Notice of Annual Meeting of Members

TIME ....................................................................................... 10:00 a.m. on May 6, 2020

PLACE ..................................................................................... Corporate Offices
West Virginia Mutual Insurance Company
500 Virginia Street, East
Suite 1200
Charleston, West Virginia 25301

ITEMS OF BUSINESS ............................................................ 1) The election of two Directors to the Company’s Board of Directors for terms beginning July 1, 2020, through June 30, 2024;

2) The approval of the Third Amended and Restated Articles of Incorporation of the Company;

3) The approval of the Fourth Amended and Restated Bylaws of the Company; and

4) To transact such other business as may properly come before the meeting. The Board of Directors presently knows of no other business to address at the Company’s Annual Meeting.

RECORD DATE ...................................................................... Only those insured Members of the West Virginia Mutual Insurance Company of record at the close of business on March 15, 2020, shall be entitled to notice and to vote at the meeting.

PROXY VOTING ..................................................................... It is important that your interests be represented and voted at the meeting. At least 20% of the Company’s Members are required to attend in person or by proxy for a quorum. Your participation or proxy is important. Please MARK, SIGN, DATE and PROMPTLY RETURN the enclosed proxy card in the postage-paid envelope. You may revoke your proxy at any time prior to its exercise at the meeting.

March 31, 2020 ..................................................................... R. Austin Wallace, M.D.
Chairman, President and Chief Executive Officer
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INTRODUCTION
This Proxy Statement is furnished by the West Virginia Mutual Insurance Company (the “Mutual” or the “Company”) in conjunction with the solicitation by its Proxy Committee of proxies to be voted at the Annual Meeting of the Members of the Mutual and at any adjournment or postponement thereof. You are invited to attend the Mutual’s Annual Meeting of Members on May 6, 2020, beginning at 10:00 a.m. The meeting will be held at the corporate offices of the Mutual at 500 Virginia Street East, Suite 1200, Charleston, WV 25301. At the meeting, the Members of the Mutual will consider and vote upon:

• The election of two seats on the Mutual’s Board of Directors to serve terms from July 1, 2020, through June 30, 2024;

• The approval of the Third Amended and Restated Articles of Incorporation of the Company;

• The approval of the Fourth Amended and Restated Bylaws of the Company; and

• Other business as may properly come before the meeting. The Board of Directors presently knows of no other business to address at the Company’s Annual Meeting.

MEMBERS ENTITLED TO VOTE
For this Annual Meeting, all insured physicians of record with policies actively in force at the close of business on March 15, 2020, are deemed to be “Members” of the Mutual. Only Members are entitled to receive this notice and to vote at the Annual Meeting. Each Member is entitled to one vote on each matter properly brought before the Annual Meeting.

VOTING METHODS
Your vote is important. There are two available methods for casting your vote:

Voting by Mail
Members of record may vote their proxies by mail. Proxies may be revoked at any time before they are exercised by:

(1) written notice to the Secretary of the Mutual;

(2) timely delivery of a valid, later-dated proxy; or

(3) voting in person at the Annual Meeting.

If you choose to vote by mail, simply mark your proxy, date and sign it, and return it to us in the postage-paid envelope provided. It must be received by the Mutual by May 5, 2020. Please vote promptly.

Voting at the Annual Meeting
You may also vote in person at the Annual Meeting.

Sending your proxy now will in no way limit your ability to vote at the Annual Meeting if you later decide to attend in person. All proxies not revoked will be counted at the Annual Meeting in accordance with your instructions. If you sign your proxy card but do not give voting instructions, the votes represented by that proxy will be voted as recommended by the Proxy Committee.
VOTING ON OTHER MATTERS
If any other matters are properly presented at the Annual Meeting for consideration, the person named in the enclosed proxy form will have the discretion to vote on those matters for you. At the date this Notice of Annual Meeting went to press, the Board of Directors did not know of any other matters to be raised at the Annual Meeting.

REQUIRED VOTE
The presence, in person or by proxy, of one-fifth of the Mutual’s Members entitled to vote at the Annual Meeting is necessary to constitute a quorum. Abstentions are counted as present and entitled to vote for purposes of determining a quorum.

A plurality of the votes cast is required for the election of Directors. Abstentions are not counted for purposes of the election of Directors.

In the election of Directors, Members cast one vote for each nominee. Members do not have the right to cumulate their votes for the election of Directors.

COST OF PROXY SOLICITATION
The Mutual’s Proxy Committee will pay the expenses of soliciting proxies. The Proxy Committee has authorized proxies to be solicited on behalf of it and the Mutual by Directors, officers or employees in person or by telephone, electronic transmission or facsimile transmission.

Election of Directors

ANNUAL BOARD OF DIRECTOR ELECTIONS
At each Annual Meeting of Members, successors to the Directors whose terms expire in that given year are elected or re-elected to a term of four years.

COMMENCEMENT AND LENGTH OF TERM
The Directors elected at the 2020 Annual Meeting shall commence his or her term on July 1, 2020, with said term ending on June 30, 2024.

QUALIFICATIONS OF DIRECTORS
The Mutual’s current Bylaws set forth the required number and class defining qualifications for seats on its Board of Directors. The required membership is “at least eleven (11) directors, but not more than thirteen (13).” Six (6) of those Directors must be physicians, three (3) must have substantial experience as an officer or employee of a company in the insurance industry, and two (2) must have general knowledge and experience in business management who are officers and employees of the corporation and are responsible for its daily management. Currently, the Mutual’s Board is composed of 11 Directors.

The Mutual is also proposing revisions to its Bylaws at the 2020 Annual Meeting (see page 5, below) which if approved, will reduce the required minimum membership of directors from eleven (11) to seven (7). The Bylaw revisions, if approved, will also eliminate the required classes of Directors.

