

**AMENDED AND RESTATED BYLAWS OF
BETA HEALTHCARE GROUP RISK MANAGEMENT AUTHORITY
Effective January 3, 2017**

PREAMBLE

These Amended and Restated Bylaws (these “**Bylaws**”) govern BETA Healthcare Group Risk Management Authority (“**BETARMA**”) and are binding upon the signatories of the Amended and Restated Joint Powers Authority Agreement dated as of January 3, 2017 (the “**JPAA**”) establishing BETA Healthcare Group Risk Management Authority, entered into for the purpose of providing the services, funds and personnel necessary and appropriate to establish, operate and maintain programs of, but not limited, to group self-insurance and/or insurance purchasing for payment of claims against signatories to the said Agreement related to professional liability, workers’ compensation and other coverage. All capitalized terms used in these Bylaws but not defined herein have the meaning set forth in the JPAA.

**ARTICLE I
AUTHORITY**

Section 1. **BETARMA.** BETARMA, acting by and through the BETA Council, shall have the authority necessary to carry out all functions of Group Self-Insurance Programs and other programs, including, but not limited to, making and entering into contracts, employing agents and staff, acquiring, holding and disposing of real and personal property and insuring and reinsuring and/or financing exposures, debts, liabilities or obligations necessary for the establishment and maintenance of the Group Self-Insurance Programs, and other programs.

Section 2. Definitions. The definitions contained in the Agreement shall be applicable in these Bylaws.

**ARTICLE II
MEMBERS**

Section 1. Members’ Meetings. There shall be an annual meeting of Members for the purpose of electing directors to the BETA Council and to transact any other BETARMA business. The annual meeting, and any additional meetings, shall be held at the call of the Chair. Twenty percent (20%) of the Members may also call a meeting of Members.

Section 2. Quorum. Twenty-five percent (25%) of the Members shall constitute a quorum for transaction of business at any Member meeting.

**ARTICLE III
BETA COUNCIL**

Section 1. BETA Council Membership and Qualifications. The BETA Council shall consist of 14 elected directors each of whom represents a Member of BETARMA and one non-elected director person. The BETA Council will be responsible for maintaining a balanced

representation from its political subdivision and nonprofit Members. As required by California Government Code Section 6527(a)(2), a majority of the elected BETA Council directors shall be from political subdivision Members, including counties and healthcare districts, so that public subdivision Members maintain control over the governance of BETARMA. Other than complying with this legal requirement, there shall not be a predetermined number of BETA Council positions designated for any specific group of BETARMA Members, either by type, location or size of any Members. Nonprofit Members must be represented by administrators on the BETA Council. Seats that have been authorized but are not filled, shall not count toward a quorum. No more than one person representing any Member shall be elected to serve as a director on the BETA Council. In the event that more than one person representing a Member is nominated, only the person receiving the most votes shall be elected. The one non-elected director shall be the Chief Executive Officer of BETARMA who shall serve on an ex-officio basis, and shall not be counted toward a quorum.

The election of BETA Council directors shall be by written or electronic ballot that may be cast, subject to the rules and procedures established by BETARMA, at a meeting of Members or received by the Administrator 24 hours prior to the date of the election. Each Member shall have one vote.

Section 2. Term of Office. Each elected director of the BETA Council shall serve four years and until a successor is elected. The terms of office shall be staggered so that at least three directors are elected each year. A director may serve successive terms.

Section 3. Vacancies. Any BETA Council director representing a Member which ceases to be a Member, or any BETA Council director whose term of office as a director of a Member terminates or any BETA Council director who ceases to be an administrator of a Member, shall automatically cease to be a director on BETA Council, and that person's position for the unexpired term shall be filled by the BETA Council at its next regular or special meeting.

Section 4. Committees. There shall be six standing committees made up of BETA Council directors, as follows:

- A. Executive Committee;
- B. Underwriting Committee;
- C. Claims Committee;
- D. Finance Committee;
- E. Risk Management Committee; and
- F. Workers' Compensation Committee.

Unless there is a vacancy in the position, the Vice Presidents of Claims, Finance, Risk Management, Underwriting and Workers' Compensation shall each be ex-officio, non-voting directors on their respective Committees. If there is a vacancy in one of the above Vice

President positions, the Administrator may, but shall not be required to, designate one ex-officio, non-voting director on the affected Committee.

