

**BYLAWS  
OF  
LIBERTY HOSPITAL FOUNDATION, INC**

**ARTICLE I. AUTHORITY**

**SECTION 1:1 CHARTER.** This Foundation was created on November 28, 1983 as the Liberty Hospital Foundation Association. On November 29, 1984, this Foundation was named the Liberty Hospital Foundation, Inc. (hereinafter referred to as the "Foundation") and received Articles of Incorporation under "The General Not For Profit Corporation Act" of the State of Missouri. This Foundation is exempt from Federal Taxes under provisions of the Internal Revenue Code Section 501 (c)3.

**SECTION 1:2 REGISTERED OFFICE AND REGISTERED AGENT** The Foundation shall have and continuously maintain a registered office and the name of the Foundation shall be such as is determined from time to time by the Board of Trustees and on file in the appropriate office of the State of Missouri pursuant to applicable provisions of law.

**SECTION 1:3 GOVERNANCE.** This Foundation shall be governed by a self-perpetuating Board of Trustees consisting of Regular, Ex-Officio, Honorary and Emeritus.

**SECTION 1:4 PURPOSE.** The Foundation intends that it shall be the principal gift, grant and bequest promotion, receiving, management and disbursement vehicle for Liberty Hospital. The Foundation shall, in accordance with its Articles of Incorporation, function exclusively for charitable, educational and scientific health care services including, but not limited to, the sponsorship of specific projects and programs to improve and support medical services to the patients served by Liberty Hospital and, in connection with such activities, to promote health education, training, prevention and research programs.

**SECTION 1:5 TERM.** The term for which this Foundation is to exist is perpetual.

**SECTION 1:6 FISCAL YEAR.** The Foundation's fiscal year shall end June 30 each year.

**SECTION 1:7 RECORDS.** The Foundation shall keep correct and complete books and records of account, and shall also keep the minutes of the proceedings of the Board of Trustees and committees having any of the authority of the Board of Trustees; and shall keep at its registered office a record giving the names and addresses of its Board of Trustees. All books and records of the Foundation may be inspected by any trustee or agent or attorney, for any proper purpose at any reasonable time.

**SECTION 1:8 SEAL.** The corporate seal, which may be altered from time to time by the Board of Trustees, shall have inscribed thereon the name of the Foundation and the words: "Corporate Seal - Missouri".

**ARTICLE II. THE BOARD OF TRUSTEES.**

**SECTION 2:1 MEMBERSHIP.** The Board of Trustees shall consist of a maximum of twenty-two (22) voting members, the number being subject to change by the Board of Trustees from time to time by amendment of these bylaws. Subject to the provisions of Section 4:8, dealing with vacancies on the Board of Trustees, trustees shall be elected at the meeting preceding the annual meeting. Trustees shall be voted on individually by written ballot.

**SECTION 2:2 REGULAR TRUSTEES.** There shall be no more than twenty-two (22) regular trustees. Regular trustees shall take office as members of the Board of Trustees at the annual meeting, or at the first meeting after being elected, with the immediate past President continuing to serve a one-year term after the completion of their term as President.

**SECTION 2:3 EX OFFICIO MEMBERSHIP.** There shall be three (3) trustees to be known as ex officio trustees without voting privileges. Such ex officio trustees shall be designated as follows:

- (1) The President of the Board of Trustees of the

Liberty Hospital of Liberty, Missouri.

(2) The Administrator of the Liberty Hospital of Liberty, Missouri.

(3) The Chief-of-Staff of the Liberty Hospital of Liberty, Missouri.

any ex officio trustee who ceases to hold the office by virtue of which he or she is a trustee shall cease to serve as a trustee and his or her successor in office shall automatically succeed as a trustee.

**SECTION 2:4 HONORARY BOARD.** Persons whose wisdom, financial support and/or service have positively affected the purposes of the Foundation, including those who have served as regular trustees may be nominated and elected as Honorary Board members by the board upon the studied recommendation of the Committee on Trustees. Such members may attend Regular Board meetings but shall serve without vote. Such members may volunteer to serve on committees and would participate with full privileges.

**SECTION 2:5 EMERITI TRUSTEES.** Persons who have served as regular trustees with distinction including strong personal advocacy and personal financial support of the Foundation and its programs may be elected as Trustees Emeriti upon the studied recommendation of the Committee on Trustees. Trustees Emeriti status is reserved for those deserving the honor of our highest service recognition. No specific number shall be awarded, there is no obligation to award this designation each year, and it is to be awarded only in recognition of exemplary or continuous service. Such members may attend Regular Board meetings but shall serve without vote. Such members may volunteer to serve on committees and would participate with full privileges.

