

BYLAWS
OF
NATIONAL ASSOCIATION FOR TRUSTED EXCHANGE

Updated December 19, 2016

Contents

ARTICLE I - NAME 1

ARTICLE II - OFFICES..... 1

ARTICLE III - CORPORATE PURPOSES..... 1

ARTICLE IV – MEMBERSHIP 2

ARTICLE V – BOARD OF DIRECTORS 2

ARTICLE VI - MEETINGS OF THE BOARD OF DIRECTORS..... 4

ARTICLE VII - COMPENSATION OF DIRECTORS 5

ARTICLE VIII – CONFLICTS OF INTEREST 6

ARTICLE IX - REPORTS AND AUDITS 6

ARTICLE X - COMMITTEES 7

ARTICLE XI - OFFICERS 7

ARTICLE XII - CONTRACTS, CHECKS, DEPOSITS AND FUNDS..... 9

ARTICLE XIII - NOTICE AND WAIVER 10

ARTICLE XIV - MISCELLANEOUS..... 10

ARTICLE XV - AMENDMENTS 11

BYLAWS
OF
NATIONAL ASSOCIATION FOR TRUSTED EXCHANGE

ARTICLE I - NAME

The name of the Corporation is: **National Association for Trusted Exchange (the “Corporation” or “NATE”)**. The Corporation is organized as a nonprofit corporation under the District of Columbia Nonprofit Corporation Act of 2010 (the “Act”).

ARTICLE II - OFFICES

The Corporation may have one (1) or more office locations within or without the District of Columbia as determined from time to time by the Board of Directors. The principal office of the Corporation shall be located at 21213 Seneca Crossing Drive, Germantown, Maryland, 20876 or at such other place as shall be lawfully designated by the Board of Directors.

ARTICLE III - CORPORATE PURPOSES

1. Definitions.

Associations. Any group of people, either government or non-government, formally organized who wish to promote and contribute to the purposes of NATE.

Government Organization. Any entity established by law that has authority to participate in or regulate the activities associated with health information exchange.

Member Representative. An individual who serves as a Member organization’s delegate to NATE and who votes on behalf of the organization they represent.

Non-Government Organization. Any non-government company or organization engaged in health information exchange, whether for-profit or non-profit, such as software vendors, health information organizations, operators, consultants, healthcare providers, or payors.

2. General Purpose. The purposes of the Corporation shall be to assist stakeholders in protecting the public interest, establishing policy standards and best practices, conducting peer review, and coordinating policy efforts to support and advance consumer access to their health information and health information exchange between data holders and healthcare consumers, and in so doing to operate exclusively for charitable, educational and scientific purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section

Bylaws of the National Association for Trusted Exchange,
a District of Columbia Nonprofit Corporation

of any future federal tax code; and generally to engage in any other lawful endeavor or activity in furtherance of any of the foregoing purposes.

ARTICLE IV – MEMBERSHIP

1. Members. This Corporation shall have no voting members within the meaning of section 29-401.50 of the District of Columbia Nonprofit Corporation Act. However, the Board of Directors may, in its discretion, establish limited voting membership along with the requirements for membership and the rights and obligations of members. NATE’s Membership Policy shall contain such membership terms, conditions, and requirements.

ARTICLE V – BOARD OF DIRECTORS

1. General Terms and Eligibility. The affairs of the Corporation shall be governed by a Board of Directors. Each director shall be of legal age and be an appointed Representative of a Member Organization and must serve directly in his or her role as director, and may not abdicate his or her duties by appointing a designee to carry out such duties.

2. Number. The Board of Directors of the Corporation shall initially consist of not less than seven (7) and no more than eleven (11) voting directors, initially consisting of the following:

- a) Two (2) Directors representing Individual Members;
- b) Three (3) Directors representing Government Entities, of which at least one (1) must be a state;
- c) Three (3) Directors representing Non-Government Organizations;
- d) One (1) Director representing Associations;
- e) Two (2) Directors At-Large.
- f) The CEO of NATE and Consumer Ombudsman shall be non-voting, ex officio members of the Board.

