

RMH FOUNDATION
CORPORATE BYLAWS

ARTICLE I
NAME AND OFFICE

The name of the Corporation is RMH Foundation (the “Corporation”), an Illinois not-for-profit corporation, and its principal location and office shall be in the City of Olney, Richland County, Illinois.

ARTICLE II
PURPOSES

Section 1. Purposes.

The purposes for which this Corporation is formed are as follows:

- a. To receive and maintain funds and apply those funds exclusively for the benefit of Richland Memorial Hospital, an organization which provides medical care to its patients and families, and the community;
- b. To receive money, real estate and other assets and to sell, invest or dispose of the same as the Foundation Board of Directors deems wise in keeping with the purposes of the Foundation;
- c. To serve as a central fund to pool, administer, receive, invest, and distribute funds, through grants and allocations, for the benefit of Richland Memorial Hospital and its clients, including the maintenance and expansion of its facilities and equipment; the provision of health care to the uninsured and underinsured; the provision of educational programs to the public; the promotion of scientific research for the benefit of the community; and such other assistance as is determined necessary and proper in furthering the purposes herein by the Foundation’s Directors.

Section 2. Not-for-Profit Organization.

All of the assets and earnings of the Corporation shall be used exclusively for charitable, scientific or educational purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code of 1954, as amended, in the course of which operation:

- (a) No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, directors, officers, or other persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein.
- (b) No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office except as authorized under the Internal Revenue Code.
- (c) Notwithstanding any other provisions contained herein, the Corporation shall not carry on any other activities not permitted to be carried on by

(1) A corporation exempt from Federal Income Tax under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), or,

(2) A corporation, contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

Section 3. Dissolution.

Upon dissolution of the Corporation, all assets not otherwise disposed of, and not otherwise subject to the debts, the liabilities, and the obligations of the Corporation shall be distributed as determined by the Board of Directors of the Corporation in its sole discretion, to such charitable, religious, scientific or educational organization or organizations which would then qualify as exempt from Federal Income Tax under the application terms and provisions of Section 501 (c) (3) of the Internal Revenue Code of 1954. Any assets not so disposed of shall be distributed by a court of competent jurisdiction of the county in which the principal office of the Corporation was located, exclusively for such purposes to such organization or organizations, as such court shall determine.

ARTICLE III
BOARD OF DIRECTORS

Section 1. General Powers.

The management and control of the business operations and property of this Corporation shall vest in its Board of Directors (“Board”). The Board may exercise all such powers granted by law except those prohibited by law, the Articles of Incorporation, and these Bylaws.

Section 2. Membership.

The Corporation shall have no members.

Section 3. Number and Election of Directors

The affairs of the RMH Foundation shall be under the control of the Board of Directors, consisting of no fewer than six (6) and no more than thirteen (13) members, all of whom shall be elected from residents of the eight county area served by Richland Memorial Hospital (Clay, Crawford, Edwards, Jasper, Lawrence, Richland, Wabash, and Wayne Counties) by vote of the Foundation Board of Directors. [AMENDED 07-27-09]

No paid personnel of the RMH Foundation shall be eligible to serve as a voting member of the RMH Foundation Board and no member shall receive compensation for services rendered as a member of the RMH Foundation Board. Directors shall be entitled to have preapproved expenses incurred in the service of the Foundation paid or reimbursed.

(a) The members shall be elected from nominees submitted by the Nominating Committee.

(1) One member of the Board shall be a member of the Richland Memorial Hospital, Inc. Board of Directors.

(2) One member shall be the Richland Memorial Hospital CEO.

- (3) One member shall be an active Hospice of Southeastern Illinois volunteer.
 - (4) All members shall have demonstrated interest in community leadership and health care services.
 - (5) All members will comply with the requirements of the RMH Foundation Board Member Job Description.
- (b) Directors shall be elected by the Board at its annual meeting.

Section 4. Term of Office.

