

**BYLAWS
OF
MARY FREE BED REHABILITATION HOSPITAL
ADOPTED DECEMBER 17, 1985**

TABLE OF CONTENTS

ARTICLE I - CORPORATE NAME AND OFFICERS.....1
 Section 1.1. Corporate Name 1
 Section 1.2. Corporate Offices 1
 Section 1.3. Registered Office 1
ARTICLE II - PURPOSES AND POWERS1
 Section 2.1. Purposes 1
ARTICLE III - STOCK2
 Section 3.1. Issuance of Shares 2
 Section 3.2. Certificates for Shares 2
 Section 3.3. Transfer of Shares 2
ARTICLE IV - SHAREHOLDERS3
 Section 4.1. Sole Corporate Shareholder 3
 Section 4.2. Action by Sole Corporate Shareholder 3
 Section 4.3. Reserved Powers and Authority of the Guild 3
ARTICLE V - BOARD OF TRUSTEES4
 Section 5.1. Board of Trustees 4
 Section 5.2. Number of Trustees 4
 Section 5.3. Trustees Emeritus 4
 Section 5.4. Powers of Board of Trustees 4
 Section 5.5. First Board of Trustees 5
 Section 5.6. Election/Appointment; Vacancies; Removal 5
 Section 5.7. Term 5
 Section 5.8. Annual Meeting of the Board 5
 Section 5.9. Regular Meetings of the Board 5
 Section 5.10. Special Meetings of the Board 5
 Section 5.11. Notice of Board Meeting 5
 Section 5.12. Action Without a Meeting 5
 Section 5.13. Meeting by Conference Telephone 6
 Section 5.14. Quorum at Board Meetings 6
 Section 5.15. Procedure at Meetings 6
 Section 5.16. Officers of the Board of Trustees 6
 Section 5.17. Duties of the Chairperson of the Board 6
 Section 5.18. Duties of the Vice Chairperson 6
 Section 5.19. Duties of the Immediate Past Chairperson 6
 Section 5.20. Duties of the Secretary 7
 Section 5.21. Duties of the Treasurer 7
 Section 5.22. Duties of the Assistant Treasurer 7
ARTICLE VI - COMMITTEES OF THE BOARD OF TRUSTEES.....7
 Section 6.1. Committees Generally 7
 Section 6.2. Standing Committees 7
 Section 6.3. Special Committees 7
 Section 6.4. Committee norms and expectations 8
 Section 6.5. Executive Committee 8
 Section 6.6. Credentialing Committee 8
 Section 6.7. Finance Committee 9
 Section 6.8. Governance/Nominating Committee 9

Section 6.9. Strategic Planning Committee	10
ARTICLE VII - OFFICERS OF THE CORPORATION	10
Section 7.1. Designation and Election of Corporate Officers.....	10
ARTICLE VIII - PRESIDENT/CHIEF EXECUTIVE OFFICER.....	11
Section 8.1. Selection.....	11
Section 8.2. Qualifications.....	11
Section 8.3. Authority and Duties.....	11
ARTICLE IX - CHIEF MEDICAL OFFICER.....	11
Section 9.1. Qualifications.....	11
Section 9.2. Selection and Appointment.....	11
Section 9.3. Term.....	11
Section 9.4. Termination.....	11
Section 9.5. Duties	12
ARTICLE X - MEDICAL STAFF	12
Section 10.1. Organization and Appointments	12
Section 10.2. Appointment Procedure:	13
Section 10.3. Professional Practice Peer Review Functions.....	13
Section 10.4. Medical Staff Bylaws.....	14
Section 10.5. Medical Care and Its Evaluation.....	14
ARTICLE XI - AMENDMENTS	14
Section 11.1. Review and revision of bylaws	14
Section 11.2. Amendments	14
ARTICLE XII - INDEMNIFICATION.....	14
Section 12.1. Indemnification: Third Party Action.....	14
Section 12.2. Indemnification: Actions in the Right of the Corporation.....	15
Section 12.3. Expenses of Successful Defense.....	15
Section 12.4. Definitions.....	15
Section 12.5. Contract Right; Limitation on Indemnity	15
Section 12.6. Determination that Indemnification is Proper.....	16
Section 12.7. Proportionate Indemnity	16
Section 12.8. Expense Advances	16
Section 12.9. Non-Exclusivity of Rights	16
Section 12.10. Indemnification of Employees and Agents of the Corporation	16
Section 12.11. Former Trustees and Officers	16
Section 12.12. Insurance.....	17
Section 12.13. Changes in Michigan Law	17
Section 12.14. Amendment or Repeal of Article XII	17
Section 12.15. Conflict with Articles of Incorporation.....	17
ARTICLE XIII - DISSOLUTION.....	17
Section 13.1. Disposition on Dissolution.....	17
ARTICLE XIV - MISCELLANEOUS	17
Section 14.1. Fiscal Year	17
Section 14.2. General Liability	18

**BYLAWS
OF
MARY FREE BED REHABILITATION HOSPITAL**

ARTICLE I - CORPORATE NAME AND OFFICERS

Section 1.1. Corporate Name. The name of the Corporation shall be Mary Free Bed Rehabilitation Hospital (hereinafter “Hospital” or “Corporation”), a Michigan nonprofit corporation.

Section 1.2. Corporate Offices. The Hospital shall have its principal place of business in the City of Grand Rapids, Michigan, and may have such other offices within or without the State of Michigan as the Board of Trustees may from time to time determine.

Section 1.3. Registered Office. The Corporation shall have and continuously maintain in the State a registered office and a registered agent whose office address is identical with such registered office.

