

ADOPTED **June 29, 1978**  
AMENDED **June 24, 1980**  
AMENDED **February 12, 1981**  
AMENDED **June 24, 1982**  
AMENDED **June 28, 1984**  
AMENDED **July 2, 1986**  
AMENDED **July 16, 1987**  
AMENDED **June 20, 1994**  
AMENDED **January 25, 1996**  
AMENDED **March 26, 1998**  
AMENDED **May 7, 1998**  
AMENDED **May 14, 1998**  
RESTATED **December 2, 1999**  
AMENDED **February 10, 2000**  
RESTATED **February 10, 2005**  
AMENDED **May 14, 2014**  
AMENDED **April 20, 2017**  
AMENDED **June 21, 2018**  
AMENDED **██████████, 2020**

**RESTATED BYLAWS OF  
GROUP HEALTH COOPERATIVE OF SOUTH CENTRAL WISCONSIN**

**ARTICLE I  
PURPOSES**

The purposes of this Cooperative shall be as set forth in the Articles of Incorporation, and to provide health care services primarily for the benefit of its members who are the ultimate consumers of such services.

**ARTICLE II  
MEMBERS**

**Section 2.1 Definition of “Member”**

A “Member” is a person who has been accepted for membership in this Cooperative in accordance with these Bylaws. A “Subscriber” is a natural person who is receiving prepaid health care through this Cooperative under the terms of a subscriber certificate. An adult “Subscriber” becomes a “Member” as provided in Section 2.4 of these Bylaws.

**Section 2.2 Qualifications of Membership**

No person, whether natural or statutory, may be denied membership because of race, color, handicap, age, sex, creed, national origin, ancestry, sexual orientation, arrest or conviction status, marital status, religion or any other legally impermissible criterion. There are no residence requirements for membership in this Cooperative.

### **Section 2.3 Classes of Members**

This Cooperative shall have three (3) classes of Members: Founding Members, Class A Members and Class B Members.

### **Section 2.4 Requirements of Membership**

Membership is attained as follows:

A. *Founding Members*

Persons who have contributed at least \$25.00 during the period for enrolling Founding Members shall be known as Founding Members and shall retain their memberships for their lifetimes, irrespective of subscription for medical services. The period for enrolling Founding Members ended July 1, 1978.

B. *Class A Members*

Persons may become Class A Members of this Cooperative in either of the following ways:

(1) Adult Subscribers, including dependents over the age of 18 covered in a family contract, become Class A Members during the period of their subscription for medical services. The rights and privileges of Class A membership shall be available to subscribers attaining Class A membership in this manner only during the period of their subscription for medical services.

(2) The Board of Directors may confer Class A membership upon individuals not otherwise eligible to be Members of this Cooperative. The term of such Class A membership thus conferred may not exceed three (3) years, and there may be no more than eight (8) such Class A Members at any time.

C. *Class B Members*

Persons who present for and receive sickness care services from the Cooperative consistent with Wis. Stats. § 185.981 at a facility of this Cooperative and/or who present for and receive medical services from a physician providing such services in his or her capacity as an employee by this Cooperative (a “Practitioner Employee”), and who are not otherwise Founding Members or Class A Members of this Cooperative shall become Class B Members of this Cooperative at the time such persons (1) receive medical services at a health care facility maintained by the Cooperative and (2) complete and submit a fee for service medical information form, or such other documentation as may be deemed to be appropriate from time to time by the Board of Directors, to this Cooperative.

## Section 2.5 Membership Voting

A. *Founding Members and Class A Members*

Each Founding Member and each Class A Member (hereinafter sometimes referred to collectively as “Voting Members”) is entitled to one (1) vote at any meeting of the Members.

B. *Class B Members*

Class B Members shall have no voting rights.

C. *Proxies*

Voting by proxy is not allowed in this Cooperative.

D. *Absentee Ballots*

(1) Any Voting Member who is unable to attend a meeting of the Members may vote electronically in accordance with the provisions of the Wisconsin Cooperative Association Act and these Bylaws by submitting an electronic vote pursuant to a method specified by the Cooperative. For meetings of the Members held entirely in person, the electronic vote must be received by the Cooperative on or before two (2) business days prior to the date of the meeting, and in the event the Voting Member submitting an electronic vote attends the meeting in person, the electronic vote shall be disregarded in favor of the vote of such Voting Member in person at the meeting. For meetings of the Members held wholly or partially virtually and/or remotely, the Board of Directors may determine the deadline when electronic votes must be received by the Cooperative, which deadline may not be earlier than on or before two (2) business days prior to the date of the meeting nor later than on or before two (2) business days following the date of the meeting, and the Board of Directors may determine whether a Voting Member submitting an electronic vote and also attending such meeting shall be allowed to disregard such electronic vote and instead vote at the meeting.