The BETA Council may constitute such other ad hoc committees by creating the committee at a meeting of BETA Council and appointing directors to the committee as may prove necessary, except that the Chair may, at any time, appoint an ad hoc committee to assist the BETA Council in filling a vacancy on the BETA Council. Such committees shall automatically be dissolved upon completion of their assignments. Unless otherwise provided, the Chair shall serve as an ex-officio, non-voting director on each committee. The Chair, or at the direction of the Chair, the Vice Chair, shall be involved in screening all potential BETA Council candidates prior to the presentation of any candidates to the full BETA Council.

Each voting director on a committee shall have one vote.

Section 5. Executive Committee. The Executive Committee shall consist of the Chair, Vice Chair, Secretary, Treasurer-Auditor and Chairs of the Underwriting, Claims and Workers' Compensation Committees.

The Executive Committee shall have and may exercise the powers and authority of the BETA Council in the management of the business and affairs of BETARMA and the Group Self-Insurance Programs in those situations in which full participation of the BETA Council is not required or is not feasible. Such situations may include, but are not necessarily limited to, review of claims for settlement, review of actuarial data for the determination of costs and review of investments. The Executive Committee shall be responsible for the annual performance evaluation of the Chief Executive Officer which may include retaining an executive compensation consultant, obtaining input from other directors on BETA Council on the Chief Executive Officer's performance, collecting and analyzing salary, performance incentive and other compensation and benefit information from similar organizations and preparing and presenting the annual performance evaluation of the BETA Council and the Chief Executive Officer. Any decisions made by the Executive Committee shall be subject to ratification by the full BETA Council at its next meeting.

Section 6. Underwriting Committee. The Underwriting Committee shall consist of at least five directors on the BETA Council appointed by the Chair. The Underwriting Committee shall be responsible for development, monitoring and amendment of underwriting guidelines and program marketing and development activities, including Member recruitment and retention.

Section 7. Claims Committee. The Claims Committee shall consist of at least five directors on the BETA Council appointed by the Chair. The Claims Committee shall have oversight responsibility of the claims operations and shall review and evaluate claims reported by Members in compliance with policies and procedures approved by the BETA Council.

Section 8. Finance Committee. The Finance Committee shall consist of at least five directors on the BETA Council appointed by the Chair. The Finance Committee shall have oversight responsibility for the Group Self-Insurance Programs' financial resources, investment policy and the selection of one or more investment managers and financial consultants. The Committee shall review and recommend approval of the audited financial statements, the business plan,

the annual budget, including significant budget exceptions, investment managers, investment policy changes and investments with maturities in excess of five years. The Committee shall monitor operating results through a quarterly review of the Group Self-Insurance Program's financial statements and investment reports.

The Committee shall also make a recommendation regarding selection of external auditors, shall confirm the scope of the audit engagements to be performed by such auditors and shall review audit results and internal control issues before presentation to the BETA Council.

Section 9. Risk Management Committee. The Risk Management Committee shall consist of at least five directors on the BETA Council appointed by the Chair. The Risk Management Committee shall be responsible for assessing the risk management and quality assurance needs of the Group Self-Insurance Programs' Members and developing and implementing programs and services to reduce and control risk, enhance quality assurance efforts and monitor results.

Section 10. Workers' Compensation Committee. The Workers' Compensation Committee shall consist of at least five directors on the BETA Council, who are representatives of Members who participate in the workers' compensation program, appointed by the Chair. The Workers' Compensation Committee shall have oversight responsibility of the workers' compensation operations, including loss prevention and claims management, and will be responsible for developing and implementing programs and services to reduce and control risk, enhance employee safety and monitor results.

Section 11. Administrator. A representative of the Administrator shall attend all Committee meetings, unless otherwise directed by the BETA Council, and shall attend as an advisor only.

Section 12. BETA Council Meetings. There shall be a minimum of four regular meetings of the BETA Council each year. Such meetings shall be held at the call of the Chair, Vice Chair, Executive Committee, a majority of the directors on the BETA Council or the Chief Executive Officer of BETA_{ARMA}. The BETA Council may establish by resolution a time and place to hold regular meetings.

Meetings shall be conducted pursuant to the most current edition of Robert's Rules of Order or such other procedural rules as the BETA Council may establish from time to time. Minutes shall be kept of all BETA Council and Committee meetings.

Section 13. Committee Meetings. Meetings of a Committee may be called by the BETA Council Chair, the chair of the Committee or a majority of the directors on a Committee.