ARTICLE II - PURPOSES AND POWERS

Section 2.1. Purposes. The purposes for which the Corporation is organized are exclusively charitable, scientific or educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954, as amended (or comparable provisions of subsequent legislation), as set forth in the Articles of Incorporation, and, in furtherance of these purposes, the Corporation may:

A. Own, lease, possess, establish and maintain either directly, through subsidiary organizations, or in cooperation with other organizations, hospitals, facilities and programs for the care and treatment of physically affected persons with facilities deemed necessary for the same including inpatient beds and departments which serve outpatients, provide diagnostic and therapeutic services including, but not limited to, physical therapy and rehabilitation, and such other associated services as, but not limited to, extended care and home care;

B. Train and assist by prosthetic devices physically affected children and adults so that they may become self supporting and earn a living;

C. Promote welfare work among children;

D. Provide diagnostic and therapeutic services including, but not limited to, physical therapy and rehabilitation, and other associated services under contractual arrangements with other hospitals and health care facilities;

E. Conduct educational programs, either directly, through related organizations, or in cooperation with other organizations exempt from tax under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended (or comparable provisions of subsequent legislation) related to care of the physically affected or to health promotion and prevention of disease and illness which in the opinion of the Board of Trustees is justified by the facilities, human resources, funds and needs of the community;

F. Promote and carry on medical and scientific research related to health care which in the opinion of the Board of Trustees will contribute to the improvement of the care of the physically affected and the promotion of health;

G. Participate in activities either directly, through related organizations, or in cooperation with other organizations exempt from tax under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended (or comparable provisions of subsequent legislation) designed to promote the health and well being of the community;

H. Borrow such funds as may be necessary for the operation of the Corporation and give as security any of the properties of the Corporation;

I. Conduct activities either directly, through related organizations or in cooperation with other organizations exempt from tax under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended (or comparable provisions of subsequent legislation) in order to raise funds to further the purposes of the Corporation, subject, however to all the limitations on the nature or extent of such activities applicable, from time to time, to organizations exempt from tax under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended (or comparable provisions of subsequent legislation);

J. Acquire, purchase, own, lease, exchange, improve, develop and dispose of and deal with real and personal property and interest therein, and apply gifts, grants, bequests, and devises, and the proceeds thereof, in furtherance of the purposes of the Corporation;

K. Do such things and perform such acts to accomplish its purposes as are not forbidden by Section 501(c)(3) of the Internal Revenue Code of 1954, as amended (or comparable provisions of subsequent legislation), with all the powers conferred on nonprofit corporations by the laws of the State of Michigan.

ARTICLE III - STOCK

Section 3.1. Issuance of Shares . The shares of stock of the Corporation shall be issued in such amounts, at such times, for such consideration and on such terms and conditions as the sole Corporate shareholder shall deem advisable, subject to the provisions of the Articles of Incorporation of the Corporation and the further provisions of these Bylaws, and subject also to any requirements or restrictions imposed by the laws of the State of Michigan.

Section 3.2. Certificates for Shares The shares of the Corporation shall be represented by certificates signed by the Chairperson, Vice Chairperson and Secretary of the Corporation. A certificate representing share shall state upon its face that the Corporation is a nonprofit corporation formed under the laws of the State of Michigan; the names of the entity to which it is issued; the number and class of shares which the certificate represents; that the shares are not transferable; the act under which the Corporation was formed; and other provisions as may be required by the laws of the State of Michigan.

Section 3.3. Transfer of Shares The shares of the Corporation are not transferable.

ARTICLE IV - SHAREHOLDERS

Section 4.1. Sole Corporate Shareholder Mary Free Bed Guild (hereinafter “Guild” or “sole corporate shareholder”), shall be the sole shareholder of the Corporation.

Section 4.2. Action by Sole Corporate Shareholder. Mary Free Bed Guild shall exercise its rights as sole corporate shareholder of this Corporation by written resolution duly approved by the affirmative vote of not less than one-fifth of the active membership of the Guild present at any annual, regular or special meeting at which there is a quorum. Between regular meetings of the members, if the Board of Directors of the Guild determines in good faith that a special meeting of the members of the Guild is not practical, the Board of Directors of the Guild may act as sole corporate shareholder by the vote of the majority of the Board present at any annual, regular or special meeting of the Board of the Guild at which there is a quorum. As long as Mary Free Bed Guild is the sole corporate shareholder of this Corporation, no meetings of the shareholders shall be required.

Section 4.3. Reserved Powers and Authority of the Guild. The Guild shall have the reserved powers stated in this Section. The Hospital’s Board of Trustees may recommend action to the Guild with respect to these reserved powers, but these reserved powers may also be exercised by the Guild. The following actions shall not be deemed authorized unless and until approved by the Guild.

- A. A change in the purpose or philosophy of the Corporation;
- B. Amendment of the Articles of Incorporation or Bylaws of the Corporation;
- C. Dissolution or liquidation of the Corporation or the sale or other disposition of a substantial portion of its assets;
- D. Merger or consolidation with another entity;
- E. Election and/or removal, with or without cause, of members of the Board of Trustees or officers of the Corporation;
- F. Creation or acquisition of a new subsidiary, including a limited liability company or a new business venture, involving an investment in excess of four percent (4%) of the Net Assets of the Hospital as stated on its most recent audited year-end balance sheet; or the sale, or other disposition of, merger or consolidation of any subsidiary of the Corporation;
- G. The guarantee of any debt or obligation of anyone by the Corporation or any of its subsidiaries;
- H. The adoption of the Corporation's annual business plan, including proposed debt, as approved by the Hospital Board, which shall be presented to the Guild Board of Directors each year for approval; or
- I. Any other approval required by law.

ARTICLE V - BOARD OF TRUSTEES

Section 5.1. Board of Trustees. Consistent with these Bylaws, the business and affairs of the Corporation shall be governed by a Board of Trustees which shall be the governing body of the Corporation. The Board of Trustees shall meet as often as necessary to discharge its responsibilities, but at least quarterly.