There are three Board of Director terms expiring on June 30, 2020 that involve two classes. Two of those expiring seats are from the class requiring physician Directors, which are currently held by Hans G. Dransfeld, M.D. and Luke W. Martin, M.D. The other expiring seat is from the class requiring a Director with substantial experience in the insurance industry, and it is currently held by B. Frederick Becker.
The Mutual’s Nominating Committee has nominated Dr. Dransfeld and Dr. Martin for re-election to their current seats. Mr. Becker has decided to not seek re-election, so his service on the Board will cease after his term expires on June 30. The Nominating Committee is not nominating a replacement, which is enabled by the proposed Bylaw amendments that will also be voted upon at the Annual Meeting.

NOMINATIONS FOR DIRECTORS BY MEMBERS
Pursuant to the Mutual’s Bylaws, any nominations for Directors may be made by 5% of the Members in good standing for consideration at the Annual Meeting, if such nomination is made in writing and filed with the Secretary of the Mutual no less than 40 days before the date of the Annual Meeting of Members. If this procedure is not followed, such nomination will not be brought properly before the meeting and will not be presented for Member consideration.

To date, no Director nominations by Members have been received by the Secretary, and at this time neither the Board nor the Proxy Committee know of any other business to be considered at the Annual Meeting.

Nominees For Director

Two Directors are to be elected at the 2020 Annual Meeting.

As previously stated, the Mutual’s Nominating Committee and Board of Directors have proposed the following nominees for election as Directors:

For terms expiring June 30, 2024:
- Hans G. Dransfeld, M.D.
- Luke W. Martin, M.D.

The Mutual expects the nominees for election as Directors to be able to serve if elected. If any nominee is not able to serve, the proxies may be voted for a substitute nominee. Each nominee, if elected as Director, will continue in office until his or her successor has been elected, or until his or her death or resignation.

The Mutual’s Proxy Committee and Board recommend a vote FOR the nominees for election as Director.

A Member’s signature and return of the enclosed proxy card to the Mutual will be interpreted as an indication to vote for the election of the four nominees unless otherwise indicated that said vote should be withheld from, or cast against, any such nominee.

The principal occupation and certain other information about each nominee is set forth below.

<table>
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<th>NOMINEES FOR DIRECTORS WHOSE TERMS EXPIRE IN 2024</th>
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<tr>
<td>NAME</td>
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<td>Hans G. Dransfeld, M.D.</td>
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<td>Luke W. Martin, M.D.</td>
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Article XI of the Mutual’s Second Amended and Restated Articles of Incorporation provides that the Articles of Incorporation “may be amended by the affirmative vote of two thirds of the members of the Company present in person or by proxy at a regular or special meeting of members of which notice in writing setting forth the proposed amendments was mailed to all members at least thirty (30) days in advance.”

The Mutual’s Board of Directors has determined that it is appropriate to make certain amendments to the Mutual’s Articles of Incorporation that are in the best interests of the Mutual as outlined in the attached proposed “Third Amended and Restated Articles of Incorporation of the West Virginia Mutual Insurance Company,” specifically:

1. Amending Article IV, Section 3(B)(g) to remove obsolete language; and

2. Amending Article V, Section 2 to reflect the Company’s intention that only insured physicians with in-force policies are eligible to be members of the Company.
Article XI, Section 10.1 of the Mutual’s Third Amended and Restated Bylaws provides that the “bylaws may be amended or repealed in a regular or special meeting of the board of directors by a majority vote of the directors then in office. These bylaws may also be amended or repealed by the majority vote of the members who are present in person or by proxy at any special or annual meeting thereof, provided the notice of such meeting gives notice of such proposed action.”

The Mutual’s Board of Directors has determined that it is appropriate to make certain amendments to the Mutual’s Bylaws that are in the best interests of the Mutual as outlined in the attached proposed “Fourth Amended and Restated Bylaws of the West Virginia Mutual Insurance Company,” specifically:

1. Amending Section 2.1 “Classes and Qualifications of Members,” to reflect the Company’s intention that only insured physicians are eligible to be members of the Company;

2. Amending Section 2.3 “Termination of Membership,” to reference the Inactive Schedule of Insureds and to clarify existing language;

3. Amending Section 4.1 “Board of Directors,” to change the required number of directors from “at least eleven (11) directors, but not more than thirteen (13)” to “at least seven (7) directors, but not more than eleven (11),” and also removing required classes of directors;

4. Amending Section 4.3 “Term of Office,” to remove obsolete language.

5. Amending Section 4.13 “Removal of Directors,” to remove obsolete language;

6. Amending Section 4.14 “Vacancies,” to remove obsolete language;

7. Amending Section 6.4 “Finance Committee,” to include the Company’s Controller as a permissible participant of the Finance Committee; and

8. Amending Section 11.3 “Loans,” to remove obsolete language.
THIRD AMENDED AND RESTATED

ARTICLES OF INCORPORATION

ARTICLE I
Corporate Name

Section 1. The name of the corporation shall be West Virginia Mutual Insurance Company (hereinafter referred to as the “Company”).

ARTICLE II
Duration of Existence

Section 1. The Company shall have perpetual existence.

ARTICLE III
Corporate Funds; Corporate Property

Section 1. As a domestic private, nonstock, mutual insurance corporation, the Company shall not have or issue shares of capital stock or make distributions.

Section 2. No part of the Company’s funds, income and net earnings shall inure to the benefit of or be distributable to its officers, directors or other private persons except that the Company shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the powers and purposes of the Company, subject to the further limitation and condition that only such powers shall be exercised as are in accordance with the applicable provisions of the West Virginia Code and regulations promulgated thereunder.

Section 3. The property of the Company shall be held in use solely for the purposes of this Company. In the event of dissolution of the Company or the winding up of its affairs, the assets of the Company shall be distributed in the manner provided by the statutes of the State of West Virginia or the rules or regulations of the Insurance Commissioner of the State of West Virginia, as the said statutes, rules or regulations are now in effect or as the same may hereinafter be amended.

ARTICLE IV
Purposes and Powers

Section 1. The general purpose for which the Company is organized is to issue casualty or liability insurance.

Section 2.

