

BY-LAWS AND CODE OF REGULATIONS
OF
THE OHIO BENEFITS COOPERATIVE, INC.
An Ohio Non-Profit Corporation

Dated: February 26, 2015

ARTICLE I. MEMBERSHIP

Section 1. Membership. Membership in this Corporation shall be limited to the governing bodies of counties, municipal corporations, townships, special districts, school districts, political subdivisions or other governmental entities as contemplated in Section 167.01 of the Ohio Revised Code authorized by their individual governing laws, including municipal charters, ordinances, resolutions or legislation, if applicable, to become Members of this Corporation. Membership of the Corporation shall be of two types: Member and Affiliate Member. Affiliate Membership shall be defined as political subdivisions which do not participate in either the OBC Medical Pool or OBC Medical Purchasing Cooperative. Affiliate Membership shall be limited such that political subdivisions holding such membership may participate in all Board or corporate activities but shall not be voting members afforded a vote in Board matters. The Membership of the Corporation shall consist of those Members that joined the Corporation at its inception, as listed in the attached Exhibit "A" (the "Initial Members"), plus those Members admitted to Membership or Affiliate Membership thereafter from time to time (the "New Members") which participate in the OBC Medical Pool or OBC Medical Purchasing Cooperative, less any Members that withdraw or are expelled from the Corporation in the OBC Medical Pool or OBC Medical Purchasing Cooperative in accordance with these Regulations.

Section 2. Rights of Members. In addition to any other powers or rights provided under Ohio law, each Member of the Corporation shall have the following rights:

(a) Voting Rights. Each Member of the Corporation in good standing (other than Affiliate Members) shall have an equal right to vote in membership decisions by designating a Member Representative to the Board of Members (the "Board") to vote on behalf of the Member. Membership decisions shall include, but not be limited to, the following: (i) addition of new Members; (ii) expulsion of Members; (iii) election of Member Representatives and Alternate Representatives; (iv) types of insurance/benefits to be provided or risks to be shared through the Corporation; (v) the selection of insurance/benefit providers; and (vi) major transactions which are not in the ordinary course of business. The Members participating in the OBC Medical Pool shall have an equal right to vote on decisions affecting the Pool. Members participating in the OBC Medical Purchasing Cooperative shall have an equal right to vote on decisions effecting the Corporation, but do not have a voting right for decisions effecting the OBC Medical Pool only. Any dispute as whether a particular decision effects a particular pool shall be determined by a majority vote of Member Representatives (other than Affiliate Members Representatives).

(b) Purchase of Medical Insurance/Benefits. Subject to the provisions of Section 3 of this Article I, each Member shall have the right to purchase medical insurance/pool/ benefits through the Corporation at such price as is established by the Board.

(c) Designation of Member Representative. Each Member shall have the right to designate and nominate a Member Representative and Alternate Representative to serve on the Board in accordance with and subject to the provisions of Article II, and to remove its designated Member Representative and Alternate Representative at will by written notice to the Board. New Members and Affiliate Members will designate and nominate a Member Representative and Alternate Representative to serve on the Board as of the date the New Member or Affiliate Member is admitted to the Corporation, and admission to the Corporation constitutes election to the Board of the Member Representative and Alternate Representative designated and nominated by the New Member or Affiliate Member.

(d) Receive Periodic Reports. Members and Affiliate Members shall receive annual reports (or at more frequent intervals as determined by the Board) of the Corporation's operating results and financial position.

(e) Affiliate Members. Affiliate Membership is non-voting. Affiliate Members shall have all rights enumerated in Sections 2(b) and 2(c) herein, but not 2(a). The right to vote is reserved to Members which by definition includes those political subdivisions which join the Corporation and purchase group medical insurance. When an Affiliate Member participates in either the OBC Medical Pool or OBC Medical Purchasing Cooperative, the Affiliate Member shall become a Member with voting rights.

Section 3. Obligations of Members. As a condition of membership, each Member shall have the following obligations to the Corporation:

(a) Prior to becoming a Member in this Corporation, each Member shall:

- i. pay any and all required initial membership contributions, as established by the Board, and
- ii. provide written documentation that it is authorized to be a Member in the Corporation as defined by Section 1 of this Article I, and
- iii. demonstrate the financial ability to pay all anticipated obligations, and
- iv. provide a written resolution from the governing board of the participating organization authorizing membership and agreeing to the regulations of the Corporation.

(b) Each Member agrees to do, or cause to be done, the following:

- i. promptly pay all contributions and premiums for OBC self-funded pools in accordance with Board policy, understanding the OBC may assess a late payment fee of 10%; and
- ii. consent to suspension of claim payments until the member is current, and
- iii. consent to expulsion from membership if monies owed are more than thirty (30) days late.

