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TEXAS HOSPITAL ASSOCIATION
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TEXAS HOSPITAL ASSOCIATION BYLAWS

Article I

NAME AND MISSION

This Association, acting on behalf of its members, shall be known as the Texas Hospital Association (THA). The mission of THA is to serve Texas hospitals as the trusted source and unified voice to influence excellence in healthcare for all Texans.

Article II

MEMBERSHIP

Section 1. **Class of Members.** Membership in the Association on an institutional or personal basis may be available to organizations and individuals interested in the mission and objectives of the Association on application and election as hereinafter provided.

Conditions of membership and definitions shall be determined by the THA Board of Trustees.

Section 2. **Institutional Members**

- a. **Active Institutional Membership** may be available to hospitals, multi-hospital systems and hospital-based integrated health care organizations that provide or arrange for the delivery of health care services to patients.

Type 1 may include independent hospitals, general and special, and short-term and long-term, other than those which are state-owned long-term care and all federal institutions. Hospitals that are owned or leased by a multi-hospital system or hospital-based integrated health care organization that is not a member of the Association may join THA as an independent hospital.

Type 2 may include multi-hospital systems and hospital-based integrated health care organizations that own or lease hospitals and other components of a hospital-based integrated delivery system, other than those which are state-owned long-term care and federal organizations.

- b. **Associate Institutional Membership** may be available to organizations interested in the mission and objectives of the Association, but not eligible for Active Institutional Membership, provided such organizations qualify for such membership and the membership is approved by the Board of Trustees.

Type 3 may include all federal and long-term care state-owned hospitals.

Type 4 may include physician group practices or physician organizations that are affiliated with a hospital or hospital system.

Type 5 may include health care plans that are affiliated with a hospital or hospital system.

Type 6 may include independent clinics, ambulatory surgery centers, emergency care centers, skilled nursing facilities, home health agencies and other similar ambulatory care institutions organized for the diagnosis and treatment of the sick, but not rendering inpatient bed care.

Type 7 may be available to hospitals under construction. As soon as the hospital opens for patients, the membership will be transferred to Active Institutional Membership.

Type 8 may include other health-care related organizations:

Type 8A may include not-for-profit health-care related organizations, academic institutions in health care administration, governmental health agencies and out-of-state hospitals and multi-hospital systems.

Type 8B may include for-profit health-care related organizations, including those suppliers of services and/or products to the health care industry.

Type 8C may include the Texas Association of Healthcare Volunteers, the Texas Healthcare Trustees, and those Associations or Societies affiliated with THA.

Section 3. **Types of Personal Memberships**

- a. **Active Personal Members** are those individuals associated with an Active Institutional Member. Any person associated with either a Type 1 or 2 Active Institutional Membership category may continue such membership as long as the individual conforms with the rules of the Association; provided, however, only a member who is a representative of an Active Institutional Member shall be eligible to serve as Chair-Elect, Chair, or Immediate Past Chair or be elected a Trustee of the Association.
- b. **Student Personal Members** may be graduate students in health care administration programs.
- c. **Military Personal Members** may be military personnel not associated with an Institutional Member.
- d. **Life Members** shall be Active Personal Members whose memberships are continued for life with exemption from payment of dues on the payment of \$500.00, or, having supported the Association through active personal membership for 20 years or longer and are fully retired from active involvement in the health care industry.
- e. **Honorary Members** shall be individuals of distinction who may be elected to honorary membership by the Association following nomination by the Board of Trustees and shall automatically include all Earl M. Collier Award recipients and all THA Past Chairmen. Honorary Members shall pay no dues.

Section 4. **Application and Resignation.** An application for membership shall be made in writing to the President who shall approve personal and institutional memberships on behalf of the Board of Trustees if the application conforms with Board policy. A member may at any time file their or the institution's resignation in writing with the President, and it shall become effective upon being accepted by the President. The President shall advise the Board at its next meeting of new

institutional members and institutional member resignations, but is not required to report personal members on an individual basis.

