

**EXCHANGE AGREEMENT**

**by and between**

**GUNDERSEN LUTHERAN HEALTH SYSTEM, INC.**

**and**

**UNIVERSITY HEALTH CARE, INC.**

**Dated as of December 18, 2015**

## TABLE OF CONTENTS

	<b>Page</b>
<b>Article I. EXCHANGE .....</b>	<b>1</b>
1.1 Exchange at Closing .....	1
1.2 Closing of Exchange .....	2
1.3 Exchange Adjustment .....	2
<b>Article II. REPRESENTATIONS AND WARRANTIES CONCERNING GHP.....</b>	<b>2</b>
2.1 Due Organization .....	2
2.2 Consents and Approvals .....	2
2.3 Conflicts .....	3
2.4 Membership .....	3
2.5 Subsidiaries .....	3
2.6 Title to Assets .....	4
2.7 Financial Statements .....	4
2.8 Absence of Certain Changes or Events .....	5
2.9 Litigation .....	5
2.10 Material Contracts .....	5
2.11 Indebtedness .....	5
2.12 Real Property .....	6
2.13 Intellectual Property .....	6
2.14 Compliance with Law; Permits .....	6
2.15 Affiliate Agreements .....	11
2.16 Brokers .....	11
2.17 Tax Matters .....	12
2.18 Labor Matters .....	13
2.19 Leased Employees and Independent Contractors .....	13
2.20 Employee Benefit Plans; ERISA .....	14
2.21 Customers and Suppliers .....	14
2.22 Environmental .....	15
2.23 No Other Representations .....	15
<b>Article III. REPRESENTATIONS AND WARRANTIES CONCERNING UNITY.....</b>	<b>15</b>
3.1 Due Organization .....	15
3.2 Consents and Approvals .....	16
3.3 Conflicts .....	16
3.4 Capitalization .....	16
3.5 Subsidiaries .....	16
3.6 Title to Assets .....	17
3.7 Financial Statements .....	17
3.8 Absence of Certain Changes or Events .....	18
3.9 Litigation .....	18
3.10 Material Contracts .....	18
3.11 Indebtedness .....	19

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
3.12 Real Property .....	19
3.13 Intellectual Property.....	19
3.14 Compliance with Law; Permits.....	19
3.15 Affiliate Agreements.....	24
3.16 Brokers.....	24
3.17 Tax Matters .....	25
3.18 Labor Matters.....	26
3.19 Leased Employees and Independent Contractors .....	26
3.20 Employee Benefit Plans; ERISA .....	26
3.21 Customers and Suppliers.....	27
3.22 Environmental.....	27
3.23 No Other Representations .....	28
<b>Article IV. REPRESENTATIONS AND WARRANTIES OF GHS.....</b>	<b>28</b>
4.1 Due Organization.....	28
4.2 Due Authorization; Consents and Approvals; Enforceability .....	28
4.3 Conflicts.....	29
4.4 Brokers.....	29
4.5 Investment Representation.....	29
4.6 No Other Representations .....	30
<b>Article V. REPRESENTATIONS AND WARRANTIES OF UHC.....</b>	<b>30</b>
5.1 Due Organization.....	30
5.2 Due Authorization; Consents and Approvals; Enforceability .....	30
5.3 Conflicts.....	31
5.4 Brokers.....	31
5.5 Investment Representation.....	31
5.6 No Other Representations .....	31
<b>Article VI. COVENANTS .....</b>	<b>32</b>
6.1 Conduct of Business .....	32
6.2 Access and Information .....	32
6.3 Exclusivity .....	33
6.4 Antitrust Matters.....	33
6.5 Form A Filings.....	34
6.6 Other Filings .....	34
6.7 Public Announcements .....	35
6.8 Representations and Warranties; Updated Information.....	35
6.9 Additional Agreements .....	35
6.10 Interim Financial Statements .....	35
6.11 Transaction Expenses.....	36
6.12 Organizational Documents.....	36
6.13 Risk Arrangement .....	36

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
<b>Article VII. CONDITIONS TO CONSUMMATION OF THE EXCHANGE .....</b>	<b>36</b>
7.1 Conditions to Obligations of GHS .....	36
7.2 Conditions to Obligations of UHC .....	37
<b>Article VIII. DELIVERIES.....</b>	<b>38</b>
8.1 Deliveries by GHS .....	38
8.2 Deliveries by UHC.....	39
<b>Article IX. TERMINATION .....</b>	<b>40</b>
9.1 Termination by Mutual Consent .....	40
9.2 Termination by Either Party.....	40
9.3 Termination by GHS.....	40
9.4 Termination by UHC .....	40
9.5 Effect of Termination and Abandonment .....	40
9.6 Extension; Waiver.....	41
<b>Article X. INDEMNIFICATION .....</b>	<b>41</b>
10.1 Survival .....	41
10.2 Indemnification by GHS .....	42
10.3 Indemnification by UHC.....	42
10.4 Claims .....	42
10.5 Limitation on Liability .....	43
10.6 Indemnification Payments .....	43
10.7 Exclusive Remedy .....	44
<b>Article XI. MISCELLANEOUS .....</b>	<b>44</b>
11.1 Notices .....	44
11.2 Counterparts .....	44
11.3 Interpretation.....	44
11.4 Governing Law .....	44
11.5 Amendment and Waivers.....	44
11.6 Assignment .....	44
11.7 Expenses .....	44
11.8 No Third Party Beneficiaries .....	45
11.9 Further Assurances.....	45
11.10 Severability .....	45
11.11 Entire Understanding .....	45
11.12 Specific Performance .....	45
11.13 Reproductions .....	45
11.14 Waiver of Jury Trial.....	45
11.15 Forum Selection and Consent to Jurisdiction .....	45
11.16 No Presumption Against Drafter .....	46

**LIST OF EXHIBITS AND SCHEDULES**

**EXHIBITS:**

- Exhibit A     Definitions
- Exhibit B     Form of Restated Organizational Documents
- Exhibit C     Form of Related Agreements

**SCHEDULES:**

Schedules Concerning GHP		Schedules Concerning Unity	
Schedule 2.1	Due Organization	Schedule 3.1	Due Organization
Schedule 2.2	Consents and Approvals	Schedule 3.2	Consents and Approvals
Schedule 2.3(b)	Conflicts	Schedule 3.3(b)	Conflicts
Schedule 2.4	Membership	Schedule 3.4	Capitalization
Schedule 2.5	Subsidiaries	Schedule 3.5	Subsidiaries
Schedule 2.6	Title to Assets	Schedule 3.6	Title to Assets
Schedule 2.7(a)	Financial Statements	Schedule 3.7(a)	Financial Statements
Schedule 2.7(b)	Undisclosed Liabilities	Schedule 3.7(b)	Undisclosed Liabilities
Schedule 2.9	Litigation	Schedule 3.9	Litigation
Schedule 2.10(a)	Material Contracts	Schedule 3.10(a)	Material Contracts
Schedule 2.10(b)	Material Contract Consents	Schedule 3.10(b)	Material Contract Consents
Schedule 2.11	Indebtedness	Schedule 3.11	Indebtedness
Schedule 2.12(a)	Real Property	Schedule 3.12(a), (b)	Real Property
Schedule 2.14(s)	Compliance with Law; Permits	Schedule 3.14(s)	Compliance with Law; Permits
Schedule 2.15	Affiliate Agreements	Schedule 3.15	Affiliate Agreements
Schedule 2.16	Brokers	Schedule 3.16	Brokers
Schedule 2.17(a)	Tax Matters	Schedule 3.17(a)	Tax Matters
Schedule 2.18(a), (b)	Labor Matters	Schedule 3.18(a), (b)	Labor Matters
Schedule 2.20(a)	Employee Benefit Plans	Schedule 3.20(a)	Employee Benefit Plans
Schedule 2.20(d)	Employee Benefit Plans	Schedule 3.20(d)	Employee Benefit Plans
Schedule 2.21	Customers and Suppliers	Schedule 3.21	Customers and Suppliers
Schedule 4.4	Brokers	Schedule 5.4	Brokers

## **EXCHANGE AGREEMENT**

This **EXCHANGE AGREEMENT** (this “Agreement”), dated as of December 18, 2015, is by and between Gundersen Lutheran Health System, Inc., a Wisconsin non-profit corporation (“GHS”) and University Health Care, Inc., a Wisconsin non-profit member corporation f/k/a University Health Resources, Inc. (“UHC”). GHS and UHC are sometimes referred to herein individually as a “Party” and together as the “Parties.” Capitalized terms used in this Agreement that are not otherwise defined shall have the meanings set forth in Exhibit A attached to this Agreement, which is incorporated in this Agreement as if fully set forth herein.

### **RECITALS:**

**WHEREAS**, UHC owns all of the capital stock of Unity Health Plans Insurance Corporation, a Wisconsin stock insurance corporation organized under Chapter 611 of the Wisconsin Statutes (“Unity”) that is authorized to do business in Wisconsin and engages in the business of health insurance;

**WHEREAS**, GHS is the sole member of Gundersen Health Plan, Inc., a Wisconsin non-stock service insurance corporation organized under Chapter 613 of the Wisconsin Statutes (“GHP”) that is authorized to do business in Wisconsin and Iowa and engages in the business of health insurance;

**WHEREAS**, the Parties desire that GHS become a stockholder of Unity on the terms and conditions set forth herein;

**WHEREAS**, the Parties desire that UHC become a member of GHP on the terms and conditions set forth herein and having those membership rights in GHP as set forth in the amended and restated articles of incorporation and by-laws of GHP (the “Restated Organizational Documents”, the form thereof being attached hereto as Exhibit B); and

**WHEREAS**, the Parties will promptly file a Form A (Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer) with respect to the transactions contemplated hereby with the Office of the Commissioner of Insurance for the State of Wisconsin (“OCI”) and the Department of Commerce for the State of Minnesota (“DOC”) following the date hereof.