**SECTION 2:6 REGIONAL ADVISORY COUNCIL MEMBERS.** Persons whose position of influence in the community and region can positively affect the purpose of the Foundation and who wish to become better acquainted with the work of the Foundation may be nominated and elected to serve a two-year term as members of the Regional Advisory Council upon studied recommendation of the Committee on Trustees. Members shall be eligible for re-election. Such members may attend Regular Board meetings but shall serve without vote. Such members may volunteer to serve on committees and would participate with full privileges.

**SECTION 2:7 TERMS OF REGULAR MEMBERSHIP.** Regular members of the Board of Trustees shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one third of the total number of regular members serving on the Board of Trustees. Each board member, regardless of class, is entitled to serve two three-year terms to which he/she has been elected. Some board members may be serving an abbreviated term and would be eligible for re-election to a three year term in his/her own right. After serving two three year terms, members are required to take a one year sabbatical before being eligible for re-election to the Board of Trustees. At all annual board meetings, beginning in 1993, approximately one third of the board will be retiring. If the number of trustees is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of trustees in each class as nearly equal as possible. In no case shall the decrease in the number of trustees shorten the term of any incumbent trustee. A trustee shall hold office until a successor shall be elected, subject, however, to prior death, resignation, retirement or removal from office.

**SECTION 2:8 VACANCIES.** Vacancies for unexpired terms may be filled at the pleasure of the board subject to provisions of section 2:9.

**SECTION 2:9 QUALIFICATION AND NOMINATION.** Candidates for regular membership of the Board of Trustees shall be nominated only after thorough study and analysis of their qualifications and positions of influence to help assure consummation of the purposes of the Foundation. Candidates must be qualified, interested in, concerned for, committed to and strong advocates for the generous and continuous private sector support for the Liberty Hospital through the Foundation. Special consideration shall be given to the capability of each candidate to provide, procure and/or to assist in the acquisition and management of resources sought, acquired and/or given to the Foundation. All candidates nominated by the Committee on Trustees shall be thoroughly studied by that Committee before being proposed for regular board member-

ship. Board members are encouraged to nominate potential trustees by presenting their names in writing to the Committee on Trustees. These nominations should occur prior to May 1st. Candidates for regular membership shall have served as a member of the Regional Advisory Board for at least one year or have been a Regular Board member in the past.

**SECTION 2:10 ROLE OF THE BOARD.** The property and affairs of the Foundation shall be managed by the Board of Trustees. The Board of Trustees shall have, and is invested with, all power and authority, except as may be expressly limited by law, the Articles of Incorporation or these bylaws, to manage the business and affairs of the Foundation, to do or cause to be done any and all lawful things for and on behalf of its powers, privileges or franchises and to seek the effectuation of its objects and purposes; provided, however, that the Board of Trustees shall not authorize or permit the Foundation to engage in any activity not permitted to be transacted by the Articles of Incorporation or by a not-for-profit corporation organized under the laws of the State of Missouri, or of the United States, Internal Revenue Service Rules and Regulation Section 501 (c) 3 and all income and property of the Foundation shall be applied exclusively for its not-for-profit purposes.

### **ARTICLE III. MEETINGS**

All meetings of the Board of Trustees may be held in any place within or outside the State of Missouri as the Board may determine.

**SECTION 3:1 ANNUAL MEETING.** The annual meeting of the Board of Trustees shall be held on the fourth Thursday of July at a place designated by the President of the Board. The Board shall organize itself at such annual meeting with the first order of business being installation of newly elected trustees and election of officers.

**SECTION 3:15 BOARD MEETINGS.** The Board of Trustees will meet six (6) times a year to transact Foundation business. The 6 meetings will include the ANNUAL meeting in July. The remaining five (5) meetings will occur every other month starting with September and will occur on the 4<sup>th</sup> Thursday. At the Executive Director or Executive Council discretion meetings will be moved with at least one (1) weeks' notice if they conflict a major event or that enough members cannot be present to establish a quorum.

**SECTION 3:2 NOTICE.** Regular meetings of the Board of Trustees may be held without notice at such time or times and places either within or outside of the State of Missouri as shall from time to time be fixed by resolution of the Board of Trustees. Any business may be transacted at a regular meeting.

**SECTION 3:3 SPECIAL MEETINGS.** Special meetings of the Board of Trustees may be called by the President, or upon the written request of any three (3) members of the Board of Trustees, by giving at least three (3) days notice of such meeting to each member of the Board of Trustees.