Terms of office on the RMH Foundation Board shall correspond to the calendar year. Members of the Board shall serve staggered terms of office so that no more than one-third of the Board members shall have their terms expiring in any one year. Each new and subsequent Board member will be appointed to a term of office which will be reflected in a "Class" designation, with the year designating the year in which that Class leaves office as a Director.

- (a) For a 13 member Board, there will be four members in each Class, with the Hospital CEO serving as the 13th member.
- (b) As the term of each Class expires, the Nominating Committee shall recommend individuals for a new three year term of office as a member of a new three year Class.
- (c) Term of Office for a Class shall be three consecutive calendar years.
- (d) A Director may serve no more than three consecutive full three-year terms. [AMENDED 07-27-09]

Section 5. Meetings of the Board.

The annual meeting of the membership shall be held at such time, place and hour as determined by the Board. The purpose of the annual meeting shall be for the appointment of directors, election of officers and for the transaction of such other business as may come before the meeting.

Additional meetings of the Board of Directors shall be held at such time or such place as designated by the Board of Directors. Additional meetings may be called by the Board President or upon the request of a majority of the Directors currently in office.

Written notice of any meeting of the Board, whether regular or special, stating the time, date, and location shall be sent to all Board members currently in office not less than five (5) business days prior to the meeting date. Notice shall be in writing, by fax, by electronic media, or by telephone. [AMENDED 11-24-08]

The presence, in person or by proxy, of not less than one-half of the directors currently in office shall constitute a quorum for the purpose of transacting business. When unable to attend a meeting, directors shall have the privilege of submitting a proxy vote by telephone or mail. Action by a majority of Board members present at any meeting or voting by proxy shall be the action of the Board.

Roberts Rules of Order shall govern all activities of the Board.

Section 6. Removal of Directors.

Any Director may be removed by a vote of the majority of the Directors, whenever, in their judgment, the best interests of the Corporation will be served by such action. [AMENDED 11-24-08]

Section 7. Vacancies.

If a vacancy occurs in the Board, by reason of death, the number of Directors shall be reduced by such vacancy until a qualified replacement is appointed for the unexpired term. Vacancies may be filled by the Board at a regular meeting or at a special meeting called for that purpose. Each Director so appointed shall serve for the balance of the term of the person being replaced or as specified by the Board at the time of the appointment.

ARTICLE IV
OFFICERS

Section 1. Officers.

The officers of the Corporation shall be elected from the Board of Directors and there shall be a President, a Vice President, and a Treasurer/Secretary. The Board may elect such other officers as it shall deem desirable.

Section 2. Election and Term of Office.

Except as provided herein, the officers of the Corporation shall be elected annually by the Board. Each officer shall hold office for a term of one (1) year, or until his/her successor is elected, unless he/she shall sooner resign or be removed.

Section 3. Resignations and Removal.

Any officer may resign at any time by giving written notice to the President or Secretary of the Corporation, and, unless otherwise specified therein, shall be effective at the next regular meeting of the Board. The acceptance of such resignation shall not be necessary to make it effective. Any officer may be removed by the Board whenever it its judgment the best interests of the Corporation would be served thereby.

Section 4. Vacancies.

A vacancy in any office may be filled by the Board for the unexpired portion of the term.

Section 5. President.

The President or his/her designee shall be responsible for administration of the Corporation's affairs subject to such Bylaws as may be adopted and such orders as may be issued by the Board. He/She shall advise and make recommendations to the Board relating to the operation of the corporation. He/She shall present a report at each annual meeting covering the operations during the preceding fiscal year. He/She may attend all meetings of the Board and serve as an ex officio member of Board Committees with vote.

He/She may sign with the Treasurer/Secretary or other proper officer of the Corporation authorized by the Board any deeds, bonds, contracts or other instruments which the Board has authorized to be executed. He/She shall perform all duties incident to the office of President and other duties as may be prescribed by the Board.

Section 6. Vice President.

The Board shall elect a Vice President who shall have such duties as may be determined from time to time by the Board.

Section 7. Treasurer/Secretary.