### **TERMS AND CONDITIONS:**

**NOW, THEREFORE**, in consideration of the foregoing and the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be bound, hereby agree as follows:

#### **ARTICLE I. EXCHANGE**

##### 1.1 Exchange at Closing.

(a) Not less than five (5) days prior to the Closing Date, (i) GHS shall deliver to UHC the financial statements of GHP and GHM for the calendar quarter ending September 30, 2015, as filed with OCI and DOC, respectively, (or, if available, internally prepared financial statements of GHP and GHM for the calendar year ending December 31, 2015; provided, that the internally prepared financial statements of Unity for the calendar year ending December 31, 2015, are also available) that have been prepared in good faith in accordance with SAP or MN SAP, as applicable, are consistent in all material respects with the books, records and accounts of GHP and GHP's Subsidiaries and contain the information required to calculate Closing GHP Capital and Surplus (as applicable, the "GHP Closing Balance Sheet" and the "GHM Closing Balance Sheet") together with records and work papers necessary to compute and verify the information set forth in such balance sheets, and (ii) UHC shall deliver to GHS the financial statements of Unity for the calendar quarter ending September 30, 2015, as filed with OCI, (or, if available, internally prepared financial statements of Unity for the calendar year ending December 31, 2015; provided, that the internally prepared financial statements of GHP and GHM for the calendar year ending December 31, 2015, are also available) that have been prepared in good faith in accordance with SAP, are consistent in all material respects with the books, records and accounts of Unity and contain the information required to calculate Closing Unity Capital and Surplus (the "Unity Closing Balance Sheet") together with records and work papers necessary to compute and verify the information set forth in such balance sheet.

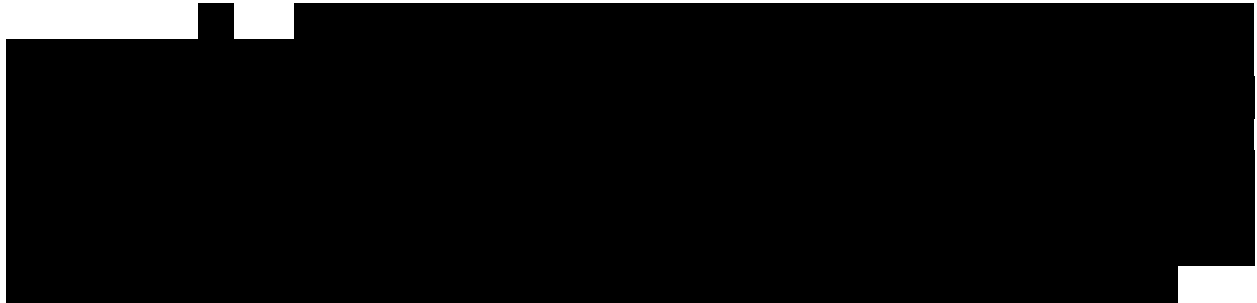


1.2 Closing of Exchange. Subject to the satisfaction of the conditions set forth in Article VII, the consummation of the Exchange and the other transactions contemplated by this Agreement (the "Closing") shall take place on a date within three (3) Business Days following the date of satisfaction of all conditions to Closing or waiver thereof by the applicable Party; or if the Parties mutually agree in writing on a different date, the date upon which they have mutually agreed, at 10:00 A.M., local time, at the offices of McDermott Will & Emery LLP, 333 Avenue of the Americas, Suite 4500, Miami, Florida 33131, or such other place to which the Parties may agree in writing (the applicable date being the "Closing Date").

1.3 Exchange Adjustment.

(a) Promptly after they become available, (i) UHC shall deliver to GHS and the Chief Financial Officer of Quartz (or such other financial officer as agreed to by the Parties)

the Audited Unity 2015 Financial Statements, and (ii) GHS shall deliver to UHC and the Chief Financial Officer of Quartz (or such other financial officer as agreed to by the Parties) the Audited GHP/GHM 2015 Financial Statements. Promptly after the RI-RA Payments Report becomes available to the public (but no later than thirty (30) days after such time), the Parties shall cause the Chief Financial Officer of Quartz (or such other financial officer as agreed to by the Parties) to deliver to the Parties his or her good faith calculation of Audited Adjusted GHP Capital and Surplus and Audited Adjusted Unity Capital and Surplus, in each case together with supporting information therefore.



**ARTICLE II.  
REPRESENTATIONS AND WARRANTIES CONCERNING GHP**

GHS hereby represents and warrants to UHC that the statements set forth in this Article II are true and correct as of the date hereof and shall be true and correct as of the Closing Date, except that each such statement is qualified by and subject to the Schedules delivered to UHC by GHP pursuant to the terms of this Agreement:

2.1 Due Organization. GHP (a) has been duly incorporated and organized as a nonstock corporation under the Laws of the State of Wisconsin; (b) has full right, power and authority to carry on its business as now being conducted and to own or lease and operate its properties as and in the places where its business is now conducted and such properties are now owned or leased and operated; and (c) is validly existing and in good standing under the Laws of the State of Wisconsin. Except as set forth on Schedule 2.1, GHP is not required to be qualified to do business as a foreign corporation in any jurisdiction.



2.2 Consents and Approvals. Except for: (a) the OCI and DOC; (b) applicable requirements of state securities or blue sky Laws; (c) the consents, waivers, approvals, notices or authorizations under the Material GHP Contracts; and (d) the consents, waivers, approvals, notices or authorizations of those Persons set forth on Schedule 2.2, no material consent, waiver, approval or authorization of, or filing, registration or qualification with, or notice to, any Person is required to be made, obtained, or given by GHP or GHP's Subsidiaries in connection with the execution, delivery and performance of this Agreement and the Related Agreements.

2.3 Conflicts.

(a) The execution and delivery of this Agreement and the Related Agreements (i) do not and will not conflict with, violate or result in a breach of (with or without the passage of time or notice or both) the terms of any of the articles of incorporation, by-laws or other similar governing documents of GHP or any of GHP's Subsidiaries, or any material judgment, order or decree of any Governmental Authority binding on GHP or any of GHP's Subsidiaries, and (ii) assuming the requirements, consents and approvals set forth in Section 2.2 are complied with and received, as applicable, do not breach or violate any applicable Law of any Governmental Authority.

(b) Except as set forth on Schedule 2.3(b), the execution and delivery of this Agreement and the Related Agreements will not result in a breach or violation of (with or without the passage of time or notice or both) the terms or provisions of, or constitute a default under (with or without the passage of time or notice or both), or result in the creation of a Lien upon any of the assets or properties of GHP or any of GHP's Subsidiaries under, any Permit or Material GHP Contract to which GHP or any of GHP's Subsidiaries are a party or by which GHP or any of GHP's Subsidiaries are bound or to which any assets or properties of GHP or any of GHP's Subsidiaries are subject.

2.4 Membership. On the date hereof and immediately prior to the Exchange, GHS is the sole member of GHP. The Membership Rights will be free and clear of all pre-emptive rights and other rights to acquire or purchase, except to the extent set forth in the Restated Organizational Documents. Upon the consummation of the transactions contemplated by this Agreement, GHS and UHC shall be the only members of GHP. Except as set forth on Schedule 2.4, there are no outstanding options, warrants or other rights to acquire or be issued, or that are convertible into or exercisable for, any membership rights of GHP. There are no phantom membership rights, income participations or similar rights in existence with respect to GHP.

2.5 Subsidiaries. GHP is the sole member of Gundersen Health Plan Minnesota, a Minnesota corporation ("GHM") and GHP has no other Subsidiaries. Except for GHM, GHP does not control or own of record, beneficially or equitably, more than five percent (5%) of any direct or indirect equity, membership, partnership, investment or other ownership or control interest, or any right (contingent or otherwise) to acquire the same in any other Person. GHM: (a) has been duly incorporated and organized as a corporation under the Laws of the State of Minnesota; (b) has full right, power and authority to operate its business as it is currently being operated and to own or lease and operate the properties of its business as and in the places where its business is now operated and such properties are now owned or leased and operated; and (c) is validly existing and in good standing under the Laws of the State of Minnesota. The

membership rights of GHP in GHM are free and clear of all pre-emptive rights and other rights to acquire or purchase. Except as set forth on Schedule 2.5, there are no outstanding options, warrants or other rights to acquire or be issued, or that are convertible into or exercisable for, any membership rights of GHM. There are no phantom membership rights, profit participations or similar rights in existence with respect to GHM. GHM is not required to be qualified to do business as a foreign corporation in any jurisdiction.

2.6 Title to Assets. Except as set forth on Schedule 2.6, GHP and each of GHP's Subsidiaries has good and marketable title, free and clear of all Liens (other than Permitted Liens) to all of their respective tangible and intangible personal property (other than Intellectual Property which is the subject of Section 2.13), and own, lease or otherwise have a right to use all of the assets used in their business as it is currently being conducted.

2.7 Financial Statements.

(a) Copies of the GHP Financial Statements (excluding the Interim GHP Financial Statements) are attached hereto as Schedule 2.7(a). The GHP Financial Statements have been prepared from and are consistent in all material respects with the books, records and accounts of GHP and GHP's Subsidiaries, as applicable. Except as set forth on Schedule 2.7(a), (i) the GHP Financial Statements have been prepared in accordance with SAP or MN SAP, as applicable, and, with respect to unaudited GHP Financial Statements, are subject to normal year-end adjustments (consisting only of normal recurring accruals and do not contain financial statement footnotes); and (ii) the GHP Financial Statements are true and correct and fairly present in all material respects, as of the dates and for the periods referred to therein, the financial position and results of operations of GHP and GHP's Subsidiaries, as applicable. There are no facts or circumstances that would necessitate, in the good faith application of the reserving practices and policies of GHP and GHP's Subsidiaries, any material adverse change in the statutorily required reserves or reserves above those reflected in the most recent balance sheet (other than increases consistent with past experience resulting from increases in enrollment with respect to services provided by GHP and GHP's Subsidiaries). GHP and GHP's Subsidiaries meet or exceed the statutory net worth, deposit or other capital requirements of OCI or the DOC, as applicable. The items for Accrued Healthcare Expenses reflected in the GHP Financial Statements have been determined in good faith, calculated in accordance with SAP or MN SAP, as applicable, and are subject to adjustment as required by SAP or MN SAP, as applicable, consistent with past practices.