(c) Each Member shall pay for insurance/benefits purchased and contributions assigned through the Corporation in accordance with the terms established by the Board and the insurance/pool/benefit provider, if any, selected by the Corporation. Each Member shall also pay any and all dues and assessments charged against Members pursuant to resolution of the Board.

(d) Each Member is required to direct its Member Representative to vote for election to the Board the Member Representative and Alternate Representative designated and nominated by each Member and Affiliate Member.

(e) Each Member must comply with all terms of membership.

(f) Each Member must comply with any and all insurance/pool/benefit obligations established by the Corporation with respect to an insurance/pool/ benefit program in which the Member is a participant.

(g) Each Member shall be individually responsible for any and all insurance/pool/benefit programs provided by such Member which are not purchased and furnished through this Corporation.

(h) Each Member (other than Affiliate Members) must participate in the health insurance/pool/benefit programs and related risk sharing programs, if any, sponsored by the Corporation for a minimum of three (3) years, (or, if deemed applicable by a court of competent jurisdiction, such maximum amount as permitted under Ohio Revised Code Sections 167.01, *et seq.*). Each Member (other than Affiliate Members) participating in the Medical Purchasing Cooperative programs and related risk sharing programs, if any, sponsored by the Corporation, must participate for a minimum of two (2) years, (or, if deemed applicable by a court of competent jurisdiction, such maximum amount as permitted under Ohio Revised Code Sections 167.01, *et seq.*).

(i) Each Member must cooperate fully with the Board, Officers and employees of the Corporation in any matter relating to the purpose and powers of the Corporation.

(j) Each Member shall act promptly on all matters requiring approval by the Board and shall not withhold such approval unreasonably or arbitrarily.

(k) Each Member shall, as determined by the Board and/or the insurance/benefit provider(s) servicing the Corporation, furnish periodic reports to the Board of additions, deletions, and changes to the listing of covered employees, as well as all other information as may be reasonably required for the purpose of enrolling employees, processing terminations, and effecting changes in family status.

(l) Within one (1) year after becoming a Member, each Initial Member shall identify one or more distinguishable group(s) of its employees, (e.g. well-recognized collective bargaining units, all non-unionized employees, etc.), to participate in the insurance/pool/benefit programs provided through the Corporation. Upon admission to the Corporation, each New Member shall identify one or more distinguishable group(s) of its employees, (e.g. well-recognized collective bargaining units, all non-unionized employees, etc.), to participate in the insurance/benefit programs provided through the Corporation. Each Member shall only offer to each such identified group medical insurance/benefits available through the Corporation.

(m) Within one (1) year after a Member first identifies a distinguishable group of its employees and begins to provide insurance/pool/benefits for such employees through the Corporation, such Member may, without limitation, identify additional distinguishable groups of its employees to participate in the insurance/pool/benefit programs provided through the Corporation. Thereafter, a Member may only identify and provide insurance/pool/benefits through the Corporation for additional distinguishable groups of employees if participation of such additional distinguishable groups in the insurance/benefit programs is approved by the Board.

(n) Underwriting. All Members must meet all qualifications to be a member and meet underwriting guidelines.

(o) Each Member shall provide the Corporation and/or its duly authorized representatives access to records of the Member during normal business hours, upon 24 hours prior written notice and only for the purpose of conducting necessary services related to the operation of the Corporation and for no other purposes.

(p) Each Member shall permit the Corporation and/or its duly authorized representatives to represent the Member in investigating, litigating and settling any claim made against the Corporation or the Member within the terms of coverage provided by the Corporation.

(q) Each Member agrees to be solely responsible for compliance with all federal and state employee benefit laws relative to the benefits the Member secures for its employees through participation with the Corporation. Each Member acknowledges and agrees that no other Member, nor the Corporation, nor the Benefits Pool, nor the Administrator shall be responsible for Member's compliance responsibility nor any civil damages or administrative penalties which may be assessed against a Member for any non-compliance with federal or state laws.

(r) Each Member recognizes and acknowledges that the Member is subject to the Corporation's rules on timely notification of enrollments to and terminations from the plan. In no event will the Cooperative, its insurers, or administrators, adjust overpayments, or accept late enrollees (without evidence of insurability, if applicable) when notified more than two (2) months after the termination or date eligible for enrollment.

(s) Each Member understands that neither the Board, nor the Administrator, nor the Corporation assumes any responsibility to provide any specified level of benefit, benefits provisions, type of coverage, or amount of allowable payment, in order to meet the requirements of any Member's collective bargaining agreements or satisfy the outcome of any employee or bargaining group member dispute or grievance. The Corporation reserves the right to withdraw plan offerings or change benefit levels at any time after consultations with the Members.