The Treasurer/Secretary shall be responsible for the custody of funds and securities of the Corporation, and shall advise the Board respecting its financial condition and the handling of its monies and investments and shall perform such additional duties as may be assigned to him/her by the President.

The Treasurer/Secretary shall sign documents of the Corporation from time to time as required and shall keep the minutes of all the meetings of the Board in one or more books provided for the purpose; see that all notices are duly given in accordance with the provisions of these Bylaws, or as required by law; be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents as required. He/She shall sign all documents as required by his/her office, and shall perform such duties as may be assigned to him/her by the President.

ARTICLE V
COMMITTEES OF THE BOARD OF DIRECTORS

Section 1. Committees.

The Foundation shall have such standing and/or ad hoc committees as the Board of Directors shall from time to time establish.

The membership, numbers of members and their qualifications shall be fixed by the Board at the time the Committees are established.

Section 2. Investment Committee

The Investment Committee shall be composed of not less than three (3) members, including the President and the Treasurer/Secretary (ex officio with vote). The Committee shall be responsible for the management, supervision and investment of the Corporation's assets. The Committee shall review all applications and requests for grants, contributions and financial assistance and advise the Board (or Executive Committee) with respect hereto.

Section 3. Annual Support Committee

The Annual Support Committee is responsible for the Gemstone Society membership drive and the year end appeal letter.

Membership is composed of RMH Foundation Board members and may include representatives from the communities served by Richland Memorial Hospital.

[AMENDED 07-27-09]

Section 4. Business & Industry Committee

The Business & Industry Committee is responsible for providing information on RMH and RMH Foundation activities to business leaders in an effort to promote understanding of the

need for philanthropic support.

Membership is composed of RMH Foundation Board members and may include representatives from the communities served by Richland Memorial Hospital.

[AMENDED 07-27-09]

Section 5. Nominating Committee

The Nominating Committee, composed of a minimum of one Officer and two members, will solicit the RMH Foundation Board members for candidates to serve as RMH Foundation Board members. A listing of individuals who have expressed an interest in service will also be maintained by the RMH Foundation Director/Office.

Candidates will be provided with information on the RMH Foundation Board and activities, including the Board Member job description, prior to any candidate name being put forward to the Board.

The proposed slate of new members will be presented at the Annual Meeting.

Section 6. Vacancies.

Unless these Bylaws provide otherwise, vacancies in the membership of any Committee shall be filled by the President of the Board.

Section 7. Quorum.

A majority of the Committee membership shall constitute a quorum for the transaction of business at any meeting of the Committee.

Section 8. Manner of Acting.

The act of a majority of the members present at a meeting at which a quorum is present shall be the act of the Committee.

Section 9. Rules.

Each Committee may adopt rules for its own governance not inconsistent with these Bylaws or with actions by the Board.

Section 10. Minutes.

Each Committee shall keep minutes of its meetings and shall regularly report to the Board.

Section 11. Resignation and Removal.

Any Committee member may resign at any time by giving written notice to the President or Secretary of the Corporation. Such resignation shall take effect at the time specified therein.

Any Committee member may be removed by the Board whenever in its judgment the best interests of the Corporation would be served thereby.

Section 12. Notice.

Committees shall meet at the call of the Chairman of the Committee. Notice of any Committee meeting shall be given at least three (3) business days before the meeting is to be held. Notice of the meeting shall be either oral or in writing at the discretion of the Committee Chairman.

ARTICLE VI
INDEMNIFICATION

To the extent permitted, the Corporation shall indemnify its past or present directors and officers, and their heirs, executors, and administrators, against any and all expenses actually and necessarily incurred by them in the defense or settlement of any actual or threatened action, suit or proceedings in which they, or any of them, are made a party, by reason of their being or having been a director or officer of the Corporation.

The Corporation shall procure and maintain a Director and Officer Liability insurance policy insuring the Corporation and its individual directors and officers against the costs of defending a claim or paying a settlement or decision. The right of the director or officer to indemnification by the Corporation shall be in addition to, and not exclusive of, all other rights to indemnification to which he/she otherwise may be entitled, including any rights to indemnification under the terms of the Director and Officer Liability Policy.