(b) Except as set forth on Schedule 2.7(b), GHP and GHP's Subsidiaries have no material Liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) required to be reflected on the face of a balance sheet prepared in accordance with SAP or MN SAP other than those (i) incurred in the ordinary course of business since December 31, 2014, or (ii) fully reflected on or reserved against in the GHP Financial Statements.

2.8 Absence of Certain Changes or Events. Since December 31, 2014, the business of GHP and GHP's Subsidiaries has been conducted in the ordinary course consistent with past practices and there has not been any Material Adverse Effect on GHP or GHP's Subsidiaries.

2.9 Litigation. Except as set forth on Schedule 2.9, and except for subrogation actions, suits, investigations, arbitrations or proceedings, there is no action, suit, investigation, arbitration or proceeding that has been served on GHP or GHP's Subsidiaries or, to the Knowledge of GHS, is pending without service or threatened against or affecting GHP or any of GHP's Subsidiaries, which, alone or in the aggregate with any other such actions, suits, investigations, arbitrations or proceedings, would reasonably be expected to result in the granting of material injunctive or equity relief or governmental sanctions in excess of \$100,000 in the aggregate against GHP or any of GHP's Subsidiaries or result in Liability in excess of \$100,000 in the aggregate to GHP or any of GHP's Subsidiaries.

2.10 Material Contracts.

(a) Schedule 2.10(a) lists each agreement between GHP and any of GHP's Subsidiaries and any Top GHP Customer or Top GHP Supplier (the "Material GHP Contracts").

(b) Each Material GHP Contract is a legal, valid, binding, enforceable obligation of GHP or one of GHP's Subsidiaries, as applicable, and is in full force and effect, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar Laws in effect that affect the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies. GHP and GHP's Subsidiaries have substantially performed all of their obligations, as applicable, under the Material GHP Contracts and, to the Knowledge of GHS, no other party thereto is in default with respect to any of its Liabilities under any Material GHP Contract. Neither GHP nor any of GHP's Subsidiaries have received written notice of any default by GHP or any of GHP's Subsidiaries under any Material GHP Contract and, to the Knowledge of GHS, no other party under any Material GHP Contract is in default and no claim of default has been threatened by any party to a Material GHP Contract. No event has occurred that, with the passage of time or the giving of notice or both, would constitute a default by GHP or GHP's Subsidiaries or, to the Knowledge of GHS, any other party thereto under any Material GHP Contract, or would permit acceleration, termination or material modification of any Material GHP Contract. In the course of UHC's due diligence, UHC has been given the opportunity to request that true, correct and complete copies of each Material GHP Contract be delivered or made available to UHC's external legal counsel. Except as set forth on Schedule 2.10(b), no consent, waiver, approval, notice or authorization to any other party thereto is required under any Material GHP Contract as a result of the transactions contemplated by this Agreement.

2.11 Indebtedness. Except as set forth on Schedule 2.11, GHP and GHP's Subsidiaries do not have any Indebtedness and are not liable for any Indebtedness of any other Person.

2.12 Real Property.

(a) The real property demised by the leases described on Schedule 2.12(a) constitutes all of the real property leased by GHP and GHP's Subsidiaries.

(b) GHP and GHP's Subsidiaries have no Owned Real Property.

2.13 Intellectual Property. GHP and GHP's Subsidiaries collectively own or possess licenses or other legal rights to use, sell or license all GHP Intellectual Property, free and clear of

all Liens, subject to the restrictions and limitations set forth in any such license. To the Knowledge of GHS, neither the conduct of the business of GHP and GHP's Subsidiaries nor any GHP Intellectual Property infringes, misappropriates, dilutes or otherwise violates any intellectual property rights of any third party.

#### 2.14 Compliance with Law; Permits.

(a) GHP and each of GHP's Subsidiaries possess, and are in compliance in all material respects with, all material licenses, permits, certificates, authorizations, rights and other approvals of Governmental Authorities (collectively, "Permits") necessary to conduct their business as currently conducted. The consummation of the transactions contemplated by this Agreement and the Related Agreements will not result in a revocation or cancellation of any Permit.

(b) GHP and GHP's Subsidiaries have complied, and are in compliance, in all material respects with all applicable Laws and Governmental Orders relating to GHP, GHP's Subsidiaries and their business, and no complaint, action, suit, arbitration, proceeding, hearing, charge, demand, claim or investigation has been filed or commenced or, to the Knowledge of GHS, is threatened alleging any failure so to comply in any material respect.

(c) Without limiting the generality of Section 2.14(b), with respect to their business, GHP and GHP's Subsidiaries are in compliance in all material respects with all applicable Laws and Governmental Orders relating to: (i) any federal or state health care program (as such terms are defined in Section 1128B of the Social Security Act) (each a "Health Care Program") in which it is a participant, including, without limitation, CMS manuals, instructions, Frequently Asked Questions ("FAQs") and guidance relating to the Medicare Advantage Program and Medicare Prescription Drug Benefit Programs; (ii) health care fraud and abuse; (iii) physician self-referral; (iv) fraudulent, abusive or unlawful practices connected in any way with the provision of health care items or services, or the billing for or claims for reimbursement for such items or services provided to a beneficiary of any Health Care Program or any private payor; and (v) privacy, security or confidentiality of health records or personal health information. Except for routine matters, with respect to their business, GHP and GHP's Subsidiaries have not received any written notice, citation, suspension, revocation, limitation, warning, or request for repayment or refund, including, but not limited to, any overpayment issued by a Governmental Authority that requires, seeks or calls attention to the necessity of any adjustment, modification or alteration in their business' operations, activities, services or financial condition that has not been fully and finally resolved to the Governmental Authority's satisfaction without further Liability to GHP and GHP's Subsidiaries. There are no restrictions imposed by any Governmental Authority upon the business, or the activities or services of GHP or GHP's Subsidiaries in connection with their business.

(d) Without limiting the generality of Section 2.14(b), none of the directors, officers, employees, contractors or agents of GHP or GHP's Subsidiaries: (i) has been assessed a civil monetary penalty under Section 1128A of the Social Security Act or any regulations promulgated thereunder; (ii) has been excluded from participation in any Health Care Program; (iii) is or has been a party to a corporate integrity agreement with any Governmental Authority; (iv) has been convicted of any criminal offense relating to the delivery of any item or service

reimbursable under a Health Care Program or relating to manufacturing, distributing, wholesaling, labeling, packaging, marketing, prescribing or dispensing prescription drugs or controlled substances; (v) is presently debarred, suspended, proposed for debarment, or declared ineligible to participate in federal programs by Governmental Authority under Laws, including without limitation 2 C.F.R. §180.960; or (vi) is or has been a party to or subject to any complaint, action, suit, arbitration, proceeding, hearing, charge, demand, claim or investigation concerning any of the matters described in clauses (i) through (v) above.

(e) Since January 1, 2014, GHP and GHP's Subsidiaries have not (i) received written or, to the Knowledge of GHS, oral notice from any Governmental Authority regarding any material noncompliance (or that any of them are under investigation or the subject of an inquiry by any such Governmental Authority for such alleged material noncompliance) with any applicable Law or Governmental Order, in relation to their business, or (ii) in connection with their business, entered into any written or, to the Knowledge of GHS, express oral agreement or settlement with any Governmental Authority with respect to its material non-compliance with, or material violation of, any applicable Laws and Governmental Orders.

(f) Since January 1, 2014, GHP and GHP's Subsidiaries have timely filed all material regulatory reports, schedules, statements, documents, filings, submissions, forms, registrations and other documents, together with any amendments required to be made with respect thereto, that they were required to file with any Governmental Authority, including without limitation state health and insurance regulatory authorities and any applicable federal regulatory authorities, with respect to their business. All such regulatory filings complied in all material respects with applicable Laws and Governmental Orders. GHS has previously made available to UHC true and complete copies of all such filings.

(g) All premium rates, rating plans and policy terms established and currently used by, or approved by a Governmental Authority for use by, GHP or GHP's Subsidiaries in connection with their business that are required to be filed with and/or approved by Governmental Authorities have been filed and/or approved, the premiums currently charged in connection with their business conform to the premiums so filed and/or approved and comply in all material respects with the Laws and Governmental Orders applicable thereto, and GHP and GHP's Subsidiaries have not received written or, to the Knowledge of GHS, oral notice of an ongoing investigation by any Governmental Authority of such premiums.

(h) Without limiting the generality of Section 2.14(b), GHP and GHP's Subsidiaries and, to the Knowledge of GHS, each authorized broker, producer, consultant, agent, field marketing organization, or third party service provider acting on their behalf, has each marketed, administered, sold and issued insurance and health care benefit products in compliance in all material respects with all applicable Laws, including specifically applicable Laws that relate to the compensation of such persons and the licensing of Persons to sell health insurance and health care benefit products.

(i) GHP and GHP's Subsidiaries maintain a compliance program that meets in all material respects the regulatory requirements of 42 C.F.R. §422.503(b)(4)(vi) and §423.504(b)(4)(vi) and applicable compliance program guidance issued by CMS and the Office of the Inspector General of the U.S. Department of Health and Human Services ("OIG").

(j) With respect to their business, GHP and GHP's Subsidiaries are eligible to receive payment under Title XVIII of the Social Security Act ("Medicare"), and are eligible to participate in the Medicare program. No validation or program integrity review or audit related to their business (other than normal, routine reviews) by any Governmental Authority is pending, and no such reviews are scheduled or, to the Knowledge of GHS, threatened against or affecting their business.