(t) Affiliate Members. With the exception of Section 3(h), above, Affiliate Members shall have all the obligations set forth in this section.

Section 4. Withdrawal of Members.

(a) Authorized Withdrawal of Members. After three (3) years of membership in the OBC Medical Pool or after two (2) years of membership in the OBC Medical Purchasing Cooperative (or after

the maximum time period permitted under Ohio Revised Code Sections 167.01 *et seq.*), a Member may withdraw from the Corporation by providing written notice to the Board at least ninety (90) days preceding the effective date of such withdrawal. The effective date of any withdrawal shall always fall on the first day of the month. Members may withdraw upon fewer days' notice and prior to such three (3) year time period, however, upon the affirmative vote of two-thirds (2/3rds) majority of the Board if such withdrawal is necessitated by the demands of a collective bargaining unit, or such other similar circumstances as are beyond the control of the withdrawing Member and as determined by the Board. Affiliate Members may withdraw from the Corporation upon ninety (90) days written notice.

- i. Any Member or Affiliate Member voluntarily withdrawing from the Corporation shall pay all claims of its eligible employees, families, and dependents from the effective date of withdrawal for any claims incurred on or after the withdrawal date. Any claims paid by the Corporation on claims incurred after the effective date of withdrawal shall be reimbursed in full by any withdrawing Member or Affiliate Member upon demand of the Corporation.
- ii. Initial membership contributions as required in Section 3(a), are non-refundable upon the withdrawal of a Member or Affiliate Member.
- iii. Any Member, who withdraws from the Cooperative, whether such withdrawal was authorized or unauthorized, shall assume and be responsible for the payment of the following:
 - A) All Contributions for the period prior to the withdrawal during which participation in the Corporation was extended to the Member,
 - B) The proportionate share of administrative costs, assessments, or any other monies already prescribed by the Board, its agents, Administrator or insurers through the date of withdrawal,
 - C) Any additional administrative costs, including audit or accounting fees incurred by the Corporation to calculate the Withdrawing Member's withdrawal obligations, including the Reserve Deficit, unless otherwise waived by the Board.
- iv. In no event shall any payment from the reserve fund be made to a terminating member organization.

(b) Unauthorized Withdrawal of Members

- i. Any Member withdrawing from the Corporation in a manner other than as specifically authorized herein shall be an "Unauthorized Withdrawing Member".
- ii. Unauthorized Withdrawing Members shall be responsible for all the obligations and charges set forth in Section 4 (a) above.
- iii. In addition to being responsible for all obligations and charges set forth in Section 4 (a) above, all Unauthorized Withdrawing Members shall pay the Corporation liquidated

damages equal to the last twelve (12) months contribution or premium payments paid by the Unauthorized Withdrawing Member. In the event the Unauthorized Withdrawing Member has not made twelve (12) months of contribution payments prior to withdrawal, said Unauthorized Withdrawing Member shall pay the Corporation liquidated damages equating to the average of all monthly payments made by the Unauthorized Withdrawing Member prior to such withdrawal multiplied by twelve (12). The liquidated damages required under this paragraph may be waived on a case-by-case basis upon the two-thirds (2/3rds) majority affirmative vote of the Board. Notwithstanding anything to the contrary contained herein, the maximum liquidated damages payable by an Unauthorized Withdrawing Member shall not exceed Fifty Thousand Dollars (\$50,000.00). Where applicable and at the discretion of the Board, the provisions of this section shall also govern the withdrawal of Affiliate Members.

Section 5. Expulsion of Members or Affiliate Members.

(a) Basis for Expulsion. Upon the two-thirds (2/3rds) majority vote of the Board, Members or Affiliate Members may be expelled from the Corporation for the following reasons:

(i) Failure to pay for any insurance/benefit premiums, any dues or any assessments within thirty (30) days after the due date and the total of all delinquent amounts payable to the Corporation is in excess of the original membership contribution; or

(ii) If a Member or Affiliate Member is not legally authorized, for any reason, to be a Member or Affiliate Member of this Corporation; or

(iii) If a Member or Affiliate Member transfers or attempts to transfer its membership in this Corporation; or

(iv) The Member or Affiliate Member is determined to be an unacceptable risk by an insurance/benefit carrier servicing the Corporation; or

(v) The Member or Affiliate Member otherwise violates the terms and conditions of membership in this Corporation.

Initial membership contributions, as required in Article I, Section 3(a), are nonrefundable to an expelled Member.

