

Sample By-Laws and Operating Procedures for the Health & Welfare Committee Charter

Section 1: FORMATION OF THE HEALTH & WELFARE COMMITTEE Charter

1.1. Functions of the Committee

The Health & Welfare Plan Committee (Committee) will act in its fiduciary capacity to oversee, control, and manage the ERISA Health & Welfare Plans and non-ERISA Plans (collectively referred to as “the Plans”) and will comply with all applicable fiduciary, prudence, and due diligence requirements established by the Committee; and with all applicable laws, rules, and regulations from the various local, state, federal, and international political entities that may impact the Plans. The Committee shall be responsible for the selection and retention of professional advisors, vendors, and service providers for the Plan, which may include, but not necessarily be limited to, Brokers/Consultants, Third-Party Benefit Administrators, Pharmacy Benefit Managers, and Insurance Carriers.

1.2. Definition of a Fiduciary

A fiduciary is a person using discretion in administering and managing a plan or controlling the plan’s assets, to the extent of that discretion or control. A plan must have at least one named fiduciary in the written plan. The fiduciary may be an administrative committee or board of directors. The Committee, which is functioning as a plan fiduciary, is subject to certain duties and responsibilities, including, but not limited to:

1. Acting solely in the best interest of plan participants and their beneficiaries and with the exclusive purpose of providing benefits to them.
2. Exercising and adhering to a prudent process when performing duties.
3. Reviewing and following plan documents.
4. Having decisions made by prudent experts, documenting the decisions, and basis for those decisions.
5. Controlling and accounting for all plan expenses to ensure payments are reasonable.
6. Monitoring the activities of all plan-related service vendors and providers.
7. Avoiding conflicts of interest and prohibited transactions.

1.3. Establishment of Committee

The Committee shall consist of such number of individuals as are appointed by the Board of Directors of the Company (the “Board”). Any member of the Committee may resign, and his or

her successor, if any, shall be appointed by the Board. Each Committee member will acknowledge the acceptance of appointment to the Committee in writing. No Committee member shall have the authority to bind the Committee in any contract or endeavor without the expressed written authority of the majority of the Committee members.

1.4. Establishment of Officers

The Committee shall have a Chairperson and a Secretary. The Chairperson shall be responsible for the conduct of all the meetings of the Committee and shall have voting rights the same as any other Committee member. The Chairperson shall perform such other duties as the Committee may assign and shall be the designated Agent for service of legal process.

The Secretary shall be responsible for keeping minutes of the transactions of the Committee and shall be the official custodian of records of the Committee. The Secretary, together with the Chairperson, shall execute all official contracts of the Committee. The Secretary shall compile Committee agendas. The Committee authorizes the Chairperson and Secretary to execute any instruments necessary for the Committee to conduct business.

Additional subcommittees may be established as necessary and with Committee approval.

1.5. Disclosure and Conflict of Interest

Notwithstanding any provision of law, no Committee member shall vote or participate in a determination of any matter in which the Committee member shall receive a special private gain. Committee members have a duty of loyalty that precludes them from being influenced by motives other than the accomplishment of the purposes of the Plans. Committee members, in the performance of their duties, must conform and act pursuant to the documents and instruments establishing and governing the Plans. Potential conflicts of interest or self-dealing must be disclosed to the Committee.

Section II: MEETINGS

2.1. Attendance at Board Meetings

The Committee shall set its own schedule of meetings. Special meetings may be called by the Chairperson or by a majority of the Committee members. The Committee shall meet at least once each quarter. Notices of meetings shall not be required if waived by all members of the Committee. In recognition of the importance of the work of the Committee, regular attendance at the Committee meetings is expected from all members. Any member who fails to attend two consecutive meetings of the Committee without an excuse acceptable to the other Committee members shall be deemed to have resigned from the Committee. A majority of the members of the Committee at the time in office shall constitute a quorum for the transaction of business. The action of the Committee shall be determined by the vote or other affirmative expression by the majority of its members in attendance where a quorum is present.

2.2. Agendas and Other Meeting Materials

An agenda shall be prepared for each regular and special meeting of the Committee. The agenda shall set forth those items upon which the Committee anticipates taking action or discussing. Each agenda item shall have attached backup material necessary for discussion or action by the Committee. A copy of the agenda and backup material shall be furnished to each Committee member prior to commencement of the meeting. Full and complete minutes detailing records of deliberations and decisions shall be maintained and held by the Secretary. The Secretary shall record all acts and determinations of the Committee, and all such records shall be preserved in the custody of the Secretary. Such records and documents shall be open at all times for inspection by Committee members or for the purpose of making copies by any person designated by the Board.

2.3 Rules of Order

In recognition of the importance of accomplishing the objectives of the Committee in a most orderly fashion, the Committee may establish rules of order or bylaws for the conduct of its meetings.

2.4 Appearance before the Committee

All persons who are scheduled to make appearances before the Committee shall be scheduled through the Secretary, and the Committee may establish the time limits established for such meetings. Appearances before the Committee may be in person or through a representative. All communications with the Committee shall either be in writing to the Secretary, teleconference, or by personal appearance at a Committee meeting.

Chairperson