(k) Without limiting the generality of Section 2.14(b), GHP and GHP's Subsidiaries comply in all material respects with all applicable Laws related to the Medicare Advantage Program and Medicare Prescription Drug Benefit Programs (including, without limitation, CMS manuals, instructions, FAQs and guidance) with respect to its submission and documentation of Medicare risk adjustment data and as specified in 42 C.F.R. Part 422 and there are currently no audits by Governmental Authorities pending with respect to such risk adjustments. All enrollment data and any data related to the status of Medicare beneficiaries submitted by GHP and GHP's Subsidiaries with respect to their business (other than the risk adjustment data described in the immediately preceding sentence) that affects Medicare Advantage Program and Medicare Prescription Drug Benefit Program payments are consistent in all material respects with the certifications provided to CMS and with applicable Laws relating to the Medicare Advantage Program and Medicare Prescription Drug Benefit Programs (including, without limitation, CMS manuals, instructions, FAQs and guidance), other than as may be affected by retroactive enrollment adjustments made in the ordinary course of business.

(l) Any bid submissions by GHP and GHP's Subsidiaries to CMS for the 2015 contract year relating to their business (i) satisfy in all material respects all CMS regulations and Medicare Laws and (ii) are not the subject of any pending audits by CMS related to such bid submissions.

(m) Without limiting the generality of Section 2.14(b), in connection with the Medicare Prescription Drug Benefit Program, with respect to their business, GHP and GHP's Subsidiaries comply in all material respects with applicable Laws relating to the Medicare Prescription Drug Benefit Program (including, without limitation, CMS manuals, instructions, FAQs and guidance) related to risk sharing arrangements, including 42 C.F.R. §423.336 and the Coverage Gap Discount Program. With respect to their business, GHP and GHP's Subsidiaries have accurately presented in all material respects to CMS their prescription drug costs as required under 42 C.F.R. Part 423, Subpart G and related CMS manuals, instructions, FAQs, and guidance. Any anticipated reconciliation adjustments under the Medicare Prescription Drug Benefit Program, including, without limitation, the Coverage Gap Discount Program, have been properly reflected in the GHP Financial Statements.

(n) With respect to their business, GHP and GHP's Subsidiaries comply in all material respects with all applicable significant business transaction reporting requirements to CMS under the Medicare Advantage Program and Medicare Prescription Drug Benefit Program.

(o) With respect to their business, GHP and GHP's Subsidiaries comply in all material respects with all Medicare Advantage Program and Medicare Prescription Drug Benefit Program requirements concerning related party agreements (both medical and non-benefit). Without limiting the foregoing, with respect to their business, GHP and GHP's Subsidiaries have

properly disclosed any such related party agreements to CMS and have prepared the bid pricing tool in a manner that does not recognize the independence of a subcontracted related party or has demonstrated that the subcontracted related party's fees are comparable to the fees between the subcontracted related party and other unrelated parties of similar size and market position. All related party agreements entered into by GHP and GHP's Subsidiaries relating to their business (i) comply in all material respects with all applicable Laws concerning related party agreements and (ii) are not the subject of any ongoing or pending audits or investigations by any Governmental Authority.

(p) To the extent that GHP and GHP's Subsidiaries have identified any overpayments for their business from any Health Care Program, it has notified the applicable agency and returned such overpayments within sixty (60) days in accordance with the requirements under applicable Laws.

(q) GHS does not have Knowledge, and neither GHP nor any of GHP's Subsidiaries have received any oral or written notice from CMS, (i) that CMS would deny an application for GHP or GHP's Subsidiaries to expand their service area or enter into new Medicare Advantage Program or Medicare Prescription Drug Benefit Program contracts, or (ii) of any material adverse change in the quality star rating for GHP or GHP's Subsidiaries.

(r) GHP and GHP's Subsidiaries are receiving and transmitting, directly or through third parties, those standard transactions as defined in the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economics and Clinical Health Act and corresponding regulations regarding electronic transactions and code sets (45 C.F.R. Parts 160, 162 and 164) ("HIPAA"). Since January 1, 2014, each such health plan has been distributing notices of privacy practices in the appropriate form, obtaining acknowledgments of receipt to the extent required under HIPAA, training its workforce, administering a complaint system, and offering covered persons the records access, disclosure accounting and other rights, each, in all material respects, as required by applicable Laws. Since January 1, 2014, GHP and GHP's Subsidiaries have complied in all material respects with applicable Laws relating to the use and disclosure of protected health information, notices of privacy practices and the privacy rules, and the maintenance and transmission of electronic protected health information as well as security requirements (including notices of any breaches of security).

(s) Neither GHP nor GHP's Subsidiaries have made a voluntary disclosure relating to their business pursuant to the OIG's self-disclosure protocol or otherwise and they are not currently subject to any reporting obligations pursuant to any settlement agreement with the OIG or any other Governmental Authority. Except as set forth on Schedule 2.14(s), neither GHP nor any of GHP's Subsidiaries have been notified in writing or orally that any of them are the subject of any audit or investigation, a defendant in any qui tam/False Claims Act litigation, or been served with or received any search warrant, subpoena or civil investigative demand from any Governmental Authority relating to their business.

(t) Without limiting the generality of Section 2.14(b), with respect to their business, GHP and GHP's Subsidiaries comply in all material respects with Medicare Laws related to physician risk and incentive plans as set forth in 42 C.F.R. §422.208. No provider of

health services that is a physician or a physician group that provides health services to an enrollee in a Medicare Advantage Plan of GHP or any of GHP's Subsidiaries is at "substantial financial risk" as defined by the preceding regulation.

(u) Without limiting the generality of Section 2.14(b), GHP and GHP's Subsidiaries comply in all material respects with all applicable Laws and Governmental Orders under ACA including, but not limited to, essential benefits and cost sharing provisions, out of pocket limitations, annual and lifetime limits, preventive services, reinsurance contributions, access to and payment for emergency services, appeals procedures, eligible dependent requirements, medical loss ratio standards and rebate provisions, premium rate review, premium stabilization requirements (including, risk adjustment, reinsurance and risk corridors), guaranteed issue and guaranteed renewals, prohibitions on rescissions, and preexisting condition limitations.

(v) Without limiting the generality of Section 2.14(b), GHP and GHP's Subsidiaries comply in all material respects with all Laws and Governmental Orders relating to Qualified Health Plans and Exchanges under the ACA including standards for certification as a Qualified Health Plan, transparency in coverage, nondiscrimination, enrollment and administration of premium tax credits and cost sharing subsidies, network adequacy, essential community providers, and essential health benefits. All information and attestations submitted by GHP and GHP's Subsidiaries to any Governmental Authority related to Qualified Health Plan status is true, accurate, and complete in all material respects. Such requirements include, but are not limited to, benefit design and actuarial value standards.

(w) With respect to Section 2.14(u) above, GHP and GHP's Subsidiaries have not taken any action or made any representation with respect to any third party subject to ACA that would cause such third party to be out of compliance with the Laws and Governmental Orders referenced in such section.

(x) Without limiting the generality of Section 2.14(b), (i) the GHP Medicaid Contract is valid, binding, in full force and effect, and enforceable in accordance with its terms and is not subject to any claims, charges, set-offs or defenses, (ii) GHP is not in default under the GHP Medicaid Contract, nor has any event occurred which with the giving of notice or the passage of time (or both) would constitute a breach or default by GHP thereunder, (iii) GHP has not waived any rights under the GHP Medicaid Contract or modified any terms thereof, and (iv) in addition to GHP, no party to the GHP Medicaid Contract is in breach or default in any respect under such agreement nor has any event occurred or is expected to occur (including the transactions contemplated hereby), which with the giving of notice or the passage of time (or both) would constitute a default thereunder. There are no outstanding fines, assessments, corrective action plans or corrective action requests from any Governmental Authority relating to the GHP Medicaid Contract. GHP has not received notice from any Governmental Authority and no event has occurred that would reasonably be expected to cause any Governmental Authority to notify GHP, of any corrective action request, fine, assessment or other action against GHP for violations of the GHP Medicaid Contract.

(y) Without limiting the generality of Section 2.14(b), with respect to their business, GHP and GHP's Subsidiaries comply in all material respects with Medicare Laws related to downstream delegation as set forth in 42 C.F.R. §422.504.



2.15 Affiliate Agreements. Schedule 2.15 sets forth all agreements between (a) any of GHS and its Affiliates (excluding GHP and GHP's Subsidiaries), as one counterparty, and (b) GHP and GHP's Subsidiaries, as another counterparty.

2.16 Brokers. Except as set forth on Schedule 2.16, neither GHP nor any of GHP's Subsidiaries have used any investment banker, broker, or finder in connection with the transactions contemplated hereby. UHC and its Affiliates do not have and will not have any Liability or otherwise suffer or incur any Loss as a result of or in connection with any investment banker, brokerage, or finder's fee or other commission of any Person retained by or on behalf of GHP or GHP's Subsidiaries in connection with the transactions contemplated by this Agreement.

2.17 Tax Matters.

(a) Except as set forth on Schedule 2.17(a):

(i) GHP and GHP's Subsidiaries (A) have filed, or have applied for an extension to file (or have had filed or applied for on their behalf) on a timely basis all Income Tax Returns and all other material Tax Returns required by applicable Law to be filed by them on or before the Closing Date and such Tax Returns are true, correct and complete in all material respects, and (B) have paid all Taxes due as a result of their activities or has made adequate provision for any such Taxes not yet due such that the reserves for current Taxes (excluding reserves for deferred Taxes) reflected in the Interim GHP Financial Statements, as adjusted for the passage of time through the Closing Date, will not be less than the reasonably estimated Tax Liabilities accruing or payable by GHP and GHP's Subsidiaries in respect of the period ended on and including the Closing Date and any years and periods prior thereto (such years and periods, collectively, the "Pre-Closing Tax Period").

(ii) There are no ongoing audits or examinations of any of the Tax Returns of GHP or any of GHP's Subsidiaries and neither GHP nor any of GHP's Subsidiaries has been notified, in writing, by any taxing authority that any such audit is contemplated or pending.