(b). Procedure for Expulsion. Upon a vote of the Board with no less than five (5) days advanced written notice, a Member's participation may be terminated, if such a Member materially breaches or violates the terms of this Agreement, the terms of the Administration Agreement in effect at the time of such breach, or makes any misrepresentations to either the Board, the Administrator, or any third party providing services to the Corporation. Without limiting the generality of the foregoing, the failure of a Member to promptly make payments to the Corporation in complete conformity with the provisions of this Agreement shall be deemed to be a material breach and violation of this Agreement, which in and of itself would constitute and warrant termination.

(c). Responsibilities of Expelled Member. A Member expelled from the Corporation shall be considered an Unauthorized Withdrawing Member and have all the obligations of an Unauthorized

Withdrawing Member as specified in Section 4. Accordingly, upon termination, the terminated Member shall, effective as of 11:59 p.m. EST on the date on which such termination is effective, be wholly and solely responsible for providing the health care benefits that had previously been provided by the Corporation, including but not limited to any and all incurred but not reported liabilities and/or terminal liabilities related to its prior Corporation participation, and the Corporation shall have absolutely no liabilities related to the terminated Members prior Corporation participation, and the Corporation shall have absolutely no liabilities to the Member in that or any regard.

Section 6. Annual Meetings and Regular Meetings. The annual meeting of the Members of this Corporation shall be scheduled by the Board and be held at the office of the Corporation or at such other place as may be designated by the Board each year for the purpose of electing Member Representatives and for the transaction of such other business as may come before the meeting. Member Representatives (or the Alternate Representative if the Member Representative is absent) will attend the annual meeting on behalf of the Members. Additional meetings of the Members of this Corporation shall be held as needed and scheduled by the Board at the office of the Corporation or at such other place as may be designated by the Board for the transaction of any business that may come before the Board. The provisions of this section apply equally to Affiliate Members and their representatives.

Section 7. Special Meetings. Special meetings of the Members of this Corporation shall be conducted by the Member Representatives, and called by the Secretary upon the direction of the President or upon the written request of any Member Representative or Alternate Representative in accordance with Article II. The provisions of this section apply equally to Affiliate Members and their representatives.

Section 8. Notice. At least ten (10) days prior to the annual and regular meetings and at least five (5) days prior to any other meeting of the Members, written notice of the time, place, and purpose thereof shall be mailed to each Member Representative as shown on the registry of Members. This time and notice requirement may be waived by the written consent of the Board. The provisions of this section apply equally to Affiliate Representatives and Affiliate Alternate Representatives.

Section 9. Quorum and Voting. A majority of the Member Representatives attending a Members Meeting shall constitute a quorum for the transaction of any business at any regular or special meeting of the Members. Unless a higher percentage is specifically required in these Regulations, all actions conducted by the Members through their Member Representatives shall be done by majority vote. For purposes of voting, a majority of Member Representatives present at a meeting at which a quorum is present shall be sufficient. Affiliate Representatives and Affiliate Alternate Representatives are not counted as to whether a quorum is present.

Section 10. Re-Entry of Members. No member will be considered for re-entry until three (3) years after their termination effective date with approval of the Membership Committee.

Any Board Member withdrawing from the OBC Medical Pool to participate in the OBC Purchasing Cooperative may be eligible for re-entry to the OBC Medical Pool at the next OBC Medical Pool renewal with approval of the Membership Committee.

ARTICLE II. BOARD OF MEMBERS

Section 1. Member Representatives: Each Member and Affiliate Member is entitled to designate one representative to the Board (the “Member Representative” or “Affiliate Representative”). The Member Representative for each Initial Member is identified on Exhibit A. While an Affiliate Representative may attend all Board meetings and corporate activities, an Affiliate Representative is not afforded a vote in Board matters in accordance with Article I, Section 1 and 2(a).

Section 2. Alternate Representatives: Each Member and Affiliate Member is entitled to designate one Alternate Representative. The Alternate Representative for each Initial Member is identified on Exhibit A. While the Affiliate Alternate Representative may attend all Board meetings and corporate activities, the Affiliate Alternate Representative is not afforded a vote in Board matters in accordance with Article I, Section 1 and 2(a). An Alternate Representative (other than an Affiliate Alternate Representative) is permitted to vote on Board matters when the Member Representative is absent or in accordance with Section 4 herein.

Section 3. Number. Until changed in accordance with the provisions of this Section, the number of Member Representatives shall be limited to one Member Representative for each Member and one Alternate Representative for each Member. The number of Member Representatives and Alternate Representatives may be changed by resolution at any meeting or any special meeting called for that purpose, adopted by a two thirds (2/3rds) majority vote of the Member Representatives, but no reduction shall have the effect of removing any Member Representative or Alternate Representative prior to the next annual Member meeting. The provisions of this section apply equally to Affiliate Members and their representatives.