Section 5. **Expulsion and Reinstatement.** The Board of Trustees may censure, suspend or expel any member after giving such member an opportunity to be heard. Any member suspended or expelled may be reinstated by the affirmative vote of a majority of the members of the Board of Trustees.

Section 6. **Membership Transfer.** Institutional Membership remains active when a member institution changes ownership, lease holder or controller. Personal memberships are not transferable from one individual to another.

Section 7. **Membership Requirements.** The Board of Trustees has the authority to set membership requirements. A rejected application may be reconsidered by the Board of Trustees if a written request for further review and reconsideration of the application is provided to the Association within 30 days of the date of the initial denial.

Article III

MEMBERSHIP DUES*

Section 1. Active Institutional Member Dues

Type 1 Members shall pay dues computed on the total hospital expenses less bad debt expenses, Medicaid disproportionate share hospital contributions and any net losses for the base period. The expense data are obtained from the Annual Survey of Hospitals or other sources of financial data approved by the Board of Trustees and shall be re-based every three years.

The Board of Trustees may approve a special dues assessment for Active Institutional Members if the Board of Trustees determines that the established dues amount is insufficient to cover anticipated extraordinary expenses for a budgeted fiscal year. Any special dues assessment shall be limited to no more than ten (10) percent of the established dues amount, unless approved by a majority of Active Institutional Members.

Type 2 Members shall pay dues computed in the same manner as Type 1 members.

Section 2. Associate Institutional Member Dues.

Associate Institutional Members shall pay dues as approved by the Board of Trustees.

Section 3. Personal Member Dues.

Personal Members shall pay dues approved by the Board of Trustees.

Section 4. **Dues Computation and Schedules.** The computation and schedules of dues for all types of members shall be established by the Board of Trustees. Dues amounts will be based on the Board of Trustees' approved budget and management plan for the Association. Minimum and maximum dues shall be approved annually by the Board of Trustees. If a Type 1 or Type 2 member manages hospitals and all managed hospitals are members of the Association, the managed hospitals' expenses may be aggregated with the Type 1 or Type 2 member's expenses

for purposes of the calculation of dues. The dues rates shall be distributed to the membership with the dues billing statement.

In addition, the Board of Trustees may establish or rescind an annual dues discount or rebate program for ~~all~~ Type 1 and Type 2 members.

The Board of Trustees may vary the amount of dues to meet special conditions that may arise in connection with individual members or with specific membership activities or projects.

Section 5. **Payment of Dues.** The dues year for all members shall begin on September 1 and end on August 31. At the time applicants are approved to institutional or personal membership, they shall pay dues for one full year. Dues are payable in advance and are not refundable. However, the President or the President's delegated staff representative, under policies set by the Board of Trustees, may modify the dues payable schedule of institutional or personal members. Dues for new Type 1 or 2 institutional memberships may be prorated monthly, if approved after December 1. ~~The~~ President may adjust the dues amount for members experiencing financial hardship based on policies established by the Board of Trustees.

Section 6. **Cancellations.** Members may request cancellation of membership at any time.

All requests for cancellations must be in writing.

Institutional and personal memberships will be cancelled if, following written notice, no payment of dues is received by January 31, unless special conditions arise in connection with individual members and an alternative payment schedule is established.

*A current dues structure will be prepared each year and mailed with the dues billing.

Article IV

MEMBERSHIP MEETINGS AND POWERS OF THE MEMBERSHIP

Section 1. **Annual Meeting.** There shall be an Annual Meeting of the membership for the purpose of reporting on the Association's programs and activities, and providing the members with the opportunity to discuss these programs and activities. The time, date and place of such meeting shall be announced not less than sixty (60) days before the date of the meeting. The announcement of the Annual Meeting may be made in Association publications sent to all members through the mail or electronic means. The Chair of the Board of Trustees shall preside at the Annual Meeting.