(2) Any Voting Member who is unable to attend a meeting of the Members may, upon written or electronic request for a paper absentee ballot, vote in accordance with the provisions of the Wisconsin Cooperative Association Act and these Bylaws, by delivering or mailing his or her signed ballot to the office of the Cooperative. A sealed envelope bearing the signature of the Voting Member and enclosing a marked but unsigned ballot shall constitute a signed absentee ballot for the purpose of this section. For meetings of the Members held entirely in person, the sealed envelope containing the absentee ballot must be received at the office of the Cooperative on or before two (2) business days prior to the date of the meeting, and in the event the Voting Member submitting a signed absentee ballot attends the

meeting in person, the signed absentee ballot shall be discarded in favor of the vote of such Voting Member in person at the meeting. For meetings of the Members held wholly or partially virtually and/or remotely, the Board of Directors may determine the deadline when absentee ballots must be received by the Cooperative, which deadline may not be earlier than on or before two (2) business days prior to the date of the meeting nor later than on or before two (2) business days following the date of the meeting, and the Board of Directors may determine whether a Voting Member submitting a signed absentee ballot and also attending such meeting shall be allowed to disregard such signed absentee ballot and instead vote at the meeting.

## **Section 2.6 Termination of Membership; Revocation of Voting Privileges.**

### *A. Termination*

(1) Any Member may terminate his or her membership by written request to the Secretary of the Board of Directors.

(2) A Class B Member's membership in this Cooperative shall automatically terminate on the date that is 18 months after the date such Class B Member last presented for and received medical services at a facility of this Cooperative or from a Practitioner Employee.

### *B. Revocation of Voting Privileges*

Any Voting Member's voting privileges may be revoked by a majority vote of the Voting Members present at a membership meeting, provided that the proposed termination and the reason therefore are on the written notice distributed not less than seven (7) nor more than thirty (30) days prior to the meeting.

## **Section 2.7 Membership Meetings**

### *A. Annual Meeting*

A regular annual meeting of Members shall be held each year at such time and place in Dane County as the Board of Directors shall specify, provided that this meeting is held within six (6) months after the closing of the previous fiscal year. If the annual meeting cannot, due to emergency, be held at such time and place within the six (6) month period following the close of the previous fiscal year, or if otherwise allowed by applicable law, then the Board of Directors may postpone and reschedule the annual meeting to another time and place within the current fiscal year.

### *B. Special Meetings*

Special Member meetings may be called at any time by the Chair, the Board of Directors, or by petition signed by twenty (20%) percent or more of the Voting Members and filed with the Secretary.

C. *Virtual/Remote Meeting*

The Cooperative shall endeavor to have all regular annual Member meetings and all special Member meetings in person; however, the Board of Directors may, in accordance with these Bylaws, determine that such meetings be conducted wholly or partially virtually and/or remotely through methods selected by the Board of Directors. The Board of Directors may call a virtual/remote annual meeting of the Members or special meeting of the Members pursuant to the notice procedures described in Section 2.7 D. below and in accordance with these Bylaws. At any such meeting, the Cooperative shall (i) implement reasonable measures to verify that each person deemed present at the meeting by means of remote communication is a Member and to verify that each person permitted to vote at the meeting by means of remote communication is a Voting Member, (ii) implement reasonable measures to provide Members a reasonable opportunity to participate in the meeting and to provide Voting Members a reasonable opportunity to vote on matters submitted to the Voting Members, including an opportunity to read or hear the proceedings of the meeting concurrently with the proceedings, and (iii) maintain a record of voting or action by any Member that votes or takes other action at the meeting by means of remote communication. The Secretary shall determine whether a quorum is present at any such meeting and maintain minutes of the meeting.

As part of any virtual or remote annual meeting of the Members or special meeting of the Members, the Cooperative may utilize any necessary resources, such as third party vendors, software programs, and other platforms, to support the Cooperative's preparation for and administration of such meeting. Selection, engagement, and utilization of any third party vendors, software programs, or platforms shall be determined by the Board of Directors.