ARTICLE VII
CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. Contracts.

The Board may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and delivery any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances.

Section 2. Checks and Drafts.

All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation in such a manner as shall from time to time be determined by resolution of the Board.

Section 3. Deposits.

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may annually select. [AMENDED 11-24-08]

ARTICLE VIII
EXPENDITURES, RESTRICTED GIFTS, BOOKS, RECORDS AND ACCOUNTS

Section 1. Distributions.

The Corporation may distribute funds to health services serving residents of the Counties specified in Article II, Section 1, for any medical need for which Richland Memorial Hospital has any interest recognized by law or by written directives of the Richland Memorial Hospital CEO and the Corporation.

Section 2. Restricted Gifts.

The Board may accept, on behalf of the Corporation, any contribution, gift, bequest or devise for general or special purpose of the Corporation. Any restricted gift accepted by the Board shall be recorded separately and shall be distributed or applied in accordance with the direction of the donor. [AMENDED 11-24-08]

Section 3. Books, Records and Audits.

The Corporation shall keep, or cause to be kept, correct and complete books and records of account and shall also keep minutes of the proceedings of the Board and its Committees and/or membership, all of which shall be separate and apart from the books, records, and accounts of Richland Memorial Hospital.

In addition, the Corporation shall annually cause a certified audit of its accounts to be made when revenues exceed \$150,000. The Corporation shall also cause to be filed the necessary reports, tax returns or other documents as may be required by law on its behalf.

ARTICLE IX
FISCAL YEAR

The fiscal year of the corporation shall end on the 31st day of December each year.

ARTICLE X
SEAL

The Board does not require a corporate seal. [AMENDED 11-24-08]

ARTICLE XI
WAIVER OF NOTICE

Whenever any notice whatever is required to be given under the provisions of the General not-for-profit Corporation Act of the State of Illinois or under the provisions of the Articles of Incorporation or the Bylaws of this Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII
OFFICES

The Corporation shall have and continuously maintain in this State, a registered office and registered agent whose office is identical with such registered office, and may have other offices within or without the State of Illinois as the Board may from time to time determine.

ARTICLE XIII
AMENDMENTS

These Bylaws or the Articles of Incorporation may be repealed and/or amended either in whole or in part from time to time by resolution and approval of two-thirds of the Board.

ARTICLE XIV
DUALITY OF INTEREST

Section 1. Duality of Interest.

Any director, officer, key employee or Committee member having an interest in a contract or other transaction presented to the Board or a Committee thereof for authorization, approval or ratification shall make a prompt and full disclosure of his/her interest to the Board or Committee prior to its acting on such contract or transaction. Such disclosure shall include any relevant and material facts, known to such person, about the contract or transaction which might reasonably be construed to be adverse to the Corporation's interest.

The body to which such disclosure is made shall thereupon determine, by majority vote, whether the disclosure shows that a conflict of interest exists, or can be reasonably be construed to exist. If a conflict is deemed to exist, such person shall not vote on, nor use his/her personal influence on, nor participate (other than to present factual information or to respond to questions) in the discussions or deliberations with respect to, such contract or transaction. Such person may be not counted in determining the existence of a quorum at any meeting where the contract or transaction is under discussion or is being voted upon. The minutes of the meeting shall reflect the disclosure made, the vote thereon and, where applicable, the abstention from voting and participation, and whether a quorum was present.

For the purposes of this Section, a person shall be deemed to have an 'interest' in a contract or other transaction if he/she is the party (or one of the parties) contracting or dealing with the Corporation, or is a director, trustee or officer of, or has a significant financial or influential interest in, the entity contracting or dealing with the Corporation.

ARTICLE XV
NONDISCRIMINATION

The members, directors, officers, committee members, employees and organizations served by this Foundation shall be selected entirely on a nondiscriminatory basis with respect to age, sex, race, religion, handicap (mental or physical) and national origin.