(iii) No claims, investigations, actions or proceedings have been served on GHP or any of GHP's Subsidiaries and, to the Knowledge of GHS, no claims, investigations, actions or proceedings are pending without service or threatened against GHP or any of GHP's Subsidiaries by any taxing authority for any past due Taxes with respect to which GHP or any of GHP's Subsidiaries would be individually or severally liable.

(iv) No waiver or extension of any statute of limitations which has been executed by or on behalf of GHP or any of GHP's Subsidiaries is in effect with respect to Taxes of GHP or any of GHP's Subsidiaries.

(v) Neither GHP nor any of GHP's Subsidiaries is or ever has been a "United States real property holding corporation" within the meaning of Section 897(c)(2) of the Code.

(vi) Neither GHP nor any of GHP's Subsidiaries is, and none has been, a party to any Tax allocation, Tax sharing, Tax indemnity, Tax reimbursement agreement or arrangement, and has not been subject to any audit relating to Taxes, in the past six (6) years.

(vii) Neither GHP nor any of GHP's Subsidiaries is liable for the Taxes of any other Person as a transferee or successor, by contract or otherwise. Neither GHP nor any of GHP's Subsidiaries is liable for the Taxes of any other Person under Treasury Regulation §1.1502-6 (or any similar provision of state, local or foreign law). Neither GHP nor any of GHP's Subsidiaries has been a member of an "affiliated group" (within the meaning of Section 1504(a) of the Code) filing a consolidated federal Income Tax Return, other than a group the common parent of which was or is GHP.

(viii) Neither GHP nor any of GHP's Subsidiaries is a party to any agreement, contract, arrangement or plan that has resulted or could result, separately or in the aggregate, in the payment of (A) any "excess parachute payment" within the meaning of Section 280G of the Code (or any corresponding provision of state, local or foreign Tax Law) (including any payments required to be made in connection with the consummation of the transactions contemplated hereby), and (B) any amount that will not be fully deductible as a result of Section 162(m)(6) of the Code (or any corresponding provision of state, local or foreign Tax Law).

#### 2.18 Labor Matters.

(a) Except as set forth on Schedule 2.18(a), GHS has delivered or made available to UHC in the course of UHC's due diligence the name and current rate of compensation of all full-time employees of or assigned to GHP and GHP's Subsidiaries as of a recent date, including (i) job title; (ii) exempt status; (iii) base salary; (iv) bonus arrangements; and (v) commission arrangements. Except as set forth on Schedule 2.18(a), neither GHP nor any of GHP's Subsidiaries is a party to or bound by any collective bargaining agreement, and to the Knowledge of GHS, there has been no organized effort by any labor union during the two (2) years prior to the date of this Agreement to organize any employees of or assigned to GHP or any of GHP's Subsidiaries into one (1) or more collective bargaining units. There is no pending or, to the Knowledge of GHP, threatened strike or organized work stoppage involving the employees of or assigned to GHP or any of GHP's Subsidiaries.

(b) Except as set forth on Schedule 2.18(b), neither GHP nor any of GHP's Subsidiaries has any unfair labor practice charge or complaint or other proceeding served or, to the Knowledge of GHS, pending without service or threatened against it before the National Labor Relations Board or similar authority, or any served arbitrations, grievances, suits or administrative proceedings before any Governmental Authority relating to labor or employment matters involving any employees of GHP or any of GHP's Subsidiaries.

(c) GHP and each of GHP's Subsidiaries are in compliance in all material respects with all Laws relating to employees and the employment of labor, including, but not limited to, all such Laws relating to wages, hours, the Worker Adjustment and Retraining Notification Act and any similar state or local "mass layoff" or "plant closing" Laws ("WARN"), discrimination, civil rights, safety and health, workers' compensation, employee benefits, labor relations, employee leave issues, occupational safety and health requirements, and the collection

and payment of withholding and/or social security taxes and any similar tax. There has been no “mass layoff” or “plant closing” (as defined by WARN) with respect to GHP or any of GHP’s Subsidiaries within two (2) years preceding the date of this Agreement.

2.19 Leased Employees and Independent Contractors. GHS has delivered or made available to UHC in the course of UHC’s due diligence, lists of those Persons who are, as of a recent date, (a) “leased employees” within the meaning of Section 414(n) of the Code, or (b) “independent contractors” within the meaning of the Code and the rules and regulations promulgated thereunder, of GHP and GHP’s Subsidiaries and in each case, the hourly pay rate or other compensatory arrangements with respect to each such Person.

2.20 Employee Benefit Plans; ERISA.

(a) Except as set forth on Schedule 2.20(a), with respect to current or former employees, officers, directors, independent contractors, or consultants of GHP and GHP’s Subsidiaries, neither GHP nor any of GHP’s Subsidiaries sponsors, maintains, contributes, is required to contribute to, or has any Liability with respect to any “pension plan” (as such term is defined under Section 3(2) of ERISA) (the “GHP Pension Plans”); “welfare plan” (as such term is defined under Section 3(1) of ERISA) (the “GHP Welfare Plans”); or any material employee benefit plan, incentive compensation, equity or equity-based compensation, deferred compensation, change in control, retention, termination, supplemental retirement, or severance arrangements (the “Material GHP Non-ERISA Plans”). The GHP Pension Plans, the GHP Welfare Plans, and the Material GHP Non-ERISA Plans are collectively referred to herein as the “GHP Plans.” Each of the GHP Pension Plans that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service (the “IRS”) or is a volume submitter or prototype plan that has received an opinion letter from the IRS and there are no facts or circumstances that would be reasonably likely to affect the qualified status of any such GHP Pension Plans. The GHP Plans comply in form and in operation, in all material respects, with the applicable requirements of the Code, ERISA (if applicable) and all applicable Laws.

(b) With respect to the GHP Plans, all required contributions, expenses or premiums have been timely made or properly accrued, in accordance with all applicable Laws.

(c) The GHP Plans have been established, maintained and administered, in all material respects, in accordance with their respective terms and with all applicable provisions of ERISA (if applicable), the Code and other Laws, except where the failure to be so maintained and administered has not had and would not reasonably be expected to result in a Material Adverse Effect on GHP or GHP’s Subsidiaries.

(d) Except as set forth in Schedule 2.20(d), the consummation of the transactions contemplated hereby will not (i) result in an increase in or accelerate the vesting of any of the benefits available under any of the GHP Plans, or (ii) otherwise entitle any current or former director or employee of GHP or GHP’s Subsidiaries to severance pay or any other payment from GHP or GHP’s Subsidiaries. Except as may be required by Law, neither GHP nor any of GHP’s Subsidiaries has announced any type of plan or binding commitment to (1) create

any additional GHP Plans, or (2) amend or modify any of the existing GHP Plans with respect to any current or former employee, independent contractor or director.

2.21 Customers and Suppliers. Schedule 2.21 sets forth a list of each of the customers (the “Top GHP Customers”), medical suppliers and non-medical suppliers (together, the “Top GHP Suppliers”) of GHP and GHP’s Subsidiaries that were among the top ten (10) customers (in terms of covered lives) or medical suppliers or non-medical suppliers (based upon the gross expenditures of GHP and each of GHP’s Subsidiaries taken as a whole) in each case during the fiscal year ended December 31, 2014 and, separately, for the seven (7) months ended July 31, 2015. Since January 1, 2015, except as set forth on Schedule 2.21, no Top GHP Customer or Top GHP Supplier has terminated its relationship with GHP or GHP’s Subsidiaries, as applicable, or changed other material terms of its business, and no such customer or supplier has notified GHP or any of GHP’s Subsidiaries in writing, or to the Knowledge of GHS, orally, that it intends to terminate or change other material terms.

2.22 Environmental. GHP and GHP’s Subsidiaries are and have been in compliance in all material respects with all Environmental Laws, and do not have any Liabilities under any Environmental Laws with respect to any properties and assets (whether real, personal, or mixed) in which GHP or GHP’s Subsidiaries (or any predecessors thereof) has or had an interest (or otherwise in connection with GHP’s or GHP’s Subsidiaries’ past or current operation of their business) that would reasonably be expected to result in a Material Adverse Effect. GHP and GHP’s Subsidiaries have not received at any time any citation, written notice or other communication from any Governmental Authority regarding any alleged, actual or potential violation by GHP or GHP’s Subsidiaries of any Environmental Law, or any alleged, actual or potential obligation GHP or any of GHP’s Subsidiaries to undertake or bear the cost of any Liabilities under any Environmental Law.

2.23 No Other Representations. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN ARTICLE II, ARTICLE IV AND IN THE GHS DELIVERIES, NEITHER GHS NOR ANY OTHER PERSON MAKES ANY REPRESENTATIONS OR WARRANTIES, WRITTEN OR ORAL, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, WITH RESPECT TO GHS, GHP, OR ANY OF THEIR SUBSIDIARIES OR THEIR BUSINESS, OPERATIONS, ASSETS, OWNERSHIP, LIABILITIES, CONDITION (FINANCIAL OR OTHERWISE) OR PROSPECTS OF GHP OR ANY OF ITS SUBSIDIARIES, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

### **ARTICLE III. REPRESENTATIONS AND WARRANTIES CONCERNING UNITY**

UHC hereby represents and warrants to GHS that the statements set forth in this Article III are true and correct as of the date hereof and shall be true and correct as of the Closing Date, except that each such statement is qualified by and subject to the Schedules delivered to GHS by UHC pursuant to the terms of this Agreement:

3.1 Due Organization. Unity (a) has been duly incorporated and organized as a stock insurance corporation under the Laws of the State of Wisconsin; (b) has full right, power and

authority to carry on its business as now being conducted and to own or lease and operate its properties as and in the places where its business is now conducted and such properties are now owned or leased and operated; and (c) is validly existing and in good standing under the Laws of the State of Wisconsin. Except as set forth on Schedule 3.1, Unity is not required to be qualified to do business as a foreign corporation in any jurisdiction.

