

**PENNSYLVANIA ORTHOPAEDIC SOCIETY**  
**GOVERNING STRUCTURE**

**ARTICLE IX -- BOARD OF DIRECTORS**

SECTION 1: Composition -- The Board of Directors shall consist of the President, First Vice President, Second Vice President, Immediate Past President, Secretary, Treasurer, Historian, Chairman of the Membership Committee, Chairman of the Program Committee, Chairman of the Bylaws Committee, Chairman of the Health Care Delivery Committee, Chairman of the Political Action Committee, Chairman of the Legislative Committee, Chairman of the Workers' Compensation Committee, Representative to the Pennsylvania Medical Society, Alternate Representative to the Pennsylvania Medical Society, the members of the Board of Councilors of the American Academy of Orthopaedic Surgeons, and five (5) members-at-large, one to be elected annually by the members to serve a term of three (3) years. These individuals constitute the voting members of the Board of Directors.

Executive Committee of the Board of Directors - The President, First Vice President, Second Vice President, Immediate Past President, Secretary, Treasurer, OrthoPAC Chairman, Legislative Committee Chairman, Chairman of the Health Care Delivery Committee, and a member of the Board of Councilors appointed by the President shall review the agenda items of the Board, review management matters, handle emergency matters between regular Board meetings and analyze complex issues for the Board.

The Executive Committee shall meet regularly and as necessary. The President shall convene the Executive Committee. The actions of the Executive Committee are subject to ratification by the full Board of Directors at the next regular meeting of the Board.

SECTION 2: Duties -- The Board of Directors shall be the administrative authority of the Society and shall consider all of its activities and determine its policies.

The Board of Directors, by a three-fourths (3/4) vote, shall be empowered to accept, reject, or defer an applicant for membership after a recommendation by the Membership Committee.

The Board of Directors is empowered to determine all matters of a disciplinary nature and is required to respond to complaints or requests for disciplinary action and likewise to implement the appeal mechanism for any member against whom disciplinary action has been instituted by the Society as is stated under Article VI.

The Board of Directors shall receive and consider the reports of the activities of all committees, both standing and ad hoc.

The Board of Directors shall direct the Secretary and Treasurer to prepare annual reports to be submitted to the membership of the Society stating the work of the previous year.

The Board of Directors shall be authorized to employ an administrative agent for the Society who shall be designated as the Executive Secretary. A review of the performance of the Executive Secretary shall be made on an annual basis and renewal of the contractual arrangement shall be at the annual meeting of the Board of Directors. The Board shall delegate by contract or other agreement with the administrative agent duties of the Secretary or Treasurer not inconsistent with these Bylaws.

The Executive Secretary shall be required to post a bond under the same terms as that of the Treasurer.

SECTION 3: Meetings -- A regular meeting of the Board will be held in conjunction with each annual meeting. The Board of Directors shall have the authority to conduct such business of the Society as is necessary under the Chairmanship of the President between annual meetings. In addition to the annual meeting, there shall be such meetings as a President may, at his/her discretion, deem necessary; but in no case less than one (1) regular meeting per year in addition to that of the annual meeting.

Additional Board meetings may be called by the President upon receipt of the written request of at least five (5) Board members. Such request must specify the agenda for the meeting. Notice of any special meeting of the Board of Directors shall be given at least seven (7) days prior thereto by written notice containing the day, date, time, agenda, and place and be delivered personally or sent by mail or telegram to each director at his/her address as shown on the records of the Society. No business shall be transacted at any special meeting except that stated in the meeting notice.

SECTION 4: Quorum -- A majority of the Board of Directors is necessary to constitute a quorum for opening a meeting of the Board of Directors and the transaction of business.

SECTION 5: Informal Action of Directors -- The Board of Directors is empowered to meet and transact the business of the Society, when deemed necessary by the Board, by telephone conference call, or by signed letters, which letters may be signed in counterparts. Any action taken by the Board of Directors pursuant to this section, shall be ratified at the next regular meeting of the Board.

SECTION 6: Limitation of Directors' Liability -- No Director shall be personally liable for monetary damages as such for any action taken or any failure to take any action unless: (a) the Director has breached or failed to perform the duties of his or her office under the applicable provisions of the Pennsylvania Directors' Liability Act relating to standard of care and justifiable reliance, and (b) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. Anything to the contrary contained herein notwithstanding, the provisions of this Section shall not apply to (a) the responsibility or liability of a Director pursuant to any criminal statute, or to the liability of a Director for the payment of taxes pursuant to local, state or federal law or (b) to any action taken or any failure to take any action prior to January 27, 1987.