Section 2. **Special Meetings.** A special meeting of the Association may be called at any time by a majority vote of the Board of Trustees or by membership petition (see Section 5 of this Article). This petition shall state the purpose or purposes of the call. The Chair of the Board of Trustees, through the President, shall give notice in writing of the time, date and place of such meeting to the voting members of the Association not less than ten (10) days or more than sixty (60) days before the date fixed for such special meeting. The notice shall be sent through the mail or electronic means to each member and state the purpose or purposes of the meeting, and no other business shall be transacted at such special meeting unless two-thirds of the voting members present approve the consideration of new business. The Chair shall preside at special meetings.

Section 3. **Participation.** All members of the Association, voting and nonvoting, shall be invited to attend the Annual Meeting of the Association and to participate in the discussions at such meeting.

Section 4. **Voting.** Voting on all action relating to powers retained by the members shall be conducted by paper or electronic ballot returned to the Association headquarters either by mail or electronic transmission. Decisions by the members, with the exception of Bylaws amendment, shall be by a simple majority of those responding.

Voting members shall include all Active Institutional Members. The voting representative for each institutional member shall be the chief executive officer.

Section 5. **Membership Powers.** A petition of 25 percent of the votes assigned the voting membership may initiate a special called meeting of the membership, place a policy decision to the membership for a vote by mail or electronic ballot, or request the Board to reconsider an issue. ~~Petitioning guidelines and formats will be provided to the membership on request and through the THA Web site.~~ The voting membership will retain the power to approve amendments to the THA Articles of Incorporation/Certificate of Formation and Bylaws; elect THA officers (other than President and Secretary) and at-large members of the Board of Trustees in accordance with these Bylaws; dissolve THA and its subsidiary corporations and distribute assets of the corporation in accordance with law; and any other fundamental action requiring membership vote under state law.

Article V

BOARD OF TRUSTEES

Section 1. **How Constituted.** There shall be a Board of Trustees comprised of up to 30 individuals, including: Chair, Chair-Elect, Immediate Past Chair; up to 23 additional at-large hospital or hospital system executives and health care professionals which shall include at least one physician and one nurse, representing Active Institutional Members; the President of the Association; the Chair of the Texas Healthcare Trustees (THT) as long as the THT maintains Type 8C membership status; and the Chair and Vice Chair of the Council on Policy Development. Each member of the Board of Trustees has the right to vote. In the absence of the Chair, the Chair-Elect shall be the presiding officer of the Board of Trustees. ~~The President or the President's delegated staff representative shall serve as secretary of the Board of Trustees.~~

Section 2. **Election of the Chair-Elect, Executive Committee, and Board of Trustees**

- a. **Term of Office.** The membership of the Board of Trustees, composed of representatives of Active Institutional Members, except for the President of the Association, shall serve terms of office expiring in the years indicated when they were elected or appointed. Terms of Trustees shall be for three years, with the exception of the Texas Healthcare Trustees Chair who serves a one-year term and the Council on Policy Development Chair and Vice Chair who serve a two-year term. ~~Except as provided for in Section 9, Any Officer or Trustee filling an unexpired term shall serve the balance of the term remaining. The terms of office for the Officers and any new Trustees shall begin on January 1 of each year.~~
- b. **Election Procedure.** The Chair of the Board shall appoint a Nominating Committee composed of nine members including the Chair, Chair-Elect, Immediate Past Chair, three

additional past chairs, and ~~two~~three THA Board members ~~and one THA member at large~~. The Immediate Past Chair will serve as the Chair of the Nominating Committee and the Chair and Chair-elect will serve as ex-officio members with vote. —A vacancy in the Nominating Committee shall be filled by the Chair of the Board. The general membership shall be given written notification (in writing or by electronic communication) of the appointment of the Nominating Committee and be advised not less than 30 days in advance of the date, time and place of the Nominating Committee meeting.