3.2 Consents and Approvals. Except for: (a) the OCI; (b) applicable requirements of state securities or blue sky Laws; (c) the consents, waivers, approvals, notices or authorizations under the Material Unity Contracts; and (d) the consents, waivers, approvals, notices or authorizations of those Persons set forth on Schedule 3.2, no material consent, waiver, approval or authorization of, or filing, registration or qualification with, or notice to, any Person is required to be made, obtained, or given by Unity or Unity's Subsidiaries in connection with the execution, delivery and performance of this Agreement and the Related Agreements.

### 3.3 Conflicts.

(a) The execution and delivery of this Agreement and the Related Agreements (i) do not and will not conflict with, violate or result in a breach of (with or without the passage of time or notice or both) the terms of any of the articles of incorporation, by-laws or other similar governing documents of Unity or any of Unity's Subsidiaries, or any material judgment, order or decree of any Governmental Authority binding on Unity or any of Unity's Subsidiaries, and (ii) assuming the requirements, consents and approvals set forth in Section 3.2 are complied with and received, as applicable, do not breach or violate any applicable Law of any Governmental Authority.

(b) Except as set forth on Schedule 3.3(b), the execution and delivery of this Agreement and the Related Agreements will not result in a breach or violation of (with or without the passage of time or notice or both) the terms or provisions of, or constitute a default under (with or without the passage of time or notice or both), or result in the creation of a Lien upon any of the assets or properties of Unity or any of Unity's Subsidiaries under, any Permit or Material Unity Contract to which Unity or any of Unity's Subsidiaries are a party or by which Unity or any of Unity's Subsidiaries are bound or to which any assets or properties of Unity or any of Unity's Subsidiaries are subject.

3.4 Capitalization. On the date hereof and immediately prior to the Exchange, UHC is the sole shareholder of Unity. The capital stock of Unity to be delivered to GHS pursuant to Article I will be free and clear of all pre-emptive rights and other rights to acquire or purchase, except to the extent set forth in the articles of incorporation, bylaws and shareholder agreements of or related to Unity. Upon the consummation of the transactions contemplated by this Agreement, GHS and UHC shall be the only shareholders of Unity. Except as set forth on Schedule 3.4, there are no outstanding options, warrants or other rights to acquire or be issued, or that are convertible into or exercisable for, any shareholder rights of Unity. There are no phantom stock rights, income participations or similar rights in existence with respect to Unity.

3.5 Subsidiaries. Unity is the sole shareholder of SPWI TPA, Inc. (d/b/a Quartz), a Wisconsin for-profit corporation ("Quartz") and Unity has no other Subsidiaries. Except for Quartz, Unity does not control or own of record, beneficially or equitably, more than five percent

(5%) of any direct or indirect equity, membership, partnership, investment or other ownership or control interest, or any right (contingent or otherwise) to acquire the same in any other Person. Quartz: (a) has been duly incorporated and organized as a for-profit corporation under the Laws of the State of Wisconsin; (b) has full right, power and authority to operate its business as it is currently being operated and to own or lease and operate the properties of its business as and in the places where its business is now operated and such properties are now owned or leased and operated; and (c) is validly existing and in good standing under the Laws of the State of Wisconsin. The shares of Unity in Quartz are free and clear of all pre-emptive rights and other rights to acquire or purchase. Except as set forth on Schedule 3.5, there are no outstanding options, warrants or other rights to acquire or be issued, or that are convertible into or exercisable for, any shares of Quartz. There are no phantom stock rights, profit participations or similar rights in existence with respect to Quartz. Quartz is not required to be qualified to do business as a foreign corporation in any jurisdiction. As of the Closing Date, Quartz will become jointly owned by GHS and UHC pursuant to the terms of the Stock Transfer Power executed by UHC in favor of GHS.

3.6 Title to Assets. Except as set forth on Schedule 3.6, Unity and each of Unity's Subsidiaries has good and marketable title, free and clear of all Liens (other than Permitted Liens) to all of their respective tangible and intangible personal property (other than Intellectual Property which is the subject of Section 3.13), and own, lease or otherwise have a right to use all of the assets used in their business as it is currently being conducted.

### 3.7 Financial Statements.

(a) Copies of the Unity Financial Statements (excluding the Interim Unity Financial Statements) are attached hereto as Schedule 3.7(a). The Unity Financial Statements have been prepared from and are consistent in all material respects with the books, records and accounts of Unity and Unity's Subsidiaries, as applicable. Except as set forth on Schedule 3.7(a), (i) the Unity Financial Statements have been prepared in accordance with SAP and, with respect to unaudited Unity Financial Statements, are subject to normal year-end adjustments (consisting only of normal recurring accruals and do not contain financial statement footnotes); and (ii) the Unity Financial Statements are true and correct and fairly present in all material respects, as of the dates and for the periods referred to therein, the financial position and results of operations of Unity and Unity's Subsidiaries, as applicable. There are no facts or circumstances that would necessitate, in the good faith application of the reserving practices and policies of Unity and Unity's Subsidiaries, any material adverse change in the statutorily required reserves or reserves above those reflected in the most recent balance sheet (other than increases consistent with past experience resulting from increases in enrollment with respect to services provided by Unity and Unity's Subsidiaries). Unity and Unity's Subsidiaries meet or exceed the statutory net worth, deposit or other capital requirements of OCI. The items for Accrued Healthcare Expenses reflected in the Unity Financial Statements have been determined in good faith, calculated in accordance with SAP and are subject to adjustment as required by SAP consistent with past practices.

(b) Except as set forth on Schedule 3.7(b), Unity and Unity's Subsidiaries have no material Liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) required to be reflected on the face of a balance sheet prepared in accordance with

SAP other than those (i) incurred in the ordinary course of business since December 31, 2014, or (ii) fully reflected on or reserved against in the Unity Financial Statements.

3.8 Absence of Certain Changes or Events. Since December 31, 2014, the business of Unity and Unity's Subsidiaries has been conducted in the ordinary course consistent with past practices and there has not been any Material Adverse Effect on Unity or Unity's Subsidiaries.

3.9 Litigation. Except as set forth on Schedule 3.9, and except for subrogation actions, suits, investigations, arbitrations or proceedings, there is no action, suit, investigation, arbitration or proceeding that has been served on Unity or Unity's Subsidiaries or, to the Knowledge of UHC, is pending without service or threatened against or affecting Unity or any of Unity's Subsidiaries, which, alone or in the aggregate with any other such actions, suits, investigations, arbitrations or proceedings, would reasonably be expected to result in the granting of material injunctive or equity relief or governmental sanctions in excess of \$100,000 in the aggregate against Unity or any of Unity's Subsidiaries or result in Liability in excess of \$100,000 in the aggregate to Unity or any of Unity's Subsidiaries.

3.10 Material Contracts.

(a) Schedule 3.10(a) lists each agreement between Unity and any of Unity's Subsidiaries and any Top Unity Customer or Top Unity Supplier (the "Material Unity Contracts").

(b) Each Material Unity Contract is a legal, valid, binding, enforceable obligation of Unity or one of Unity's Subsidiaries, as applicable, and is in full force and effect, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar Laws in effect that affect the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies. Unity and Unity's Subsidiaries have substantially performed all of their obligations, as applicable, under the Material Unity Contracts and, to the Knowledge of UHC, no other party thereto is in default with respect to any of its Liabilities under any Material Unity Contract. Neither Unity nor any of Unity's Subsidiaries have received written notice of any default by Unity or any of Unity's Subsidiaries under any Material Unity Contract and, to the Knowledge of UHC, no other party under any Material Unity Contract is in default and no claim of default has been threatened by any party to a Material Unity Contract. No event has occurred that, with the passage of time or the giving of notice or both, would constitute a default by Unity or Unity's Subsidiaries or, to the Knowledge of UHC, any other party thereto under any Material Unity Contract, or would permit acceleration, termination or material modification of any Material Unity Contract. In the course of GHS' due diligence, GHS has been given the opportunity to request that true, correct and complete copies of each Material Unity Contract be delivered or made available to GHS' external legal counsel. Except as set forth on Schedule 3.10(b), no consent, waiver, approval, notice or authorization to any other party thereto is required under any Material Unity Contract as a result of the transactions contemplated by this Agreement.

3.11 Indebtedness. Except as set forth on Schedule 3.11, Unity and Unity's Subsidiaries do not have any Indebtedness and are not liable for any Indebtedness of any other Person.

### 3.12 Real Property.

(a) The real property demised by the leases described on Schedule 3.12(a) constitutes all of the real property leased by Unity and Unity's Subsidiaries.

(b) Schedule 3.12(b) lists the address and legal description of all Owned Real Property of Unity and Unity's Subsidiaries, if any. There are no outstanding options, rights of first offer or rights of first refusal to purchase any Owned Real Property of Unity or Unity's Subsidiaries or any portion thereof or interest therein. With respect to the Owned Real Property of Unity and Unity's Subsidiaries:

(i) Unity or Unity's Subsidiaries as set forth on Schedule 3.12(b) is the sole titleholder of record and owns good and marketable indefeasible fee simple absolute title and all equitable interest therein to the land, land improvements and buildings legally described as set forth on Schedule 3.12(b), together with all privileges, rights, easements, hereditaments, and appurtenances thereunto belonging, free and clear of all Liens, except as set forth on Schedule 3.12(b); and

(ii) except as set forth on Schedule 3.12(b), Unity and Unity's Subsidiaries have not leased, licensed or otherwise granted to any Person the right to use or occupy such Owned Real Properties or any portion thereof.

3.13 Intellectual Property. Unity and Unity's Subsidiaries collectively own or possess licenses or other legal rights to use, sell or license all Unity Intellectual Property, free and clear of all Liens, subject to the restrictions and limitations set forth in any such license. To the Knowledge of UHC, neither the conduct of the business of Unity and Unity's Subsidiaries nor any Unity Intellectual Property infringes, misappropriates, dilutes or otherwise violates any intellectual property rights of any third party.