Section 5.2. Number of Trustees. The Board of Trustees shall consist of those same twenty-four (24) positions as are on the Advisory Board of Trustees of the Hospital at the time these Bylaws are adopted, until such time as either there is a resignation due to inability to continue serving by a representative of the community, or the expiration of eligible successive terms of a community member, whichever comes first. From such time forward, the Board of Trustees shall consist of twenty-eight (28) persons, nine (9) of whom shall be ex-officio members with vote. At all times, fourteen (14) of the positions shall be filled by members of the Mary Free Bed Guild or its auxiliaries, no more than eight (8) of whom shall also be members of the Board of Directors of Mary Free Bed Guild. The persons in the following positions shall occupy five (5) of the fourteen (14) positions reserved by the Guild: 1) Chairperson/President of the Mary Free Bed Guild; 2) 1st Vice President of the Mary Free Bed Guild; 3) Immediate Past President of the Mary Free Bed Guild; 4) The Treasurer of the Mary Free Bed Guild; 5) Either the President of the Junior Guild of the Mary Free Bed Guild or her designee. The fourteen (14) remaining Trustees shall be the individuals holding the position of 1) President/Chief Executive Officer of the Hospital; 2) Chief Medical Officer of the Hospital; and 3) Chief of the Medical Staff of the Hospital; who shall be ex-officio with vote, and eleven (11) individuals who broadly represent the diversity of the community, and the patients, in addition to interests as the, business, educational, financial services, legal services and consumer interests of the primary service area of the Hospital. All trustees shall avoid conflicts of interest and constructively participate in the governance process of the corporation. A conflict of interest occurs where a trustee or relative of a trustee has or appears to have a financial interest in a decision; or where a trustee or relative of a trustee has an affiliation or other conflict of loyalty that may lead to or suggest influence in a decision, but no financial interest.

Section 5.3. Trustees Emeritus. There shall be a class of Trustees Emeritus consisting of persons who formerly served on the Board of Trustees who continue to have an active interest in the business and affairs of the Corporation. They may also include members of the community who the Board desires to recognize with honorary status. Trustees Emeritus may be appointed and removed by the Executive Committee. They serve in an advisory capacity without a vote and are not official members of the Board. A Trustee Emeritus may receive notices of meetings and attend meetings at the discretion of the Chairperson, provided, however, the Trustee Emeritus shall notify the Chairperson of the request to attend and the reason for the request prior to the meeting. Trustees Emeritus will not be counted for the purposes of determining quorum and shall not be held responsible or liable for any action taken at any meeting.

Section 5.4. Powers of Board of Trustees. The Board of Trustees shall have charge, control, and management of the business, property, affairs, and funds of the Corporation; and shall have the power and authority to do and perform all acts and functions not inconsistent with these Bylaws, the Articles of Incorporation, or the laws of the State of Michigan.

Section 5.5. First Board of Trustees. The First Board of Trustees shall consist of those individuals serving on the Advisory Board of Trustees of the Hospital at the time these Bylaws are adopted.

Section 5.6. Election/Appointment; Vacancies; Removal. By the May Board meeting of each year, a nominating committee shall nominate a sufficient number of trustees and officers to fill all vacancies, who shall be elected at the annual meeting of the Board from a slate presented by the Nominating Committee. Those Trustees whose terms of office will expire at the annual meeting shall not be eligible to vote. Ex-officio Trustees may be appointed to the Board of Trustees at any annual, special or regular meeting of the Board. Vacancies on the Board due to death, resignation, removal or other cause shall be filled by appointment made by the Board of Trustees. Each person appointed to fill a vacancy shall remain a Trustee until a successor has been elected by the Board of Trustees at its next annual meeting or at any special meeting prior thereto and duly called for that purpose. The sole corporate shareholder may remove any Trustee from office with or without cause.

Section 5.7. Term. Except for ex-officio trustees, who shall serve so long as they hold their office, trustees shall hold office for a term of three years or until their successors shall have been duly appointed and qualified. Members of the Board of Trustees who are also members of the Mary Free Bed Guild, shall not be appointed for more than two successive terms without one year of non-service, except for officers of the board who shall serve as long as they hold office. Members of the Board of Trustees who are not members of the Mary Free Bed Guild, shall not be appointed for more than three successive terms without one year of non-service, except for board officers who shall serve as long as they hold office.

Section 5.8. Annual Meeting of the Board. The annual meeting of the Board of Trustees shall be held during the month of May of each year, at such time and place as may be designated by the Board of Trustees, for the purpose of electing the trustees and officers for the coming year as hereinafter provided and transacting such other business as shall be desirable. In the event no meeting is held in May of any year, the first meeting of the Trustees held thereafter shall be the annual meeting.

Section 5.9. Regular Meetings of the Board. Regular meetings of the Board of Trustees shall be held every other month: September, November, January, March and May.

Section 5.10. Special Meetings of the Board. Special meetings of the Board of Trustees may be called by the Chairperson or shall be called by the Secretary upon written or oral request of any three (3) members of the Board of Trustees.

Section 5.11. Notice of Board Meeting Written notice of time, place and purposes of each meeting of the members shall be given not less than two (2) business days before the date of the meeting to each member, either personally, electronically, or by mailing such notice to each member at the address designated, by the member for such purpose, or if none is designated, at the member's last known address.

Section 5.12. Action Without a Meeting. Any action required or permitted to be taken pursuant to authorization voted at a meeting of the Board of Trustees may be taken without a

meeting, without prior notice and without a vote, if a consent in writing, setting forth the actions so taken, is signed by all Trustees. Such written consents shall be filed with the minutes of the proceedings of the Board and shall have the same effect as a vote of the Board for all purposes.

Section 5.13. Meeting by Conference Telephone. Subject to the approval of the Board Chair or a member of the Executive Committee, trustees may participate on a limited basis in and act at any meeting of the Board of Trustees by means of conference telephone, video conference or other means of remote communication if all persons participating in the meeting can hear each other simultaneously. Participating in such meetings shall constitute presence in person at the meeting.

Section 5.14. Quorum at Board Meetings. Not less than ten (10) members of the Board of Trustees present in person shall constitute a quorum for the transaction of business at an annual, regular or special meeting of the Board. The vote of a majority of the Trustees present at any meeting at which there is a quorum shall be the act of the Trustees except as otherwise required by the laws of the State of Michigan or specified in these Bylaws or the Articles of Incorporation. A meeting may be adjourned without a quorum of Trustees being present.