A. Without limitation on its general purpose, and consistently therewith, the principal purpose for which the Company is organized is to issue nonassessable
policies of insurance against liability arising out of or incident to the practice of medicine as defined in Chapter 33, Article 1, Section 10, Subsection (e), Subdivision (9) of the West Virginia Code at the lowest cost consistent with sound actuarial principles and good insurance practices to its members. “Lowest cost” shall mean the calculation of the cost of insurance as defined above to include returns of premium, dividends, credits to premiums and any other means by which the cost of a policyholder’s premium may be permissibly reduced in accordance with the statutes of the State of West Virginia or the rules or regulations of the Insurance Commissioner of the State of West Virginia, as the said statutes, rules or regulations are now in effect or as the same may hereinafter be amended.

B. The Company may issue any or all of its policies of insurance with or without participation in profits, savings, or unabsorbed portions of premiums, may classify policies issued on a participating or nonparticipating basis, and may determine the right to participate and the extent of participation of any class or classes of policies all as may be consistent with applicable law.

Section 3.

A. The Company shall have and may exercise all powers, rights, authorities, and privileges which are now or may hereafter be conferred upon or permitted to a domestic physicians' mutual insurance company organized under Chapter 33 and Chapter 31E of the West Virginia Code, including all powers necessary or proper to effectuate its general and principal purposes.

B. In particular, but without limitation, the Company shall have the power:

a. To have one or more offices to carry on all or any of its operations and business.

b. To enter into contracts or treaties with one or more other insurer(s) for the reinsurance by such other insurer or insurers of any, all, or any portion of the risks assumed or undertaken by the Company, and by appropriate contracts or treaties on an automatic, facultative, excess, catastrophe, spread loss, stop loss or other basis, to reinsure any, all, or any portion of any or all risks assumed or undertaken by any other insurer.

c. Except as limited by West Virginia law, to enter into any contract or agreement providing for the management of the business of the Company with any person, firm, or corporation as may, from time to time, be selected by the Board of Directors of the Company.

d. To institute and prosecute and to defend, in its own name and on its own behalf or in the name of or on behalf of insureds, judicial and administrative suits, actions or other proceedings.

e. To enter into, make, execute, perform, and carry out contracts of every kind and nature, including contracts of employment.
f. To the extent not inconsistent with West Virginia law to borrow money or other assets and to issue and thereafter redeem, pay and discharge, and in the interim, to pay interest thereon, promissory notes, bonds, debentures, and other securities.

g. To reduce the cost of liability insurance coverages to its policy holders consistent with sound actuarial principles and good insurance practices consistent with applicable West Virginia law and the rules and regulations of the West Virginia Insurance Commissioner.

C. The foregoing enumeration of certain powers shall not be construed to derogate from, limit, or restrict the Company in its exercise of all powers, rights, authorities, and privileges not inconsistent with the Constitution and laws of the State of West Virginia.

ARTICLE V
Ownership, Members and Voting Rights; Nonassessable Policies

Section 1. As a mutual corporation, the Company shall not have or issue shares of capital stock. The ownership of the Company shall be vested in its members.

Section 2. Each insured physician with an in-force policy shall, during the effective period of coverage of such policy, be a member of the Company and shall, without regard to the number of policies held, the limits of coverage provided under such policy or policies, or the amount of premiums paid therefore, be entitled to one vote in the election of the Board of Directors and in any other matter which may come before the members of the Company for decision and shall otherwise possess all the rights and obligations generally of members of mutual insurance companies as provided by law. Physicians having an extended reporting endorsement or listed on an Inactive Schedule of Insureds but no in-force coverage are not members of the corporation.

Section 3. All insurance policies issued by the Company shall, in accordance with applicable West Virginia law be nonassessable policies, and there shall be no contingent liability of the policyholders or members of the Company for the expenses or losses of the Company.

ARTICLE VI
Board of Directors

Section 1. Consistent with West Virginia law the powers and governance of the Company shall be vested in and exercised through a Board of Directors, comprising not less than five nor more than twenty persons, each of whom must be a citizen of the United States. The Board shall annually elect a Chair, a Vice-Chair, a President who shall be a member of the Board, a Secretary, and such other officers as may be provided for in the Bylaws of the Company. The Board shall meet at least four (4) times a year, or more often at such times and
places as may be deemed necessary or proper and designated by the Chair, or as required by the Bylaws of the Company.

Section 2. Consistent with the provisions of West Virginia law, the Bylaws may fix the number, qualifications, and compensation of the Board of Directors, their terms in office, and the manner and mode of their nomination and election and provide for the filling of vacancies, removal, the number of directors constituting a quorum, and the duties and responsibilities of the directors.

ARTICLE VII
Principal Place of Business

Section 1. The principal office of the Company shall be in the City of Charleston, County of Kanawha, State of West Virginia.

ARTICLE VIII
Investments

Section 1. No investment or loan shall be made by the Company which does not fully comply with Chapter 33 of the West Virginia Code. Further, no investment or loan shall be made unless the same has been authorized or approved by the Board of Directors or by a committee authorized thereby and charged with the duty of supervising or making such investment or loan. The minutes of any such committee shall be recorded and regular reports of such committee shall be submitted to the board of directors.

ARTICLE IX
Incorporators

Section 1. The names and addresses of the original incorporators of the Company, each of whom is a person of full age of majority and resident of the State of West Virginia, are:

Robert D’Allessandri, M.D.
P.O. Box 9000
Morgantown, WV 26506

Robert Ghiz, M.D.
100 Tracy Way
Charleston, WV 25311

John Lukens, Esq.
300 Kanawha Blvd. East
Charleston, WV 25301

Dr. J. Michael Mullin
Suite 700, 1018 Kanawha Blvd. East
Charleston, WV 25301

Sherry Cunningham, CPA
1544 Mileground Road
Morgantown, WV 26505

Martin Glasser, Esq.
P.O. Box 1746
Charleston, WV 25326

Bruce Martin
P.O. Box 756
Morgantown, WV 26505

Michael Stewart, M.D.
P.O. Box 307
Clarksburg, WV 26302

Ron Stollings, M.D.
P.O. Box 365
Madison, WV 25310

R. Austin Wallace, M.D.
1306 Kanawha Blvd. East
Charleston, WV 25301
ARTICLE X
Bylaws of the Company

Section 1. The Board of Directors shall have the power to make, adopt, amend, rescind, or repeal such bylaws, not inconsistent with the Constitution and laws of the State of West Virginia, or with these Articles, as they deem necessary or proper for the governance and management of the business and affairs of the Company, its officers, committees, and members.

