officio* or his/her express designee, shall act as secretary of the Corporation and the board of directors, shall send appropriate notices or waivers of notice regarding ~~the~~ board meetings, shall prepare agendas and other materials for all meetings of the board of directors, shall act as official custodian of all records, reports and minutes of the Corporation, the board and its committees, shall be responsible for the keeping and reporting of adequate records of all meetings of the board and shall perform such other duties as are customarily performed by or required of corporate

secretaries, including acting as the custodian of the corporate seal.

Section 5.7. **Duties of the Treasurer.** The Treasurer, who shall be the Comptroller of the Board of Trustees of the University of Illinois ~~of Illinois~~ *ex officio* or his/her express designee, shall have custody and control of all funds of the Corporation and shall have such duties as are customarily performed by or required of corporate treasurers. The Treasurer shall ensure that a true and accurate accounting of the financial transactions of the Corporation is made periodically, that reports of such transactions are presented to the board of directors, and that all accounts payable are presented to such representatives as the board may designate for authorization of payment.

Section 5.8. **Duties of the Assistant Treasurers and Assistant Secretaries.** The assistant treasurers and assistant secretaries shall perform such duties as shall be assigned to them by the treasurer or secretary, respectively, or by the president or the board of directors.

Section 5.9. **Surety Bonds.** The board of directors may require any officer or agent of the Corporation to execute to the Corporation a bond in such sums and with such sureties as shall be satisfactory to the board, conditioned upon the faithful performance of such person's duties and for the restoration to the Corporation of all books, papers, vouchers, money and other property of whatever kind in such person's possession or under such person's control belonging to the Corporation.

Section 5.10. **Regulatory Compliance.** These bylaws acknowledge that the Corporation is subject to the jurisdiction of various state and federal regulatory agencies and that the board of directors has delegated responsibility for continuing compliance with all applicable regulatory standards, including the aforesaid university-related organization rules, to the President.

ARTICLE VI.

COMMITTEES OF THE BOARD OF DIRECTORS

Section 6.1. **Committees Generally.** Committees of the board shall be standing or special. Every committee shall have at least three (3) members, a majority of whom shall be voting directors. All committee members and committee chairmen shall be appointed annually by and shall serve at the pleasure of the chair of the board of directors. Each committee chairman shall be a voting director. Each such committee shall have the power and authority specified by the board, but, as is provided by law, no committee shall have the authority of the board of directors in reference to the following:

- (a) Amending, altering or repealing the ~~bylaws~~Bylaws;
- (b) Electing, appointing, or removing any member of any such committee or any officer or director of the Corporation;
- (c) Amending or restating the ~~articles~~Articles of ~~incorporation~~Incorporation;
- (d) Adopting a plan of merger or consolidation with another corporation;

- (e) Authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation;
- (f) Authorizing the voluntary dissolution of the Corporation or revoking proceedings ~~therefore~~therefor;
- (g) Adopting a plan for the distribution of the assets of the Corporation; or
- (h) Amending, altering, or repealing any resolution of the board of directors which by its terms provides that it shall not be amended, altered or repealed by such committee.

Section 6.2. **Committee Procedures Generally.** Each committee shall record minutes of its deliberations, recommendations and conclusions and shall promptly deliver a copy of such minutes to the secretary of this Corporation. Reasonable notice of the meetings of any committee shall be given to the members thereof and to the board chair and the president, each of whom shall have the right to attend and participate in the deliberations of the committee. The board chair, the president or the committee chair may invite to any committee meeting such individuals as they may select who may be helpful to the deliberations of the committee. A majority of the members of each committee shall constitute a quorum for the transaction of business and the act of a majority of the members of any committee present at a meeting at which a quorum is present shall be the action of the committee. Each committee may operate through the establishment of one or more subcommittees to be composed of such members of the committee and to have such duties and responsibilities as shall be delegated to the subcommittee by the committee. Each committee may adopt rules for its own operations and that of its subcommittees ~~not~~ inconsistent with these ~~bylaws~~Bylaws or the policies of the board of directors.

Section 6.3. **Standing Committees.** The standing committee shall be the nominating committee. This committee shall consist of at least three (3) members, a majority of whom shall be voting directors.

Section 6.4. **Special Committees.** Special committees may be created or terminated at any time by resolution of the board of directors. The committee chair and members shall be appointed by the board chair. A special committee shall limit its activities to the accomplishment of the tasks for which it is appointed and shall have no power to act except as specifically conferred by action of the board. Upon completion of the tasks for which created, a special committee shall stand discharged.

ARTICLE VII.

CORPORATE SEAL

Section 7.1. **Corporate Seal.** The board shall adopt a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Corporation and the words “Corporate Seal, Illinois.”

ARTICLE VIII.

FISCAL MATTERS

Section 8.1. **Fiscal Year End.** The fiscal year of the Corporation shall end on June 30th of each year.

Section 8.2. **Contracts.** The chair, the president and their express designees shall be authorized to execute contracts on behalf of the Corporation. In addition, the board may authorize other officers or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, with such authority being either general or confined to specific instances, in conformance with the fiscal policies of the Corporation and subject to Article II of these ~~bylaws~~Bylaws.