Section 5.15. Procedure at Meetings. Roberts Rules of Order Revised (latest edition) shall govern procedure at all meetings of the Board of Trustees and its committees where not covered expressly by these Bylaws.

Section 5.16. Officers of the Board of Trustees. The Officers of the Board of Trustees shall be the (1) Chairperson, (2) Vice Chairperson, (3) Immediate Past Chairperson, (4) Secretary, (5) Treasurer, and (6) Assistant Treasurer of the Corporation, and shall be elected in such a manner and at such time as are the officers of the Corporation. The Chairperson, Vice Chairperson and Treasurer shall be Board members. The term for the Chairperson, Vice Chairperson and Treasurer shall be three (3) years. The governance/nominating committee may modify terms based on special circumstances. The term for the Immediate Past Chairperson will be one (1) year. The Secretary will be the 1st Vice President of the Guild and the Assistant Treasurer will be the Treasurer of the Guild. Their terms will be according to their position.

Section 5.17. Duties of the Chairperson of the Board. The Chairperson shall preside over all meetings of the Board and shall annually appoint all standing and special committees of the Board. The Chairperson shall be a member of the Executive and Strategic Planning Committees and shall have the right to attend the meetings of all other committees.

Section 5.18. Duties of the Vice Chairperson. The Vice Chairperson shall learn the duties and responsibilities of the Chairperson in order to succeed after their 3year term. In the event of absence or disability of the Chairperson, the Vice Chairperson shall chair meetings of the Board of Trustees and shall perform the duties of the Chairperson and such other duties as may be delegated to the Vice Chairperson from time to time by the Board of Trustees. The Vice Chairperson shall be a member of the Executive Committee.

Section 5.19. Duties of the Immediate Past Chairperson. To assist in the first-year transition of the next vice chair into the board chair position. In the event of absence or disability

of the Chairperson, and the Vice Chairperson the Immediate Past Chairperson shall chair meetings of the Board of Trustees and shall perform the duties of the Chairperson.

Section 5.20. Duties of the Secretary. The Secretary shall act as Secretary of the Corporation and the Board of Trustees and shall also see that a record is kept of all proceedings of the Board of Trustees. The Secretary shall chair meetings of the Board of Trustees in the absence of the Chairperson, Vice Chairperson and Past Chairperson. Shall also supervise the keeping of all records and reports to the Board. The Secretary shall be a member of the Executive Committee.

Section 5.21. Duties of the Treasurer. The Treasurer shall have charge of all funds of the Corporation. In addition, the Treasurer shall coordinate with the administrative staff the supervision of the Hospital's funds; shall see that a true and accurate accounting of the financial transactions of the Hospital is made and that reports of such transactions are presented to the Board of Trustees; shall examine the monthly financial reports and require an explanation from the President for any material variation from the budget, and shall present these financial reports to the Board of Trustees; shall see that a proper yearly audit is made and presented to the Board of Trustees; shall be a member of the Executive and Finance Committees, and shall be the Chairperson of the Finance Committee; and shall direct it to the Board of Trustees. In the absence of the Chairperson, Vice Chairperson, Past Chairperson and Secretary, the Treasurer shall preside at meetings of the Board of Trustees.

Section 5.22. Duties of the Assistant Treasurer. The Assistant Treasurer shall assist the Treasurer and preside over meetings of the Finance Committee in the Treasurer's absence; shall be a member of the Executive and Finance Committees.

ARTICLE VI - COMMITTEES OF THE BOARD OF TRUSTEES

Section 6.1. Committees Generally. The Board of Trustees may establish such standing or special committees from time to time as shall be appropriate to conduct the activities of the Corporation and shall define the powers and responsibilities of such committees. All committees shall keep minutes of all meetings which shall be sent to all trustees. The Committee Selection Team (Board Chair, Guild President and CEO/President of the hospital) shall appoint committee members, subject to approval of the Board of Trustees. The Chairperson, with recommendation from the Governance/Nomination Committee shall appoint committee Chairperson of committees, subject to approval of the Board of Trustees. Committee Chairperson shall be a member of the Board of Trustees. Committee members, with the exception of the members of the Executive Committee, may be selected from the members of the Board of Trustees, the members of the Mary Free Bed Guild and its auxiliaries, or the public-at-large.

Section 6.2. Standing Committees. The standing committees shall be: (1) Executive Committee; (2) Credentialing Committee; (3) Finance Committee; (4) Governance/Nominating Committee; (5) Strategic Planning Committee; and such other standing committees as the Board of Trustees may authorize.

Section 6.3. Special Committees. Special committees shall be appointed from time to time in the same manner as other committees and for the purposes and time as may be necessary and advisable under the circumstances. Every such committee shall limit its activity to the

accomplishment of the purpose for which created and shall have no power to act except as is specifically conferred upon it by action of the Board of Trustees. The Board shall specify the purpose, scope, and goals/objectives of the committee, the intended duration of the committee (how long they expect it to operate), the membership of the special committee, the governance (reporting relationship) of the committee, and the required reporting and documentation for the committee.

Section 6.4. Committee norms and expectations. Meeting agendas and schedules including days, times, and durations will be determined. Written minutes of each meeting shall be submitted to the Board of Trustees in a timely manner. The Chair of the committee is expected to run the meeting and make sure record of minutes is taken. Other reports concerning the work of the committee may be requested as needed. A quorum shall be one-half (1/2) of the total membership of the committee. In the event of voting of recommendations, the majority shall consist of one more than half the number of committee members present excluding abstention.

