

AMENDED AND RESTATED BYLAWS ~~(ANNOTATED)~~

OF

WASHINGTON DENTAL SERVICE¹

(as amended effective November __, 2020)

ARTICLE I

MEMBERSHIP

SECTION 1. GENERAL.

~~This corporation will have no members until such time as it has acquired control of Washington Dental Service (“referred to as “Former WDS” since its corporate name will be changed contemporaneously to “Delta Dental of Washington”). Effective immediately upon such acquisition of control of Former WDS (the “Reorganization”), all individuals who were members in good standing of Former WDS at the time of the Reorganization shall automatically (and without the necessity of any further action by such individual or this corporation) become members of this corporation. After the Reorganization, any~~Any dentist duly licensed by the State of Washington to engage in the practice of dentistry in this state and who is actively practicing dentistry and who executes a service contract with ~~Former WDS~~the corporation’s affiliate, Delta Dental of Washington, shall be eligible for membership in this corporation.

Applications for membership shall be made on a form approved by the corporation. The corporation shall accept or reject all applications.

Upon approval of the application, the dentist shall be obligated to provide services under group dental care contracts and other contracts issued or approved by ~~Former WDS~~Delta Dental of Washington or this corporation. Members shall have no interest in the property of the corporation. A membership is not transferable or assignable.

When used throughout these bylaws, the word "member" shall mean a person holding a membership in this corporation, unless otherwise provided.

SECTION 2. RESIGNATION.

A member may resign his or her membership by giving thirty (30) days advance written notice to the corporation through its Secretary.

SECTION 3. TERMINATION.

- A. Membership in this corporation shall terminate upon the retirement from active practice or the death of the member dentist or when a member's Washington State Dentistry License is forfeited, suspended, revoked, surrendered or not renewed.
- B. Membership in this corporation may be terminated for any one of the following grounds which constitute "not in good standing:"
 - (1) Violation of any state or federal law or regulation relating to the practice of dentistry or the reimbursement of dental services.
 - (2) Unprofessional conduct as defined by the laws of the state of Washington or by regulations adopted pursuant to the Washington Administrative Code.
 - (3) Submission to ~~Former WDS~~ [Delta Dental of Washington](#) or this corporation of a false claim or claims as defined by state or federal laws or regulations.
 - (4) Aiding or abetting the submission of a false claim or claims to ~~Former WDS~~ [Delta Dental of Washington](#) or this corporation.
 - (5) Willful violation of any material obligation of the member under a contract entered into by ~~Former WDS~~ [Delta Dental of Washington](#) or this corporation.
 - (6) Failure to render professional services in accordance with the standards of dentistry in the member's area.
 - (7) Failure to comply with ~~Former WDS's~~ [Delta Dental of Washington's](#) or this corporation's Member Dentist Rules and Regulations, or with the Member Dentist Agreement or any other agreement between the member and ~~Former WDS~~ [Delta Dental of Washington](#) or this corporation.

SECTION 4. NOTICE OF TERMINATION AND HEARING PROCEDURES.

- A. Termination of membership pursuant to Article I, ~~Section 3(A)~~ of these Bylaws shall be automatic and without hearing upon receipt by the corporation of notification that a member's Washington State Dentistry License has been forfeited, suspended, revoked, surrendered or not renewed by the State of Washington.
- B. Upon receipt of any evidence of one or more of the grounds for termination of a membership described in Article I, ~~Section 3(B)~~ of these Bylaws, the President and CEO, with the concurrence of the [Board](#) Chair ~~of the Board or the Chair's~~ [or his or her](#) designee ~~or designees~~, may order such membership terminated. The President and CEO shall notify the member of his/her action in writing by certified mail to the address shown on the records of the corporation. The action of the President and CEO shall be final unless written notice of appeal is received by the corporation within thirty (30) days of the date of the President and CEO's order. An appeal shall be conducted in accordance with the corporation's Member Dentist Rules and Regulations (which, in the absence of separate Rules and Regulations being adopted by this corporation, shall be deemed to be the same

as ~~Former WDS's~~the Member Dentist Rules and Regulations of Delta Dental of Washington).

ARTICLE II

MEMBERSHIP MEETINGS

SECTION 1. ANNUAL MEETINGS.

An annual meeting of the members of the corporation shall be held on the second Friday in November and at a time designated by the Board, ~~the Chair or the President and CEO of Directors~~. If the Board of Directors determines that for good cause, the meeting cannot be held on the second Friday in November, the meeting shall be held as soon thereafter as practicable. ~~Notice, in the form of a record, in a tangible medium, or in an electronic transmission, stating the date, time, and place of each~~Preference should be given to Friday meetings whenever possible. The agenda for the annual meeting shall be ~~given to each member of record in good standing on the date of such notice, and such notice shall be given not less than thirty (30) nor more than fifty (50) days in advance by the Secretary. The notice may be accompanied by materials pertinent to the annual meeting, such as bios of director candidates, but shall not be contained within another publication.~~

set by the Board of Directors; provided that if, no later than ninety (90) days prior to the second Friday in November, The notice shall include an agenda that lists the matters to be discussed at the meeting. Such additional matters as may be requested by a written petition signed by at least twenty five (25) members, or a majority of the members who practice in a given component dental society geographic area, whichever is smaller, and presented to the Secretary at least twenty (20) days prior to the meeting ten percent (10%) of the members shall have been delivered to the Secretary requesting the addition to the agenda of specific items of business or items for discussion, then such items shall also be included on the agenda. At the discretion of the Chair, items may be added to the agenda at any time. No No item of business shall be ~~transacted~~considered or approved during an annual meeting unless it was placed on the agenda by the ~~Chair of the~~ Board of Directors or by a duly filed member petition.

~~The annual meeting shall be open to invited guests of the members.~~²

SECTION 2. SPECIAL MEETINGS.

Special meetings of the members of ~~this~~the corporation may be ~~held at the principal place of business or such other convenient place as may be designated by the Board of Directors. Special meetings may be~~ called either: by a vote of a majority of the ~~total~~ Board of Directors; or by delivery to the Secretary of a petition signed by at least ten percent (10%) of the members of the corporation: ~~Any such call or petition for a special meeting of the members must contain a description of the item or items, specifying with particularity the item(s) of business or item(s) to be discussed at that~~the meeting.

The Secretary shall give notice of the special meeting within ~~Within~~ thirty (30) days ~~of~~after a call by the Board of Directors or the ~~receipt~~delivery of a duly filed petition; to the Secretary ~~shall give not less than thirty (30) nor more than fifty (50) days' notice.~~

SECTION 3. NOTICE AND CONDUCT OF MEETINGS

Notice, in the form of a record, in a tangible medium, or in an electronic transmission, stating the ~~time~~, date, time and place ~~and agenda items for any~~ of each annual or special meeting shall be given not less than thirty (30) nor more than fifty (50) days in advance by the Secretary, to each member of record and in good standing on the date of such notice. ~~Time~~ The required time period shall be computed by ~~excluding the first and~~ including the ~~last day of such notice~~. ~~Personal delivery of the notice of the meeting or deposit of the same in the United States mail, with postage thereon fully prepaid, addressed to a member at the last address given the Secretary of the corporation, shall constitute due notice.~~ on which notice is sent and excluding the day on which the meeting is to be held. The notice shall include an agenda that lists the items of business to be conducted or items to be discussed at the meeting and shall be accompanied by materials pertinent to the noticed meeting, such as biographical information of director candidates.

Annual and special meetings may be held virtually, in-person or a combination thereof, as designated by the Board of Directors. The venue for any in-person meeting shall be at the principal place of business of the corporation, or some other convenient location and shall be large enough to accommodate at least two (2) times the largest number of members who physically attended an annual meeting in the preceding two years. In the event that a meeting is anticipated to draw larger numbers of in-person participants, the corporation will make appropriate accommodations.