ARTICLE XI
Amendment of Articles of Incorporation

Section 1. These Articles of Incorporation may be amended by the affirmative vote of two thirds of the members of the Company present in person or by proxy at a regular or special meeting of members of which notice in writing setting forth the proposed amendment was mailed to all members at least thirty (30) days in advance.

ARTICLE XII
Indemnification of Incorporators, Directors and Officers

Section 1. To the fullest extent permitted by the laws of the State of West Virginia, the Company shall indemnify and hold harmless each of its incorporators and each director or officer now or hereafter serving the Company from and against any and all claims and liabilities to which they may become subject by reason of their now or hereafter being or having heretofore been an incorporator, director, or officer of the Company and/or by reason of their alleged offenses, quasi-offenses, acts or omissions as incorporator, director, or officer, whether or not they continue to be an incorporator, director, or officer at the time when any such claim or liability is asserted; and the Company shall reimburse each such incorporator, director, or officer for all legal and other expenses reasonably incurred by them in connection with defending any or all such claims or liabilities, including amounts paid or agreed to be paid in connection with reasonable settlements made before final adjudication with the approval of the Board of Directors, whether or not he or she continues to be an incorporator, director, or officer at the time such expenses are incurred; provided however, that no incorporator, director, or officer shall be indemnified against any claim or liability arising out of his or her own bad faith, reckless disregard of his or her duties, gross negligence or willful misconduct, nor shall he or she be indemnified against or reimbursed for any expense incurred in defending any or all such claims or liability or in settling the same unless, in the judgment of the Board of Directors, the incorporator, director, or officer against whom such claims or liability is asserted has not been guilty of bad faith, reckless disregard of duties, gross negligence, or willful misconduct.

Section 2. The Board of Directors may provide in the Bylaws of the Company, to the extent permitted by and not inconsistent with the laws of the State of West Virginia, for the indemnification of other officers, employees, and agents of the Company.
ARTICLE XIII
Captions

Section 1. The captions inserted herein are inserted as a matter of convenience and for reference only and in no way define or limit the scope of these Articles of Incorporation, nor the intent of the provisions hereof.

IN WITNESS WHEREOF, these Third Amended and Restated Articles of Incorporation have been duly executed as of the ____ day of ______ 2020.

R. Austin Wallace, M.D.
Incorporator and Chairman

STATE OF WEST VIRGINIA
COUNTY OF KANAWHA; to wit:

I, the undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that R. Austin Wallace, M.D., Incorporator and Chairman, whose name is signed to the foregoing Articles, bearing date on the ______ day of _____, 2020, this day personally appeared before me in the State and County aforesaid and duly acknowledged to me his signature to the same.

Given under my hand and the official seal this _____ day of _____, 2020.

Notary Public

Commission Expires:_______________________
FOURTH AMENDED AND RESTATED
BYLAWS
OF THE
WEST VIRGINIA MUTUAL INSURANCE COMPANY

1. OFFICES

1.1. **Offices.** The principal office and principal place of the West Virginia Mutual Insurance Company (the “corporation”) shall be in the City of Charleston, County of Kanawha, State of West Virginia. The board of directors may change said principal office from said location to another within the State of West Virginia, and create such additional offices as the business of the corporation may require.

2. MEMBERSHIP

2.1. **Classes and Qualifications of Members.** The corporation shall have one class of members. Only insured physicians are eligible for membership in this corporation. An insured physician shall only be a member during the period when a policy covering such individual is actively in force.

2.2. **Addresses of Members.** All members shall keep the corporation advised of their correct addresses.

2.3. **Termination of Membership.** Termination for any reason of a policy issued by the corporation to a physician or physician entity shall immediately result in termination of membership. A member may also be expelled from membership by the board for reasonable cause. Membership shall also be terminated upon the member’s death or voluntary withdrawal. Upon expulsion or termination of membership, all rights and privileges of the member in the corporation shall cease. Physicians having an extended reporting endorsement or listed on an Inactive Schedule of Insureds but no in-force coverage are not members of the corporation.

2.4. **List of Members.** There shall be kept at the principal office of the corporation a list of current members and their addresses.

2.5. **Voting Rights.** Each physician member is entitled to one (1) vote upon each matter coming to a vote at a meeting of the members.

2.6. **Liability of Members.** A member of the corporation is not liable to the corporation or its creditors with respect to his or her membership.
2.7. **Nontransferability of Membership.** A member may not voluntarily or involuntarily transfer his or her membership or any rights arising from his or her membership.

3. **MEETINGS OF MEMBERS**

3.1. **Annual Meeting.** The annual meeting of the members shall be held on the first Wednesday in May each year, at such time of day as the board of directors shall designate, for the purpose of electing directors, receiving reports of the officers, and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of West Virginia, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the date designated herein for any annual meeting, or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently possible.

3.2. **Nomination and Election of Directors.** Not less than fifty (50) days before the annual meeting in each year, the Nominating Committee for such year shall file with the Secretary a list of nominees for directors of the corporation. Directors may also be nominated by five percent (5%) of the members in good standing in writing filed with the Secretary no less than forty (40) days before the date of the annual meeting of members. The names of all persons nominated for election as directors shall be included in the notice of meeting given to each member entitled to vote. Voting for directors shall be done by ballot, and a plurality of all votes cast at an election at which a quorum of members is present shall be sufficient to elect. Each physician member eligible to vote shall have one vote for each office of director to be filled without the right to cumulate votes.