Provided that the Corporation has at least five (5) voting directors, the size of the Board of Directors may at any time or times be increased or decreased by the Board of Directors. No reduction of the authorized size of the Board of Directors shall have the effect of removing any director prior to the expiration of that director’s term of office. Any change in the size of the Board of Directors shall take into consideration the length of term of that director’s seat created or removed so that, at least one-third and less than half of the directors are to be elected from the pool of eligible Member Representatives at each annual meeting.

3. Consumer Ombudsman. There shall be one seat designated for a non-voting Consumer Ombudsman. Following an application process to inform the Nominations

Bylaws of the National Association for Trusted Exchange,
a District of Columbia Nonprofit Corporation

Committee, a representative will be selected to participate as a NATE member with a no-cost membership.

4. Vacancies. Vacancies occurring in the Board of Directors by death, resignation, removal, or otherwise, shall be filled for the unexpired term by election by the Members.

5. Nomination and Election of Board of Directors. The Members shall elect the directors through a nomination of Member Representatives in good standing. As close as possible to one third of the Directors shall annually be elected to serve a three (3) year term of office. Directors may be elected to serve an indefinite number of terms.

6. Member Replacement of Representatives who are Directors. Any Member may remove its Representative at its discretion as described in these Bylaws. In the event that a Member elects to remove a representative who is serving on the Board of Directors, that seat is vacated and must be elected from the Membership as described in Article V.4 of these bylaws.

7. Attendance Expectations. Directors are expected to attend all meetings of the Board of Directors, whether regular or special meetings, either in person or by the electronically provided means. Directors who miss or who are not able to attend two (2) consecutive Board meetings or a minimum of at least three-fourths (3/4) of all Board of Directors meetings during a 12-month period shall be subject to removal from the Board of Directors. Removal from the Board shall not affect the Member's right to vote on other matters.

8. Restrictions. All directors shall be selected from Representatives of Members. No other individuals are eligible to be a director.

9. Terms. For the Incorporating Board of Directors, directors will serve until such time as the Initial Board of Directors is duly elected. Members of the Initial Board of Directors will be elected for terms of one (1), two (2), or three (3) years, thereby assuring the establishment of classes of directors for subsequent Board of Directors. After the completion of a one (1) or two (2) year term served on the initial Board of Directors, a director may serve two (2) consecutive, three (3) year terms. The Initial Board of Directors shall be divided, as equally as possible, into three groups consisting of staggered terms.

10. Removal. At any time, the Directors may remove, with or without cause, any director. The Board of Directors may remove a director who: (a) has been declared of unsound mind by a final order of court; (b) has been convicted of a felony; (c) has been found by a final order of court to have breached a duty as a director under the Act; (d) has missed the number of Board meetings giving rise to cause for removal under Art. V, sect. 6; or (e) does not satisfy at the time any of the qualifications for directors set forth in the Articles of Incorporation or these Bylaws, if the decision that the director fails to satisfy a qualification is made by the vote of a majority of the directors who meet all of the required qualifications.

11. Resignation. A director may resign at any time by delivering a signed notice to the Chair, the CEO, or the Secretary of the Corporation. A resignation shall be effective when the notice is delivered unless the notice specifies a later effective time.

12. Indemnification, Advancement of Expenses and Insurance. To the maximum extent permitted under the Act and the Articles of Incorporation, the Corporation shall indemnify and hold harmless its directors, officers and agents, or former directors, officers and agents, as the case may be, as they are duly elected or appointed from time to time, from any and all damages, expenses, costs, attorney's fees or claims thereof arising out of or occurring in the performance of their work and activities on behalf of the Corporation excepting therefrom only willful misconduct or gross negligence of said persons and provided further that there shall be no right of subrogation against the Corporation by any insurance or other person by reason of this Bylaw or by any act or omission of any indemnified person; and each such indemnified person shall agree that there shall be no such right of subrogation as consideration for the benefit of this resolution which shall not otherwise apply to him.