Section 8.3. **Loans and Indebtedness.** No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized pursuant to Article II of these ~~bylaws~~Bylaws and by a resolution of the board with such authority being either general or confined to specific instances; provided, however, such authorization is not required for ~~general trade~~ indebtedness incurred in the purchase of goods or services in the ordinary course of business.

Section 8.4. **Checks, Drafts, Etc.** All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation or to the Corporation, shall be signed or endorsed by officers or agents who shall be authorized as signatories on the accounts of the Corporation by resolution of the board. The signatures of such persons may be by facsimile where expressly authorized, but shall not be preprinted on the instrument.

Section 8.5. **Deposits.** All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, ~~rust~~trust companies or other depositories as the board may select.

Section 8.6. **Maintenance of Records.** The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its sole member, board of directors, and committees having any of the authority of the board of directors, and shall keep at the principal office a record giving the names and addresses of the directors. All books and records of the Corporation may be inspected by the member for any proper purpose at any reasonable time.

ARTICLE IX.

CONFLICTS OF INTEREST

Section 9.1. **Statement of General Policy.** No transactions involving remuneration or benefit to a covered person under Section 9.2, or to an organization in which such director or officer has a material financial interest or of which the director or officer is a member, officer, director, general partner, principal or controlling stockholder, shall be entered into by the Corporation without (a) full written disclosure to the board of directors by the covered person of the material facts of the transaction and the director ~~of~~for officer's interest or relationship; (b) the authorization, approval or ratification of the board of directors; and (c) a determination by a majority of disinterested directors (even though the disinterested directors may be less than a quorum) that the transaction is fair to the Corporation at the time it is authorized, approved or

ratified. No director so involved may vote on such authorization, approval or ratification by the board of directors. Full disclosure, followed by board approval, shall constitute a finding of fairness in the absence of clear intention to the contrary.

Section 9.2. **Coverage of this Policy.** This policy shall apply to all members of the board of directors, corporate officers, key agents and key employees of the Corporation, including (a) independent contractors who provide services and materials, (b) such persons when serving with other organizations or agencies competing with the Corporation for grants or personnel, (c) all physicians and other licensed health professionals contracting with the Corporation in amounts exceeding \$10,000.00, and (d) all licensed clinicians employed or contracted capable of having an independent practice under Illinois law all of whom are deemed to be fiduciaries as to the Corporation. The Corporation's management shall have the affirmative obligation to publicize periodically this policy to all such covered persons.

Section 9.3. **Disclosure of All Conflicts.** All covered persons shall disclose to the board of directors all real and apparent, direct and indirect conflicts which they discover or have been brought to their attention in connection with the Corporation's activities. "Disclosure" as used in these ~~bylaws~~**Bylaws** shall mean providing promptly to the appropriate persons a written description of the direct and indirect material facts of the transaction or real or apparent conflict, and the director's interest or relationship to the transaction or conflict. An annual disclosure statement shall be circulated to all persons to whom this policy applies to assist them in considering such disclosures, but disclosure is appropriate whenever a conflict arises. The written disclosure notices of conflicts shall be filed with the president of the Corporation or any other person designated by him from time to time to receive such notifications. All disclosure notices received hereunder shall be noted for record in the minutes of a meeting of the board of directors.

Section 9.4. **Proscribed Activity by Persons Having Conflicts.** When an individual believes that he or she or a member of his or her immediate family might have or does have a real or apparent, direct or indirect conflict, such individual should, in addition to filing the disclosure statement required hereunder, abstain from making motions, voting, executing agreements, or taking any other similar direct action on behalf of the Corporation to which the conflict might pertain, but shall not be precluded from debate or other similar involvement on behalf of the Corporation.

ARTICLE X.

INDEMNIFICATION

Section 10.1. **Basic Indemnification.**

(a) ~~This~~**The** Corporation shall, to the fullest extent to which it is empowered to do so by, and in accordance with the requirements of, the Illinois General Not For Profit Corporation Act of 1986 (as amended from time to time) or any other applicable laws as may from time to time be in effect, indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of ~~this~~**the** Corporation) by reason of the fact that the party is or was a director, officer, employee, member of a

committee or agent of ~~this~~the Corporation, or is or was serving at the request of ~~this~~the Corporation as a director, officer, employee, member of a committee, or agent of another corporation, partnership, joint venture, trust or enterprise, in which it is a member or owns shares of capital stock or of which it is a creditor, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the party in connection with such action, suit, or proceeding if the party acted in good faith and in a manner the party reasonably believed to be in, or not opposed to, the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe the party's conduct was unlawful.

(b) The termination 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 party did not act in good faith and in a manner which the party reasonably believed to be in or not opposed to the best interests of ~~this~~the Corporation or, with respect to any criminal action or proceeding, had reasonable cause to believe that the party's conduct was unlawful.