D. *Notice of Meetings*

The time and place of any membership meeting shall be designated by the Board of Directors, and notice of any such meeting shall be mailed to each Voting Member of the Cooperative not less than twenty-five (25) days prior to the meeting. Notice is deemed mailed when it is deposited, or a newsletter or other publication of the Cooperative or of an affiliated organization which includes the notice is deposited, in the United States mail, with postage prepaid, addressed to the Voting Member at his or her address as it appears in the records of the Cooperative.

Members entitled to notice shall be those persons shown as Voting Members on the records of the Cooperative on a date which is forty-five (45) days prior to the membership meeting. In the situation where a Member is receiving health care

benefits under a family or other contract in the name of another person who is the Subscriber, the mailing of notice to the Subscriber shall constitute notice to all Voting Members receiving health care by virtue of that contract. The failure of any Voting Member to receive notice of any meeting of the Members shall not invalidate any action which may be taken by the Members at any such meeting.

E. *Quorum*

For meetings of the Members held entirely in person, ten percent (10%) of the first one hundred (100) Voting Members plus five percent (5%) of additional Voting Members, present in person, shall constitute a quorum, provided, however, that a quorum shall never be less than five (5) Voting Members nor more than fifty (50) Voting Members or a majority of all Voting Members, whichever is smaller. For meetings of the Members held wholly or partially virtually and/or remotely in accordance with these Bylaws, ten percent (10%) of the first one hundred (100) Voting Members plus five percent (5%) of additional Voting Members, present at the meeting, shall constitute a quorum, provided, however, that a quorum shall never be less than five (5) Voting Members nor more than fifty (50) Voting Members or a majority of all Voting Members, whichever is smaller, and provided, further, that Voting Members represented by signed ballots (including ballots submitted electronically in accordance with these Bylaws) may be counted in computing a quorum, but only on those motions or matters for which the signed ballots were submitted. If a quorum should not be present on the day appointed, the Members present may adjourn from time to time until a quorum shall attend, and a new notice of meeting shall be given as provided in subsection D of this Section 2.7 above.

F. *Notification*

The Secretary of the Cooperative shall attend to the calling of the any membership meeting and notice thereof.

## **ARTICLE III DIRECTORS**

### **Section 3.1 Board of Directors**

A. *Powers*

The business affairs of this Cooperative shall be managed by its Board of Directors.

B. *Qualifications*

To be eligible to become and remain a Director, a person must meet the following qualifications:

(1) The person must be a Voting Member of the Cooperative and be at least 18 years of age. All of the Directors shall be Voting Members of the Cooperative.

(2) Except as provided in Sections 3.2 and 3.4 hereof, no employee of the Cooperative may serve on the Board of Directors.

(3) Directors may not have employment or financial interests which conflict with or are adverse to the mission, objectives or goals of this Cooperative. If there is a question as to whether a person fulfills such qualification, a majority vote of the Directors then in office shall determine whether or not the person fulfills this qualification.

C. *Number*

The number of Directors shall be eleven (11).

**Section 3.2 Classes of Directors**

A. *Two Classes*

There shall be two classes of Directors, an Individual Class of Directors and a Practitioner Employee Class of Directors. The Individual Class of Directors shall consist of nine (9) Directors who are elected by the Voting Members in the manner prescribed in the Bylaws. The Practitioner Employee Class of Directors shall consist of two (2) Directors who are elected by the Voting Members in the manner prescribed in these Bylaws.

B. *Terms for Individual Class*

The Individual Class Directors shall be divided into three categories. Category 1 shall consist of three (3) Directors, Category 2 shall consist of three (3) Directors and Category 3 shall consist of three (3) Directors. Individual Class Directors shall serve for a period of three (3) years. The terms of each category of Individual Class Directors shall not run concurrently, but shall be staggered so that the terms of each of the Individual Class Directors serving within one category ends each year.

C. *Terms for Practitioner Employee Class*

The Practitioner Employee Class Directors shall be divided into two categories. Category 1 shall consist of one (1) Director and Category 2 shall consist of one (1) Director. The initial term for the Practitioner Employee Class Director from Category 1 shall be for a period of three (3) years and the initial term for the Practitioner Employee Class Director from Category 2 shall be for a period of two (2) years. Following the expiration of each of the initial terms of service for the two categories of Practitioner Employee Class Directors, the Practitioner Employee Class Directors elected to the next term in each category shall serve for a period of

three (3) years. A Practitioner Employee Class Director shall be eligible to serve a maximum of two (2) consecutive terms. An individual who serves for a period of two (2) consecutive terms shall again be eligible to serve as a Practitioner Employee Class Director after an absence from service on the Board of Directors of three (3) consecutive years.