**SECTION 3:4 WAIVER OF NOTICE.** Any notice required to be given to the members of the Board of Trustees under the provisions of these bylaws, the Articles of Incorporation of the Foundation or of any law may be waived in writing by any of them whether before, at or after the time stated therein. Attendance of any member at any meeting of the Board of Trustees shall constitute a waiver of notice of such meeting except where a member attends for the express purpose, and so states at the opening of the meeting, of objecting to the transaction of any business thereat because the meeting is not lawfully called or convened.

**SECTION 3:5 QUORUM** At all meetings of the Board of Trustees, one-third of the voting trustees shall constitute a quorum for the transaction of business, and the act of a majority of the members of the Board of Trustees present at any meeting at which there is a quorum except as may be otherwise specifically provided by law, by the Articles of Incorporation, or by these bylaws, shall be the act of the Board of Trustees.

**SECTION 3:6 PROXY.** No voting proxy is permissible.

**SECTION 3:7 ACTION WITHOUT MEETING** Any action required or permitted to be taken at any meeting of the board or any committee may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of the proceedings of the board or committee.

**ARTICLE IV. OFFICERS OF THE BOARD**

**SECTION 4:1 OFFICERS OF THE BOARD** All officers shall be regular members of the Board of Trustees and shall be nominated in May and elected each year at the annual meeting from among the members. There shall be a President, President-Elect, a Secretary and a Treasurer, all of whom shall serve one (1) year or until their successors are duly elected and installed. Any two or more offices may be held by the same person except the office of President and Secretary. The board may elect such additional officers as it may deem necessary who shall hold their offices for such terms and shall have such authority and perform such duties as shall be determined from time to time by the board. Nominations from the floor may be permitted. Voting shall be by ballot if there is more than one candidate for any office.

**SECTION 4:2 PRESIDENT.** The President shall be the chief presiding officer at all meetings of the Board of Trustees, and shall be an ex officio member of all committees of the board, except for the Executive Committee. The President shall perform the duties incidental to the office, and shall see that all orders and resolutions of the Board of Trustees is carried into effect.

**SECTION 4:3 PRESIDENT-ELECT.** The President-Elect shall, in the absence, disability or inability of the President to act, perform the duties and exercise the powers of the President. The President-Elect shall perform such other duties as the President shall from time to time prescribe. After one year, the President-Elect shall succeed to the Presidency at the annual meeting in July or in the event of vacancy in office.

**SECTION 4:4 SECRETARY.** The Secretary shall record or cause to be recorded all votes taken and the minutes of all proceedings of the Foundation Board meetings. The Secretary shall keep a book for that purpose and shall keep in safe custody the seal of the corporation and when authorized to do so shall affix the same to any instrument requiring the seal, and when so affixed, shall attest same by signature. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Trustees, but this shall not lessen the authority of others to give such notice as provided in these bylaws. The Secretary shall have the general duties, powers and responsibilities of a secretary of a nonprofit corporation and shall have and perform such other duties, authorities and responsibilities as may be prescribed from time to time by the Board of Trustees or President.

**SECTION 4:5 TREASURER.** The Treasurer shall have responsibility for the safekeeping of the funds and securities of the Foundation, and shall keep or cause to be kept a full and accurate account of all receipts and disbursements in books belonging to the Foundation. The Treasurer shall keep or cause to be kept all other books of account and accounting records of the Foundation as shall be necessary, and shall deposit or cause to be deposited all monies and other valuable effects in the name and to the credit of the Foundation in such depositories as may be designated by the Board of Trustees.

The Treasurer shall cause to be disbursed the funds of the Foundation, as may be ordered, or authorized generally by the Board of Trustees and shall render to the President of the Foundation and the Board of Trustees, whenever requested, an account of all transactions as Treasurer and of those under the jurisdiction and the financial condition of the not-for-profit corporation. In addition, the Treasurer shall make an annual report.

The Treasurer shall have the general duties, powers and responsibilities of a treasurer of a nonprofit corporation, shall be the chief financial and accounting officer of the Foundation and shall have and perform such other duties, responsibilities and authority as may be prescribed from time to time by the Board of Trustees.

**SECTION 4:6 REMOVAL.** Any officer of the Board of Trustees or agent elected or appointed by the board may be removed without cause by a majority vote of the board present at any regular or special meeting called for that purpose. This shall be done by the board whenever in its judgment the best interest of the Foundation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

**SECTION 4:7 COMPENSATION** No trustee shall receive compensation for any service rendered to the Foundation in the capacity as an officer; provided, however, that each officer may be reimbursed for any actual expenditures reasonably incurred in connection with the business of the Foundation. Salaries and compensation of all agents and employees of the Foundation may be fixed, increased or decreased by the Board of Trustees, but until such action is taken with respect thereto by the Board of Trustees, the same may be fixed, increased or decreased by the President or such other officer or officers as may be empowered by the Board of Trustees to do so.