Section 6.5. Executive Committee. The Executive Committee shall be empowered to act for and on behalf of the Board of Trustees between meetings of the Board. The Committee shall be comprised of:

- Chairperson
- Vice Chairperson
- Secretary
- Treasurer
- Assistant Treasurer
- President of the Mary Free Bed Guild
- First Vice President of the Mary Free Bed Guild
- One member from the Board of Trustees

At least one-half of the members of this Committee shall be members of the Mary Free Bed Guild. Meetings of the Executive Committee shall be called by the Chairperson, or by the Vice Chairperson in the absence of the Chairperson, whenever it is deemed necessary between meetings of the Board. Oversees the process for the evaluation of the hospital President/CEO. Provide oversight for the Corporate Ethics and Compliance program ensuring the Corporation obeys all laws and exhibits the highest standards of ethical behavior. Reviews the effectiveness of the Compliance Officer and ensures the Compliance Officer has a direct reporting relationship to the board, free of conflict of interest. When action is taken by the Executive Committee, it shall be reported in detail to the Board of Trustees at its next meeting.

Section 6.6. Credentialing Committee. The medical staff credentialing system is one of the single most important quality improvement and patient injury prevention systems in a hospital and it is a fundamental responsibility of the Hospital Board of Trustees. The purpose of

credentialing is to assure that only qualified physicians and allied health providers are admitted and allowed to practice medicine at the Hospital. The committee shall be comprised:

- Medical Staff Chief of Staff (Chairperson)
- Chief Medical Officer
- Chief Nursing Officer
- Two members of the Board of Trustees
- Additional hospital staff appointed by the Chief Medical Officer

Only the Board of Trustees can approve credentialing and delineations of privileges of medical personnel

Section 6.7. Finance Committee. The purpose of the Finance Committee shall be to review monthly financial statements, insurance coverage, preparation of the annual budget, the results of the annual outside audit, review and approve the 990 tax return before it is filed and other pertinent business before recommending their approval to the Trustees. The committee shall be comprised of:

- Treasurer (Chairperson)
- Assistant Treasurer
- President/CEO
- President of the Mary Free Bed Fund
- Chairperson of the Board of Trustees
- President of the Mary Free Bed Guild,
- Minimum of three (3) additional members of the board of trustees
- Additional non board members
- Additional hospital staff resources; CFO and others (non-voting)

In consultation with other committees where appropriate, the Finance Committee shall recommend policies to the Trustees governing the management of all of the Hospital's funds; and provide oversight to ensure that the policies are being followed.

Section 6.8. Governance/Nominating Committee. Commissioned to advise the Board of Trustees on overall development and effectiveness of the board and standing committees. The committee chair shall be appointed by the Committee Selection Team. The committee shall be comprised of:

- President/CEO (non-voting)
- Four Community Members
- Four Guild Members (two from the Board of Trustees)
- Additional non-voting hospital resource staff

The Committee shall select, by majority vote, a proposed slate of nominees for election to the Board of Trustees and as officers of the Board of Trustees. The Committee shall submit the proposed slate, including officers to the sole Corporate shareholder. The sole Corporate shareholder shall have the right to object to any nominee at any time prior to the annual meeting of the Board of Trustees and, upon exercise of this right, the name of the nominee shall be stricken from the proposed slate. During its selection process the Executive Committee/Governance/Nominating will seek and encourage nominations from all populations represented in our community including but not limited to persons of race, color, sex (including sexual orientation, or gender identity), national origin, and disability. All applicants for positions are protected from discrimination based on race, color, religion, sex (including pregnancy, sexual orientation, or gender identity), national origin, age (40 or older), disability and genetic information (including family medical history).

Section 6.9. Strategic Planning Committee. The Strategic Planning Committee shall actively participate and engage in the strategic planning process for the long-term development of the Hospital system. The committee shall be comprised of:

- Chairperson of the Board of Trustees
- Vice Chairperson of the Board of Trustees
- Chairperson/President of the Mary Free Bed Guild
- First Vice President of the Mary Free Bed Guild
- President/CEO
- Chief of Staff
- Chief Medical Officer
- Four other members of the Board of Trustees (two of which are Guild Members)

The committee shall evaluate and make recommendations to the Board of Trustees concerning any communications, requests, or recommendations presented in writing by the Hospital.

ARTICLE VII - OFFICERS OF THE CORPORATION

Section 7.1. Designation and Election of Corporate Officers. The officers of the Corporation shall be: (1) Chairperson; (2) Vice Chairperson; (3) President/Chief Executive

Officer; (4) Chief Medical Officer; (5) Secretary; (6) Treasurer; and (7) Assistant Treasurer. All officers, with the exception of the President/Chief Executive Officer and the Chief Medical Officer, shall be elected at the annual meeting by and from the membership of the Board of Trustees after nomination by the Nominating Committee and shall hold office for a period of one year or until their successors have been duly elected and qualified. The President/Chief Executive Officer and the Chief Medical Officer shall be appointed by the Boards of Trustees and shall have only those powers specifically granted by these Bylaws or by resolution of the Board. The terms of officers shall begin at the close of the annual meeting. Either the Treasurer or the Assistant Treasurer shall be a member of the Mary Free Bed Guild.

ARTICLE VIII - PRESIDENT/CHIEF EXECUTIVE OFFICER

Section 8.1. Selection. - The Board of Trustees shall select and employ a qualified President/Chief Executive Officer and shall determine the conditions of his or her employment. The President will be selected through an objective process developed and approved by the Board of Trustees when a vacancy in the position occurs.

Section 8.2. Qualifications. The President/Chief Executive Officer shall be qualified by education and experience appropriate to the proper discharge of his or her responsibilities.

Section 8.3. Authority and Duties. The President/Chief Executive Officer shall be the Chief Executive Officer of the Corporation; shall act, in accordance with guidelines adopted from time to time by the Board of Trustees, as the duly authorized representative of the Board of Trustees; may attend all Committee meetings; and shall be directly responsible for the management of the Corporation, in accordance with applicable public statutes as well as hospital policies adopted from time to time by the Board of Trustees.