Each Active Institutional Member will have the opportunity to appear in person before the Nominating Committee or to correspond to it in writing or by electronic communication for the purpose of submitting nominations for Chair-Elect and Trustees to be elected.

The Nominating Committee will nominate a candidate for Chair-Elect and for each Executive Committee and Board of Trustees position, as appropriate, to be elected for terms beginning the ensuing year. In selecting nominees, the Nominating Committee will consider the diversity of the organizations represented by the membership as well as the communities and the individuals those organizations serve. In the selection of candidates for the Executive Committee, the Nominating Committee shall attempt to ensure that a representative of rural, children's and public hospitals as well as three representatives of Type 1 or 2 Active Institutional Members paying member dues in excess of \$200,000 per year to the Association are nominated for election to the Executive Committee unless a candidate representing one of these types of hospitals has been nominated for the Chair-Elect or holds another Officer position. Type 1 Active Institutional Members shall vote on the Chair-Elect, Executive Committee members, and Trustees to be elected. For Type 2 Active Institutional Members, one vote in the election shall be assigned to and made by the chief executive officer of each hospital within the system or organization, and any additional votes awarded to the member shall be assigned to the Type 2 member's chief executive officer or designee who may vote on the Chair-Elect, Executive Committee members, and Trustees to be elected.

Members will have 30 days from the date that notification is mailed or electronically transmitted to mail or transmit to the Association headquarters a paper or electronic ballot approving or rejecting any nominee for Chair-Elect and the Board of Trustees. Each Active Institutional Member will have one vote to cast for each nominee. The Chair of the Nominating Committee shall verify to the voting membership the results of an election through Association publications.

A nominee must receive a majority vote of those ballots returned to be elected. Any nominee failing to receive a majority vote shall be rejected, provided however, said nominee is eligible to be considered in a second election. A second election will be conducted in the following manner: The Nominating Committee shall reopen nominations for a period of two weeks on any such position. The Nominating Committee thereafter will nominate one or two candidate(s) for each position to be elected under the procedure as contained herein, except the period of election shall be two weeks. If after the second election any nominee fails to receive a majority vote, then that position will be considered as a vacancy to be filled as set forth in Article V, Section 9 herein. Results of the election shall be announced in Association publications.

The Board of Trustees shall establish policies for the election procedure, including the time schedules for the nomination and election process and communication of the election procedure to Active Institutional Members and other voting members.

The President of the Association shall be appointed by the Board of Trustees on such terms and conditions as the Board may deem advisable, and shall serve at the pleasure of the Board. The President, as Chief Executive Officer, shall be sworn in as an Officer as herein provided. The Secretary shall be appointed by the Board of Trustees from among the eight elected members of the Executive Committee.

Vacancies in the membership of the Board of Trustees, upon recommendation of the Nominating Committee, shall be filled by majority vote of the remaining members of the Board of Trustees and the person selected shall, except as provided for in Section 9, serve for the remainder of the unexpired term, until the voting membership shall elect a member for said unexpired term.

Section 3. **Quorum.** The presence of a majority of the Board of Trustees shall constitute a quorum.

Section 4. **Powers.** The executive power of the Association shall be vested in the Board of Trustees which shall have charge of the property; manage the affairs of the Association; establish Association policies and procedures which shall be reported to the voting membership for its information; and shall have the power and authority to do and perform all acts and functions consistent with these Bylaws or with any action taken by the voting membership. The Trustees shall act only as a board and an individual Trustee shall have no power as such.

Section 5. **Voting.** Voting rights of a Trustee shall not be delegated to another nor exercised by proxy. The vote or act of a majority of the Board of Trustees present and voting at a meeting at which a quorum exists shall be the act of the Board of Trustees, unless the act of a greater number is required by these Bylaws.