### 3.14 Compliance with Law; Permits.

(a) Unity and each of Unity's Subsidiaries possess, and are in compliance in all material respects with, all Permits necessary to conduct their business as currently conducted. The consummation of the transactions contemplated by this Agreement and the Related Agreements will not result in a revocation or cancellation of any Permit.

(b) Unity and Unity's Subsidiaries have complied, and are in compliance, in all material respects with all applicable Laws and Governmental Orders relating to Unity, Unity's Subsidiaries and their business, and no complaint, action, suit, arbitration, proceeding, hearing, charge, demand, claim or investigation has been filed or commenced or, to the Knowledge of UHC, is threatened alleging any failure so to comply in any material respect.

(c) Without limiting the generality of Section 3.14(b), with respect to their business, Unity and Unity's Subsidiaries are in compliance in all material respects with all applicable Laws and Governmental Orders relating to: (i) any Health Care Program in which it is a participant, including, without limitation, CMS manuals, instructions, FAQs and guidance relating to the Medicare Advantage Program and Medicare Prescription Drug Benefit Programs; (ii) health care fraud and abuse; (iii) physician self-referral; (iv) fraudulent, abusive or unlawful



practices connected in any way with the provision of health care items or services, or the billing for or claims for reimbursement for such items or services provided to a beneficiary of any Health Care Program or any private payor; and (v) privacy, security or confidentiality of health records or personal health information. Except for routine matters, with respect to their business, Unity and Unity's Subsidiaries have not received any written notice, citation, suspension, revocation, limitation, warning, or request for repayment or refund, including, but not limited to, any overpayment issued by a Governmental Authority that requires, seeks or calls attention to the necessity of any adjustment, modification or alteration in their business' operations, activities, services or financial condition that has not been fully and finally resolved to the Governmental Authority's satisfaction without further Liability to Unity and Unity's Subsidiaries. There are no restrictions imposed by any Governmental Authority upon the business, or the activities or services of Unity or Unity's Subsidiaries in connection with their business.

(d) Without limiting the generality of Section 3.14(b), none of the directors, officers, employees, contractors or agents of Unity or Unity's Subsidiaries: (i) has been assessed a civil monetary penalty under Section 1128A of the Social Security Act or any regulations promulgated thereunder; (ii) has been excluded from participation in any Health Care Program; (iii) is or has been a party to a corporate integrity agreement with any Governmental Authority; (iv) has been convicted of any criminal offense relating to the delivery of any item or service reimbursable under a Health Care Program or relating to manufacturing, distributing, wholesaling, labeling, packaging, marketing, prescribing or dispensing prescription drugs or controlled substances; (v) is presently debarred, suspended, proposed for debarment, or declared ineligible to participate in federal programs by Governmental Authority under Laws, including without limitation 2 C.F.R. §180.960; or (vi) is or has been a party to or subject to any complaint, action, suit, arbitration, proceeding, hearing, charge, demand, claim or investigation concerning any of the matters described in clauses (i) through (v) above.

(e) Since January 1, 2014, Unity and Unity's Subsidiaries have not (i) received written or, to the Knowledge of UHC, oral notice from any Governmental Authority regarding any material noncompliance (or that any of them are under investigation or the subject of an inquiry by any such Governmental Authority for such alleged material noncompliance) with any applicable Law or Governmental Order, in relation to their business, or (ii) in connection with their business, entered into any written or, to the Knowledge of UHC, express oral agreement or settlement with any Governmental Authority with respect to its material non-compliance with, or material violation of, any applicable Laws and Governmental Orders.

(f) Since January 1, 2014, Unity and Unity's Subsidiaries have timely filed all material regulatory reports, schedules, statements, documents, filings, submissions, forms, registrations and other documents, together with any amendments required to be made with respect thereto, that they were required to file with any Governmental Authority, including without limitation state health and insurance regulatory authorities and any applicable federal regulatory authorities, with respect to their business. All such regulatory filings complied in all material respects with applicable Laws and Governmental Orders. UHC has previously made available to GHS true and complete copies of all such filings.

(g) All premium rates, rating plans and policy terms established and currently used by, or approved by a Governmental Authority for use by, Unity or Unity's Subsidiaries in connection with their business that are required to be filed with and/or approved by Governmental Authorities have been filed and/or approved, the premiums currently charged in connection with their business conform to the premiums so filed and/or approved and comply in all material respects with the Laws and Governmental Orders applicable thereto, and Unity and Unity's Subsidiaries have not received written or, to the Knowledge of UHC, oral notice of an ongoing investigation by any Governmental Authority of such premiums.

(h) Without limiting the generality of Section 3.14(b), Unity and Unity's Subsidiaries and, to the Knowledge of UHC, each authorized broker, producer, consultant, agent, field marketing organization, or third party service provider acting on their behalf, has each marketed, administered, sold and issued insurance and health care benefit products in compliance in all material respects with all applicable Laws, including specifically applicable Laws that relate to the compensation of such persons and the licensing of Persons to sell health insurance and health care benefit products.

(i) Unity and Unity's Subsidiaries maintain a compliance program that meets in all material respects the regulatory requirements of 42 C.F.R. §422.503(b)(4)(vi) and §423.504(b)(4)(vi) and applicable compliance program guidance issued by CMS and the OIG.

(j) With respect to their business, Unity and Unity's Subsidiaries are eligible to receive payment under Medicare and are eligible to participate in the Medicare program. No validation or program integrity review or audit related to their business (other than normal, routine reviews) by any Governmental Authority is pending, and no such reviews are scheduled or, to the Knowledge of UHC, threatened against or affecting their business.

(k) Without limiting the generality of Section 3.14(b), Unity and Unity's Subsidiaries comply in all material respects with all applicable Laws related to the Medicare Advantage Program and Medicare Prescription Drug Benefit Programs (including, without limitation, CMS manuals, instructions, FAQs and guidance) with respect to its submission and documentation of Medicare risk adjustment data and as specified in 42 C.F.R. Part 422 and there are currently no audits by Governmental Authorities pending with respect to such risk adjustments. All enrollment data and any data related to the status of Medicare beneficiaries submitted by Unity and Unity's Subsidiaries with respect to their business (other than the risk adjustment data described in the immediately preceding sentence) that affects Medicare Advantage Program and Medicare Prescription Drug Benefit Program payments are consistent in all material respects with the certifications provided to CMS and with applicable Laws relating to the Medicare Advantage Program and Medicare Prescription Drug Benefit Programs (including, without limitation, CMS manuals, instructions, FAQs and guidance), other than as may be affected by retroactive enrollment adjustments made in the ordinary course of business.

(l) Any bid submissions by Unity and Unity's Subsidiaries to CMS for the 2015 contract year relating to their business (i) satisfy in all material respects all CMS regulations and Medicare Laws and (ii) are not the subject of any pending audits by CMS related to such bid submissions.

(m) Without limiting the generality of Section 3.14(b), in connection with the Medicare Prescription Drug Benefit Program, with respect to their business, Unity and Unity's Subsidiaries comply in all material respects with applicable Laws relating to the Medicare Prescription Drug Benefit Program (including, without limitation, CMS manuals, instructions, FAQs and guidance) related to risk sharing arrangements, including 42 C.F.R. §423.336 and the Coverage Gap Discount Program. With respect to their business, Unity and Unity's Subsidiaries have accurately presented in all material respects to CMS their prescription drug costs as required under 42 C.F.R. Part 423, Subpart G and related CMS manuals, instructions, FAQs, and guidance. Any anticipated reconciliation adjustments under the Medicare Prescription Drug Benefit Program, including, without limitation, the Coverage Gap Discount Program, have been properly reflected in the Unity Financial Statements.

(n) With respect to their business, Unity and Unity's Subsidiaries comply in all material respects with all applicable significant business transaction reporting requirements to CMS under the Medicare Advantage Program and Medicare Prescription Drug Benefit Program.

(o) With respect to their business, Unity and Unity's Subsidiaries comply in all material respects with all Medicare Advantage Program and Medicare Prescription Drug Benefit Program requirements concerning related party agreements (both medical and non-benefit). Without limiting the foregoing, with respect to their business, Unity and Unity's Subsidiaries have properly disclosed any such related party agreements to CMS and have prepared the bid pricing tool in a manner that does not recognize the independence of a subcontracted related party or has demonstrated that the subcontracted related party's fees are comparable to the fees between the subcontracted related party and other unrelated parties of similar size and market position. All related party agreements entered into by Unity and Unity's Subsidiaries relating to their business (i) comply in all material respects with all applicable Laws concerning related party agreements and (ii) are not the subject of any ongoing or pending audits or investigations by any Governmental Authority.

(p) To the extent that Unity and Unity's Subsidiaries have identified any overpayments for their business from any Health Care Program, it has notified the applicable agency and returned such overpayments within sixty (60) days in accordance with the requirements under applicable Laws.

(q) UHC does not have Knowledge, and neither Unity nor any of Unity's Subsidiaries have received any oral or written notice from CMS, (i) that CMS would deny an application for Unity or Unity's Subsidiaries to expand their service area or enter into new Medicare Advantage Program or Medicare Prescription Drug Benefit Program contracts, or (ii) of any material adverse change in the quality star rating for Unity or Unity's Subsidiaries.

(r) Unity and Unity's Subsidiaries are receiving and transmitting, directly or through third parties, those standard transactions as defined in HIPAA. Since January 1, 2014, each such health plan has been distributing notices of privacy practices in the appropriate form, obtaining acknowledgments of receipt to the extent required under HIPAA, training its workforce, administering a complaint system, and offering covered persons the records access, disclosure accounting and other rights, each, in all material respects, as required by applicable Laws. Since January 1, 2014, Unity and Unity's Subsidiaries have complied in all material

respects with applicable Laws relating to the use and disclosure of protected health information, notices of privacy practices and the privacy rules, and the maintenance and transmission of electronic protected health information as well as security requirements (including notices of any breaches of security).