ARTICLE IX - CHIEF MEDICAL OFFICER

Section 9.1. Qualifications. The Chief Medical Officer shall be a full-time physician qualified by experience and training to administer or assist with the administration of all medically related professional and administrative aspects of the Hospital. He/She shall have attained Board qualification in his/her specialty and demonstrated a high level of competence in his/her field of medicine. He/She shall be eligible for membership on the Medical Staff of the Hospital.

Section 9.2. Selection and Appointment. The Board of Trustees shall select and employ a Chief Medical Officer upon the recommendation of a Search Committee appointed by the Chairperson of the Board of Trustees. The Search Committee shall be comprised of members of the Board of Trustees and Medical Staff. The Chief Medical Officer shall make application for Medical Staff membership on the prescribed form and his or her employment shall be contingent upon appointment to the Medical Staff. Upon appointment, the Chief Medical Officer shall be subject to the Hospital Bylaws, Medical Staff Bylaws, and Rules and Regulations in the same manner as other members of the Medical Staff.

Section 9.3. Term. The Chief Medical Officer's term of office shall be delineated in his/her employment contract with the Hospital.

Section 9.4. Termination. The Chief Medical Officer's clinical privileges to practice his

specialty are not contingent upon his medico-administrative position. In the event of a termination of the employment relationship with the Hospital, the Chief Medical Officer remains free to practice medicine at the Hospital, subject to the Hospital Bylaws, Medical Staff Bylaws, Rules and Regulations.

Section 9.5. Duties. The Chief Medical Officer shall:

A. Manage and supervise the rendering of medical services within the Hospital and assist in the formulation and execution of policies concerning the medical services of the Hospital in a manner consistent with the general policies of the Hospital as established from time to time by the Board of Trustees;

B. Aid in coordinating the activities and concerns of the Hospital administration and of the nursing and other patient care services with those of the Medical Staff;

C. Be accountable to the Trustees, in conjunction with the Medical Executive Committee, for the quality and efficiency of clinical services and performance within the Hospital and for the effectiveness of the patient care audit, identification and management of sentinel events and other quality review, evaluation, and monitoring functions delegated to the staff by means of regular reports and recommendations based on the results of these activities;

D. Develop and implement, in cooperation with the Medical Staff, methods for audit and program evaluation, ongoing monitoring of professional practices, credential review, delineation of privileges, continuing education and utilization review;

E. Shall attend the meetings of the Board of Trustees, Planning Committee and Medical Staff.

ARTICLE X - MEDICAL STAFF

Section 10.1. Organization and Appointments. The Board of Trustees shall cause the physicians and dentists granted practice privileges in the Hospital to be organized into a Medical Staff under Medical Staff Bylaws approved by the Board of Trustees. The Board of Trustees shall consider the recommendation of the Medical Staff in making appointments to the Medical Staff and the Board shall appoint only those physicians and dentists who meet the qualifications for membership as set forth in the Bylaws of the Medical Staff. The Board of Trustees shall appoint such number of physicians and dentists to the Medical Staff as Hospital needs require. Each member of the Medical Staff shall have appropriate authority and responsibility for the care of his/her patients, subject to such limitations as are contained in these Bylaws and in the Bylaws, Rules and Regulations for the Medical Staff and subject further, to any limitation attached to his/her appointment. Acceptance of membership on the Medical Staff shall constitute agreement to be governed by principles of ethics adopted by the Medical Staff. All members of the Staff shall pledge themselves not to receive from or pay to any physician or dentists, either directly or indirectly, any part of a fee received for professional services. Allied Health Professionals may apply for appointment as Associates of the Medical Staff in accordance with the Medical Staff Bylaws. The Board of Trustees shall consider the recommendation of the Medical Staff with regard to the appointment of Allied Health Professionals, and the Board shall approve only those Allied Health Professionals who meet the qualifications for Associates of the Medical Staff as set

forth in the Bylaws of the Medical Staff. The Board of Trustees shall approve such number of Allied Health Professionals as Associates of the Medical Staff as Hospital needs require. Each Associate of the Medical Staff shall have the responsibility set forth in the Bylaws, Rules and Regulations of the Medical Staff and subject further, to any limitation attached to his/her appointment.

Section 10.2. Appointment Procedure:

A. Application for membership on the Medical Staff shall be presented in writing on an approved form, shall state the qualifications and references of the applicant and shall also signify his/her agreement to abide by the Bylaws, Rules and Regulations of the Medical Staff and the Hospital. The application for membership on the Medical Staff shall be presented to the Chief Medical Officer of the Hospital, who shall transmit it to the Secretary of the Medical Staff for consideration by the Medical Staff Executive Committee and the Medical Staff. The completed application for Medical Staff membership shall then be processed according to the Medical Staff Bylaws. Should the Board of Trustees fail to act favorably on an applicant's initial request for a Medical Staff membership and/or delineation of privileges, the applicant's request shall be processed according to the provisions of the Medical Staff Bylaws.

B. Terms of Appointments. New appointments and privileges shall be made and granted by the Board of Trustees after recommendations of the Medical Staff, and shall be for the period of not longer than two years. In no case shall the Trustees take action on an application, refuse to renew an appointment, or cancel an appointment previously made without conference with the Executive Committee of the Medical Staff.

C. Reappointments and Privilege Delineation. Reappointment and privilege delineation for members of the Medical Staff shall be reviewed biennially by the Medical Staff which shall report its recommendations to the Trustees in time for consideration of these matters by the Board.

D. Hearings. Whenever a staff member receives notice of a decision of the Board of Trustees that will adversely affect his reappointment to, or status as a member of the Medical Staff, he shall be entitled to a hearing and appellate review according to the provisions of the Medical Staff Bylaws.