Section 4. Member Representative Vacancies. A Member Representative vacancy or vacancies on the Board, however caused, shall be filled at the meeting the vacancy occurs, the first Board meeting following the vacancy or as soon as possible thereafter. Until the vacancy is filled, the Alternate Representative shall serve in place of the Member Representative and may vote on Board matters while serving in place of the Member Representative. The vacancy shall be filled by a person designated and nominated by the Alternate Representative and approved by a majority vote of the then-remaining Member Representatives. The Alternate Representative may nominate himself or herself to be the Member Representative and may also nominate a replacement Alternate Representative. Any Member Representative may resign at any time by oral resignation made at a Board meeting or in writing delivered to the Alternate Representative, and such resignation shall take effect immediately or at such other time as the Member

Representative may specify, subject to the provisions of Article II, Sections 6 and 7. With the exception of voting rights, the provisions of this section apply equally to Affiliate Representatives and Affiliate Alternate Representatives.

Section 5. Alternate Representative Vacancies. Alternate Representative vacancy or vacancies on the Board, however caused, shall be filled at the meeting the vacancy occurs, the first Board meeting following the vacancy or as soon as possible thereafter. The vacancy shall be filled by a person designated and nominated by the Member Representative and approved by a majority vote of the then-remaining Member Representatives. An Alternate Representative may resign at any time by oral resignation made at a Board meeting or in writing delivered to the Member Representative, and the resignation shall take effect immediately or at such other time as the Alternate Representative may specify, subject to the provisions of Section 6 herein. The provisions of this section apply equally to Affiliate Alternate Representatives.

Section 6. Removal. A Member Representative or Alternate Representative may be removed for good cause by a two thirds (2/3rds) majority vote of the Board at a Board meeting specially called for that purpose. A Member Representative or Alternate Representative may be removed by the Member without cause upon written notice to the Board. The Member Representative and Alternate Representative of a Member who withdraws or is expelled from the Corporation shall be removed as of the effective date of the Member's withdrawal or expulsion. Upon receipt of written notice to the Board by a Member governing body and effective immediately, the Member's designated Member Representative or Alternate Representative shall be removed from the Board. The provisions of this section apply equally to Affiliate Members and their representatives.

Section 7. Election and Term of Office. Member Representatives and Alternate Representatives shall be representatives designated and nominated by the Members of the Corporation in good standing. Member Representatives and Alternate Representatives shall remain on the Board indefinitely until resignation or removal as provided in Sections 5 and 6. The provisions of this section apply equally to Affiliate Members and their representatives.

Section 8. Meetings. The Board shall meet at least annually, and the annual meeting of the Board shall constitute the annual meeting of the Members of the Corporation. Any Member Representative or Alternative Member Representative vacancies on the Board may be filled at the annual meeting or any other meeting of the Board. The regular election of Officers shall be conducted at the annual meeting. Any other meetings may be held at such times and places as the Board may designate. The provisions of this section apply equally to Affiliate Members and their representatives. Participation of Member Representative and Alternative Member Representative in meetings may be by electronic means that permit the remote Representative to hear and speak during the meeting. The specific means of participation may be determined by Board policy as determined by the majority vote of the board without the participation of remote Representatives.

Meetings of the Board other than the annual meeting may be called by any Member Representative or Alternative Member Representative or the governing body of any Member, by written notice given at least ten (10) days before the date of such meeting to each Member, by mail to the Member's address as it appears on the records of the Corporation. Notice of the time, place and purpose of such meeting may be waived in writing either before or after the holding of such meeting by any Member Representative (or Alternate Representative if the Member

Representative is unavailable). Such waiver shall be recorded in or appended to the minutes of such meeting. The attendance of any Member Representative or Alternate Representative at any meeting of the Board without protest prior to or at the commencement of the meeting shall be deemed a waiver of such notice of meeting. The provisions of this section apply equally to Affiliate Members and their representatives.

Section 9. Powers and Duties. The powers of this Corporation shall be exercised, its business and affairs conducted and its property controlled by the Board, except as otherwise provided in the Articles of Incorporation or the applicable laws of the State of Ohio. The Board shall have the following specific powers and duties:

- (a) to establish the costs of participation in the insurance/pool/benefits procured and/or provided by the Corporation.
- (b) to employ any necessary employees or independent contractors, including but not limited to a Claims Administrator, and set compensation for such employees and/or independent contractors;
- (c) to delegate to Officers, employees or independent contractors any duties or authority that the Board holds and which it is permitted by law to delegate other than its authority to elect Officers;
- (d) to receive and have charge of all monies and property belonging to the Corporation, to keep an accurate account of all money or property received or disposed of by the Corporation, to prepare and approve an annual budget for the Corporation, and to prepare an annual report of the financial affairs of the Corporation to be submitted to each Member, all according to well-recognized and generally accepted accounting principles;
- (e) to make available additional insurance/pool/benefits through the Corporation (e.g. Workers' Compensation benefits, etc.) over and above the health benefits and to determine what, if any, criteria need be satisfied for the purchase of such insurance/pool/benefits;
- (f) to assess dues and/or special assessments against Members and Affiliate Members for operational costs and expenses;
- (g) to establish committees and delegate to such committees by resolution any duties or authority that the Board holds and which it is permitted by law to delegate other than its authority to elect Officers. At least one (1) Member Representative and two (2) Officers shall be members of any committee formed by the Board. Committees shall have no more than five (5) committee members. Appointment to any committee shall be appointed by the Board. The authority, duties, and responsibilities of any committee, including reporting requirements, shall be as established herein or as designated in the Board resolution forming the committee regarding committees not established in these regulations;
- (h) to appoint and contract with a Fiscal Agent for up to a three (3) year term, to oversee, monitor and report: all financial and funding aspects of the OBC Self-Funded Pools, to aggregate reporting provided by support vendors, and to perform all such other

financial/funding responsibilities as dictated by Board Members under the supervision of the Treasurer;

- (i) to authorize and contract to permit any appointed Fiscal Agent to pool the OBC Self-Funded Pools with other funds administered by the Fiscal Agent for up to a three (3) year term during the term of the Fiscal Agent's appointment on terms satisfactory to the Board;
- (j) to authorize and contract for membership under Ohio Revised Code Chapter 167 health plans to administer OBC Self-Funded Pools for up to a three (3) year term; and
- (k) to carry out all such other activities as are necessarily implied or required in order to carry out the purposes and objectives of this Corporation.

Section 10. Committees. The Corporation shall have the following standing committees. Membership of the Committees shall be appointed by the Board and consist of not more than five (5) members with at least one (1) Member Representative and two (2) Officers serving on each committee.

- (a) Benefits/Finance Committee. The Benefits/Finance Committee duties shall include preparation and presentation of reports and recommendations to the Board with respect to the financial condition of the Corporation. The Benefits/Finance Committee shall be responsible for oversight of benefit policies offered to Members, including solicitation of quotations, preparation of applications, review and evaluation of proposals, and preparation of reports on proposals and recommendations to the Board. Benefits/Finance Committee shall be responsible for oversight/management of all administrative, benefits, financial, reporting and renewal aspects of the self-funded medical pool structure and ancillary coverage benefit lines. The Benefits/Finance Committee shall review renewal methodology to determine if prospective ratings can be established based on benefit structure, experience and/or participation in wellness initiatives. The members of the Benefits/Finance Committee shall be appointed to three (3) year terms.
- (b) Membership Committee. The Membership Committee's duties shall include preparation and presentation of reports and recommendations to the Board with respect to the Membership of the Corporation, including new members, Affiliate Members, and requests for withdrawals and expulsion of Members. The members of the Membership Committee shall be appointed to two (2) year terms.
- (c) Wellness Committee. The Wellness Committee duties shall include preparation and presentation of reports and recommendations to the Board with respect to the wellness initiatives of the Corporation. The members of the Wellness Committee shall be appointed to two (2) year terms.

Section 11. Compensation. Member Representatives and Alternate Representatives shall serve with no compensation for services rendered but shall receive reimbursement of reasonable expenses incurred while engaged in the Corporation's business and approved by the Board. The

provisions of this section apply equally to Affiliate Representatives and Affiliate Alternate Representatives.

Section 12. Quorum and Voting. A majority of the Board Member Representatives (including Alternate Member Representatives replacing any absent Member Representatives and excluding Affiliate Member Representatives and Affiliate Alternate Representatives) shall constitute a quorum for the transaction of any business at a regular or special meeting of the Board. Unless a higher percentage is specifically required by these Regulations, all actions conducted by the Board shall be done by majority vote. For purposes of voting, a majority of the Member Representatives (including Alternate Member Representatives replacing any absent Member Representatives) present at a meeting at which a quorum is present shall be sufficient.

ARTICLE III. OFFICERS

Section 1. Officers. The Board shall elect a President, Vice President, Secretary and Treasurer, and at its discretion it may create any other offices as the Board deems necessary.

Section 2. Term. All of the Officers of the Corporation shall hold office for a term of two (2) years, except for the Treasurer who will hold office for a term of three (3) years. All officers shall serve at the pleasure of the Board and may be terminated from the Board at any time. The term an Officer serves may be extended until the next annual meeting held following election to office. The Board may remove any Officer at any time, with or without cause. A vacancy in any office, however created, shall be filled by the Board at the meeting the vacancy occurs, the first meeting following the vacancy or as soon as possible thereafter.