D. *Expiration and Election*

Each Director shall hold office until his/her successor has been elected and qualified unless he or she resigns or is removed pursuant to these Bylaws. The Voting Members shall elect qualified persons at the appropriate annual meeting to fill the expired positions.

E. *Vacancies in the Individual Class of Directors*

Vacancies in the Individual Class of Directors shall be filled as soon as is reasonably possible after a vacancy occurs by appointment by a majority vote of the Individual Class Directors then in office. Vacancies shall be filled from recommendations of the Nominations Committee. Individual Class Directors so elected shall serve the remainder of the term to which appointed.

F. *Vacancies in the Practitioner Employee Class of Directors*

Vacancies in the Practitioner Employee Class of Directors shall be filled as soon as is reasonably possible after a vacancy occurs by appointment by the Board of Directors. Practitioner Employee Class Directors so elected shall serve the remainder of the term to which appointed.

G. *Community Board Requirements*

Notwithstanding any of the provisions of this Section 3.2, the Cooperative shall ensure that at all times it satisfies the Internal Revenue Service community board requirements for exemption from income taxation. Medical practitioners employed by the Cooperative, as well as Officers, department heads and other employees may not be considered independent community members, and may not constitute a majority of the Board of Directors of the Cooperative. The Board of Directors, in nominating and electing Directors, may not nominate or elect, as the case may be, any Director which would cause the Cooperative not to meet the Internal Revenue Service community board requirements as may be in effect at the time of the nomination or election.

### **Section 3.3 Election of Individual Class Directors**

Individual Class Directors will be nominated and elected at the annual meeting of the membership in the following manner:



A. *Nominations Committee*

There shall be a Nominations Committee consisting of seven (7) Voting Members of the Cooperative who are not current members of the Board of Directors. Not less than one hundred twenty (120) days prior to the annual membership meeting, the Board of Directors shall solicit from all Voting Members written nominations for candidates for three (3) positions on the Nominations Committee. Candidates for the Nominations Committee must be either Founding Members or Class A Members of the Cooperative, and may not be current members of the Board of Directors. The notice of the annual meeting shall contain the names of candidates wishing to serve on the Nominations Committee in the following year. Each year, the Voting Members will elect three (3) members of the Nominations Committee, and the Board of Directors will appoint four (4) members of the Nominations Committee. All members of the Nominations Committee will serve one (1) year terms, commencing in August of each year.

B. *Nomination of Individual Class Directors*

(1) *Nomination By Board of Directors or Nominations Committee.* Not less than one hundred twenty (120) days prior to the annual membership meeting, the Board of Directors or the Nominations Committee shall solicit from all Voting Members written nominations for expiring Individual Class Director positions as well as any vacant positions. Those Voting Members eligible and wishing to serve as Individual Class Directors, will be requested to submit a written application to the Nominations Committee not less than one hundred (100) days prior to the annual membership meeting. It shall be the function of the Nominations Committee to select persons eligible and qualified to serve as Individual Class Directors of this Cooperative. The Nominations Committee shall recommend as nominees those persons it considers most qualified to serve and, whenever possible, shall recommend at least two nominees for each position to be filled. At least seventy-five (75) days prior to the annual membership meeting, the Nominations Committee shall notify all persons submitting written applications of its selection of nominees, and shall file its report with the Secretary of the Cooperative. The report shall be available to any Member upon request.

(2) *Nomination by Petition.* Any eligible Founding Member or Class A Member who is willing to serve may be nominated for election as an Individual Class Director by a petition signed by one hundred (100) or more Voting Members of the Cooperative submitted to the Nominations Committee at least sixty (60) days prior to the annual membership meeting.

(3) *Notice to Members.* Not less than twenty-five (25) days prior to the annual membership meeting, the Nominations Committee shall inform the Members of the nominees, identifying the manner of nomination, whether by the Nominations Committee or by petition, and shall also inform the Members of the procedure for casting absentee ballots.

C. *Procedure*

At the annual membership meeting, each Voting Member is entitled to one (1) ballot pertaining to the election of Individual Class Directors, and may cast no more than one (1) such ballot, and may cast no more than one (1) vote for each unfilled Individual Class Director position. Voting shall be limited to persons nominated in accordance with subparagraphs A and B of this Section 3.3. After the ballots are cast, ballots cast in person or by paper absentee ballot shall be counted by the Secretary and Member volunteers who are not nominees, and ballots cast electronically shall be counted in such manner as may be determined by the Secretary. The nominees receiving the greatest number of votes, including absentee votes and votes cast electronically, for the positions to be filled shall be declared elected, except that if there is a tie vote for the last position to be filled, there shall be a second ballot cast to fill that position. Vacancies for Individual Class Director positions which have not be otherwise filled by the Board of Directors pursuant to Section 3.2 (E) of this Article III shall be filled by Voting Members by separate election prior to balloting on other positions.