Section 10.3. Professional Practice Peer Review Functions. The Board of Trustees shall require the Quality Improvement and Risk Management Committee and the Infection Control Committee of the Medical Staff to conduct the peer review functions of the Hospital, including an ongoing review the professional practices of the Hospital for the purposes of reducing morbidity, mortality, the risk of sentinel events, and for the improvement of the care of patients provided in the Hospital. Analysis of relevant data shall be the basis for these reviews and be a part of a structural proactive program for reducing unanticipated adverse events and safety risks to patients. The Medical Staff shall provide confidential reports on such activities and their results regularly to the Board of Trustees through the Chief Medical Officer or Chief of the Medical Staff. All information, records, data and knowledge collected by or for those committees shall be confidential, shall be used only for the carrying out of such peer review functions, shall not be public records and shall be entitled to such no availability for court subpoena and other benefits as

may be afforded under the provisions of Act 368 of the Public Acts of 1978, as amended.

Section 10.4. Medical Staff Bylaws. There shall be Bylaws, Rules and Regulations for the Medical Staff setting forth its organization and government. Proposed Bylaws, Rules and Regulations may be recommended by the Medical Staff, or the Board of Trustees, but only those Bylaws, Rules and Regulations as are adopted by the Board of Trustees shall become effective. Subsequent amendments to the Medical Staff Bylaws, Rules and Regulations shall become effective when approved by the Board of Trustees. Neither body may unilaterally amend the Medical Staff Bylaws, Rules and Regulations.

Section 10.5. Medical Care and Its Evaluation.

A. The Board of Trustees shall, in the exercise of its overall responsibility, assign to the Medical Staff reasonable authority for insuring appropriate professional care to the Hospital's patients.

B. Pursuant to the Medical Staff Bylaws, the Chief Medical Officer shall make recommendations to the Board of Trustees through the President/Chief Executive Officer concerning: (1) appointments, reappointments and alterations of Staff status; (2) granting of clinical privileges; (3) disciplinary actions; (4) all matters relating to professional competency; (5) such specific matters as may be requested by the Board of Trustees; and (6) such other recommendations as may be required by the Medical Staff Bylaws, Rules and Regulations.

ARTICLE XI - AMENDMENTS

Section 11.1. Review and revision of bylaws. The bylaws of the corporation will be reviewed every two years by the Executive Committee of the Board and revised as necessary by the Board of Trustees.

Section 11.2. Amendments. The Bylaws of the Corporation may be amended or revised by affirmative vote of two-thirds (2/3) of the Board of Trustees, subject to the approval of the sole corporate shareholder, which shall consider the proposed amendment at its next regular or special meeting, whichever is sooner.

ARTICLE XII - INDEMNIFICATION

Section 12.1. Indemnification: Third Party Action. Subject to all of the other provisions of this Article XII, the Corporation shall indemnify any person who was or is a party, or is threatened to be made a party to a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (other than an action by or in the right of the Corporation) by reason of the fact that the person is serving at the request of the Corporation as a director, trustee, officer, partner, employee or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit, against expenses (including attorneys' fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by that person in connection with the action, suit or proceeding if that person acted in good faith and in a manner reasonably believed by that person to be in or not opposed to the best interests of the Corporation or its shareholder and, with respect to a criminal action or proceeding, that person had

no reasonable cause to believe that the conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner reasonably believed by that person to be in or not opposed to the best interests of this Corporation or its shareholder and, with respect to a criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.

Section 12.2. Indemnification: Actions in the Right of the Corporation. Subject to all of the other provisions of this Article XII, the Corporation shall indemnify any person who was or is a party to, or is threatened to be made a party to a threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that the person is or was a trustee or officer of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, officer, partner, employee or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses (including actual and reasonable attorneys' fees), and amounts paid in settlement incurred by that person in connection with the action or suit if that person acted in good faith and in a manner reasonably believed by that person to be in or not opposed to the best interests of the Corporation or its shareholder. However, no indemnification shall be made for a claim, issue or matter in which that person shall have been found to be liable to the Corporation unless and only to the extent that the court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, that person is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

Section 12.3. Expenses of Successful Defense. To the extent that a person has been successful on the merits or otherwise in defense of an action, suit or proceeding referred to in Section 12.1 or Section 12.2 of these Bylaws, or in defense of a claim, issue or matter in the action, suit, or proceeding, that person shall be indemnified against expenses (including actual and reasonable attorneys' fees) incurred by that person in connection with the action, suit or proceeding as well as in connection with any action, suit or proceeding brought to enforce the mandatory indemnification provided in this Subsection.

Section 12.4. Definitions. For the purposes of Section 12.1 and 12.2, "other enterprise" shall include employee benefit plans; "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and "serving at the request of the Corporation" shall include any service as a director, officer, employee, or agent of the Corporation which imposes duties on, or involves services by, the trustee or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner the person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner "not opposed to the best interests of the Corporation or its shareholder" as referred to in Sections 12.1 and 12.2.

Section 12.5. Contract Right; Limitation on Indemnity. The right to indemnification conferred in this Article XII shall be a contract right and shall apply to services of a trustee or officer as an employee or agent of the Corporation as well as in the person's capacity as a trustee or officer. Except as provided in Section 12.3 of these Bylaws, the Corporation shall have no obligations under this Article XII to indemnify any person in connection with any proceeding, or

any part of it, initiated by the person without authorization by the Board of Trustees.

Section 12.6. Determination that Indemnification is Proper. An indemnification under Section 12.1 or Section 12.2 of this Article XII, unless ordered by a court, shall be made by the Corporation only as authorized in a specific case upon a determination that indemnification of the person is proper in the circumstances because that person has met the applicable standard of conduct as set forth in either Section 12.1 or Section 12.2. That determination shall be made in any of the following ways:

- (1) By a majority vote of a quorum of the Board consisting of trustees who were not parties to the action, suit or proceeding.
- (2) If that quorum is not obtainable, then by a majority vote of a committee of trustees who were not parties to the action, suit, or proceeding. The committee shall consist of not less than two disinterested trustees.
- (3) By the shareholder.
- (4) By independent legal counsel in a written opinion.