3.3. **Special Meetings.** Special meetings of the members shall be called by the Secretary upon written request of the Chair, the President, the board of directors, or not less than one-tenth (1/10) of the members. The special meeting shall be held at such time as the Secretary may fix, but not less than ten (10) nor more than thirty (30) days after receipt of the request.

3.4. **Place of Meeting.** The place of meeting for any annual meeting or for any special meeting called by the board of directors shall be held anywhere within the State of West Virginia.

3.5. **Notice of Meeting.** Written notice stating the place, day and hour of the annual meeting of members shall be delivered by mail, or if requested, by the member, by facsimile or electronic transmission, to each member entitled to vote at such meeting, not less than thirty (30) nor more than sixty (60) days before the date of such meeting, by or at the direction of the Chair, President or Secretary or the officers or persons calling the meeting. Such written notice of a special meeting of members shall be so delivered not
less than thirty (30) nor more than sixty (60) days before the date of such meeting. In case of a special meeting or when required by statute or by these bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice.

3.6. **Quorum.** The presence of one-fifth (1/5) of the members at any meeting shall constitute a quorum. For purposes of the bylaws, a member shall be deemed to be present at any meeting of members at which the member is present in person or present by proxy. Every act or decision done or made by a majority of the members present at a meeting duly held, at which a quorum is present, shall be regarded as a valid act of the members, unless a greater number be required by law, the articles of incorporation or by the bylaws. If a quorum is not present at any meeting of members, the Chair, President or a majority of the members present may adjourn the meeting from time to time for a period not in excess of thirty (30) days, without further notice.

3.7. **Record Date.** The board of directors shall establish a record date for determining the total number of members eligible to vote at any meeting of the members not less than thirty (30) nor more than sixty (60) days before the date of the members’ meeting.

3.8. **Proxies.** A member may vote in person or by written proxy at any meeting of members. Proxies must be filed with the Secretary not less than one (1) day prior to any meeting. Proxies shall be revocable. No proxy shall be valid after the meeting for which the proxy was solicited.

3.9. **Solicitation of Proxies.** At a meeting of the board of directors preceding an annual meeting of members, a Proxy Committee may be designated by the board of directors. The Proxy Committee may utilize the facilities of the corporation for the purpose of soliciting sufficient proxies to insure a quorum at the annual meeting. The expense of the Proxy Committee incurred in the solicitation of proxies shall be defrayed from the funds of the corporation. No employee or officer of the corporation, other than the Proxy Committee, shall be authorized to utilize corporate facilities or funds for the purpose of soliciting proxies from the members unless so directed by the Proxy Committee.

4. **BOARD OF DIRECTORS**

4.1. **Board of Directors.** The corporation shall be governed by a board of directors consisting of at least seven (7) directors, but not more than eleven (11) directors.

4.2. **General Powers.** The affairs of the corporation shall be managed by its board of directors, the powers of which shall include, but not be limited to, the following:

4.2.1. The board of directors shall manage the business and affairs of the corporation and shall be vested with all of the powers granted the corporation in its
articles of incorporation and possessed by it under the applicable laws of the State of West Virginia.

4.2.2. The board of directors shall be authorized to enter into contracts on behalf of the corporation and for the investment of the assets of the corporation.

4.2.3. The board of directors may authorize the appointment of such committees as in the exercise of its discretion it may deem necessary.

4.2.4. The board of directors may prescribe the terms and conditions under which membership in the corporation may be granted, continued or terminated.

4.3. Term of Office.

4.3.1. A director’s term shall be four (4) years.

4.4. Regular Meeting. A regular annual meeting of the board of directors shall be held without other notice than this Bylaw, immediately after the annual meeting of members. Regular meetings of the directors shall be held as directed by the Chair or the President. The board of directors may provide by resolution the time and place, either within or without the State of West Virginia, for the holding of additional regular meetings of the board.

4.5. Special Meetings. Special meetings of the board of directors may be called by the Chair, President or any four (4) directors. The person or persons authorized to call special meetings of the board may fix any place within the State of West Virginia, as the place for holding any special meeting of the board called by them.

4.6. Conduct of, and Participation in, Meetings by Communication. Regular and special meetings of the board may be conducted through the use of, and any or all members of the board may participate in a regular special meeting thereof by, any means of communication by which all members of the board participating may simultaneously hear each other during the meeting. A member of the board participating in a meeting by this means is deemed to be present in person at a meeting. A person so participating shall notify the President or Chair of his or her means of participation.

4.7. Action by Board Without Meeting. Any action required or permitted to be taken by the board of directors or of a committee of directors, may be taken without a meeting if all of the directors, or all of the members of the committee, as the case may be, sign written consents setting forth the action taken or to be taken. Such written consents shall be filed with the minutes of the proceedings of the board. Any such action by written consent shall have like effect and validity as though the action were duly taken by the unanimous action of all directors at a meeting of such directors duly called and legally held.
4.8. **Notice.** Notice of any special meeting of the board of directors shall be given at least three (3) days previously thereto by written notice, or, if requested by the director, by facsimile or electronic transmission, to each director at the address or telephone number as shown on the records of the corporation. If the meeting is to be conducted by communication as provided in Section 4.6, the means of communication, how members may participate therein, and the date and time of the communication and not the place thereof shall be stated in the notice. If the meeting is to be conducted at a place, the notice thereof, in addition to the time, date and place thereof, shall state that the members of the board may participate therein by the means of communication stated therein, and how they may do so. Any director may waive notice of any meeting, either before or after such meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where the director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

4.9. **Quorum.** A majority of directors then in office shall constitute a quorum for the transaction of business at any meeting of the board; but if less than a majority of the directors are present at said meeting, a majority of directors present may adjourn the meeting from time to time without further notice.

4.10. **Manner of Acting.** The act of a majority of directors present and voting at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by law or by these bylaws.

4.11. **Presiding Officer; Recording Officer.** At all meetings of the board of directors any director elected by the directors present may preside. The Secretary, or any person appointed by the directors present, shall keep a record of the proceedings.