D. *Removal*

(1) An Individual Class Director who misses three (3) consecutive regular Board of Directors meetings, or four (4) regular meetings during the period between annual membership meetings may be removed without any membership vote upon the majority vote of the other Directors of both classes then in office.

(2) An Individual Class Director may be removed for any reason upon a petition calling for said removal being signed by one hundred (100) Voting Members and a simple majority vote of the Voting Members present at the next regular or special membership meeting. The petition shall state the reasons for the requested removal, and will place this item on the next agenda. The Director shall be informed in writing of the removal request and the reasons stated at least thirty (30) days prior to the meeting of the Members at which the removal is to be considered, and shall have an opportunity at the meeting to be heard in person or by counsel and to present pertinent evidence. The Member or Members bringing the petition against the Director shall have the same opportunity. Any vacancy created by such removal shall be filled as provided in these Bylaws.

### **Section 3.4 Election of Practitioner Employee Class Directors**

Practitioner Employee Class Directors will be nominated and elected at annual meetings in the following manner:

A. *Eligibility*

To be elected to serve and continue service as a Practitioner Employee Class Director, a person must be an employee of the Cooperative involved in the delivery of health care services and licensed by the State of Wisconsin as a provider of such health care services. If a Practitioner Employee Director does not satisfy the above Criteria, such person shall be ineligible to continue service as a Practitioner Employee Director and shall be deemed removed from such position.

B. *Nomination*

No less than twenty-five (25) days prior to the annual membership meeting, the Board of Directors shall inform Members of the person or persons the Board of Directors has nominated for election as the Practitioner Employee Class Director, which nominee shall be the person or persons the Board of Directors has determined most qualified to serve as a Practitioner Employee Class Director. The Board of Directors need not submit more than one (1) name of an eligible Practitioner Employee to the Members for election as a Practitioner Employee Class Director. A person so elected shall be deemed to have been conferred with membership in the Cooperative for the term of service as a Director.

C. *Procedure*

At the annual membership meeting, each Voting Member is entitled to one (1) ballot pertaining to Practitioner Employee Class Director, and may cast no more than one (1) such ballot, and may cast no more than one (1) vote for the Practitioner Employee Class Director position. Voting shall be limited to persons nominated by the Board of Directors in accordance with subparagraph B of this Section 3.4. After the ballots are cast, ballots cast in person or by paper absentee ballot shall be counted by the Secretary and Member volunteers who are not nominees, and ballots cast electronically shall be counted in such manner as may be determined by the Secretary. The nominee receiving the greatest number of votes, including absentee votes and votes cast electronically, shall be declared elected except that if there is a tie vote, there shall be a second ballot cast.

D. *Removal*

A Practitioner Employee Class Director may be removed in the same manner as an Individual Class Director may be removed pursuant to subparagraph D of Section 3.3 hereof.

### **Section 3.5 Meetings Quorum, Waiver of Notice**

A. *Regular Meetings*

Regular monthly meetings of the Board of Directors will be established at a regular time and place each month. The meetings are open to all Members of this Cooperative.

B. *Quorum*

A majority of the Directors holding office shall constitute a quorum for the transaction of business. The concurrence of a majority of those Directors present at a regularly scheduled or duly called meeting shall be necessary and sufficient to transact any business except as may be specified elsewhere in these Bylaws.

C. *Waiver of Notice (Special Meeting)*

Special meetings of the Board of Directors may be called at any time by the Chair, or by a majority of Directors then holding office. No business, except that mentioned in the call for a special meeting, shall receive final action at any such special meeting. Three (3) days' notice of any such special meeting shall be given unless a written and signed waiver of notice is given by all Directors then in office. Attendance at a meeting is a waiver of notice of such meeting, except when a Director attends the meeting and objects there at to the transaction of business because the meeting was not lawfully convened.

D. *Meetings by Electronic Means of Communication*

The Board of Directors or a Committee thereof may, in addition to conducting meetings in which each Director participates in person, and notwithstanding any place set forth in the notice of the meeting or these Bylaws, conduct any regular or special meeting by the use of any electronic means of communication, provided that:

- (1) all participating Directors may simultaneously hear each other during the meeting; or
- (2) all communication during the meeting is immediately transmitted to each participating Director, and that each participating Director is able to immediately send messages to all other participating Directors.