Without limiting or being limited by the foregoing provisions, the corporation shall at all times have the maximum flexibility that may be permitted or allowed under the applicable corporate laws (as they may be amended from time to time) with respect to: giving notices to members by electronic mail or other form of electronic transmission, except with respect to members who have objected in writing to receipt of electronic notices; posting of meeting notices and materials on an electronic network; and conducting meetings at a physical location while also allowing member participation by remote communication and remote electronic voting, or conducting virtual meetings that are entirely comprised of remote participation and voting, with no specified physical location.

Each member shall be entitled to invite up to two business related guests (e.g., a legal representative, governance advisor or office manager) to each annual and special meeting, in addition to a single parliamentarian to advise the entire membership, in each case subject to such reasonable advance notice requirements and implementing rules as the Board of Directors may adopt. No news media will be permitted in annual or special meetings. If the meetings are recorded by the corporation, such recording will be made available electronically to the members within fifteen (15) business days after the meeting.

Meetings of the members of the corporation shall be governed by parliamentary procedure as set forth in the current edition of Robert's Rules of Order.

~~Any special meeting shall be open to invited guests of the members.³~~

~~SECTION 3. LOCATION~~

~~The annual meeting and any special meeting of the members shall be held within 20 miles of the corporation's principal office in a venue large enough to accommodate at least twenty five percent (25%) of the members of the corporation in the meeting room.~~

SECTION 4. QUORUM, MANNER OF ACTING, AND VOTING.

Ten percent (10%) of the members in good standing of the corporation of record on the date of notice of the meeting shall constitute a quorum at an annual or a special meeting of the members, which may be satisfied by physical attendance in person at the meeting, by any permitted form of remote electronic participation, or by proxy.

A majority of the votes entitled to be cast on a matter (other than elections of Member Directors) to be voted upon by the members present at a meeting (in person either by physical presence, or by participating remotely by permitted electronic means, or by proxy) at which a quorum is present shall be necessary for the adoption thereof unless a greater proportion is required by law or by these Bylaws. Notwithstanding the foregoing, if the Governance and Nominating Committee (the "GNC") nominates only one candidate, or more than one candidate, to stand for election to a Member Director seat on the Board of Directors, the outcome of the election will be determined based on either majority voting principles, or plurality voting principles, respectively.

Each member shall be entitled to one (1) vote on each matter submitted to a vote of the membership at an annual or special meeting. Cumulative voting shall not be allowed. Members may vote by paper or electronic proxy, and the corporation shall send a proxy form with the notice of meeting that permits a member to designate a member of the Board or another member of the corporation of the member's choosing as proxy for all or limited purposes. ⁴

~~SECTION 5. PARLIAMENTARY PROCEDURE.~~

~~Meetings of the members of the corporation shall be governed by parliamentary procedure as set forth in the current edition of Robert's Rules of Order; provided further that the members may bring a parliamentarian to any meeting to observe and to advise the members regarding parliamentary procedure.~~⁵

ARTICLE III

~~[intentionally left vacant]~~

MEMBER ADVISORY PANEL AND MEMBER NOMINATING PANEL

SECTION 1. COMPOSITION OF MAP. There shall be a Member Advisory Panel (the "MAP") consisting of at least ten (10) and up to eighteen (18) members, up to fifteen (15) of whom shall be members in good standing of the corporation from time to time appointed on an at-large basis and replaced by the Board of Directors in the manner provided below, and three (3) of whom shall be Member Directors appointed from time to time by the Board of Directors. At-large members shall be appointed for three-year terms (subject to earlier removal by the Board of

Directors) but may not serve more than two (2) full three-year terms consecutively. The Member Advisory Panel of Delta Dental of Washington is being phased out contemporaneously with the adoption of these Amended and Restated Bylaws, and its members as it was composed immediately prior to the adoption hereof shall be the initial members of this corporation's MAP, with the same remaining terms of service. No more than four (4) new members will be seated on the MAP in any calendar year through 2023, after which no more than five (5) new members will be seated on the MAP in any calendar year. Notwithstanding the foregoing, new members in excess of the annual member addition limits described in the preceding sentence shall be seated in order to maintain the minimum number of MAP members specified in this section.

- A. The primary responsibilities of the MAP will include identifying and recommending to the Member Nominating Panel potential candidates for nomination to be elected as Member Directors; communicating with local dental societies and others in the dental community to promote the exchange of information and ideas between member dentists and the corporation; and, to the extent requested by the Board Chair or President and CEO, consulting with and advising the Board of Directors with respect to the formulation of policies relating to dental procedures, claims processing and adjudication, relations with the dental profession and other topics of interest. The Board of Directors shall take the suggestions, feedback and concerns of the MAP under advisement and shall provide feedback to the MAP regarding the suggestions, feedback and concerns. The MAP shall not be deemed to be a committee or other organ of the Board of Directors; and shall have no power or authority, delegated or otherwise, to make any decisions, take any actions or incur any obligations on behalf of the corporation.
- B. The MAP's activities shall be overseen and managed by a MAP Chair, who shall preside at all meetings of the MAP and set the agenda for MAP meetings in coordination with the Board Chair and the President and CEO, after considering any input received from other MAP members.. The position of MAP Chair will rotate every two years among MAP members, and a Member Director of the corporation shall be allowed to serve as MAP Chair no more frequently than every other chairmanship. The MAP Chair will be selected by consensus of the incumbent MAP Chair, the Board Chair and the President and CEO. The MAP will also periodically recommend two candidates to become MAP Vice Chair, who will except in extraordinary circumstances be expected to be selected and to serve as the MAP Chair upon expiration of the term of the predecessor MAP Chair. The final selection of the MAP Vice Chair will also be made by consensus of the incumbent MAP Chair, the Board Chair and the President and CEO. In the event a sitting MAP Vice Chair declines or is otherwise unable to succeed to the office of MAP Chair, the MAP shall again recommend two candidates, from which a selection will be made by consensus of the incumbent MAP Chair, the Board Chair and the President and CEO.
- C. The MAP shall meet in person or by an electronic equivalent at least three (3) times each year, on such dates and at such times and locations as may be designated by the Board of Directors or the Board Chair or the President and CEO. The corporation's Board Chair, President and CEO, and other Member Directors shall be permitted to attend and offer views in meetings of the MAP. Minutes of the meetings of the MAP shall be prepared describing the general topics discussed (but not the views expressed by particular

participants in the meetings), except for portions of such meetings that are conducted in executive session or otherwise warrant confidential treatment. A general summary of the topics discussed in the meeting minutes shall also be prepared, and after the minutes and the summary have been approved by each of the MAP Chair, the Board Chair and the President and CEO, the summary shall be made available electronically for viewing by the members.

SECTION 2. MEMBER NOMINATING PANEL. There shall also be established annually a four (4)-person Member Nominating Panel (the “MNP”), consisting of: two (2) of the Member Directors who are then sitting on the MAP and are from time to time appointed by the Board of Directors to serve on the MNP; and two (2) other members of the corporation who have been selected from time to time to serve staggered three-year terms on the MNP by consensus among the state and/or component dental associations in Washington state (“Organized Dentistry”) based on such members having previous relevant experience in corporate governance matters (such as experience serving on the MAP, officer or board service in Organized Dentistry, or corporate board experience beyond their own dental practices), and their willingness to serve on the MNP for a three (3)-year term. Appointments to fill vacancies and compose the MNP for each calendar year shall be completed by November 1 of the preceding year. The members of the MNP shall by majority vote select a chairperson, who shall have responsibility to organize and propose scheduling for the MNP’s activities as described below, and to serve as chair of all meetings of the MNP, until a replacement chairperson is selected by the MNP. The Board Chair, the President and CEO and the MAP Chair shall each be allowed to attend meetings of the MNP as observers.