Amounts paid in indemnification of expenses and liabilities may include, but not be limited to, attorney's fees and other fees, costs and disbursements, judgments, fines and penalties against, and amounts paid in settlement by such director, officer or employee. The Corporation may advance expenses or, where appropriate may itself undertake the defense of any director, officer, or employee, However such director, officer or employee shall repay such expenses if it should be ultimately determined that he or she is not entitled to indemnification hereunder.

The Board may also authorize the purchase of insurance on behalf of any director, officer, employee or other agent against any liability incurred by him which arises out of such person's status as director, officer, employee or agent, whether or not the Corporation would have the power to indemnify the person against the liability under law.

ARTICLE VI - MEETINGS OF THE BOARD OF DIRECTORS

1. Place of Meeting. The meetings of the Board of Directors shall be held at the principal office of the Corporation or at any place within the United States that the Board of Directors may designate from time to time.

2. Annual Meeting. An annual meeting of the Board of Directors shall be held in the month of January at such time and place as may be designated by the Chair. The notice of the meeting shall give the date, time and place and designate it as the annual meeting.

3. Regular and Special Meetings. Regular meetings of the Board shall be held monthly at such time and place as may be designated by the CEO. Special meetings of the Board of Directors shall be held whenever called by the Chair, or by a majority of the directors then in

office. Special meetings of the Board of Directors shall be held at such place either within or without the District of Columbia, as shall be stated in the meeting notice.

4. Telephonic Meetings. Members of the Board of Directors are authorized to participate in any annual, regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting and a director participating by this means shall be deemed present in person at the meeting.

5. Notice of Meetings. The Corporation Secretary shall give notice to the Board of Directors of each annual and regular meeting at least five (5) calendar days before the meeting to his/her address as shown by the records of the Corporation or by e-mail or faxing notice not less than three (3) business days before the meeting, which notice shall state the time and place of the meeting, including agenda items, and notification of actions expected to be taken. A director's attendance at or participation in a meeting shall waive any required notice to the director of the meeting, unless the director at the beginning of the meeting, or promptly upon arrival, objects to holding the meeting or transacting at the meeting and does not thereafter vote for or assent to action taken at the meeting.

6. Notice of Special Meetings. Due notice of any special meeting shall be given to the Board of Directors if by personal delivery, electronically or telephone at least forty-eight (48) hours before the meeting. The recital by the Secretary in the minutes that due notice was given shall be sufficient evidence of the fact.

7. Quorum. A majority of the Board of Directors then in office and entitled to vote shall constitute a quorum for the purpose of a meeting. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present shall be the act of the Board of Directors unless a greater vote is required by the Articles of Incorporation or these Bylaws.

8. Organization. At all meetings of the Board of Directors, the Chair shall preside as described in Article XI, section 3.. The Secretary shall keep a record of the proceedings of the meetings. The CEO and Secretary shall do and perform such other duties as may from time to time be assigned to each of them, respectively by the Board of Directors.

9. Order of Business. The order of business at all meetings of the Board of Directors, unless otherwise determined by the affirmative vote of a majority of the directors present, at any meeting, shall be determined by the Corporation's CEO.

ARTICLE VII - COMPENSATION OF DIRECTORS

Directors as such shall not receive any compensation for their services as directors, but the Board of Directors may, by resolution, authorize reimbursement of reasonable expenses

Bylaws of the National Association for Trusted Exchange,
a District of Columbia Nonprofit Corporation

incurred in the performance of their duties. Such authorization may prescribe the procedure for approval and payment of such expenses by designated officers of the Corporation. Nothing herein shall preclude directors from serving the Corporation in any other capacity and receiving compensation for such services.

ARTICLE VIII – CONFLICTS OF INTEREST

1. Conflicts Generally and Declaration of Conflict. Directors are to declare any known conflict of interest in the manner prescribed by the Chair. Every director shall conduct himself or herself in accordance with the requirements of law (including but not limited to sections 29-406.30 and 29-406.70 of the Act or any successor provision), these Bylaws, and such other policies, including policies on conflicts of interest, as may from time to time be adopted by the Board.