Section 10.2. **Actions by or in the Right of this Corporation.**

(a) ~~This~~The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of ~~this~~the Corporation to procure a judgment in its favor by reason of the fact that the party is or was a director, officer, employee, member of a committee, or agent of ~~this~~the Corporation, or is or was serving at the request of ~~this~~the Corporation as a director, officer, employee, member of a committee, or agent of another corporation, partnership, joint venture, trust or another enterprise in which it is a member or owns shares of capital stock or of which it is a creditor, against expenses (including attorneys' fees) actually and reasonably incurred by the party in connection with the defense or settlement of such action or suit if the party acted in good faith and in a manner the party reasonably believed to be in or not opposed to the best interests of ~~this~~the Corporation.

(b) The Corporation shall not indemnify any person named in Section 10.2(a) with respect to any matter where the party is adjudged to be liable for negligence or misconduct in the performance of the party's duty to the Corporation unless and only to the extent that the court shall determine that, despite the finding of liability but in view of all circumstances of the case, such party is fairly and reasonably entitled to indemnity for such expenses ~~which~~that such court shall deem proper.

Section 10.3. **Indemnification When Successful on the Merits.** To the extent that a director, officer, employee, member of a committee or agent of ~~this~~the Corporation has been successful, on the merits or otherwise, in defense of any action, suit, or proceeding referred to in Sections 10.1 and 10.2 or in defense of any claim, issue or matter therein, the party shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by the party in connection therewith; provided, however, nothing contained in this section shall limit the ability of ~~this~~the Corporation to provide indemnity, including costs of counsel, as provided elsewhere in these ~~bylaws~~Bylaws.

Section 10.4. **Appropriate Authorization for Payment of Indemnification**. Any indemnification under Sections 10.1 and 10.2 (unless ordered by a court) shall be made by this Corporation only as authorized in the specific case upon a determination that the indemnification of the indemnified party is proper in the circumstances because the party has met the applicable standard of conduct set forth in Section 10.1 or Section 10.2. Such determination shall be made:

(a) ~~By~~ by the board of directors by a majority vote of a quorum consisting of directors who ~~wherewere~~ not parties to such action, suit, or proceeding; or

(b) ~~If~~ if a quorum is not obtainable, or even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

Section 10.5. **Payment in Advance of Final Disposition**. Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit or proceeding may be paid by this Corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in Section 10.4 upon receipt of a written promise by or on behalf of a director, officer, employee, member of a committee or agent of this Corporation that he or shall repay such amount unless it shall ultimately be determined that such person is entitled to be indemnified by this Corporation.

Section 10.6. **Nonexclusivity of Indemnification Rights**. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of the disinterested directors, or otherwise, both as to action in the party's official capacity and as to action in another capacity while holding such office, and shall continue as to a party who has ceased to be a director, officer, employee, committee member, or agent and shall inure to the benefit of the heirs, executors, or administrators of such a party.

Section 10.7. **Purchase of Director and Officer Liability Insurance**. This Corporation may purchase and maintain insurance on behalf of any party who is or was a director or officer who is or was serving ~~at~~ the request of this Corporation as a director, officer, employee, committee member or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such party and incurred by such party in any such capacity, or arising out of the party's status as such, whether or not this Corporation would have the power to indemnify such party against such liability under the provisions of this Article.

Section 10.8. **Definitions**. For the purposes of this Article, the following terms are defined as follows:

(a) References to the "Corporation" shall include, in addition to the surviving corporation, any merging corporation (including any corporation having merged with a merging corporation) absorbed in a merger which, if its separate existence had continued, would have had the power and authority to indemnify its directors, officers, employees, committee members, or agents so that any party who was a director, officer, employee, committee member or agent of such merging corporation, or was serving at the request of such merging corporation as a director, officer,

employee, committee member or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article with respect to the surviving corporation as such party would have with respect to such merging corporation if its separate existence had continued.

(b) References to “other enterprises” shall include employee benefit plans.

(c) References to “fines” shall include any excise taxes assessed on a party with respect to an employee benefit plan.

(d) References to “serving at the request of this Corporation” shall include any service as a director, officer, employee, member of a committee, or agent of this Corporation which imposes duties on, or involves services by such director, officer, employee, member of a committee or agent.

(e) ~~(d) References to “serving at the request of this Corporation” shall include any service as a director, officer, employee, member of a committee, or agent of this Corporation which imposes duties on, or involves services by such director, officer, employee, member of a committee or agent with respect to an employee benefit plan, its participants, or beneficiaries.~~ A party who acted in good faith and in a manner the party reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of this Corporation” as referred to in this Article.

ARTICLE XI.

NON-DISCRIMINATION

Section 11.1. **Statement of Policy.** The Corporation recognizes the rights of all persons to equal opportunity in employment, compensation, promotion, education, positions of leadership and power, and shall not at any time discriminate against any employee, applicant for employment, director, officer, contractor or any other person with whom it deals, because of race, creed, color, handicap, sex, national origin or age.

ARTICLE XII.

AMENDMENTS

Section 12.1. **Amendment Procedure.** These corporate bylaws may be amended by the sole member, with written notice of all such amendments going to all directors.

APPROVED BY THE SOLE MEMBER ON
~~July~~December 2, 1999~~2011~~.

Secretary,
BOARD OF TRUSTEES OF
THE UNIVERSITY OF ILLINOIS