A. The MNP shall annually solicit and consider input from the MAP and the GNC as to needs or desired goals to be achieved or pursued within the corporation’s governance structures (for example, needs or goals as to specific capabilities or experience of directors, or as to directors’ age, race, ethnicity, gender, specialty or location diversity), and as to the suitability of potential candidates to join the MAP or the Board of Directors. The MNP will also annually solicit and consider input from the MAP Chair, the Board Chair, the President and CEO, Organized Dentistry and other members of the corporation as to potential candidates for appointment to the MAP or election as Member Directors.

B. Based on such input, and after evaluating any candidates so identified, the MNP shall by the affirmative vote of at least three (3) of its four (4) members annually recommend:

(1) A slate of candidates to fill any upcoming or existing vacancies in the MAP, which slate shall be submitted to the MAP for a vote as to whether to recommend the full slate (or any part thereof) for approval by the Board of Directors in making its appointments to the MAP. Following approval by the MAP, the Board of Directors shall then vote as to whether to approve the full slate (or any part thereof) recommended by the MNP, in which case the recommended candidates so approved shall be deemed appointed to fill the upcoming vacancies in the MAP. If either the full MAP or the Board of Directors fails to approve a candidate or candidates recommended by the MNP, then the MNP will be charged with identifying, evaluating and recommending another candidate or candidates, until

both the full MAP and the Board of Directors approve that candidate or those candidates to fill any remaining vacancies.

(2) A slate of at least two (2) candidates for each Member Director seat on the Board of Directors as to which the MNP has been notified by the GNC that there will be no incumbent Member Director standing for re-election. Such slate shall be submitted to the GNC, no later than June 1 of each year in which a slate is required to be recommended, to enable the GNC to perform its responsibilities relative to nomination of Member Director candidates. If either the GNC or the Board of Directors fails to approve some or all of the candidates on the slate recommended by the MNP, then the MNP will be charged with identifying, evaluating and recommending another slate of candidates (which may include a previously slated candidate who did not fail to achieve such approval), until both the GNC and the Board of Directors have approved at least one candidate to fill each remaining vacancy. In the event that one or more of the candidates recommended by the MNP fail to be approved by the GNC or the Board of Directors, the body or bodies that fail to approve the candidate(s) shall provide the MNP an explanation of the nature of the reasons why each such candidate was not approved.

C. The presence or participation of all four (4) of the members of the MNP shall be required for it to make decisions or otherwise conduct any of its responsibilities. The corporation's management and staff who are familiar with the corporation's membership and network matters shall be represented in all MNP meetings so that they can effectively assist the MNP in fulfilling its responsibilities.

ARTICLE IV

BOARD OF DIRECTORS

SECTION 1. BOARD OF DIRECTORS.

A. General Powers. The affairs of the corporation shall be managed by its Board of Directors. In no event may any amendment to these Bylaws limit or impinge upon the exclusive authority and discretion of the Board of Directors to control substantive decisions concerning the operations, strategies and other non-profit or business activities of the corporation. Notwithstanding the foregoing, in no event shall the preceding sentence be construed to empower the Board of Directors or the Independent Directors to diminish, limit, impinge upon or interfere with the rights of the members to participate in the governance of the corporation as and to the extent specified in Article I, II, III, X, XI or XIV of these Bylaws, or in any of the following subsections of Article IV.1 of these Bylaws: A, B, C.1, C.2, C.3, D, G, H, K, L.2.a, L.2.b or N.

B. Size, Composition, Qualifications, Terms, Nomination and Election.

(1) Size and Composition. The Board of Directors shall consist of at least nine (9) but no more than thirteen (13) Directors. The number of Directors may at any time be increased or decreased within this range by the Board of Directors, but no

decrease shall have the effect of shortening the term of any incumbent director. Independent Directors shall at all times ~~after January 1, 2012~~ comprise a majority of incumbent Directors.⁶

(2) **Qualifications.** The Board of Directors shall comprise three different categories of Directors, with the following qualifications:⁷

(a) **Independent Directors.** Each Independent Director must, when elected and during his or her term of office: (i) satisfy the definition for an “independent” member of a governing body set forth in the instructions to Internal Revenue Service Form 990 (as it may be amended from time to time) or such other IRS definition of independence as Delta Dental Plans Association may from time to time reference in connection with its membership standards; (ii) not be the President and CEO or otherwise an employee of the Corporation; (iii) not be a member of the corporation, ~~nor an individual with a D.D.S. or D.M.D. degree; and~~ (iv) not have a financial interest in any dental care practice or organization; ~~currently or within the last five (5) years; and~~ (v) not be employed by or affiliated with any vendor or entity principally engaged in the business of providing goods or services to dental practices or clinics.

(b) **Member Directors.** Each Member Director must, when elected and during his or her term of office, be a member of the corporation; and shall forfeit his or her office as a Director upon loss of his or her membership in the corporation under Section 3 of Article I of these Bylaws. Each non-incumbent Member Director candidate elected after January 1, 2021 must also have served a minimum of three (3) years on the MAP or have other suitable qualifications and be recommended by the MNP and the GNC as a Member Director candidate and be approved by the Board of Directors.

(c) **Ex Officio Director.** The President and CEO shall, by virtue of holding such office, automatically be a voting member of the Board of Directors for the period that he or she holds such office.⁹

(3) **Terms, Classifications, Term Limits.**

(a) **Standard Terms.** Except in situations where shorter terms are expressly permitted under these Bylaws, each Independent Director and Member Director shall be elected to serve a term of three (3) years commencing at the next meeting of the Board of Directors following his or her election.¹⁰

(b) **Classified Director Terms; Transitional Terms.** Independent Directors and Member Directors shall, as a group, be divided into three (3) classes and, ~~after January 1, 2012,~~ each such class shall be as equal in number to the others as possible. The Directors within each such class shall all serve terms that expire in the same year, and the expiration of the terms of Directors in the three (3) different classes shall occur in three (3) successive

years. A Director elected to fill the seat of a Director whose term has expired or whose seat has become vacant for any reason shall be elected to the same class of Directors to which the predecessor belonged. The Board of Directors shall have authority to designate the members of such classes and their respective terms, and may from time to time prescribe terms of less than three (3) years for particular Independent Directors or Member Director nominees to the extent it considers such shortened terms to be reasonably necessary to achieve or maintain the required balance of classified terms among the Directors; provided, that no action by the Board of Directors under this Section 1.B.3.b shall have the effect of shortening the term of any previously elected Independent Director or Member Director.¹¹ except with the express consent of such Director. Any imbalance in the sizes of the Director classes as of the effective date of these Amended and Restated Bylaws shall be corrected at or prior to the 2021 annual meeting of members.

- (c) **Term Limits.** Each Independent Director and Member Director ~~ordinarily~~ may serve no more than three (3) full terms ~~consecutively~~, exclusive of time served to complete ~~the one~~ term of a previous Director. ~~However,~~ Notwithstanding the foregoing, an Independent Director may be nominated and elected to an additional term of one, two or three years, and a Member Director may, only under exceptional circumstances, be nominated and elected for not more than an additional term of one-year, following the Director's completion of three (3) consecutive full terms if the ~~Governance and Nominating Committee~~GNC and the Board of Directors determine that such is necessary to assure continuity on the Board of Directors.