2. Timing of Declaration of Conflict. Conflicts of interest must be declared by directors following the NATE policy and procedure for doing so prior to discussion of any matter that would provide direct financial benefit for that director, or otherwise have the appearance of a conflict of interest.

In the event that any director has a conflict of interest that might properly limit such director's fair and impartial participation in Board of Directors deliberations or decisions, such director shall inform the Board of Directors as to the circumstances of such conflict. If those circumstances require the non-participation of the affected director, the Board of Directors may nonetheless request from the director any appropriate non-confidential information which might inform its decisions. "Conflict of interest," as referred to herein, shall include but shall not be limited to, any transaction by or with the Corporation in which a director has direct or indirect personal interest, or any transaction in which a director is unable to exercise impartial judgment or otherwise act in the best interests of the Corporation.

No director shall cast a vote, nor take part in the final deliberation in any matter in which he or she, members of his or her immediate family or any organization to which such Director has allegiance, has a personal or pecuniary interest that may be seen as competing with the interest of the Corporation. Any director who believes he or she may have such a conflict of interest shall so notify, following the NATE policy and procedure for doing so, the Board of Directors prior to deliberation on the matter in question, and the Board of Directors shall make the final determination as to whether any director has a conflict of interest in any matter. The minutes of the Board of Directors meeting shall reflect disclosure of any conflict of interest and the recusal of the interested director.

ARTICLE IX - REPORTS AND AUDITS

Bylaws of the National Association for Trusted Exchange,
a District of Columbia Nonprofit Corporation

1. On or before December 31 of each year, the Board of Directors shall approve a report for the public summarizing the activities of the Board of Directors and the contributions of the Corporation to protecting the public interest regarding HIE and advancing interstate HIE during the previous year.

2. The Board of Directors shall approve all reports required by federal law or the Act to the appropriate government agency in a timely manner.

3. The Board of Directors shall provide for an Audit Committee to be established as described below that shall oversee an annual audit of its functions and operations, and the results will be made public.

ARTICLE X - COMMITTEES

1. Audit Committee. The Chair, with the approval of the Board of Directors, shall appoint an Audit Committee consisting of three (3) directors, who shall be charged with the selection and oversight of an independent auditing firm to conduct an annual audit and to report the results to the Board of Directors, along with any other duties that may be assigned by the Board of Directors.

2. Membership Committee. The Vice-Chair, with the approval of the Board of Directors, shall appoint a Membership committee consisting of one (1) Director representing each category of government organizations, non-government organizations, and association members, who shall be charged with evaluating applications for membership and making recommendations to approve those applicants that satisfy the requirements of membership in the organization, along with any other duties that may be assigned by the Board of Directors.

3. Other Board Committees: The Board of Directors is authorized to establish other such committees of one or more directors as may be deemed beneficial to achieve the mission of the organization and to assign such duties as may be desired for the good of the organization. To the extent specified by the Board of Directors, each committee may exercise the powers of the Board except that no committee may: (a) authorize distributions; (b) approve or propose to Members action requiring approval by Members by law, the Articles of Incorporation, or these Bylaws; (c) fill vacancies on the Board of Directors; (d) fill vacancies on a committee; or (e) amend or repeal these Bylaws, or adopt new Bylaws.

4. Advisory Committees. The Board of Directors is authorized to establish one or more advisory committees as may be deemed beneficial to achieve the mission of the organization and to assign such duties as may be desired for the good of the organization. An advisory committee may not be a committee of the Board or exercise any of the Board's powers.