Section 12.7. Proportionate Indemnity. If a person is entitled to indemnification under Section 12.1 or Section 12.2 of these Bylaws for a portion of expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount of them, the Corporation shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

Section 12.8. Expense Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding described in Section 12.1 or 12.2 of these Bylaws may be paid by the Corporation in advance of the final disposition of the action, suit, or proceeding upon receipt of an undertaking by or on behalf of the person involved to repay the expenses if it is ultimately determined that the person is not entitled to be indemnified by the Corporation. The undertaking shall be by an unlimited general obligation of the person on whose behalf advances are made but need not be secured.

Section 12.9. Non-Exclusivity of Rights. The indemnification or advancement of expenses provided under this Article XII is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Corporation. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

Section 12.10. Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the Board of Trustees grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article XII with respect to the indemnification and advancement of expenses of trustees and officers of the Corporation.

Section 12.11. Former Trustees and Officers. The indemnification provided in this Article

XII continues as to a person who has ceased to be a trustee or officer and shall inure to the benefit of the heirs, executors and administrators of that person.

Section 12.12. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a trustee, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation would have power to indemnify the person against that liability under these Bylaws or the laws of the State of Michigan.

Section 12.13. Changes in Michigan Law. In the event of any change in the Michigan statutory provisions applicable to the Corporation relating to the subject matter of this Article XII, then the indemnification to which any person shall be entitled under this Article shall be determined by the changed provisions, but only to the extent that any change permits the Corporation to provide broader indemnification rights than the provisions permitted by the Corporation to provide prior to any such change. Subject to Section 12.14, the Board of Trustees is authorized to amend these Bylaws to conform to any changed statutory provisions.

Section 12.14. Amendment or Repeal of Article XII. No amendment or repeal of this Article XII shall apply to or have any effect on any trustee or officer of the Corporation for or with respect to any acts or omissions of the trustee or officer occurring prior to the amendment or repeal.

Section 12.15. Conflict with Articles of Incorporation. The provisions of Article VIII of the Articles of Incorporation of the Corporation supersede the provisions of this Article XII of these Bylaws with respect to a volunteer trustee as defined in the Articles of Incorporation to the extent of any conflict in their provisions.

ARTICLE XIII - DISSOLUTION

Section 13.1. Disposition on Dissolution. Upon dissolution of the Corporation, the Board of Trustees shall, after paying or making provisions for payment of all the liabilities of the Corporation, distribute all of the assets of the Corporation to Mary Free Bed Guild provided that, at the time of dissolution, Mary Free Bed Guild is in existence and qualifies as an exempt organization under Section 501 (c) (3) of the Internal Revenue Code of 1954, as amended (or comparable provisions of subsequent legislation). If Mary Free Bed Guild is not in existence or if it is in existence but does not qualify as an exempt organization, the assets of the Corporation shall be distributed to either Mary Free Bed Fund or Mary Free Bed Brace and Corset Shop if they qualify as exempt organizations as described above. If none of the above are in existence or those in existence are not exempt, the assets of the Corporation shall be given and delivered over for charitable purposes designated by the Board of Trustees, provided the organization(s) to which the assets are distributed qualify as exempt organization(s) as described above and has (have) purposes compatible with the purposes of this Corporation.

ARTICLE XIV - MISCELLANEOUS

Section 14.1. Fiscal Year. The fiscal year of the Corporation shall begin on the 1st day of April of each year and shall end on the 31st day of March of each year, unless changed by the

Board of Trustees.

Section 14.2. General Liability. No shareholder, trustee, officer, or committee member of this Corporation or any other person shall contract or incur any debts on behalf of the Corporation other than in the regular course of employment, or in any way render the Corporation liable unless expressly authorized by the Board of Trustees. No officer, director, committee member or employee of the Corporation is authorized to promise moral or financial support of any charitable or other objective except as approved from time to time by the Board of Directors.

These Bylaws became effective December 17, 1985 because of action taken by the sole corporate shareholder at its meeting of November 11, 1985 and recorded in its minutes.

MARY FREE BED HOSPITAL & REHABILITATION CENTER
BYLAWS

Presented	October 11, 1985
Adopted	December 17, 1985
Revised	May 27, 1986
Approved	May 27, 1986
Revised	April 28, 1987
Approved	May 26, 1987
Revised	March 22, 1988
Approved	April 26, 1988
Revised	October 25, 1988
Approved	November 22, 1988
Revised	April 28, 1992 (Board approved)
Approved	October 11, 1992 (Guild approved)
Revised	November 23, 1993 (Board approved)
Approved	February 14, 1994 (Guild approved)
Revised	November 2, 1994 (Board approved)
Approved	February 13, 1995 (Guild approved)
Revised	September 24, 1996 (Board approved)
Approved	October 14, 1996 (Guild approved)
Revised	February 25, 1997 (Board approved)
Approved	April 14, 1997 (Guild approved)
Revised	March 24, 1998 (Board approved)
Approved	May 11, 1998 (Guild approved)
Revised	November 23, 1999 (Board approved)
Approved	March 13, 2000 (Guild approved)
Revised	February 27, 2001 (Board approved)
Approved	March 12, 2001 (Guild approved)
Revised	October 28, 2003 (Board approved)
Approved	November 10, 2003 (Guild approved)
Revised	February 25, 2004 (Board approved)

Approved	April 12, 2004 (Guild approved)
Revised	January 25, 2005 (Board approved)
Approved	February 7, 2005 (Guild approved)
Revised	April 24, 2007 (Board approved)
Approved	May 7, 2007 (Guild approved)
Revised	October 27, 2009 (Board approved)
Approved	November 9, 2009 (Guild approved)
Revised:	May 24, 2016 (Board approved)
Approved:	October 10, 2016 (Guild approved)
Revised:	April 25, 2017 (Board approved)
Approved:	May 8, 2017 (Guild Approved)
Revised:	March 26, 2019
Approved	March 27, 2019 (Guild Approved)
Revised:	January 26, 2021 (Board Approved)
Approved	March 8, 2021(Guild Approved)

I certify that these are the Bylaws of Mary Free Bed Rehabilitation Hospital.

Dated as of March 17, 2021



 Dave Muir
 Board Chair as stand in for Its Secretary