(4) **Nomination and Election of Directors.**

- (a) **Independent Directors.** The Independent Directors shall be nominated by a majority of the Independent Directors who are members of the ~~Governance and Nominating Committee~~GNC, and a nomination by such majority shall be deemed to be a nomination by such committee. The ~~Governance and Nominating Committee~~GNC shall submit its recommended slate of such nominees to the Board of Directors ~~at least sixty (60) days prior to the Board of Directors' annual meeting~~no later than the September 15 preceding the end of the term of the incumbent Independent Director(s) whose term is expiring. The Board of Directors shall ~~at such,~~ prior to or at the beginning of the Board of Directors' annual meeting, by a majority vote of those Independent Directors whose terms are not expiring, elect at least one nominee from the ~~Governance and Nominating Committee's~~GNC's slate for the seat of each Independent Director whose term is then expiring (unless the Board of Directors has resolved to reduce the overall size of the Board of Directors under ~~Section Article IV. 1.B.1 of this Article IV~~).¹²

- (b) **Member Directors.** ~~The Candidates for election as~~ Member Directors shall be nominated ~~by the Governance and Nominating Committee, which~~ exclusively by the GNC which, after January 1, 2021, shall not nominate any non-incumbent candidates unless they have been recommended by the MNP in accordance with Article III.2.B.2. Nominations by members shall not be permitted except by way of recommendations from the MNP. The GNC shall submit its recommended slate of such nominees to the Board of Directors ~~at least sixty (60) days prior to the Board of Directors' annual meeting~~ no later than the September 15 preceding the end of the term of the incumbent Member Director(s). ~~The whose term is expiring. The GNC will provide input to facilitate the recommendations of the MNP under Article III.2.B. The GNC may nominate one or more candidates to stand for election to a particular seat. Upon receipt of proposed nominations from the GNC, the~~ Board of Directors shall ~~at such meeting~~ select at least one nominee from the ~~Governance and Nominating Committee's~~ GNC's slate for ~~the seat of~~ each Member Director ~~whose term is then expiring~~ seat that is or about to become vacant and open for election (unless the Board of Directors has resolved to reduce the overall size of the Board of Directors under ~~Section~~ Article IV.1.B.1 ~~of this Article IV~~), and shall then direct the Secretary of the corporation to submit such nominees to the members for election pursuant to ~~Section 4 of~~ Article II 4 of these Bylaws.¹³
- (c) **President and CEO.** The President and CEO shall automatically be a voting member of the Board of Directors, and is not required to be elected or reelected.¹⁴

C. **Powers and Duties of the Board of Directors.** Subject to the limitations contained in the Articles of Incorporation, these Bylaws and the nonprofit corporation laws applicable to this corporation, all corporate powers shall be exercised by or under the authority of the Board of Directors including, but without limitation, the following:¹⁵

- (1) To select and remove the President and CEO of the corporation, prescribe his/her authority and duties, and fix his/her compensation.
- (2) To nominate, ~~by majority vote of the~~ Independent Directors ~~whose terms are not expiring, Independent~~ and Member Directors in ~~accordance with these Bylaws.~~¹⁶ the manner prescribed by Article IV.1.B.4 above.
- (3) To conduct, manage and control the property and business of the corporation, and to make such rules and regulations therefor, as they may deem best advised.
- (4) To fix the address of the principal office for the transaction of business of the corporation within the State of Washington and to fix and locate from time to time such subsidiary offices of the corporation as they may deem necessary or convenient for transaction of the affairs of the corporation.

- (5) To call membership meetings both regular and special, and to determine what matters shall be submitted to such meetings on behalf of the Board of Directors.
- (6) To borrow money and incur indebtedness for the ~~purpose~~purposes of the corporation, and to cause to be executed and delivered therefor in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, ~~hypothecation of other evidence~~hypothecations and other evidences of debt and security therefor.
- (7) To set fees for service on the Board of Directors and its committees in accordance with these Bylaws.

D. Vacancies. As soon as practical after a vacancy in a Member Director seat (including a vacancy occurring as ~~described in Section 4 of Article II of these Bylaws~~) ~~or an Independent Director position~~a result of the failure of a candidate to receive a majority of the votes cast in an uncontested election) on the Board of Directors occurs, the Board of Directors shall ~~elect~~use its reasonable best efforts to have a successor ~~to serve the unexpired term of the original Member Director, or~~duly elected. In such event, the GNC will request the MNP to generate recommendations to either fill the vacancy or leave the seat vacant for a limited term expiring at the next annual meeting of members or any earlier special meeting of members called for the purpose of electing one or more Member Directors; the Board shall have authority to appoint, to such a limited term, a replacement Member Director selected from candidates who have been recommended by both the MNP and the GNC. As soon as practical after a vacancy in an Independent Director seat on the Board of Directors, a majority of the Independent Directors shall use reasonable best efforts to elect a successor who has been recommended by a majority of the Independent Directors serving on the GNC, to serve the unexpired term of the ~~original~~ Independent Director¹⁷who previously occupied such seat.

E. Meetings. The annual meeting of the Board of Directors shall be held annually on a date and at a time and location determined by the Board of Directors, following the annual meeting of members.

Regular meetings of the Board of Directors shall be held according to a schedule approved in advance by the Directors, but not less than once per calendar quarter unless an affirmative vote of 75% of the ~~directors~~Directors eliminates a meeting. No particular notice of a regular meeting is required.

Special meetings of the Board of Directors may be called by the Board Chair ~~of the Board~~ or by a majority vote of all directors. Notice of the date, time and place of any such special meeting shall be furnished to each ~~director~~Director not less than ~~fifteen~~five (~~15~~5) days before the time of the meeting. Meetings of the Board of Directors shall be held at the principal office of the corporation or at any other convenient place determined by the Board of Directors.

Regardless of how called, a consent in the form of a record of all of the members of the Board of Directors to the holding of a meeting of the Board of Directors filed with the

minutes of the meeting shall constitute sufficient call and notice of any meeting of the Board of Directors. A meeting so held shall have the same force and effect as if the meeting were regularly called upon notice as herein above provided.

A ~~director~~Director will be subject to removal if he or she fails to attend at least seventy-five percent (75%) of the ~~directors'~~Board of Directors meetings during each calendar year, unless excused by the Board Chair ~~of the Board~~-at his/ or her discretion.

F. Action by Consent in Lieu of Board Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board of Directors execute a consent in the form of a record that describes the action to be taken. Such consent shall be filed with the minutes of the proceedings of the Board of Directors. Such action approved by consent shall have the same force and effect as a unanimous vote of the directors at a meeting duly held upon proper notice and may be described as such in any record. An action taken by consent shall be effective when the last ~~director~~Director executes the consent, unless the consent specified a later effective date.

G. Quorum, Manner of Acting and Voting. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business of any meeting of the Board of Directors, except that a majority of the Independent Directors whose terms are not expiring shall constitute a quorum for the election of Independent Directors in accordance with these Bylaws.¹⁸

The act of a majority of the ~~directors~~Directors present 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; provided, the approval of a majority of the Independent Directors whose terms are not expiring shall be required in order to elect an Independent Director in accordance with these Bylaws.¹⁹

Each Director shall have one (1) vote, except ~~the Chair of that~~ the Board, ~~who~~ Chair shall only vote in case of a tie. Proxies will not be allowed in voting in Board of Directors meetings or on unanimous consents.

H. Fees and Compensation. Directors, ~~as such~~committee members, and officers of the corporation appointed pursuant to Article V, shall ~~not be entitled to~~ receive ~~any~~ salaryreasonable compensation for their services, ~~but shall receive in such capacities as well as~~ reimbursement for reasonable expenses incurred in attending any meetings of the Board of Directors or committees thereof. Nothing in this section shall preclude a ~~director~~Director from serving the corporation in another capacity and receiving reasonable compensation therefor.²⁰

I. Parliamentary Procedure. Meetings of the Board of Directors shall be governed by parliamentary procedure as set forth in the current edition of Robert's Rules of Order.

J. Reserves. The Board of Directors may establish a revolving or reserve fund or funds to cover contingent obligations for paying for dental services and anticipated future needs of

the corporation which are reasonably likely to occur. The Directors, in their discretion, shall invest or cause to be invested so much of such funds in securities or other investments consistent with applicable laws of the State of Washington as the ~~directors~~Directors determine to be in the best ~~interest~~interests of the corporation.