**SECTION 4:8 VACANCIES.** Vacancies caused by death, resignation, incapacity, removal or disqualification of any officer of the Foundation shall be filled by a majority vote of the Board of Trustees at any regular meeting or at a special meeting called for that purpose and such person so elected to fill any such vacancy shall serve at the pleasure of the board for the unexpired term of the predecessor in office, and until the successor is duly elected and qualified.

**SECTION 4:9 DELEGATION AUTHORITY.** The Board of Trustees may from time to time delegate the functions, duties and responsibilities of any officer to any other trustee or any agent or employee of the Foundation or other responsible person; provided, that in event of such delegation, the officer from whom such responsibility has been transferred shall be thereafter relieved of all responsibility for the proper performance of such function or duty or the proper exercise of such power or responsibility.

**SECTION 4:10 BOND.** All regular trustees, officers, agents or employees of the Foundation may be bonded at the Foundation's expense for the faithful performance of duties in such amounts and with such sureties as the board may prescribe.

#### **ARTICLE V. COMMITTEES OF THE BOARD**

The Foundation shall function through standing and special or ad hoc committees in the conduct of the purposes and business of the Foundation.

Committees, except the Executive Committee, shall be appointed annually by the President of the board. Each committee shall meet at least twice annually.

**SECTION 5:1 STANDING COMMITTEES.** These committees shall include the Executive Committee, Financial Affairs Committee, Committee on Trustees, Fund Raising Committee and Foundation Relations Committee.

**SECTION 5:1.1 THE EXECUTIVE COMMITTEE.** This committee shall consist of all officers of the board and the Executive Director of the Foundation, which latter member shall be a nonvoting member. The President, and in the absence of the President, the President-elect shall be the presiding officer of this committee.

A majority of the Executive Committee shall consist of a quorum at any duly called meeting of the committee. Any member of the Executive Committee shall call a meeting with prior notice as the business of the Foundation may require. Conference call meetings of the Executive Committee shall be permitted.

The Executive Committee shall carry on the business of the Foundation as directed by the Board of Trustees and shall act in place of the Board of Trustees in emergencies. The Executive Committee shall be responsible to report its actions to the Board of Trustees.

**SECTION 5:1.2 FINANCIAL AFFAIRS COMMITTEE.** This committee shall have the responsibility to receive and study budget and other financial requests for the Foundation's purposes and in terms of the ability of the Foundation to respond. A budget for the upcoming fiscal year shall be presented to the board for approval at the first meeting of the year. This committee shall oversee business management functions and monitor and report financial investment activities. They shall meet with and evaluate counselors and/or agents employed by the board. The Treasurer shall be a member of this committee. The Endowment Fund shall be managed by this committee.

**SECTION 5:1.3 THE COMMITTEE ON TRUSTEES.** The Nominating Committee of the Board of Trustees shall be composed of the Executive Board and two other members of the Board of Trustees, which latter two members shall be appointed by the President. This committee shall have the responsibility to maintain a trustee candidate list (refer to Section 2:8 Qualifications and Nomination). Such lists shall be presented to the Foundation Board for its consideration prior to the scheduled election of Trustees. This committee shall also present to the Board for its annual election a slate of nominees for consideration for elected officers of the Board.

**SECTION 5:1.4 ADVANCEMENT COMMITTEE.** This committee implements the continuous support function of the Foundation concerned with concurrent and generous support from all constituents. This committee shall be concerned with both internal and external perceptions of the role and function of the Foundation as it seeks to perform its functions. Promotion, publicity, public relations, advertising and publication shall be under the auspices of this committee. These functions may occur through sub-committees, ad hoc committees or staff members. The President-Elect shall be the chairman of this committee.

**SECTION 5:1.5 FOUNDATION RELATIONS COMMITTEE.** This committee shall be concerned with both internal and external perceptions of the role and function of the Foundation as it seeks to perform its functions. Promotion, publicity, public relations, advertising and publication shall be under the auspices of this committee.

## **ARTICLE VI. THE ADMINISTRATION**

**SECTION 6:1 THE EXECUTIVE DIRECTOR.** There shall be an Executive Director of the Foundation appointed by the Board of Trustees. The Executive Director shall be the chief administrative officer of the Foundation. The Executive Director shall be responsible for implementing all policies and programs approved by the Board of Trustees and shall have such other duties as may be prescribed by the board from time to time. The Executive Director shall be employed upon such terms and conditions and with such compensation as the board shall determine from time to time.