Section 6. **Board Action by Mail, ~~Telephone~~ or Electronic Written Communications.** Any action required or permitted to be taken by the Board of Trustees at a meeting of the Board also may be taken by mail, ~~telephone~~ or electronic written communications with the same force and effect. The proposed action shall be transmitted by the Secretary or the Secretary's designee to all Trustees entitled to vote on the action and shall contain a deadline for approval. Action may be taken without a meeting provided at least a majority of members of the Board of Trustees entitled to vote individually and collectively consent prior to the stated deadline, setting forth the action to be taken. The consent must be in writing, dated and signed by the voting members of the Board of Trustees, and provided to the Association by mail, e-mail or facsimile. A return email from the voting member indicating the member's consent to the proposed action shall constitute the member's signature for purposes of this section. Prompt notice of the taking of an action by the Board of Trustees without a meeting by less than unanimous written consent shall be given to each member of the Board of Trustees who did not consent in writing to the action.

Section 7. **Publications.** The Association will maintain regular communications with its members and keep them informed of legislative/regulatory activities, products/services and events. Communication may be delivered via electronic or other communication channels. The Association will publish an Annual Report on its activities as well as yearly audited financial information.

Section 8. **Expulsion and Reinstatement.** Except as provided for in Section 9 of this Article V, the Board of Trustees pursuant to Association policies and procedures may censure, suspend or expel by a vote of two-thirds any member of the Board of Trustees after giving such member an opportunity to be heard. Any member suspended or expelled may be reinstated by the affirmative vote of two-thirds of the members of the Board of Trustees.

Section 9. Vacancies; Effect of Merger, Consolidation, Closure, or Change in Affiliation.

Any committee member or Trustee position, including any officer position held, becomes vacant, and any nomination for Chair-Elect or a Trustee position becomes vacated if occurring prior to the conclusion of the election, when the person holding said office or nomination is no longer actively representing an Active Institutional Member. Additionally, any committee member or Trustee who has a material change in his or her position with an Active Institutional Member, or who changes member affiliation due to a merger, consolidation, acquisition, closure or other change in employment, during the officer or Trustee's term may be removed from the officer position, or committee or Board, upon recommendation by the Nominating Committee and by affirmative vote of a majority of the Board entitled to vote not including the affected member, and upon removal the individual's position and any officer position held shall become vacant. The Nominating Committee and the Board shall consider the diversity criteria set forth in Article V, Section 2.b. in considering any recommendation for removal or a removal under this Section. ~~A~~ ~~interim~~ replacement to fill a vacancy of a Trustee or Trustee-nominee position, upon recommendation of the Nominating Committee, shall be named at the next regular or special called meeting of the Board of Trustees. Upon approval by the Board of Trustees, the replacement shall fill the remainder of the unexpired term of the vacated Trustee position; provided however that if a vacancy occurs in a Trustee position after the Trustee has been elected but before the elected Trustee takes office, the recommendation of the Nominating Committee and the appointment by the Board of Trustees, is considered interim and the voting membership shall elect a Trustee to fill the unexpired term during the next annual election process.

Any elected Officer or Trustee who shall have been absent from two consecutive regular meetings of the Board of Trustees during a single administrative year automatically shall vacate the seat on the Board of Trustees and the vacancy shall be filled as provided by these Bylaws; however the Board of Trustees shall consider each absence of an elected Officer or Trustee as a separate circumstance and expressly may waive such absence by affirmative vote of a majority of its members.

Section 10. THA Foundation. The Association shall sponsor a nonprofit foundation to receive contributions, grants and serve as a funding mechanism to fund its mission. The Texas Hospital Association reserves all power and authority permitted by law over the operations of the THA Foundation.

The Board of Trustees shall elect all trustees of the THA Foundation board.

Section 11. THA Subsidiaries. The Board of Trustees, at its discretion, may establish subsidiary corporations of the Association, and shall elect all board members of subsidiary corporations of the Association.