K. Removal of Director. At a meeting duly called, either a Member Director or an Independent Director of this corporation may be removed from office for cause by, respectively, a two-thirds (2/3) affirmative vote of the other Member Directors then serving on the Board of Directors or of the other Independent Directors then serving on the Board of Directors, and by a two-thirds (2/3) affirmative vote of all of the other Directors then serving. The call for such a meeting must state with reasonable specificity the cause(s) for removal. Cause for removal shall consist of a ~~director's~~Director's willful or negligent disregard of the duties assigned to him/ or her by law, by these Bylaws, or by the Board of Directors; breach of fiduciary duty as a ~~director~~Director; repeated failures, even after warnings by the Board Chair or the President and CEO, to participate in a collegial and collaborative manner in the Board's deliberations; and failure to timely disclose to the Board of Directors any conflict of interest involving the director and the corporation or any action of the corporation. In addition, termination of the membership of a Member Director pursuant to Article I shall also operate to remove him or her from office as a Member Director, without further action by the Board of Directors.

L. Standing and Special Committees.²⁴

(1) **General.** Standing or special committees to facilitate the conduct and effectiveness of the Board of Directors, but not having or exercising the authority of the Board of Directors in the management of the corporation, may be established in such a manner as may be designated by a resolution adopted by a majority of the ~~directors~~Directors present at a meeting at which a quorum is present. The Board of Directors shall appoint the members of any standing or special committee ~~except for the Independent Directors on the Provider Compensation Committee~~. Any member of such a committee may be removed by the ~~person or persons authorized to appoint him/her~~Board of Directors whenever in ~~their~~its judgment the best interests of the corporation would be served by such removal.

(2) **Standing Committees** shall include the Investment and Audit Committee (the "IAC"), the Governance and Nominating Committee (the "GNC") and the Human Resources and Compensation Committee (the "HRCC").

(a) Investment and **Audit Committee** shall assist the Board of Directors in fulfilling its oversight responsibilities relating to the integrity of the financial statements of the ~~company, of the company's~~corporation, the corporation's compliance with legal and regulatory requirements, ~~of~~ the independence and qualifications of the independent auditor, and ~~of~~ the performance of the ~~company's~~corporation's internal audit function and independent auditors. The ~~Audit Committee~~IAC will be comprised of three or more non-management members as determined by the Board of Directors. ~~Committee~~IAC members may be removed by the Board of

Directors at its discretion. A majority of the ~~committee~~IAC shall consist of independent members who shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the ~~committee~~IAC. No person who is a member dentist or has business dealings as a vendor or business partner of the company may be regarded as an independent member of the ~~committee~~IAC. All members of the ~~committee~~IAC shall have or obtain a sufficient familiarity with basic finance and accounting practices to allow them to discharge their responsibilities and at least one member shall be a financial expert. The ~~Audit Committee~~IAC shall be directly responsible for the appointment, compensation and oversight of the accounting firm conducting the annual audit of the corporation; and shall meet at least annually with the accounting firm and report its findings and recommendations to the Board of Directors.

- (b) **Governance and Nominating Committee** shall be comprised of at least five (5) non-management members, including the Chair of the Board, as well as at least one of the other officers of the Board of Directors and such other additional directors as may be appointed by the Board of Directors. ~~At least three~~ Independent Directors must ~~be members~~comprise a majority of the ~~Governance and Nominating Committee~~GNC at any given time and the number of Member Directors on the GNC shall be one (1) fewer than the number of Independent Directors on the GNC. Members of the ~~committee~~GNC will be excluded from discussing and voting for their own nominations. The ~~Governance and Nominating Committee~~GNC (or the Independent Directors on the ~~Committee~~GNC) shall perform the functions described for it in ~~Sections Article IV.1.B.4 of Article IV~~ of these Bylaws and assist the Board of Directors by developing and recommending changes in the governance structure and processes that will improve board effectiveness.²² The intent is that a Member Director will serve as chair of the GNC at least every third chairperson term.
- (c) **Human Resources and Compensation Committee** shall be comprised of non-management members of the Board of Directors and shall assist the Board of Directors in fulfilling its oversight responsibilities by formulating policy recommendations in such areas as compensation and benefits as specifically referred to the ~~committee~~HRCC by the Board. ~~The Human Resources and Compensation Committee of Directors. The HRCC~~ shall periodically receive management updates on the corporation's human resources programs. The ~~committee~~HRCC shall ensure that the senior executives of the corporation are compensated effectively in a manner consistent with the stated strategy of the corporation, competitive practices in the marketplace, any internal equity considerations, and any applicable legal or regulatory requirements. The ~~committee~~HRCC also shall ensure the existence of an operative leadership succession plan that will perpetuate an effective management team for the corporation.

- (3) **Special Committees.** The Board of Directors may establish from time to time, special committees to aid ~~them~~ in managing the affairs of the corporation.²³
- (4) **Term of Office.** Each member of a standing committee shall continue as such until the next annual meeting of the Directors of the corporation and until a successor is appointed, unless these Bylaws provide otherwise, or unless the committee shall be terminated sooner, or unless such member be removed from the committee, or unless the member shall cease to qualify as a member of the committee.
- (5) **Chair.** One member of each committee shall be appointed chair by the ~~person or persons authorized to appoint the members of that committee~~ Board of Directors, except as otherwise provided in these Bylaws. All standing committees shall have a ~~director~~ Director as chair of the committee ~~at all times unless otherwise directed by the Chair of the Board, in consultation with the President and CEO, because of unusual circumstances.~~
- (6) **Vacancies.** Vacancies in the membership of a committee may be filled by appointments made in the same manner as provided in the case of the original appointment. This action will be initiated within thirty (30) days of notification of a vacancy by the Board Chair ~~of the Board~~ or the President and CEO.
- (7) **Quorum.** Unless otherwise provided in these Bylaws or 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 a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.
- (8) **Rules.** Each committee may adopt rules for its own governance not inconsistent with these Bylaws or with rules adopted by the Board of Directors.
- M. **Attendance by Communications Equipment.** At the discretion of the Board Chair, ~~Members~~ members of the Board of Directors or any committee may participate in a meeting of such Board of Directors or committee by means of any communications equipment which enables all persons participating in the meeting to hear each other simultaneously during the meeting. Individuals who join meetings via communications equipment must attend all discussions of any item on which they vote. ~~In addition, the provision will not be available if its use presents an undue administrative burden.~~ A Director or committee member who participates by means of communications equipment is deemed to be present in person at the meeting.
- N. **Joint Meetings with the ~~Former WDS Board~~ of Delta Dental of Washington.** Meetings of the Board of Directors of this corporation may be held jointly or contemporaneously with meetings of the ~~Former WDS~~ board of directors of Delta Dental of Washington, so long as the distinct matters considered, and actions taken by each body are correctly and separately recorded in their separate minutes.