Before the commencement of any business at a meeting at which any Directors do not participate in person, all participating Directors shall be informed that a meeting is taking place at which official business may be transacted.

### **Section 3.6 Officers Duties**

A. *Officers*

The principal officers of the Cooperative shall be:

Chair  
Vice Chair

Secretary  
Treasurer

All principal officers shall be Directors on the Board, and shall be elected at the first Board meeting after the annual meeting of the Members at which the Board is elected. Each officer shall hold office for one (1) year or until a successor is elected and qualified.

B. *Duties*

The officers shall perform such duties as are ordinarily assigned to such officers in the normal course of business. The Chair and the Secretary shall have authority to sign all documents within the scope of the implied or express authorization of the Board of Directors, Chapter 185 of the Wisconsin Statutes, and the Articles and Bylaws of this Cooperative, and shall have the authority to delegate to the Chief Executive Officer/President of the Cooperative the power to sign the same. The Secretary and Treasurer shall perform the usual duties of those offices. The Vice Chair shall act as Chair in the absence or disability of the Chair. Any officer may be removed by a two-thirds (2/3) vote of all Directors, provided that the removal is on the announced agenda prior to the meeting.

**Section 3.7 Committees**

A. *Committee and Advisory Councils*

The Board of Directors shall, by resolution, create such standing or temporary committees or advisory councils as are deemed necessary. Nomination of committee or council members may be made by any Director, and appointment of a nominee to a committee or council shall be by majority vote of the Board of Directors. The chairperson of each committee or council shall be a Director and shall be appointed by a majority vote of the Board of Directors.

B. *Committee Limitations*

A voting member of any compensation committee who receives compensation (including, but not limited to, salary, bonuses and fringe benefits), directly or indirectly, from the Cooperative for services is precluded from voting on matters pertaining to his or her own compensation. Any medical practitioner who receives compensation, directly or indirectly, from the Cooperative, whether as an employee or as an independent contractor, is precluded from membership on any committee that has jurisdiction over compensation matters. No employee of the Cooperative shall be eligible to serve as a member of any human relations committee of the Board.

**Section 3.8 Liability of Directors and Members**

A. *Wrongful Distribution*

Directors who negligently or in bad faith vote for any distribution of assets, contrary to Chapter 185 of the Wisconsin Statutes or the Articles, are jointly and severally liable to the Cooperative for the value of assets distributed in excess of the amount which could have been distributed without violating this Chapter or the Articles.

B. *Obligations of Cooperative*

Members and patrons of a Cooperative are neither obligated to pay, nor liable upon, any Cooperative obligation.

C. *Indemnification of Directors*

Each Director, officer, employee or agent of the Cooperative, now or hereafter serving as such, shall be indemnified by the Cooperative against any and all claims and liabilities, including reasonable settlements to which he/she has or shall become subject by reason of serving or having served in such capacity, or by reason of any action alleged to have been taken, omitted, or neglected by her or him as such Director, officer, employee or agent; and the Cooperative shall reimburse each such person for all legal expenses reasonably incurred in connection with any claim or liability, provided, however, that no such person shall be indemnified against, or be reimbursed for any expense incurred in connection with any claim or liability arising out of his or her own willful misconduct or gross negligence.

### **Section 3.9 Compensation**

Directors as such shall not receive any salary for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board of Directors provided that Practitioner Employee Class Directors shall receive no compensation for their service as Directors of the Cooperative. A Director requested by the Board of Directors, the Chair, or the Chief Executive Officer/President, to assist the Chief Executive Officer/President, or in lieu of the Chief Executive Officer/President to transact necessary business of the Cooperative, may be allowed a per diem to be established by the Board of Directors, and expenses for such services.

### **Section 3.10 Meetings**

The meetings of the Board of Directors may be held inside or outside the State of Wisconsin as shall be determined by the Board of Directors.

## **ARTICLE IV CONFLICTS OF INTEREST**

### **Section 4.1 Conflicts**

The following provisions shall cover actual or potential conflicts of interest:

A. *Material Transactions*

Any material transaction between the Cooperative and one or more of its Directors or Officers, or between the Cooperative and any other person in which one or more of its Directors or Officers has a material interest, is voidable by the Cooperative unless:

- (1) the transaction at the time it is entered into is reasonable and fair to the interests of the Cooperative; and
- (2) the transaction has, with full knowledge of its terms and of the interests involved, been approved in advance by the Board of Directors; and
- (3) the transaction has been reported to the Commissioner of Insurance immediately upon such approval.