4.12. **Presumption of Assent.** A director of the corporation who is present at a meeting of the board of directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless: (1) he or she objects at the beginning of the meeting or promptly upon his or her arrival to holding the meeting or transacting business at the meeting; (2) his or her dissent or abstention from the action is entered in the minutes of the meeting; or (3) he or she delivers written notice of his or her dissent to or abstention from voting on such action with the person acting as the secretary of the meeting before the adjournment thereof. Such right to dissent or abstain shall not apply to a director who voted in favor of such action.

4.13. **Removal of Directors.** At a special meeting of the members called expressly for the purpose of the removal of directors, the remaining board of directors or any individual remaining director may be removed, with or without cause, by the affirmative
vote of two-thirds (2/3) of the voting power of the members of the corporation. Vacancies so created shall be filled only by a vote of the members.

4.14. **Vacancies.** Subject to the provisions of Section 4.13, the board of directors may appoint an appropriately qualified person to fill a vacancy on the board of directors. At the next annual meeting of members, an election shall be held to fill the vacated position for the remaining term.

4.15. **Compensation.** Directors may be paid for their services, and, in addition, expenses of attendance, if any, for attendance at each regular or special meeting of the board or of a committee, all as may be directed by the board; but nothing herein contained shall be so construed to preclude any director from serving the corporation in any other capacity as an officer, independent contractor or an employee and receiving compensation in such other capacity, subject to the approval of the board of directors.

5. **OFFICERS**

5.1. **Officers.** The officers of the corporation shall be a Chair of the board, a Vice Chair, a President, a Secretary, and a Treasurer. One person may hold more than one office, except that the president and secretary shall not be the same person. No officer shall execute, acknowledge or verify any instrument in more than one capacity, if such instrument is required by law or the bylaws to be executed, acknowledged and verified or countersigned by two or more officers. The board of directors may appoint such other officers and other appointees as it shall deem necessary or expedient that shall hold office for such terms, and shall exercise such powers and perform such duties, as shall be determined from time to time by the board. The board may authorize the President to appoint any such officers and other appointees and the board may authorize the President to establish the terms of conditions of such officers and appointees.

5.2. **Election and Term of Office.** The Chair, Vice Chair, President, Secretary, and Treasurer and such other officers as the board of directors chooses shall be elected for one (1) year by the board of directors at their annual meeting and shall hold office until their successors are elected and qualified or until his or her death or until he or she shall resign or have been removed in the manner hereinafter provided. The terms shall commence on the first day of July and continue through the thirtieth day of June. Any officer or other appointee appointed by the President may be removed at any time, with or without cause, by the President.

5.3. **Resignation and Removal.** An officer may resign by delivering notice to the corporation, such notice to be effective when delivered to the board of directors. Any officer or appointee may be removed by the board of directors whenever in its judgment, the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or other appointee shall not of itself create contract rights.
5.4. **Vacancies.** Vacancies in any office arising from any cause may be filled by the board of directors or the President, as appropriate, at any regular or special meeting for the unexpired portion of the term.

5.5. **Bonds.** The board of directors may, by resolution, require any or all of the officers to give bonds to the corporation, with sufficient surety or sureties, conditioned for the faithful performance of the duties of their respective offices and to comply with such other conditions as may from time to time be required by the board of directors.

5.6. **Salaries.** The salaries of all officers of the corporation elected by the board of directors shall be fixed from time to time by the board, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation. The salaries of officers and appointees appointed by the President shall be fixed by the President.

5.7. **Chair of the Board.** The Chair of the board shall preside at all meetings of the members of the board of directors, nominate and appoint annually all standing committees, subject to board approval, and shall perform such other duties as the board of directors or the bylaws may prescribe.

5.8. **Vice Chair of the Board.** The Vice Chair of the Board shall preside at meetings of the board of directors when the Chair is absent and at such other meetings as authorized by the Chair, and shall perform such other duties as the board of directors or the bylaws may prescribe.

5.9. **President.** The President shall be the chief executive officer of the corporation and shall supervise and control all of the business and affairs of the corporation, subject to the authority of the board of directors as set forth in Section 5.2. The President may sign, either individually when authorized to do so by the other officers of the corporation, or with the Secretary or any other proper officer of the corporation authorized by the board of directors, any deeds, mortgages, bonds, contracts or other instruments which the board of directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors or by these bylaws or by statute to some other officer or appointee of the corporation, and in general, shall perform all duties incident to the office of the President and such other duties as may be prescribed by the board of directors from time to time.

5.10. **Vice Presidents.** Each Vice President shall have such powers and discharge such duties as may be assigned from time to time by the President or the board of directors.

5.11. **Secretary.** The Secretary shall issue notices, when required, for all meetings. The Secretary shall keep minutes of all meetings, shall authenticate corporate records, shall have charge of the seal and the corporate books and shall make such reports and
perform such duties as are incident to the office or as are properly required by the President or the board of directors.

5.12. **Treasurer.** The Treasurer shall provide for the custody of all assets of the corporation and for appropriate systems and controls for such assets, and shall cause to be kept regular books of account. The Treasurer shall render to the board of directors from time to time as may be required an account of all transactions as Treasurer and of the financial condition of the corporation; and shall perform all duties incident to the office or properly required by the President or the board of directors.

5.13. **Absentee Officers.** During the absence or disability of the President, the following order of officers shall exercise all the functions of the President: Chair, Vice Chair, Treasurer and Secretary. In case any other officer of the corporation and any person authorized to act in such officer’s place, are absent or unable to act, the President, Chair, or the board of directors may from time to time delegate the powers or duties of such officer to any other officer, director or person whom it may elect.

5.14. **General Provisions.** Any duty authorized, provided and/or required to be performed by any officer of the corporation may be performed by his or her duly authorized assistant officer. The authority and scope of responsibility for any such assistant officer shall be established in writing and any such assistant officer being authorized to have access to, or control over, cash or investments shall be bonded in an amount satisfactory to the Treasurer of the corporation.