Section 14. Notice of Meetings. At least 72 hours' written notice of each regular BETA Council meeting and each regular Committee meeting shall be given to each Member, either personally, by mail or electronically by email, in addition to any notice otherwise required by law. Such notice shall contain the date, time and place of the meeting and shall contain a brief general description of the business to be transacted. Written notice may be dispensed with as to any Member who at or prior to the meeting files with the Secretary a written waiver of notice or who is actually present at the meeting at the time it convenes.

Special or emergency meetings of any standing Committee of the BETA Council may be called by the Chair, the Chief Executive Officer of BETA_{ARMA} or a majority of the directors on the BETA Council or that Committee, in accordance with the applicable requirements of the Brown Act.

Section 15. Participation in Meetings.

(a) Each Member shall be represented at Members' meetings by its chief executive officer or senior administrator, who may cast ballots on its behalf. In lieu of such officer or administrator, a Member may designate a different individual as its representative by providing BETA_{ARMA} written notice executed by the chair or president of the Member's governing body and a majority of the governing body. BETA_{ARMA} shall provide each Member forms for such designation. Any amendment to BETA_{ARMA}'s Joint Powers Authority Agreement shall be approved by each Member's governing body or by a Member's chief executive officer or senior administrator.

(b) Any representative of a Member shall be entitled to make recommendations in writing to the BETA Council or any Committee thereof with respect to any matter at any meeting thereof. Any person designated as a representative of a Member shall have the right to attend any meeting of the BETA Council or any Committee and may speak on any item subject to the rules and regulations of the BETA Council, and in accordance with the provisions of the Brown Act, but shall have no power to vote. Proxy voting shall not be permitted at BETA Council meetings.

Section 16. Quorum. A majority of the voting directors on the BETA Council shall constitute a quorum for the transaction of business at any meeting. A majority of the directors on any Committee shall constitute a quorum for transaction of the business of that Committee. Unless otherwise provided herein, the act of a majority of the Members present at a meeting of the BETA Council, or any Committee thereof, at which a quorum is present, shall be the act of the BETA Council or of that Committee. Vacant positions shall not be included in determining a quorum.

Section 17. Fees and Compensation. Members of the BETA Council and all BETA Council Committees, other than those Members designated or employed by the Administrator, shall receive a meeting fee and shall be reimbursed for all necessary out-of-pocket costs. The amount of such fees and the rate of reimbursement shall be determined from time to time by the BETA Council.

Section 18. Removal. Any director on BETA Council may be removed from office at any time by a two-thirds vote of the BETA Council if such director ceases to have the qualifications required by these Bylaws or for cause. BETA Council may remove a director for "cause," if the director engages in disruptive behavior, causes inefficiency in meetings, or fails to attend more than three consecutive meetings of the BETA Council or three consecutive meetings of any Committee of the BETA Council of which such person is a member or any combination thereof. Notification of removal shall be by written instrument.

ARTICLE III
OFFICERS OF BETARMA

Section 1. Officers. The officers of BETARMA shall be:

- (a) Chair
- (b) Vice Chair
- (c) Secretary
- (d) Treasurer-Auditor

Section 2. Method of Selection.

(a) The BETA Council shall elect from the BETA Council a Chair, Vice Chair, Secretary, and Treasurer-Auditor of BETARMA for two-year terms at the first meeting of the BETA Council following the Members' meeting at which BETA Council directors are elected or as soon thereafter as practicable. The officers shall take office July 1 and shall continue in office until June 30, or until their successors are elected, whichever is later. In the case of a vacancy in the office of the Chair, the Vice Chair shall succeed to the office and a new Vice Chair elected.

(b) The BETA Council may appoint such other officers as may be necessary to carry out the purposes of BETARMA.

(c) Any officer may be recalled at any time by a two-thirds vote of the BETA Council.

Section 3. Chair.

(a) The BETA Council shall elect the Chair from the directors who serve on BETA Council.

(b) The duties of the Chair are to:

- (1) preside at and conduct meetings of the BETA Council;
- (2) appoint Committee chairs;
- (3) preside at and conduct meetings of the Executive Committee; and
- (4) execute documents on behalf of BETARMA.

Section 4. Vice Chair.

(a) The BETA Council shall elect the Vice Chair from the directors who serve on BETA Council.

(b) The Vice Chair shall exercise the duties of the Chair in the absence, or upon a vacancy in the office, of the Chair.

Section 5. Secretary.

(a) The BETA Council shall elect the Secretary from the directors who serve on BETA Council.

(b) The duties of the Secretary are to:

(1) attend the meetings of the BETA Council and keep minutes thereof;

(2) keep all official records of BETARMA not required to be kept by the Treasurer-Auditor;

(3) file such notices and statements as are required by Sections 6503.5 and 53051 of the Government Code; and

(4) give notice of meetings as may be required by law.