B. *Procedures*

The Cooperative and its Directors, Officers and committee members with Board delegated powers will abide by the following conflict of interest procedures:

- (1) Any Director, Officer or committee member with Board-delegated powers having a material financial interest in a transaction presented to the Board of Directors or a committee thereof for authorization, approval, or ratification must make a prompt, full and frank disclosure of that person's interest to the Board of Directors or committee prior to its acting on that transaction.
- (2) Each Director, Officer or committee member with Board-delegated powers must sign, as a condition to serving the Cooperative in his/her respective role, a statement agreeing to be bound by the terms of these conflict of interest provisions. Any disclosure, whether on the annual statement or made at any other time, will include any relevant and material facts, known to the person, about the transaction which might reasonably be construed to be adverse to the Cooperative's interest.
- (3) The Board of Directors or committee to which any disclosure is made must thereupon determine, by majority vote, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. The Board must also conduct reasonable analysis to determine whether the Cooperative could obtain a more advantageous transaction from any disinterested person. A person who makes a disclosure must leave the meeting during the discussion of whether a conflict of interest exists.
- (4) If a conflict is deemed to exist, the person may present factual information to or respond to questions with respect to the transaction, but must leave the meeting

while the merits of the transaction are discussed and voted upon. The person may be counted in determining the existence of a quorum at any meeting where the transaction is under discussion or is being voted upon.

(5) The minutes of the meeting must reflect the disclosure made, the vote thereon and, where applicable, the abstention from voting and participation, and whether a quorum was present.

(6) For purposes of this section, a person shall be deemed to have a “material financial interest” in a transaction if the person (a) is the party (or one of the parties) contracting or dealing with the Cooperative, (b) is a Director or Officer of, or has a significant financial or influential interest in, the entity contracting with the Cooperative, or (c) is the spouse, sibling, ancestor or lineal descendant of any person identified in either of the preceding clauses.

C. *Approval of Commissioner of Insurance*

If the Commissioner of Insurance, by rule, requires that any class of transactions which, by its nature, tends to be unreasonable or unfair to the interests of the Cooperative, shall be reported to him in advance of the proposed effective date, such a transaction shall not be carried out even though approved by the Board of Directors, until the Commissioner approves the transaction, or does not disapprove it, within thirty (30) days after receiving the advance report of it.

D. *No Application*

This Article does not apply to:

(1) transactions made between the Cooperative and any wholly owned subsidiary, policies of insurance, other than reinsurance, issued in the normal course of business, or

(2) other classes of transactions exempted by rule from the reporting requirement, so long as:

(a) the transaction, at the time it is entered into, is reasonable and fair to the interests of the Cooperative; and

(b) the books, accounts and records of each party to the transaction are kept in a manner that clearly and accurately discloses the nature and details of the transaction in accordance with generally accepted accounting principles and permits ascertainment of charges relating to the transaction.

E. *Review*



The full Board shall specifically review any transaction in which a member, Director or Officer has a material financial interest adverse to the Cooperative at the meeting next following action by any other committee.

## **ARTICLE V GENERAL PROVISIONS**

### **Section 5.1 Order of Business**

A. *Order of Business*

The order of business at annual meetings shall be set by the Board of Directors.

B. *Rules of Order*

Meetings of the members and of the Board of Directors shall be conducted according to, and governed by, Roberts Rules of Order (Revised), except as otherwise provided in these Bylaws.

C. *Presiding Officer*

The presiding officer at membership meetings shall be the Chair of the Cooperative.

### **Section 5.2 Action Without Meeting**

Any action which may be taken at a meeting, may be taken without a meeting, if a writing setting forth and approving the action taken shall be signed by all Voting Members of the Cooperative, Directors or Committee members entitled to vote on such action. Such consent shall have the same force and effect as a unanimous vote at a meeting.

### **Section 5.3 Employment of Relatives of Board Members**

No person shall be employed by the Cooperative who holds any of the following relationships with a member of the Board of Directors: spouse, father, mother, son, daughter, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, or first cousin.

### **Section 5.4 Amendment of Bylaws**

A. *Member Vote*

These Bylaws may be amended by an affirmative vote of a majority of the Voting Members present at any annual meeting or special meeting at which a quorum is present, provided a statement of the nature of the proposed amendment is included in the notice of the meeting.