6. **COMMITTEES**

6.1. **Committees.** All committees created by the board of directors, each of which shall include at least two directors, shall have and may exercise the authority as delegated to it by the board of directors or these bylaws, except that no such committee shall have the authority of the board of directors in reference to (i) amending, altering or repealing the bylaws; (ii) electing, appointing or removing any member of any such committees or any director or officer of the corporation; (iii) amending the agreement of incorporation, restating agreement of incorporation, adopting a plan of merger or adopting a plan of consolidation with another corporation; (iv) authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the corporation; (v) authorizing the voluntary dissolution of the corporation or revoking proceedings therefor; (vi) adopting a plan for the distribution of the assets of the corporation; or (vii) amending, altering or repealing any resolution of the board of directors which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authorities shall not operate to relieve the board of directors or any individual director of any responsibility imposed upon it or him by law.
6.2. **Audit Committee.** There shall be an Audit Committee consisting of at least three (3) members of the board of directors, appointed by the board of directors, each of whom is not a member of the corporation’s management, and is free of any financial, family or other material personal relationship that, in the opinion of the board of directors or members of the Audit Committee, would interfere with the exercise of his or her independence from management of the corporation. The Audit Committee shall review the financial reporting and internal and external audit controls of the corporation. It shall meet regularly with the corporation’s independent accountants and review their reports. It shall also meet with the insurance department examiners as appropriate upon the completion of their examination. It shall review the corporation’s policies and practices relating to compliance with the applicable laws and regulations, ethics, conflicts of interest and the investigation of allegations of misconduct and fraud. It shall report annually to the board of directors, and additionally as the board or the Audit Committee deems appropriate.

6.3. **Nominating Committee.** Not less than sixty (60) days prior to the date of the annual meeting of the corporation, the Chair shall nominate and appoint a Nominating Committee, subject to board approval, consisting of three (3) directors to prepare a list of nominees for election as directors of the corporation at the annual meeting of members, and such Committee shall submit such list (consisting of a number of nominees equal to the number of directors to be elected) to the Secretary within the time period prescribed by Section 3.2 of these bylaws.

6.4. **Finance Committee.** There shall be a Finance Committee which may include members of the board of directors and the President and the Treasurer, plus the Chief Financial Officer or Controller, and such other Committee members who shall be nominated by the Chair and appointed by the board. The Finance Committee shall have specific authority and responsibility to direct the investment of the assets of the corporation and to review and recommend budgets to the board of directors.

6.5. **Compensation Committee.** There shall be a Compensation Committee consisting of at least three (3) directors appointed by the board of directors, each of whom is not a member of the corporation’s management, and is free of any financial, family or other material personal relationship that, in the opinion of the board of directors or members of the Compensation Committee, would interfere with the exercise of his or her independence from management of the corporation. The Committee will assist the board of directors in establishing appropriate levels of compensation and fringe benefits for the corporation’s board of directors, and officers, and shall consider the annual evaluations of the Audit and Governance Committee in making any such recommendations. The Committee shall also review the corporation’s overall compensation program to ensure that it is effective and equitably applied.
The Compensation Committee shall perform annually an evaluation of the officers elected by the board of directors and their performances in relation to the written description of such offices and report the same to the board of directors.

6.6. **Risk Management Committee.** There shall be a Risk Management Committee consisting of at least three (3) directors appointed by the board of directors. The Risk Management Committee will evaluate risk management programs and make recommendations to the board regarding programs and program credits.

6.7. **Claims Committee.** There shall be a Claims Committee appointed by the board of directors. The Claims Committee will review claims and may grant settlement authority to officers and staff of the corporation who it deems appropriate and at limits as it deems appropriate. The Claims Committee will provide direction to the claims staff of the corporation regarding defense or settlement of claims.

6.8. **Underwriting Committee.** There shall be an Underwriting Committee appointed by the board of directors. The Underwriting Committee will review the underwriting criteria and methods of the corporation’s underwriting staff, make recommendations to the board concerning underwriting policy, and provide policy direction to the staff.

6.9. **Other Committees.** Other committees, which shall have and may exercise the authority delegated to it by the board of directors in the management of the corporation, shall be designated annually by the Chair, subject to the approval by the board of directors. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interest of the corporation shall be served by such removal.

6.10. **Term of Office.** Each member of a committee shall serve a one (1) year term beginning the first day of July but may continue as such until the successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

6.11. **Chair.** One (1) member of each committee shall be appointed chair by the person or persons authorized to appoint the members thereof.

6.12. **Vacancies.** Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

6.13. **Quorum.** Unless otherwise provided in the resolution of the board of directors designating a committee, a majority of the whole committee shall constitute a quorum, and the act of the majority of the members present at a meeting at which a quorum is present shall be the act of the committee.
6.14. **Rules.** Each committee may adopt rules for its own government not inconsistent with these bylaws or with the rules adopted by the board of directors.

7. **NOTICES**

7.1. **Giving of Notice.** Unless otherwise provided for herein or in the articles of incorporation, whenever the provisions of the law, the articles of incorporation or these bylaws require notice to be given to any director, officer or member, written notice stating the necessary information shall be sent by mail, or, if the recipient requests, by facsimile or electronic transmission, at least seven (7) days prior to the event described in such notice.

7.2. **Waiver of Notice.** Unless otherwise provided by law, whenever any notice is required to be given to any member, director or officer of the corporation under the provisions of these bylaws or the articles of incorporation, a waiver of notice in writing, signed by a member, director or officer entitled to such notice, either before or after the time stated therein, shall be deemed equivalent to the giving of such notice, and said waiver shall be filed with the minutes or corporate records. The attendance of such person at a meeting shall also constitute a waiver of notice, unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

8. **INSURANCE AND SURPLUS**

8.1. **Policies Nonassessable.** All policies of insurance issued by the corporation shall be nonassessable, and the members and policyholders of the corporation shall have no contingent liability for the expenses or losses incurred by the corporation.

8.2. **Reserves and Surplus.** To provide greater security against possible hazards and contingencies, the board of directors may provide for additions to the surplus of the corporation, as in its judgment are reasonable and proper.