SECTION 2. INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS

- A. Right to Indemnification.** Each person who was, is or is threatened to be made a named party to or is otherwise involved (including, without limitation, as a witness) in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (hereinafter a "proceeding"), by reason of the fact that he or she is or was a ~~director~~Director or officer of the corporation or, that being or having been such a ~~director~~Director officer or an employee of the corporation, he or she is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, employee benefit plan or other enterprise (hereinafter an "indemnatee"), whether the basis of a proceeding is alleged action in an official capacity as such a director, officer, partner, trustee, employee, agent or in any other capacity while serving as such a director, officer, partner, trustee, employee or agent, shall be indemnified and held harmless by the corporation against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) actually and reasonably incurred or suffered by such indemnatee in connection therewith, and such indemnification shall continue as to an indemnatee who has ceased to be a director, officer, partner, trustee, employee or agent and shall inure to the benefit of the indemnatee's heirs, executors and administrators. Except as provided in ~~Section 3.D. of this~~ Article IV 2.D with respect to proceedings seeking to enforce rights to indemnification, the corporation shall indemnify any such indemnatee in connection with a proceeding (or part thereof) initiated by such indemnatee only if the proceeding (or part thereof) was authorized or ratified by the Board of Directors. The right to indemnification conferred in this Section 2.A. shall be a contract right.
- B. Restrictions on Indemnification.** No indemnification shall be provided to any such indemnatee for acts or omissions of the indemnatee finally adjudged to be intentional misconduct or a knowing violation of law, for conduct of the indemnatee finally adjudged to be in violation of Section 23B.08.310 ~~of the Washington Business Corporation Act, or any similar successor provision applicable to the corporation,~~ for any transaction with respect to which it was finally adjudged that such indemnatee personally received a benefit in money, property or services to which the indemnatee was not legally entitled, or if the corporation is otherwise prohibited by applicable law from paying such indemnification, except that if Section 23B.08.560 or any successor provision ~~of the Washington Business Corporation Act~~applicable to the corporation is hereafter amended, the restrictions on indemnification set forth in this Section 2.B. shall be as set forth in such amended statutory provision.
- C. Advancement of Expenses.** The right to indemnification conferred in ~~Section Article IV.2.A. of this Article IV~~ shall include the right to be paid by the corporation the expenses incurred in defending any proceeding in advance of its final disposition (hereinafter an "advancement of expenses"). An advancement of

expenses shall be made upon delivery to the corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such indemnitee is not entitled to be indemnified for such expenses under this Section 2.C.

- D. Right of Indemnitee to Bring Suit.** If a claim under Section 2.A ~~or 2.C~~ of this Article IV is not paid in full by the corporation within 60 days after a written claim has been received by the corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be 20 days, the indemnitee may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim. If successful in whole or in part, in any such suit or in a suit brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall also be entitled to be paid the expense of prosecuting or defending such suit. The indemnitee shall be presumed to be entitled to indemnification under this Section 2. upon submission of a written claim (and, in an action brought to enforce a claim for an advancement of expenses, where the required undertaking has been tendered to the corporation), and, thereafter, the corporation shall have the burden of proof to overcome the presumption that the indemnitee is so entitled.
- E. Procedures Exclusive.** Pursuant to Section 23B.08.560(2) or any similar successor provision ~~of the Washington Business Corporation Act~~applicable to the corporation, the procedures for indemnification and advancement of expenses set forth in this Section 2. are in lieu of the procedures required by Section 23B.08.550 or any similar successor provision ~~of the Washington Business Corporation Act~~applicable to the corporation.
- F. Nonexclusivity of Rights.** The right to indemnification and the advancement of expenses conferred in this Section 2 shall not be exclusive of any other right that any person may have or hereafter acquire under any statute, provision of the Articles or the Bylaws of the corporation, by general or specific action of the Board of Directors, or by contract or otherwise.
- G. Insurance, Contracts and Funding.** The corporation may maintain insurance, at its expense, to protect itself and any director, officer, partner, trustee, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Washington Business Corporation Act. The corporation may enter into contracts with any director, officer, partner, trustee, employee or agent of the corporation in furtherance of the provisions of this Section 2 and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Section 2.

- H. Indemnification of Employees and Agents of the Corporation.** The corporation may, by action of the Board of Directors, grant rights to indemnification and advancement of expenses to employees and agents or any class or group of employees and agents of the corporation (a1) with the same scope and effect as the provisions of this Section 2 with respect to the indemnification and advancement of expenses of ~~directors~~ Directors and officers of the corporation, (b2) pursuant to rights granted under, or provided by, the Washington Business Corporation Act or any successor statute applicable to the corporation, or (e3) as are otherwise consistent with law.
- I. Persons Serving Other Entities.** Any person who, while a director, officer or employee of the corporation, is or was serving (a1) as a director or officer of another foreign or domestic corporation of which a majority of the shares entitled to vote in the election of its directors is held by the corporation or (b2) as a partner, trustee or otherwise in an executive or management capacity in a partnership, joint venture, limited liability company, trust or other enterprise of which the corporation or a wholly owned subsidiary of the corporation is a general partner or has a majority ownership shall be deemed to be so serving at the request of the corporation and entitled to indemnification and advancement of expenses under Sections 2.A~~7~~ and 2.C~~7~~ of this Article IV.

ARTICLE V

OFFICERS

SECTION 1. OFFICERS.

The officers of the corporation shall be a Board Chair~~of the~~, Board~~;~~, Vice Chair, Secretary, Treasurer and such other officers as the Board of Directors may appoint from time to time at its discretion. No person may hold more than one (1) such office in the corporation at the same time. The President and CEO may not be elected to ~~the offices of Chair of the Board or Vice Chair~~ be an officer.

SECTION 2. TERMS AND ELECTION.

The Board Chair~~of the~~, Board~~;~~, Vice Chair, Secretary and Treasurer shall be elected by the Board of Directors from among the Directors then in office at the annual meeting of the Board. The intent is that the Board Chair ~~of the Board~~ will serve up to two one-year terms, although a third term may be added upon a determination by the ~~Governance and Nominating Committee~~ GNC and by the Board of Directors that such is necessary to assure continuity or address other extraordinary circumstances; and further, that a Member Director will serve as Board Chair at least two years out of each rolling six-year period. The intent is further that the Board Vice Chair ~~shall~~ will succeed to the office of Board Chair ~~of the Board~~ at completion of the term(s) of the current Board Chair, or when that post becomes vacant by resignation or other reason. The term of each office shall be until the next annual meeting of the Board of Directors and the election and qualification of a successor. If any office becomes vacant for any reason, the Board of Directors shall, by majority

vote, elect a successor who shall hold office for the unexpired term. Any officer may be removed during the term of his/ or her office by a vote of two-thirds (2/3) of the Board of Directors.

SECTION 3. DUTIES OF OFFICERS.

A. **Board Chair ~~of the Board~~.** The Board Chair ~~of the Board~~ shall preside at all meetings of the membership and at all meetings of the Board of Directors. He/ or she shall be subject to the control and direction of the Board of Directors. The Board Chair ~~of the Board~~ shall be an ex-officio member of all standing and special committees except the ~~Audit Committee~~ IAC. The Board Chair ~~of the Board~~ shall have such other and further powers and duties as may be prescribed for him/ or her by the Board of Directors or these Bylaws.

The Board Chair ~~of the Board~~ shall have responsibility for liaison with staff officers between meetings of the Board ~~to insure Board~~ of Directors to ensure its policies are carried out.

B. **Board Vice Chair.** In the absence or disability of the Board Chair ~~of~~, the Board, ~~the~~ Vice Chair shall perform the duties of the Board Chair ~~of the Board~~ and all the responsibilities of the Board Chair ~~of the Board~~. In addition, the Board of Directors may fix and assign such duties for the office of Board Vice Chair as in its discretion it deems advisable, and the Board Chair ~~of the Board~~ may sub-delegate to the Board Vice Chair such of his/ or her authority as he/ or she believes is in the best interest of continuity of the office. The Board Vice Chair shall be an ex-officio member of all standing and special committees except the IAC. The Board Vice Chair shall have such other and further powers and duties as may be prescribed for him/ or her by the Board of Directors or these Bylaws.

The Board Vice Chair is intended to be the successor to the office of Board Chair ~~of the Board~~ when that post becomes vacant by resignation, completion of term(s), or any other reason.

C. **Secretary.**

- (1) **Minutes.** The Secretary shall keep, or cause to be kept, a complete book of the minutes at the principal office of the corporation of all meetings of the Board of Directors and of the members, together with all calls and notices upon which meetings were held, a roster of all members, including the applications for membership of each member, and a record of payment or nonpayment of fees and assessments.
- (2) **Notices.** The Secretary shall give, or cause to be given, the notice of all meetings of ~~membership~~ the members as directed by these Bylaws and also notice of all annual, regular and special meetings of the Board of Directors of the corporation as directed by the Board, ~~the Chair~~ of Directors, the Board Chair, or other officers authorized to call such meetings.