Article VI

OFFICERS AND EXECUTIVE COMMITTEE

Section 1. Officers. The Officers of the Association are the Chair, Chair-Elect, Immediate Past Chair, with vote, the President of the Association, who shall serve on the Board with vote, and the Secretary. The Chair-Elect shall be elected by the members in accordance with these Bylaws. The Chair-Elect shall succeed to the position of Chair, and the Chair shall succeed to the position of Immediate Past Chair, at the conclusion of their respective terms. The Officers shall serve on the Executive Committee. The Chair, Chair-Elect, Immediate Past Chair, and Secretary, shall each serve for a one-year term. The President shall serve for a three-year term and may be reappointed for successive terms.

Section 2. **Duties.** The Officers of the Association shall perform the duties usually performed by such officers, together with such duties as shall be prescribed by these Bylaws and the Leadership Responsibilities as approved by the THA Board of Trustees. In the absence of the Chair, the Chair-Elect shall perform the duties of Chair. In addition to other duties prescribed by these Bylaws, the Secretary or the Secretary's designee shall keep the minutes of the meetings of the Board; give all notices in accordance with the provisions of these Bylaws or as required by law; be custodian of THA's corporate records; keep a register of the post office address of each Trustee which shall be furnished to the Secretary by each Trustee; and perform all other duties incident to the office of Secretary.

Section 3. **Vacancies.** A vacancy in an officer (~~other than the President~~) or officer nominee position shall be filled in accordance with this Section. If the Immediate Past Chair position becomes vacant, the next most recent past chair who is willing to serve shall become the Immediate Past Chair for the remainder of the term. In the case of a vacancy in the office of Chair, the Chair-Elect shall succeed to the said office with the opportunity to serve a full term as Chair as contemplated by his/her election to be Chair-Elect. If the Chair-Elect position becomes vacant, or if a nomination for Chair-Elect becomes vacated prior to the conclusion of the election, the Nominating Committee shall nominate a candidate for the position and a special election shall be held as soon as practicable and as closely as possible in accordance with the general election procedures set forth in Article V, Section 2. A vacancy in the office of President shall be filled by the Board of Trustees. A vacancy in the office of Secretary shall be filled by appointment of the Nominating Committee from among the elected members of the Executive Committee. for the remainder of the unexpired term.

Section 4. **Executive Committee.** The Executive Committee will be composed of the officers, and eight other Board members who shall be nominated by the Nominating Committee and elected by the Active Institutional Members. The Executive Committee members shall each serve for a one-year term. The Executive Committee is empowered to act for the body as a whole when the best interest of the membership and timeliness so dictate. All such actions of the Executive Committee are subject to ratification by the Board. The Executive Committee also will meet from time to time, on call of the Chair, to review in-depth issues presented to it by the Chair and/or President, and will take action and/or make recommendations, as indicated, to the Board. A vacancy in an at-large position of the Executive Committee shall be filled by the Nominating Committee subject to the approval of the Board of Trustees.

Section 5. **Executive Policy Committee.** The Executive Committee, along with the Chair and Vice Chair of the COPD, shall serve as the Executive Policy Committee during state legislative sessions to provide direction to the President and THA employees on policy issues between meetings of the Board of Trustees. Any policy decisions of the Executive Policy Committee will be subject to review and action by the Board of Trustees at its next regularly scheduled or called meeting.

Article VII

COUNCIL ON POLICY DEVELOPMENT

Section 1. **Council on Policy Development (COPD).** There shall be a Council on Policy Development the purpose of which is to serve as THA's policy development body in the legislative and public policy arenas, to coordinate policy development by providing forums for communicating and resolving policy disputes, and to provide policy input and recommended policy positions and priorities through the Executive Committee to the Board of Trustees.

Membership on the COPD shall be comprised of 37 hospital or hospital system executives representing Active Institutional Members and 17 additional representatives of Active Institutional Members and organizations affiliated with THA. The 17 additional representatives shall include: two hospital trustees; three chief financial officers; three chief nursing officers (in consultation with the Texas Organization for Nursing Leadership and others); three physicians; three attorneys; and three emerging leaders in health care administration.