9. **INDEMNIFICATION**

9.1. **Indemnification.** To the fullest extent permitted by the laws of the State of West Virginia as the same exist or hereafter may be amended, every person who now is or hereafter a director, officer or employee of the corporation shall be indemnified by the corporation against all judgments, costs and expenses (including legal counsel fees) actually and necessarily incurred by or imposed upon him or her in connection with or resulting from any threatened, pending or completed action, suit or proceeding of whatever nature to which he or she is or shall be made a party by reason of his or her being or having been a director, officer or employee of the corporation (whether or not he or she is a director, officer or employee of the corporation at the time he or she is made a party to such threatened, pending or completed action, suit or proceeding, or at the time
such judgments, costs or expenses are incurred or imposed upon him or her), except in relationship to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of his duty to the corporation. In the event of termination or settlement of such threatened, pending or completed action, suit or proceeding in the absence of such adjudication, indemnification shall include reimbursement of amounts paid in settlement and expenses actually and necessarily incurred by such director, officer, or employee in connection therewith.

Reasonable expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding in accordance with the provisions of Sections 853 and 856, Article 8, Chapter 31E of the West Virginia Code.

All such indemnification shall be in addition to any other rights to which the person may be entitled under any law, insurance policy, statute, agreement, vote of the board of directors, or otherwise.

Notwithstanding anything herein to the contrary, neither a director nor an officer shall be entitled to indemnification for any liability for the following unless ordered by a circuit court pursuant to Section 854 or Section 856, Article 8, Chapter 31E of the West Virginia Code: (i) receipt of a financial benefit to which he or she is not entitled; (ii) an intentional infliction of harm on the corporation; (iii) a violation of Section 833, Article 8, Chapter 31E of the West Virginia Code relating to unlawful distributions; (iv) an intentional violation of criminal law; or (v) in connection with a proceeding by or in the right of the corporation, except that the corporation may indemnify an officer or director for reasonable expenses incurred in connection with such proceeding as provided in Section 851(d)(1) or Section 856, Article 8, Chapter 31E of the West Virginia Code.

9.2. **Insurance**. The corporation may purchase and maintain insurance on behalf of an individual who is a director or officer of the corporation, or who, while a director or officer of the corporation, serves at the corporation’s request as a director, officer, partner, trustee, employee or agent of another domestic or foreign corporation, partnership, joint venture, trust, employee benefit plan, or other entity, against liability asserted against or incurred by him or her in that capacity or arising from his or her status as a director or officer, whether or not the corporation would have power to indemnify or advance expenses to him or her against the same liability under Section 9.1 of these bylaws.

10. **AMENDMENTS**

10.1. **Bylaws -- Annual Meeting**. These bylaws may be amended or repealed in a regular or special meeting of the board of directors by a majority vote of the directors then in office. These bylaws may also be amended or repealed by the majority vote of the members who are present in person or by proxy at any special or annual meeting thereof, provided the notice of such meeting gives notice of such proposed action.
Notwithstanding the foregoing, the date of the annual meeting of members may be changed only by action taken by the members at an annual meeting.

11. CONTRACTS AND ACCOUNTS

11.1. Receipts. The Chair, President, Secretary and Treasurer or the corporation’s officers designated by them to act in their behalf are each authorized to receive and receipt for all moneys due and payable to the corporation from any source whatsoever, and to endorse for deposit checks, drafts, and other money orders in the name of the corporation or on its behalf, and to give full discharge and receipt therefor.

11.2. Contracts. The board may authorize any officer or officers, appointee or appointees, 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.

11.3. Loans. No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the board. Such authority may be general or confined to specific instances.

Notwithstanding any provision herein to the contrary, no loan shall be contracted on behalf of the corporation with any officer or director of the corporation. Any director or officer who assents to or participates in the making of any such loan shall be liable to the corporation for the amount of such loan until the repayment thereof.

11.4. 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 depositaries as the board may select.

11.5. Checks, Drafts, etc. 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, appointee or appointees of the corporation and in such manner as shall from time to time be determined by resolution of the board.

12. MISCELLANEOUS

12.1. Fiscal Year. The fiscal year of the corporation shall be the calendar year.

12.2. Seal. The seal of the corporation shall be in the form of a circle and shall have inscribed thereon the name of the corporation, the year of its organization and otherwise in a form prescribed by the board of directors. An imprint of the seal may be used to certify the authenticity of, but shall not be requisite to the validity of, any instrument or official document executed by or on behalf of the corporation.
12.3. **Contracts with Directors and Officers.** Except as otherwise provided herein, no contract or other transaction between a corporation and one or more of its directors or any other corporation, firm, association or entity in which one or more of its directors are directors or officers or are financially interested, shall be either void or voidable because of such relationship or interest or because such director or directors are present at the meeting of the board of directors or a committee thereof which authorizes, approves or ratifies such contract or transaction or because his or their votes are counted for such purpose, if: (1) the fact of such relationship or interest is disclosed or known to the board of directors or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; or (2) the fact of such relationship or interest is disclosed or known to the member entitled to vote and they authorize, approve or ratify such contract or transaction by vote or written consent; or (3) the contract or transaction is fair and reasonable to the corporation.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or a committee thereof which authorizes, approves or ratifies such contract or transaction.

On any question involving the authorization, approval or ratification of any such contract or transaction, the names of those voting each way shall be entered on the record of the proceedings.

12.4. **Minutes of Meetings.** Summaries or minutes of the proceedings of all meetings of the board of directors, committees, and members shall be kept at the principal office of the corporation. Summaries of committee meetings may be recorded as part of the minutes of the board of directors meeting.

12.5. **Books and Records.** Books of accounts and records of all transactions of the corporation shall be maintained at the principal office of the corporation.

The undersigned certifies that the foregoing bylaws have been adopted as the official bylaws of the corporation pursuant to the requirements of applicable law.

Dated: __________________________ __________________________________________

Name: __________________________

Title: __________________________