Section 3. Duties of President. The President shall preside at all meetings of the Board, sign the records thereof, and perform generally all of the duties usually performed by presidents of similar corporations and such other and further duties as shall be from time to time required by the Board.

Section 4. Duties of Vice President. The Vice President shall perform all duties of the President in case of the President's absence or as may be assigned from time to time by the President or the Board, and when so acting, shall have the same power and authority as the President.

Section 5. Duties of Secretary. The Secretary shall keep minutes of all proceedings of the Board of this Corporation and make a proper record of the same which shall be attested by him or her. The Secretary shall maintain a registry identifying each Member, the governing body of each member authorized to remove Member Representatives and Alternate Representatives, the names and addresses of each Member Representative and Alternate Representative, and generally shall perform such other duties as may be required from time to time by the Board. The provisions of this section apply equally with respect to Affiliate Members and their representatives.

Section 6. Duties of Treasurer. The Treasurer shall render financial and other appropriate reports on the condition of the Corporation at the annual meeting, and at any meeting or other time as from time to time the Board or the President may require, and shall perform all such other duties as may be required of him or her by the Board. The Treasurer shall receive and have charge of all monies and property belonging to the Corporation, keep an accurate account of all money or property

received or disposed of by the Corporation, prepare the annual budget for the Corporation and annual report of the financial affairs of the Corporation (or at such frequency as directed by the Board) to be submitted to each Member, all according to well-recognized and generally accepted accounting principles. The Treasurer shall have the responsibility of the Fiscal Agent. This includes but is not limited to overseeing and supervising the Fiscal Agent, overseeing and monitoring all financial aspects of the Corporation and aggregate reporting

Section 7. Compensation. Officers shall serve with no compensation for services rendered as an Officer but shall receive reimbursement of reasonable expenses incurred while engaged in the Corporation's business and approved by the Board.

ARTICLE IV. POOL PROGRAMS

The Corporation may establish self-funded pool programs as contemplated in Section 167.01 of the Ohio Revised Code. As of the date of adoption of these Regulations, the Corporation has two pool programs: OBC Medical Pool or the OBC Medical Purchasing Cooperative. Pool Programs may be established by a two thirds (2/3rds) majority vote of the Board.

A. Supervision. The Board through the Treasurer and Fiscal Agent, shall oversee financial aspects of any termination of the pool including distribution of remaining surplus or billing/collection of assessments for deficits. Basis for any surplus distribution or deficit assessments to be prorate share based on participating lives of jurisdictions remaining in the pool as of the first of the month prior to the date the pool is terminated. Timing for surplus distribution and/or frequency for billing/collection of deficit assessments to be determined and stipulated.

B. Commitment. Members participating in the OBC Medical Pool shall make an initial three (3) year commitment, and then an annual commitment thereafter. Members participating in the OBC Medical Purchasing Cooperative shall make an initial two (2) year commitment, and then an annual commitment thereafter. Any participation standards on other pools shall be established by the Board.

C. Initial Funding. All current Members priced into the OBC Pool Programs shall be priced using their projected fully insured renewal premium structure with applicable discount for self-funding.

D. Renewal Methodology. For the OBC Medical Pool, the Corporation shall continue current methodology through the first renewal. Commencing with the second renewal for the OBC Medical Pool, the Benefits/Finance Committee shall review the current renewal methodology to determine if prospective ratings can be established based on benefit structure, experience and/or participation in wellness initiatives. Review and recommendations to be provided to the Board as part of the renewal for the second year under the OBC Medical Pool. For the OBC Purchasing Cooperative Pool. Each member shall pay claims as presented.

E. Assessments. The Board shall have the right to implement assessments where the Board reasonably determines that current funds are likely not to be sufficient to cover any/all costs or appropriate liabilities.

F. Surpluses. The Board shall have the right to distribute surplus funds where the Board reasonably determines that current funds are likely to be more than sufficient to cover any/all costs or appropriate liabilities.

G. Authorized Withdrawal or Termination. Authorized withdrawal/termination from OBC Pool Programs must occur at end of the plan year (i.e. 8/31) after the Member has provided written notice of intent 6 months prior to termination, and 90 days formal written notice prior to the termination date.

H. Withdrawal or Termination Liability. Withdrawing and terminated members are responsible for all contributions, administrative costs, assessments, run out, any additional costs including auditing incurred to calculate the member's withdrawal. Withdrawing and terminated members forfeit the right to the reserve/surplus.