COPD members shall be elected by the Board of Trustees based upon nominations received from the THA Nominating Committee and shall serve three-year terms. In selecting nominees, the Nominating Committee shall consider diversity, ownership, size and service types of members as well as geographic locations. If a policy council has been established under COPD, the Council Chair shall serve as an ex-officio representative on COPD with vote. If a policy committee has been established under COPD, the Policy Committee Chair shall serve as an ex-officio representative on COPD with vote.

The Board of Trustees will establish operating policies and procedures for COPD activities, including criteria for designating the number of representatives from each Section and election procedures for these representatives.

- a. **Chair, Officers and Terms.** The THA Nominating Committee will nominate a Chair and Vice Chair. The Chair and Vice Chair are elected by the Board of Trustees for two-year terms and may succeed themselves for one additional term subject to re-election to membership in the COPD by the Board of Trustees.
- b. **Board Membership.** The Chair and Vice Chair of the COPD will serve as members, with vote, on the Board of Trustees. The Chair will be responsible for bringing to the Board the majority report and/or recommendations from the COPD, with the Vice Chair responsible for making known the minority report and/or recommendations, if any.
- c. **Quorum.** The presence of a majority of the COPD members shall constitute a quorum.
- d. **Manner of Acting.** The vote or act of a majority of the COPD members present and voting at a meeting at which a quorum exists shall be the act of the COPD. Majority and minority positions shall be recorded and provided through the Executive Committee to the Board of Trustees for consideration.

Section 2. **Policy Councils and Ad Hoc Policy Committees.** The Board may establish policy councils and ad hoc policy committees at any time as may be necessary to address the mission and goals of the Association.

Section 3. **Vacancies.** A vacancy on the COPD, including the Chair and Vice Chair of COPD, shall be filled by the Board of Trustees.

Article VIII

COMMITTEES

Section 1. **Purpose.** The Board of Trustees may create or discontinue, with the exception of Standing Committees, such committees as it may deem necessary to advise the Board on specific issues affecting the Association.

Section 2. **Standing Committees.** There shall be four Standing Committees: Audit and Compliance Committee, Finance Committee, Governance Committee, and Nominating Committee.

Section 3. **Organizational Committees.** The Board of Trustees may create or discontinue such committees as it deems advisable. These committees shall advise the Board on issues affecting the Association and shall carry out the duties delegated to them by the Board of Trustees.

Section 4. **Audit and Compliance Committee.** The committee shall be appointed by the Chair of the Board. It will be chaired by the Immediate Past Chair and shall be comprised of three members of the Executive Committee and two additional individuals who represent Active Institutional Members and have appropriate financial and/or compliance expertise. Members shall be appointed to a one-year term and may be appointed to serve additional terms with a maximum of three consecutive terms.

Section 5. **Finance Committee.** The committee shall be appointed by the Chair of the Board. It will be chaired by a sitting board member with the Vice Chair selected by committee members. The committee shall be comprised of up to seven members including three board members and three members with appropriate financial expertise. Members shall be appointed to a one-year term and may be appointed to serve additional terms with a maximum of three consecutive terms.

Section 6. **Governance Committee.** The Chair of the Board shall appoint a Governance Committee and, the Chair-Elect shall serve as the Chairman. The committee shall be comprised of Chair, the Chair-Elect, and up to seven additional members. Members shall be appointed to a one-year term and may be appointed to serve additional terms with a maximum of three consecutive terms.

Section 7. **Nominating Committee.** The committee shall be appointed by the Chair of the Board. It will be chaired by the Immediate Past Chair and be comprised of nine members including the Immediate Past Chair, Chair, Chair-Elect, three additional past chairs, ~~and threetwo~~ THA Board members, and one THA member at large. Members shall be appointed to a one-year term and may be appointed to serve additional terms. In the event a vacancy occurs in the chairship of the committee, the next most recent Past Chair shall fill the position. The committee will report directly through the Executive Committee to the Board of Trustees.