SECTION 7: Indemnification and Insurance

A. Indemnification of Directors and Officers

- (i) Each Indemnified Person (as that term is hereinafter defined) shall be indemnified and held harmless by the Corporation for all actions taken by him or her and for all failures to take action (regardless of the date of any such action or failure to take action) to the fullest extent permitted by Pennsylvania law against all expense, liability and loss (including, without limitation, attorneys' fees, judgments, fines, taxes, penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Indemnified Person in connection with any Action (as that term is hereinafter defined). Anything to the contrary contained herein notwithstanding, no indemnification pursuant to this Section shall be made in any case in which the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.
- (ii) The right to indemnification provided in this Section shall include the right to have the expenses incurred by the Indemnified Person in defending any Action paid by the Corporation in advance of the final disposition of the Action to the fullest extent permitted by Pennsylvania law, provided that the payment of such expenses incurred by the indemnified Person in advance of

the final disposition of an Action shall be made only upon delivery to the Corporation of an undertaking by or on behalf of the Indemnified Person to repay all amounts so advanced if it shall ultimately be determined that the Indemnified Person is not entitled to be indemnified by the Corporation.

- (iii) Indemnification pursuant to this Section shall continue as to an Indemnified Person who has ceased to be a Director or officer and shall inure to the benefit of his or her heirs, executors and administrators.
- (iv) The term "Indemnified Person" as used herein shall mean each Director or officer of the Corporation who was or is a party to, or is threatened to be made a party to, or is otherwise involved in, any Action by reason of the fact that he or she is or was a Director or officer of the Corporation or is or was serving in any capacity at the request or for the benefit of the Corporation as a Director, officer, employee, agent, partner, or fiduciary of, or in any other capacity for, another corporation or any partnership, joint venture, trust, employee benefit plan, or other enterprise.
- (v) The term "Action" as used herein shall mean any threatened, pending or completed action, suit or proceeding (including, without limitation, an action, suit or proceeding by or in the right of the Corporation), whether civil, criminal, administrative or investigative.

B. Indemnification of Employees and Other Persons

The Corporation may, by action of the Board of Directors and to the extent provided in such action, indemnify employees and other persons who shall thereupon be included in the definition of the term Indemnified Person.

C. Non-Exclusivity of Rights

The rights to indemnification and to the advancement of expenses provided in this Article shall not be deemed to be exclusive of any other rights to which any person seeking indemnification or advancement of expenses may now or hereafter be entitled under any provision of these Bylaws, the Articles of Incorporation or any agreement, vote of the Directors, statute or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding that office.

D. Insurance

The Corporation, at its expense, may purchase and maintain insurance for the benefit of any person on behalf of whom insurance is permitted to be purchased under Pennsylvania law against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person under Pennsylvania or any other law. In addition, the Corporation may, at its expense, purchase and maintain insurance against its indemnification obligations hereunder or otherwise.

E. Fund for Payment of Expense

The Corporation may create a fund of any nature, which may but need not be under the control of a trustee, or otherwise may secure or insure in any manner its indemnification obligations, whether arising under these Bylaws, the Articles of Incorporation, or any agreement, vote of the Directors, statute or otherwise.

SECTION 8: Amendment

A. Effect of Admendment

Unless and until amended or repealed as hereinafter provided, the applicable provisions of this Article shall constitute a contract between the Corporation and each of its Directors and officers which may be modified as to any Director or officer only with that person's consent or as specifically provided in this Section. Notwithstanding any other provision of these Bylaws, any repeal or amendment of this Article which is adverse to any Director or officer shall only apply prospectively to such Director or officer and shall not increase a Director's personal liability or limit the rights of an Indemnified Person to indemnification or to the advancement of expenses with respect to any action or failure to act occurring prior to the time of such repeal or amendment.

B. Vote Required

Notwithstanding any other provision of these Bylaws, no repeal or amendment of these Bylaws shall in any way increase a Director's liability or limit the rights of an Indemnified Person to indemnification or to the advancement of expenses unless adopted by the affirmative vote of not less than seventy-five (75%) percent of the then Directors.

SECTION 9: Compensation -- Directors shall not receive compensation for their services; but by action of the Board of Directors, expenses of attendance may be allowed for attendance at each regular or special meeting of the Board.