**SECTION 6:2 OTHER FOUNDATION STAFF.** The Executive Director from time to time may hire other Foundation staff as it shall deem advisable and upon such terms and conditions and with such compensation as it shall deem appropriate to further approve programs and functions of the Foundation. The Executive Director also has the authority to terminate Foundation Staff as deemed necessary. The Executive Committee of the Board must approve of any hire or termination in advance.

**SECTION 6:3 REMOVAL** Any administrative officer so appointed by the Board of Trustees may be removed by a majority vote of the entire board at any regular meeting or special meeting called for that purpose, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

## **ARTICLE VII. AMENDMENT**

These bylaws may be amended, altered, supplemented or repealed by two-thirds vote of the board members present at any meeting of the board duly called and regularly held. Notice of consideration of such action shall be sent in writing to members of the board at least thirty (30) days before such meeting.

The Executive Committee shall review the Bylaws at least every five (5) years.

## **ARTICLE VIII. GENERAL**

**SECTION 8:1 GIFTS AND GRANT POLICY.** All gifts and grants and other resources shall be received subject to approval of the Board of Trustees consistent with an approved gift and grant policy. Such transfer of assets not considered ordinary shall be deferred until advance approval of the board is obtained.

**SECTION 8:2 ROBERTS RULES OF ORDER.** Any procedures not specified or limited by the bylaws shall be governed by **ROBERTS RULES OF ORDER.**

**SECTION 8:3 CONFLICT OF INTEREST.** Members of the Board of Trustees have an obligation to conduct Foundation business within guidelines that prohibit actual or potential conflicts of interest and/or threaten the Foundation's tax-exempt purpose. An actual or potential conflict of interest occurs with a Trustee's obligation to further the Foundation's charitable purpose is at odds with her/his own financial interests and/or when a Trustee is in a position to influence a Foundation decision or business dealing that may result in personal gain. An actual or potential conflict of interest also occurs when a Trustee is in a position to influence a Foundation decision that may result in personal gain for a family member or outside firm. Personal gain may result not only in cases where a Trustee or family member has significant ownership or a compensation arrangement in a bribe, substantial gift, or special consideration as a result of any transaction or business relationship involving the Foundation.

The existence of a financial interest does not necessarily mean that the Trustee has a conflict of interest. Conflicts can arise from many ordinary and appropriate activities. The existence of a conflict does not imply wrongdoing on anyone's part and no "presumption of guilt" is created by the mere existence of a relationship with outside parties. Some relationships may create an appearance of conflict; those, too, are important to eliminate or manage so that the Foundation may maintain public confidence in the integrity of its activities.

**SECTION 8:4 INDEMNIFICATION.**

**SECTION 8:4.1** The Foundation shall indemnify, defend and hold harmless any person who was or is a party, or is threatened, pending or completed action, suit, or proceeding (whether civil, criminal, administrative or investigative) by reason of the fact that he or she is or was a Trustee or Officer of the Foundation. The Foundation shall indemnify such person against all expenses, liability and loss, including attorneys' fees, judgments, fines and amounts actually and reasonably incurred by him or her in connection with such action, suit or proceeding to the fullest extent authorized by Missouri law, as the same exists or may hereafter be amended.

**SECTION 8:4.2** The right to indemnification conferred by this Article shall be a contract right. Such right shall include the right to be paid by the Foundation expenses incurred in defending a civil or criminal action, suit or proceeding prior to its final disposition. The Board shall authorize such advance payment upon receipt of an undertaking by or on behalf of the Trustee or Officer to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Foundation as authorized in this Article.

**SECTION 8:4.3** Indemnification hereunder shall continue as to a person who has ceased to be a Trustee or Officer, and his or her heirs, personal representatives or assigns shall succeed to his or her rights under this Article.

**SECTION 8:4.4** The Foundation shall purchase and maintain insurance on behalf of any person who is or was a Trustee or Officer against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Foundation would have the power to indemnify him or her against such liability under the provisions of this Article.

**SECTION 8:4.5** The provisions of this section do not limit the Foundation's power to pay or reimburse expenses, including legal fees, incurred by a Trustee of the Foundation in connection with appearing as a witness in a proceeding at a time when the Trustee had not been made a named defendant or a respondent in the proceeding.

**SECTION 8:5 PRIVATE INUREMENT.** No member, director, officer, employee or any other person shall receive at any time any of the net earnings or pecuniary profit from the operation of the Foundation except that nothing shall prevent the payment of reasonable compensation for services rendered to or for the Foundation in pursuance of any of its purposes, such compensation to be fixed by the board.

**SECTION 8:6 DISSOLUTION.** The procedure for dissolution of the corporation is set forth in the Articles of Incorporation.