Section 8. **Other Committees.** All other committees, including ad hoc committees as needed, shall be appointed by the Chair of the Board. In addition, other committees, as the Association or the Board of Trustees may direct, will be appointed by the Chair of the Board.

Section 9. **Vacancies.** The Chair of the Board shall have power to fill vacancies in any committee.

Section 10. **Quorum.** The presence of a majority of the members of any committee shall constitute a quorum.

Section 11. **Manner of Acting.** The vote or act of a majority of a committee's members present and voting at a meeting at which a quorum exists shall be the act of the committee. Additionally, any action required or permitted to be taken by a committee at a meeting of the committee may be taken by mail or electronic written communications with the same force and effect, by following the procedures described in Article V, Section 6.

Article IX

FINANCIAL RECORDS

The books of the Association shall be audited by a certified public accountant at the end of each fiscal year, a copy thereof being furnished to the Association's Audit and Compliance Committee and the THA Board of Trustees.

Article X

STANDARDS OF CONDUCT AND INDEMNIFICATION

Section 1. **General Standards of Conduct.** The members and officers of the Board of Trustees shall discharge their duties as prescribed by these Bylaws in good faith, with ordinary care, and in a manner the trustee or officer reasonably believes to be in the best interests of the Association. In the discharge of any duty, a trustee or officer may in good faith rely on information, opinions or reports prepared or presented by officers, employees, legal counsel or public accountants of the Association, or by a committee of the Board of Trustees of which the trustee or officer is not a member.

Section 2. **Liability of Trustees and Officers.** A trustee or officer of the Association is not liable to the Association, any member or any other person for any action taken as a trustee or officer if the trustee or officer acted in good faith, with ordinary care and in a manner that the trustee or officer reasonably believed to be in the best interests of the Association.

Section 3. **Indemnification.** The Association shall indemnify any and all individuals who may serve or who have served at any time as trustee, officer or staff of the Association and their respective heirs, administrators, successors and assigns, against all liabilities (including but not limited to the amounts of judgments, settlements, fines or penalties) and reasonable expenses necessarily incurred by such individuals in connection with the defense or settlement of any claim, action, suit or proceeding in which they, or any one of them, are made parties or a party, or which may be asserted against them, or any of them, by reason of being or having been a trustee, officer or employee of the Association. Indemnification shall be made to the fullest extent now or hereafter permitted or required by applicable state law.

Article XI

PARLIAMENTARY AUTHORITY

The rules contained in "Robert's Rules of Order" shall govern the Association and its subsidiary corporations in all cases to which they are applicable, and in which they are not inconsistent with these Bylaws.

Article XII

AMENDMENT

Except as otherwise provided in this Article, these Bylaws may be amended only by the affirmative vote of two-thirds of voting members responding by mail or electronic transmission. A proposed amendment must be approved in writing by not less than five members of the Association or by the Governance Committee and filed with the President. The President shall refer the proposed amendment to the Board of Trustees for its recommendation to the voting members and shall send notice of such proposed amendment by mail or electronic transmission to each voting member of the Association at the address appearing on the records of the Association.

Grammatical, punctuation and correlational corrections in these Bylaws which in no way alter the intent of the respective Bylaw may be affected by the Governance Committee, subject to the approval of the Board of Trustees.

Article XIII

MANNER OF MEETING

Any meeting of the Board of Trustees, the COPD, or any committee may be conducted in-person or by using a conference telephone or similar communications equipment, or another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination, if the telephone or other equipment or system permits each person participating in the meeting to communicate with all other persons participating in the meeting. If voting is to take place at the meeting, the Board, COPD, or committee must implement reasonable measures to verify that every person voting at the meeting by means of remote communications is sufficiently identified; -and must keep a record of any vote or other action taken.

Amended 4/5/2023