B. *By Board of Directors*

These Bylaws may also be amended by an affirmative vote of a majority of the Board of Directors at a regular or special meeting at which a quorum is present, provided a statement of the nature of the proposed amendment is included in the notice of the meeting. Any bylaw amended by the Board of Directors shall be reported at the next regular member meeting. Any such bylaw shall be at any time subject to amendment or repeal by the Voting Members.

### **Section 5.5 Distribution of Bylaws**

Upon request, a copy of the latest Bylaws of this Cooperative will be given to Members. Notice of Bylaws changes shall be given to Voting Members.

## **ARTICLE VI CONDUCT OF BUSINESS**

### **Section 6.1 Board of Directors Supervision**

Neither the Board of Directors nor the membership shall supervise, regulate or intervene in the professional relationships between the providers and their patients.

### **Section 6.2 Confidentiality of Medical Records**

Individual medical records, including action taken by the Board of Directors upon any application for membership, shall be kept confidential unless with the members written consent otherwise.

## **ARTICLE VII NON-PROFIT COOPERATIVE OPERATION**

### **Section 7.1 Determination of Net Proceeds**

The Board of Directors shall annually determine the net proceeds by making the following deductions from total proceeds:

- A. All operating expenses and costs,
- B. All taxes, if any, and all other expenses, and
- C. Reasonable and necessary reserves for depreciation, depletion and obsolescence of physical property, doubtful accounts and other valuation reserves, all of which shall be established in accordance with usual and customary accounting practices.

### **Section 7.2 Allocation of Net Proceeds**

- A. All of the net proceeds, as determined in Section 7.1 hereof, shall be applied first to losses incurred in prior years by allocating such net proceeds to Retained Earnings.
- B. After elimination of prior years' losses, allocation shall first be made to the Designated Reserve for Future Claims and Benefits, so that the Cooperative shall maintain sufficient reserves to discharge its obligations, having regard for the nature of its contracts and the area and number of persons covered. The Board of Directors shall, from time to time, review and determine the sufficiency of the reserve.
- C. After elimination of prior years' losses, and establishment of a sufficient Designated Reserve for Future Claims and Benefits, the remaining proceeds shall be credited to unallocated surpluses and reserves. All such net proceeds shall be used to improve and extend the service of the Cooperative, and/or to stabilize the monthly premium rates charged to its subscribers, and/or its fee-for-service rates. No portion of the net proceeds shall be used for, or inure to, the benefit of any member or individual.

## **ARTICLE VIII EMPLOYEES**

### **Section 8.1 Management**

The Board of Directors shall employ and fix the compensation of a managing officer, who shall have such title as the Board of Directors may designate, and who shall manage the business affairs of the Cooperative, under the supervision of the Board of Directors, and perform such other duties as the Board of Directors may require.

### **Section 8.2 Medical Staff**

The Board of Directors shall execute suitable contracts with physicians and dentists employed by the Cooperative.

## **ARTICLE IX RECORD OF MEMBERSHIP**

The Cooperative shall keep a complete record of Members.

## **ARTICLE X DISPOSITION OF ASSETS: RIGHT TO SECURE DEBTS**

### **Section 10.1 Disposition of Assets**

Except as authorized by the Members, the Board of Directors may not dispose of all, or substantially all of the Cooperative's fixed assets. At any meeting, the Members may authorize the disposition of all, or substantially all, of the Cooperative's fixed assets if:

- A. Notice that such disposition will be considered at such meeting has been given to all persons entitled to vote thereon; and
- B. Such disposition has been approved by two-thirds (2/3) of those entitled to vote thereon voting at the meeting or by absentee ballot.

### **Section 10.2 Right to Secure Debts**

The Board may secure payment of the Cooperative's debts by mortgaging the Cooperative's rights, privileges, authority and franchise, revenues and other property.

## **ARTICLE XI STATUTES**

This Cooperative is organized under Chapter 185 of the Wisconsin Statutes of 1969, as amended (the "Wisconsin Association Act"). It is the purpose of these Bylaws to comply with the provisions of that Statute, and more particularly § § 185.981, 185.982, 185.983 and 185.985. Nothing contained herein shall be deemed in violation of these Statutes and all provisions of these Bylaws shall be construed to conform with these Statutes.

These Restated Bylaws have been executed by the undersigned officers of Group Health Cooperative of South Central Wisconsin on the [redacted] day of [redacted], 2020.

**GROUP HEALTH COOPERATIVE  
OF SOUTH CENTRAL WISCONSIN**

By: \_\_\_\_\_  
Chair

Attest: \_\_\_\_\_  
Secretary