ARTICLE XI - OFFICERS

Bylaws of the National Association for Trusted Exchange,
a District of Columbia Nonprofit Corporation

1. Election - Title - Term. The officers of the Corporation shall be a Chair, a Vice Chair, a Chief Executive Officer, a Secretary and a Treasurer, and such other officers and assistant officers as may be appointed pursuant to these Bylaws. With the exception of the Chief Executive Officer who is appointed by the Board of Directors, each officer shall be elected annually by the Board of Directors at its annual meeting from the Directors, to serve until the next annual meeting, or until a successor shall have been duly elected and shall have qualified. Any two or more offices may be held by the same person, except the same person may not hold the offices of CEO and Secretary or CEO and Treasurer simultaneously.

2. Tenure of Officers. All officers, employees and agents shall be subject to removal at any time by the affirmative vote of a majority of the Board of Directors.

3. Chair. The Chair shall act as chairman of and preside over meetings of the Board of Directors and shall perform, to the extent consistent with these Bylaws, such duties as may be conferred to this role by the Board of Directors including Chairing the Audit Committee.

4. Vice Chair and Chair-Elect. The Board of Directors shall elect a Vice Chair, who will also then become the Chair-elect. If so elected, the Vice Chair shall perform the duties and exercise the powers of the Chair if the Chair is absent or unable to act, subject to the control of and to the extent authorized by the Board of Directors. The Vice Chair shall also do and perform such other duties and have such responsibilities as the Board of Directors may, from time to time, assign including Chairing the Membership Committee.

5. Chief Executive Officer (“CEO”). The CEO shall be a non-voting, *ex officio* member of the Board of Directors and any Board Committee or advisory body of the Corporation. The CEO shall have the authority to hire, fire and discipline employees and other personnel, oversee the allocation of financial resources with the budget set by the Board of Directors and under the constraints set by the Board of Directors. The CEO shall also do and perform such other duties and have such responsibilities as the Board of Directors may, from time to time, assign and pursuant to the terms and conditions of any employment agreement then in effect between the Corporation and the CEO.

6. Secretary. The Secretary shall have the custody and be in control of all of the books and records, of the Corporation, except those in the custody and control of the Treasurer and as otherwise provided by the Board of Directors, and shall perform all duties incident to the office of Secretary, subject to the control of the Board of Directors. The Secretary is responsible for preparing or supervising the preparation of, the minutes of the meetings of the Board and the Members, and for maintaining and authenticating the records of the corporation. He/she shall do and perform such other duties as may from time to time be assigned to him/her by the Board of Directors. The Board of Directors shall have authority to appoint an Assistant Secretary if deemed necessary at the discretion of the Secretary and CEO. The Secretary and any Assistant

Secretary shall also do and perform such other duties and have such responsibilities as the Board of Directors may, from time to time, assign

7. Treasurer. The Treasurer shall have the custody and be in control of all of the funds and securities of the Corporation and the books and records related thereto, except and otherwise provided by the Board of Directors, and shall be responsible for all monies and other property of the Corporation in his/her custody, and shall perform all duties incident to the office of Treasurer, subject to the control of the Board of Directors. He/she shall do and perform such other duties as may from time to time be assigned to him/her by the Board. If required by the Board, he/she shall give bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board may require. The Board shall have authority to appoint an Assistant Treasurer if deemed necessary in the Board's discretion. The Treasurer and any Assistant Treasurer shall also do and perform such other duties and have such responsibilities as the Board may, from time to time, assign.

8. Vacancies. All vacancies among the executive officers from whatsoever cause shall be filled by the Board of Directors.

ARTICLE XII - CONTRACTS, CHECKS, DEPOSITS AND FUNDS

1. Authorization. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

2. Loans. No loan shall be contracted on behalf of the Corporation and no negotiable papers shall be issued in its name unless authorized by a majority vote of the Board of Directors. When authorized by the Board of Directors so to do, any officer or agent of the Corporation may effect approved loans and advances at any time for the Corporation from any bank, trust company or other institution or from any firm, Corporation or individual, and may make, execute and deliver promissory notes, bonds, or other certificates or evidence of indebtedness of the Corporation with respect thereto. Such authority shall be confined to specific instances. All bills, notes, checks, or other negotiable instruments of the Corporation shall be in the name of the Corporation and shall be co-signed by two officers of the Corporation or two other persons duly authorized by the Board of Directors in such person's official representative capacity.

3. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select, or as may be selected by any officer or

Bylaws of the National Association for Trusted Exchange,
a District of Columbia Nonprofit Corporation

officers, agent or agents of the Corporation to whom such power may from time to time be delegated by the Board of Directors. For the purpose of such deposits, the Chair, CEO, Secretary/Treasurer or any other officer or agent to whom such power may have been given shall have the power to deliver checks, drafts, and other orders for the payment of money.

4. Acceptance of Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

5. Audits. Upon affirmative vote of the Board of Directors, the accounts of the Corporation will be audited by a reputable independent accountant, whose report shall be submitted to each member of the Board of Directors.

6. Bond. At the direction of the Board of Directors, any officer or employee of the Corporation shall be bonded or insured. The expense of furnishing any such bond or insurance shall be paid by the Corporation.

ARTICLE XIII - NOTICE AND WAIVER

1. Notice. Any notice required to be given under these Bylaws may be given by mailing such notice certified mail, addressed to the person entitled thereto at his/her address as shown on the books of the Corporation and such notice shall be deemed to have been given at the time of such mailing. When delivered personally or by hand, the notice shall be deemed delivered when actually received.

2. Waiver of Notice. Whenever any notice is required to be given under the provisions of law, the Articles of Incorporation, or these Bylaws, a signed record of a waiver thereof shall be deemed equivalent to the giving of such notice.

ARTICLE XIV - MISCELLANEOUS

1. Seal. The Corporation shall have no seal.

2. Fiscal Year. The fiscal year of the Corporation shall end on the last day of December in each calendar year or otherwise as the Board of Directors may determine.

3. Annual Budget. The prospective, annual budget shall be approved by the Board of Directors 30 days prior to the end of each fiscal year.

4. Books and Records. The Corporation must keep at its principal office: (a) minutes of all meetings of its Members and Board of Directors and a record of all actions taken by either

Bylaws of the National Association for Trusted Exchange,
a District of Columbia Nonprofit Corporation

without a meeting; (b) a record of all actions taken by a committee of the Board on behalf of the Corporation; (c) appropriate accounting records, as required by federal tax law; (d) a current list of the names and addresses of the Members; (e) the Corporation's Articles of Incorporation, and all current amendments thereto; (f) the Corporation's Bylaws, and all current amendments thereto; (g) all communications to and from the Members for a period of five years; (h) a list of the names and addresses of all directors and officers of the Corporation; and (i) the Corporation's most recent biennial report, as filed with the District of Columbia.

4. Conflict with District of Columbia Law. In case any of these Bylaws conflict with any provisions of the laws of the District of Columbia, such conflicting Bylaws shall be null and void upon final determination to such effect by a court of competent jurisdiction, but all other Bylaws shall remain in full force and effect.

5. Interpretation. These Bylaws are adopted for the sole purpose of facilitating the discharge, in an orderly manner, of the purposes of the Corporation. These Bylaws shall never be construed in any such way as to impair the efficient operation of the Corporation.

ARTICLE XV - AMENDMENTS

1. Bylaws. These Bylaws may be altered, amended, or repealed by the affirmative vote of three-fourths of the Directors at any regular meeting or at any special meeting called for that purpose, provided, however, that notice of the proposed amendment, alteration or repeal shall be given to each Director at least five (5) business days prior to the date of the meeting at which the Bylaws are to be altered, amended or repealed; provided, however, that no notice shall be required if all Director representatives are present and all vote in favor of the amendment. At least annually, the Board of Directors shall submit to the Directors for consideration any amendments the Board deems appropriate.

2. Articles of Incorporation. The Board of Directors, upon the proposal by 10 percent or more of the Directors and the affirmative vote of three-fourths of the Directors, shall have the power to alter, amend, or repeal the Articles of Incorporation of the Corporation at any regular or special meeting of the Members.