I. Assessment of Withdrawing and Terminated Members. Subject to the oversight of the Board, the Benefits/Finance Committee with the assistance of the Treasurer and Fiscal Agent will look back 24 months from the date a jurisdiction withdraws to determine any applicable deficit to be paid back to the pool.

J. Claims Exceptions. A Member may not require the appointed Claims Administrator, on an exception basis, to process and pay claims that were denied by the Claims Administrator or take other actions with respect to the Plan that are not specifically set forth in the By-laws or the Plan Document(s).

ARTICLE V. INDEMNIFICATION

The Corporation shall indemnify each present and future Member Representative, Alternate Representative, and officer of the Corporation against any costs and expenses, including counsel fees, which may be imposed on or reasonably incurred in connection with any claim, action, suit or proceeding made or instituted in which he or she may be involved by reason of being or having served on the Board or as an officer of the Corporation, such costs and expenses to include the costs of reasonable settlements, other than amounts paid to the Corporation itself. The Corporation shall not, however, indemnify any Member Representative, Alternate Representative, or officer with respect to matters as to which he or she shall be finally adjudged in any such action, suit or proceeding to be liable because of intentional wrongdoing or fraud nor, except with the approval of a court of competent jurisdiction, as to any matter on which a settlement is effective, any amount in excess of the costs and expenses which might reasonably be incurred by him or her in conducting litigation to a final conclusion. The foregoing right of indemnification shall not be exclusive of other rights to which any Member Representative, Alternate Representative or officer may be entitled as a matter of law, and which inure to the benefit of the heirs, executors and administrators of any Member Representative, Alternate Representative or officer. The indemnification obligations of this section apply equally to Affiliate Representatives and Affiliate Alternate Representatives. The Corporation shall have the power to purchase and maintain insurance or furnish similar protection on behalf of or for any person, whether or not the Corporation would have the power to indemnify such person under the provisions of this Article.

ARTICLE VI. FISCAL YEAR

The fiscal year of this Corporation shall end on the 31st day of December of that year. The fiscal year may be changed by a majority vote of the Board.

ARTICLE VII. AMENDMENTS

This Code of Regulations may be amended, adopted or repealed by the affirmative vote of not less than two-thirds (2/3rds) majority of the Board empowered to vote thereon at a meeting called and held for that purpose.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section 1. Benefit Prices. The Board shall determine the price of the insurance/pool/benefits and shall determine the method to be used in calculating such price.

Insurance/benefit prices shall be reviewed by the Board as frequently as is necessary and appropriate adjustments to prices shall be made.

Section 2. Buyers. Non-Members shall not be permitted to participate in the insurance/pool/benefit programs, risk sharing programs or any other programs available through the Corporation.

Section 3. Self-Insurance. This Corporation shall have the authority to establish one or more self-insurance funds to the extent and under the terms which are deemed by the Board to be in the best interests of this Corporation.

Section 4. Function of the Corporation. Except as specifically provided in this Code of Regulations, this Corporation shall not itself offer, provide or guarantee insurance/benefit coverage to the employees or officers of its Members. In all but such specifically designated cases, the Corporation shall function solely as an administrative agency to receive, process and facilitate payments of such claims as shall come within the insurance/benefit or risk sharing programs offered to the Member and purchased through the Corporation.

Section 5. Use of Income of the Corporation. The income of this Corporation shall be used to reimburse losses which are incurred by the Members in connection with any self-insurance program sponsored by the Corporation, to reduce the annual fees that Members would otherwise be required to pay for the insurance/benefits provided through the Corporation and to pay for any necessary administrative costs incurred in connection with procuring such benefits and operating the Corporation. The income of the Corporation shall not serve private interests. Upon dissolution of the Corporation, the Corporation's assets shall be distributed on a pro rata basis to the current Members at the time of such dissolution. The amount each Member shall receive upon dissolution shall be determined by multiplying the total amount being distributed to all Members by a fraction; which fraction shall be equal to the sum of each individual Member's insurance/benefit premium payments paid through the Corporation over the immediately preceding three (3) months, divided by the total of all such premium payments made by all Members over the same period.

Section 6. Construction. These By-Laws shall function as, and be construed as, regulations as contemplated in Ohio Revised Code Section 1702.10 concerning regulations for nonprofit corporations.

IN WITNESS WHEREOF, in accordance with the By-Laws, the undersigned officials of the indicated Political Subdivision have agreed to the By-Laws on behalf of that Political Subdivision, pursuant to the duly adopted authorizing resolution of its governing body, on the date indicated below his or her signature.

Entity Name: _____

County: _____

Signature: _____

Name/Title: _____

Date: _____

OHIO BENEFITS COOPERATIVE, INC

Signature: _____

Date: _____