D. **Treasurer.** Subject to the direction and control of the Board of Directors, the Treasurer shall have the care and custody of and be responsible for all funds and investments of the corporation and shall cause to be kept regular books of account. Such books shall be kept current and shall be open to inspection by any officer or Director of the corporation. The Treasurer shall

cause to be deposited all funds and other valuable effects in the name of the corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall cause to be prepared and ~~shall submit~~submitted a financial report at the annual meeting of the members and, in general, shall perform all of the duties incident to the office of the Treasurer.

ARTICLE VI

PAID ASSISTANTS

SECTION 1. GENERAL.

The Board of Directors is authorized to engage on behalf of the corporation all necessary employees and assistants, including certified public accountants, attorneys-at-law, and others in advancement of the affairs of the corporation. The Board of Directors shall have authority to arrange with such employees, assistants, certified public accountants and attorneys-at-law for payment by the corporation for their services.

SECTION 2. PRESIDENT AND CEO.

The Board of Directors shall appoint a President, who shall be the chief executive officer of the corporation. He/ or she shall have general supervision, direction and control of the affairs of the corporation and its staff officers subject to the policies established by the Board of Directors and its Board Chair ~~of the Board~~. He/ or she shall be a full-time employee of the corporation and ~~Former WDS and need not be a dental licentiate of the State~~Delta Dental of Washington.

ARTICLE VII

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

SECTION 1. CONTRACTS.

The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these Bylaws, 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.

SECTION 2. CHECK, DRAFTS, ETC.

All checks, drafts, or 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. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or his/ or her staff designee, and countersigned by the Board Chair ~~of the Board~~ or the President and CEO of the corporation.

SECTION 3. DEPOSITS AND INVESTMENTS.

All funds of the corporation shall be deposited or invested in a timely fashion to the credit of the corporation in such banks, trust companies or other depositories and investment vehicles as the Board of Directors may select.

SECTION 4. GIFTS.

The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest or device for the general purposes or for any special purpose of the corporation.

ARTICLE VIII

BOOKS AND RECORDS

The corporation shall keep correct and complete books of record and account and shall also keep minutes of the proceedings of its members, committees, and Board of Directors, and shall keep at its registered or principal office a record giving the names and addresses of the members entitled to vote at any membership meetings. All such books and records of the corporation—, along with all other corporate records ~~noted at~~specified in RCW 24.03.135 ~~—or any successor provision~~, may be inspected by any member or his or her agent or attorney, for any proper purpose at any reasonable time upon reasonable advance notice.

ARTICLE IX

WAIVER OF NOTICE

Wherever any notice is required to be given under the provisions of the Washington State Nonprofit Corporation Act or any successor statute, or under the provisions of the corporation's articles of incorporation or these Bylaws, as amended, a waiver of such notice in the form of a record executed by the person or persons entitled to such notice, whether before or after the time stated in the notice, shall be deemed equivalent to the giving of such notice.

ARTICLE X

~~CHANGES IN~~ BYLAWS PROCESSES, LIMITATIONS

SECTION 1. AMENDMENT OR REPEAL PROCESSES. Subject to the requirements and limitations set forth in this Article X, these Bylaws may only be amended or repealed in the following manner:

A.

~~These Bylaws may be amended or repealed by the vote of two thirds of the votes entitled to be cast by the members present in person or by proxy at an annual or special meeting of the members, provided that the proposed amendment or revision shall have been delivered to each member of this corporation along with the notice of meeting. In addition, any amendment or repeal of Sections 1.B, 1.D, 1.G, 1.K or 1.L.2.b of Article IV, and any adoption of any Bylaw provision that would subject the Independent Directors to rights, privileges, liabilities and duties different from those of other directors hereunder, shall, in~~

~~addition, require the approval of at least a majority of the Independent Directors then in office.~~²⁴

(1) In order to approve or adopt any of the matters listed in subsections A.1.a or A.1.b immediately below, the approval of each and all of the following corporate constituencies shall be required: first, the affirmative vote of a majority of the members of the Board of Directors; second, the affirmative vote of a majority of the Independent Directors; and third, the affirmative vote of two thirds of the votes entitled to be cast by the members who are physically present or participating by permitted means remotely or by proxy at an annual meeting or special meeting of the members at which a quorum is present:

(a) any amendment or repeal of any part or all of Article I, II, III, X, XI or XIV of these Bylaws, or of any of the following subsections of Article IV.1 of these Bylaws: A, B, C.1, C.2, C.3, D, G, H, K, L.2.a, L.2.b or N; or

(b) any other amendment or repeal of any part of these Bylaws that would conflict, interfere or be inconsistent with, or limit, diminish, override, supersede, weaken, or render inapplicable, any of the Articles or subsections listed in the immediately preceding subsection A.1.a of this Section 1.

(2) Any amendment proposed to be considered pursuant to the immediately preceding subsection A.1 above shall be approved, adopted or not approved by the Board of Directors, Independent Directors or members, respectively, in its entirety in the form proposed.

(3) None of the special approval requirements specified in subsection A.1 above shall be deemed to constitute a delegation of management authorities of the Board of Directors or the formation of an illegal committee of the Board of Directors under RCW 24.03.115 or any successor statutory provision.

B. Any other amendment or repeal of any part of these Bylaws not described in subsection A.1 above may be approved and adopted by the affirmative vote of two-thirds of the votes entitled to be cast by the members who are physically present or participating by permitted means remotely or by proxy at an annual meeting or special meeting of the members, or by the affirmative vote of a majority of the members of the Board of Directors.

C. The text of any proposed amendment or repeal described in subsections A or B above must in any case be delivered (including being made available by permitted electronic means) to each member of the corporation, with a courtesy copy to the leadership of the Washington State Dental Association, at least thirty (30) days in advance of (1) the proposed effective date of the amendment or repeal, and (2) any member meeting at which the proposed amendment or repeal, is to be considered for adoption. At any member meeting called to consider the proposed amendment or repeal, only non-material technical amendments to the proposed amendment or repeal may be introduced from the floor or adopted at the meeting without the need to adjourn the meeting and provide a new notice to members.

SECTION 2. MEDIATION OF CERTAIN DISPUTES. In the event a dispute arises between the corporation and any of its members as to the interpretation or applicability of any section or

subsection of this Article X or the second sentence of Article IV.1.A, either the corporation, on the one hand, or at least ten percent (10%) of the corporation's members, on the other, may by signing and delivering a written notice to the other party or parties to such dispute demand that, prior to the commencement of any judicial or other legal proceedings relating to such dispute, the disputed matter must first be submitted to a process of mediation under this Section 2. Following delivery of such a notice, the matter in dispute shall be submitted to good faith mediation, on a strictly confidential basis (limiting disclosure of the matters discussed in the mediation to only active participants in the mediation and their governing boards, if any), which shall be commenced within thirty (30) days after the delivery of such notice and shall be concluded no later than ninety (90) days after the delivery of such notice. Any such mediation shall be conducted in Seattle, Washington utilizing a mediator having substantial background and experience in matters of corporate law and governance disputes, to be appointed by JAMS or, if JAMS is unable or unavailable to appoint such a mediator, by a similarly qualified mediation service located in Seattle, Washington.

ARTICLE XI

DISSOLUTION OF CORPORATION

Approval by the members, in a manner provided in these Bylaws, is required for voluntary dissolution pursuant to applicable corporate laws. Any assets remaining after payment of all just obligations of the corporation shall be distributed in accordance with the corporation's Articles of Incorporation.

ARTICLE XII

CONFLICT

Should any of these Bylaws be in conflict with any statutes, codes, rulings, or the Constitution of the State of Washington or of the United States of America, the particular section or part of any section shall become immediately inoperative. However, should any such conflict of any part of these Bylaws be declared, it shall not render the other Bylaws inoperative or void.