(c) The Secretary may delegate the functions prescribed in paragraph (b) to any person employed or retained by BETARMA for such purpose.

Section 6. Treasurer-Auditor.

(a) The BETA Council shall elect the Treasurer-Auditor from the directors who serve on BETA Council.

(b) The Treasurer-Auditor of BETARMA shall have the custody of and disburse BETARMA'S funds. The Treasurer-Auditor shall have the authority to delegate the signatory function of the Treasurer-Auditor to such persons as are authorized by the BETA Council and may delegate the functions prescribed in paragraphs (b), (c) (d) and (e) to any person employed or retained by BETARMA for such purpose. The duties of the Treasurer-Auditor are to:

(1) Receive funds paid to BETARMA and place it in the treasury of BETARMA;

(2) Be responsible for the safekeeping and disbursement of BETARMA money held by BETARMA;

(3) Pay demands against BETARMA from BETARMA money when the demands have been approved by the Chair or such other persons as authorized by the BETA Council.

(c) The Treasurer-Auditor shall verify, and report quarterly to the BETA Council the amount of money held for BETARMA, the amount of receipts since the last report and the amount paid out since the last report.

(d) The Treasurer-Auditor, within 180 days after the close of the fiscal year, shall give a

complete written report of all financial activities of BETARMA for such fiscal year to the BETA Council and to each Member.

(e) The Treasurer-Auditor shall cause an annual independent audit to be made by a Certified Public Accountant approved by the BETA Council. A report thereof shall be filed as a public record with each of the Members. Such report shall be filed within six months of the end of the year under examination.

Section 7. Chief Executive Officer

There shall be a Chief Executive Officer appointed by the BETA Council. The Chief Executive Officer shall be responsible for the day-to-day administration, management and operation of BETARMA's Group Self-Insurance Programs and he or she shall be subject to the direction and control of the BETA Council and the Executive Committee. The Chief Executive Officer shall be compensated for services to BETARMA in such amounts and manner as may be fixed from time to time by the BETA Council. Details respecting compensation, termination, bonding requirements and other employment-related matters pertaining to the Chief Executive Officer shall be in accordance with the terms and conditions as the BETA Council shall set.

ARTICLE IV PARTIES

Section 1. Any party to the Agreement is a "party" or "Member" as used in these Bylaws. BETARMA shall also be considered an "party" that does not have a representative on BETA Council. Any political subdivision or qualified nonprofit corporation may become a party to the Agreement by consenting to be bound by the Agreement and these Bylaws and by complying with all of the following requirements:

- (a) submit application for membership and obtain BETA Council approval;
- (b) execute an original of the Agreement, as amended from time to time; and
- (c) accept the terms and conditions of the Certificate of Participation issued through BETARMA, as amended from time to time.

Section 2. An Entity which is neither generally considered to be a political subdivision, nor an eligible nonprofit corporation, may participate in one or more BETARMA programs if: (1) conditions (a), (b) and (c) above are met; (2) the BETA Council determines that the entity's risks are of the same or similar character to those faced by Members; and (3) legal counsel for BETARMA determines that the entity is legally eligible to participate in that BETARMA program.

ARTICLE V
EXPULSION OF MEMBERS

A party to the Agreement may be excluded from BETARMA participation as provided in the Agreement.

ARTICLE VI
AMENDMENT

Any Member or any BETA Council director may propose amendment of these Bylaws. A copy of the proposed amendment(s), and reasons therefor, shall be forwarded to the BETA Council and to the Members not less than 45 days prior to adoption by the BETA Council. All amendment(s) shall be approved by a two-thirds vote of the BETA Council before the amendment(s) shall be adopted. The effective date of any such amendment(s) shall be immediately upon their approval, unless otherwise stated in the amendment. Upon its approval, the amendment shall be disseminated to all Members.


ARTICLE VII
EFFECTIVE DATE

These Bylaws shall be effective immediately upon their approval or as of the date selected in the minutes of the BETA Council meeting at which they are approved.

AMENDED AND RESTATED BYLAWS

CERTIFICATE OF OFFICER

I certify that I am the duly elected Chief Executive Officer of BETA HEALTHCARE GROUP RISK MANAGEMENT AUTHORITY (“BETA”), and that the above Bylaws were duly adopted by the Board of Directors of BETA on 12/9, 2016 to be effective as of January 3, 2017.



Tom Wander
Tom Wander, Chief Executive Officer