ARTICLE XIII

ELECTRONIC TRANSMISSIONS

~~Notice~~Subject to the third paragraph of Article II.3 above: notice to members and directors in electronic transmission is effective only with respect to members and directors who have consented, in the form of a record, to receive electronically transmitted notices and have designated the message format accessible to the member or director, and the address, location or system to which these notices may be electronically transmitted.~~—A;~~ a member or director who has consented to receive electronically transmitted notices may revoke the consent by delivering a revocation to the corporation in the form of a record.~~—The; and the~~ consent of any member or director is revoked if the corporation is unable to electronically transmit two consecutive notices given by the corporation in accordance with the consent.

ARTICLE XIV

INFORMATION

The corporation shall prepare ~~and mail~~ an annual report which will be furnished (either by mail or in electronic form) to each member no later than seven months after the close of the corporation's fiscal year. The annual report shall contain the corporation's latest audited financial statements, a general assessment about the state of the corporation and the marketplace for dental care (paying due regard to preserving any proprietary information), and shall include: (A) a compensation discussion and analysis in the same form as required for publicly-traded companies; (B) a disclosure of the corporation's administrative expenses by category; (C) disclosure of statistical information regarding (1) the percentage of claims denied, (2) the percentage of denied claims reviewed by a dentist, and (3) the percentage of denied claims not reviewed by a dentist; (D) information on inflation/consumer price index for providers; (E) detailed financial statements of all affiliated entities; and (F) detail regarding the amount of contributions from the corporation to the corporation's affiliated foundation and how all such contributions were used, particularly in reference to lobbying and commercial advertising. Electronic copies of the five most recent annual reports shall be available to members.

ARTICLE XV²⁵

TRANSITION

~~SECTION 1. EFFECTIVE DATE.~~

~~The adoption of these~~ These amended and restated Bylaws ~~is~~ are hereby ~~made~~ adopted effective as of November _____, 2017~~2020~~.²⁶

Summary report: Litera® Change-Pro for Word 10.8.2.11 Document comparison done on 9/11/2020 7:33:35 AM	
Style name: DLAPiper	
Intelligent Table Comparison: Active	
Original DMS: iw://USDMS.PIPER.ROOT.LOCAL/WEST/21727755/7	
Modified DMS: iw://USDMS.PIPER.ROOT.LOCAL/WEST/291591622/4	
Changes:	
<u>Add</u>	308
Delete	302
Move From	16
<u>Move To</u>	16
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	642

~~⁴The name of the corporation has been updated to reflect the change that became effective May 20, 2013.~~

~~²The Board has adopted implementing rules with respect to this sentence.~~

~~³The Board has adopted implementing rules with respect to this sentence.~~

~~⁴A proposed amendment to this section that was eventually approved by members on September 6, 2017 was disapproved by the corporation's Independent Directors on July 20, 2017 and September 29, 2017.~~

~~⁵The Board has adopted implementing rules with respect to this proviso.~~

~~⁶A proposed amendment to this section that was approved by members on November 15, 2018 was disapproved by the corporation's Independent Directors on December 7, 2018.~~

~~⁷A proposed amendment to this section that was eventually approved by members on September 6, 2017 was disapproved by the corporation's Independent Directors on July 20, 2017 and September 29, 2017.~~

~~⁸A proposed amendment to this section that was eventually approved by members on September 6, 2017 was disapproved by the corporation's Independent Directors on July 20, 2017 and September 29, 2017.~~

~~⁹A proposed amendment to this section that was eventually approved by members on September 6, 2017 was disapproved by the corporation's Independent Directors on July 20, 2017 and September 29, 2017.~~

~~⁴⁰ A proposed amendment to this section that was eventually approved by members on September 6, 2017 was disapproved by the corporation's Independent Directors on July 20, 2017 and September 29, 2017.~~

~~⁴¹ A proposed amendment to this section that was eventually approved by members on September 6, 2017 was disapproved by the corporation's Independent Directors on July 20, 2017 and September 29, 2017.~~

~~⁴² A proposed amendment to this section that was eventually approved by members on September 6, 2017 was disapproved by the corporation's Independent Directors on July 20, 2017 and September 29, 2017.~~

~~⁴³ Proposed amendments to this section that were approved by members on September 6, 2017 and November 15, 2018 were disapproved by the corporation's Independent Directors on July 20 and September 29, 2017 and on December 7, 2018, respectively.~~

~~⁴⁴ Proposed amendments to this section that were approved by members on September 6, 2017 and November 15, 2018 were disapproved by the corporation's Independent Directors on July 20 and September 29, 2017 and on December 7, 2018, respectively.~~

~~⁴⁵ A proposed amendment approved by members on September 6, 2017 that would add a new subsection (8) has been omitted because it would be inapplicable to the corporation and would unlawfully impinge on the Board's ultimate authority and discretion to manage the corporation's business and internal affairs.~~

~~⁴⁶ A proposed amendment to this section that was eventually approved by members on September 6, 2017 was disapproved by the corporation's Independent Directors on July 20, 2017 and September 29, 2017.~~

~~⁴⁷ A proposed amendment to this section that was approved by members on November 15, 2018 was disapproved by the corporation's Independent Directors on December 7, 2018.~~

~~⁴⁸ A proposed amendment to this section that was eventually approved by members on September 6, 2017 was disapproved by the corporation's Independent Directors on July 20, 2017 and September 29, 2017.~~

~~⁴⁹ A proposed amendment to this section that was eventually approved by members on September 6, 2017 was disapproved by the corporation's Independent Directors on July 20, 2017 and September 29, 2017.~~

~~²⁰ In light of RCW 24.03.030(4), Article III(C) of the corporation's Articles of Incorporation, and Article IV Section (1)(C)(7) above, the corporation pays market-based fees (supported by advice from an independent compensation consultant) for meeting attendance and other services rendered by directors.~~

~~²¹ A proposed amendment approved by members on September 6, 2017 that would eliminate independence requirements as to the Provider Compensation Committee has been omitted because it would be inapplicable to the corporation, and even if applicable would be subject to the disapproval by the corporation's Independent Directors on July 20, 2017 and September 29, 2017.~~

~~²² A proposed amendment to this section that was eventually approved by members on September 6, 2017 was disapproved by the corporation's Independent Directors on July 20, 2017 and September 29, 2017.~~

~~²³ A proposed amendment approved by members on September 6, 2017 that would require the Board to consider and vote upon certain recommendations by the Member Advisory Panel has been omitted because it would be inapplicable to the corporation; even if it were applicable, the Board would comply with it only to the extent that doing so would not relate to the setting of provider reimbursement rates or unlawfully impinge on the Board's ultimate authority and discretion to manage the corporation's business and internal affairs.~~

~~²⁴ Proposed amendments to this sentence that were approved by members on September 6, 2017 and November 15, 2018 were disapproved by the corporation's Independent Directors on July 20 and September 29, 2017, and on December 7, 2018, respectively.~~

~~²⁵ A proposed amendment approved by members on September 6, 2017 that would add a new Article XV (and an attached Exhibit A) relating to medical loss ratios, mandatory provider reimbursement percentages, rebate requirements and related matters has been omitted because it would be inapplicable to the corporation, impossible to impose on the corporation's operating subsidiary, and otherwise unlawful for several reasons including impinging on the Board's ultimate authority and discretion to manage the corporation's business and internal affairs.~~

~~²⁶ This annotated version of the corporation's Amended and Restated Bylaws reflects the results of actions taken by the members at special meetings held on September 6, 2017 and November 15, 2018, and by the Independent Directors on July 2 and September 29, 2017 and on December 7, 2018. Portions of the proposed amendments approved by members on September 6, 2017 have been omitted from this annotated version for the reasons discussed in the foregoing footnotes.~~