(s) Neither Unity nor Unity's Subsidiaries have made a voluntary disclosure relating to their business pursuant to the OIG's self-disclosure protocol or otherwise and they are not currently subject to any reporting obligations pursuant to any settlement agreement with the OIG or any other Governmental Authority. Except as set forth on Schedule 3.14(s), neither Unity nor any of Unity's Subsidiaries have been notified in writing or orally that any of them are the subject of any audit or investigation, a defendant in any qui tam/False Claims Act litigation, or been served with or received any search warrant, subpoena or civil investigative demand from any Governmental Authority relating to their business.

(t) Without limiting the generality of Section 3.14(b), with respect to their business, Unity and Unity's Subsidiaries comply in all material respects with Medicare Laws related to physician risk and incentive plans as set forth in 42 C.F.R. §422.208. No provider of health services that is a physician or a physician group that provides health services to an enrollee in a Medicare Advantage Plan of Unity or any of Unity's Subsidiaries is at "substantial financial risk" as defined by the preceding regulation.

(u) Without limiting the generality of Section 3.14(b), Unity and Unity's Subsidiaries comply in all material respects with all applicable Laws and Governmental Orders under ACA including, but not limited to, essential benefits and cost sharing provisions, out of pocket limitations, annual and lifetime limits, preventive services, reinsurance contributions, access to and payment for emergency services, appeals procedures, eligible dependent requirements, medical loss ratio standards and rebate provisions, premium rate review, premium stabilization requirements (including, risk adjustment, reinsurance and risk corridors), guaranteed issue and guaranteed renewals, prohibitions on rescissions, and preexisting condition limitations.

(v) Without limiting the generality of Section 3.14(b), Unity and Unity's Subsidiaries comply in all material respects with all Laws and Governmental Orders relating to Qualified Health Plans and Exchanges under the ACA including standards for certification as a Qualified Health Plan, transparency in coverage, nondiscrimination, enrollment and administration of premium tax credits and cost sharing subsidies, network adequacy, essential community providers, and essential health benefits. All information and attestations submitted by Unity and Unity's Subsidiaries to any Governmental Authority related to Qualified Health Plan status is true, accurate, and complete in all material respects. Such requirements include, but are not limited to, benefit design and actuarial value standards.

(w) With respect to Section 3.14(u) above, Unity and Unity's Subsidiaries have not taken any action or made any representation with respect to any third party subject to ACA that would cause such third party to be out of compliance with the Laws and Governmental Orders referenced in such section.

(x) Without limiting the generality of Section 3.14(b), (i) the Unity Medicaid Contract is valid, binding, in full force and effect, and enforceable in accordance with its terms

and is not subject to any claims, charges, set-offs or defenses, (ii) Unity is not in default under the Unity Medicaid Contract, nor has any event occurred which with the giving of notice or the passage of time (or both) would constitute a breach or default by Unity thereunder, (iii) Unity has not waived any rights under the Unity Medicaid Contract or modified any terms thereof, and (iv) in addition to Unity, no party to the Unity Medicaid Contract is in breach or default in any respect under such agreement nor has any event occurred or is expected to occur (including the transactions contemplated hereby), which with the giving of notice or the passage of time (or both) would constitute a default thereunder. There are no outstanding fines, assessments, corrective action plans or corrective action requests from any Governmental Authority relating to the Unity Medicaid Contract. Unity has not received notice from any Governmental Authority and no event has occurred that would reasonably be expected to cause any Governmental Authority to notify Unity, of any corrective action request, fine, assessment or other action against Unity for violations of the Unity Medicaid Contract.

(y) Without limiting the generality of Section 3.14(b), with respect to their business, Unity and Unity's Subsidiaries comply in all material respects with Medicare Laws related to downstream delegation as set forth in 42 C.F.R. §422.504.

3.15 Affiliate Agreements. Schedule 3.15 sets forth all agreements between (a) any of UHC and its Affiliates (excluding Unity and Unity's Subsidiaries), as one counterparty, and (b) Unity and Unity's Subsidiaries, as another counterparty.

3.16 Brokers. Except as set forth on Schedule 3.16, neither Unity nor any of Unity's Subsidiaries have used any investment banker, broker, or finder in connection with the transactions contemplated hereby. GHS and its Affiliates do not have and will not have any Liability or otherwise suffer or incur any Loss as a result of or in connection with any investment banker, brokerage, or finder's fee or other commission of any Person retained by or on behalf of Unity or Unity's Subsidiaries in connection with the transactions contemplated by this Agreement.

3.17 Tax Matters.

(a) Except as set forth on Schedule 3.17(a):

(i) Unity and Unity's Subsidiaries (A) have filed, or have applied for an extension to file (or have had filed or applied for on their behalf) on a timely basis all Income Tax Returns and all other material Tax Returns required by applicable Law to be filed by them on or before the Closing Date and such Tax Returns are true, correct and complete in all material respects, and (B) have paid all Taxes due as a result of their activities or has made adequate provision for any such Taxes not yet due such that the reserves for current Taxes (excluding reserves for deferred Taxes) reflected in the Interim Unity Financial Statements, as adjusted for the passage of time through the Closing Date, will not be less than the reasonably estimated Tax Liabilities accruing or payable by Unity and Unity's Subsidiaries in respect of the period ended on and including the Closing Date and any Pre-Closing Tax Period.

(ii) There are no ongoing audits or examinations of any of the Tax Returns of Unity or any of Unity's Subsidiaries and neither Unity nor any of Unity's Subsidiaries

has been notified, in writing, by any taxing authority that any such audit is contemplated or pending.

(iii) No claims, investigations, actions or proceedings have been served on Unity or any of Unity's Subsidiaries and, to the Knowledge of UHC, no claims, investigations, actions or proceedings are pending without service or threatened against Unity or any of Unity's Subsidiaries by any taxing authority for any past due Taxes with respect to which Unity or any of Unity's Subsidiaries would be individually or severally liable.

(iv) No waiver or extension of any statute of limitations which has been executed by or on behalf of Unity or any of Unity's Subsidiaries is in effect with respect to Taxes of Unity or any of Unity's Subsidiaries.

(v) Neither Unity nor any of Unity's Subsidiaries is or ever has been a "United States real property holding corporation" within the meaning of Section 897(c)(2) of the Code.

(vi) Neither Unity nor any of Unity's Subsidiaries is, and none has been, a party to any Tax allocation, Tax sharing, Tax indemnity, Tax reimbursement agreement or arrangement, and has not been subject to any audit relating to Taxes, in the past six (6) years.

(vii) Neither Unity nor any of Unity's Subsidiaries is liable for the Taxes of any other Person as a transferee or successor, by contract or otherwise. Neither Unity nor any of Unity's Subsidiaries is liable for the Taxes of any other Person under Treasury Regulation §1.1502-6 (or any similar provision of state, local or foreign law). Neither Unity nor any of Unity's Subsidiaries has been a member of an "affiliated group" (within the meaning of Section 1504(a) of the Code) filing a consolidated federal Income Tax Return, other than a group the common parent of which was or is Unity.

(viii) Neither Unity nor any of Unity's Subsidiaries is a party to any agreement, contract, arrangement or plan that has resulted or could result, separately or in the aggregate, in the payment of (A) any "excess parachute payment" within the meaning of Section 280G of the Code (or any corresponding provision of state, local or foreign Tax Law) (including any payments required to be made in connection with the consummation of the transactions contemplated hereby), and (B) any amount that will not be fully deductible as a result of Section 162(m)(6) of the Code (or any corresponding provision of state, local or foreign Tax Law).

### 3.18 Labor Matters.

(a) Except as set forth on Schedule 3.18(a), UHC has delivered or made available to GHS in the course of GHS' due diligence the name and current rate of compensation of all full-time employees of or assigned to Unity and Unity's Subsidiaries as of a recent date, including (i) job title; (ii) exempt status; (iii) base salary; (iv) bonus arrangements; and (v) commission arrangements. Except as set forth on Schedule 3.18(a), neither Unity nor any of Unity's Subsidiaries is a party to or bound by any collective bargaining agreement, and to the Knowledge of UHC, there has been no organized effort by any labor union during the two (2) years prior to the date of this Agreement to organize any employees of or assigned to Unity or any of Unity's Subsidiaries into one (1) or more collective bargaining units. There is no pending

or, to the Knowledge of Unity, threatened strike or organized work stoppage involving the employees of or assigned to Unity or any of Unity's Subsidiaries.

(b) Except as set forth on Schedule 3.18(b), neither Unity nor any of Unity's Subsidiaries has any unfair labor practice charge or complaint or other proceeding served or, to the Knowledge of UHC, pending without service or threatened against it before the National Labor Relations Board or similar authority, or any served arbitrations, grievances, suits or administrative proceedings before any Governmental Authority relating to labor or employment matters involving any employees of Unity or any of Unity's Subsidiaries.

(c) Unity and each of Unity's Subsidiaries are in compliance in all material respects with all Laws relating to employees and the employment of labor, including, but not limited to, all such Laws relating to wages, hours, WARN, discrimination, civil rights, safety and health, workers' compensation, employee benefits, labor relations, employee leave issues, occupational safety and health requirements, and the collection and payment of withholding and/or social security taxes and any similar tax. There has been no "mass layoff" or "plant closing" (as defined by WARN) with respect to Unity or any of Unity's Subsidiaries within two (2) years preceding the date of this Agreement.

3.19 Leased Employees and Independent Contractors. UHC has delivered or made available to GHS in the course of GHS' due diligence, lists of those Persons who are, as of a recent date, (a) "leased employees" within the meaning of Section 414(n) of the Code, or (b) "independent contractors" within the meaning of the Code and the rules and regulations promulgated thereunder, of Unity and Unity's Subsidiaries and in each case, the hourly pay rate or other compensatory arrangements with respect to each such Person.

### 3.20 Employee Benefit Plans; ERISA.

(a) Except as set forth on Schedule 3.20(a), with respect to current or former employees, officers, directors, independent contractors, or consultants of Unity and Unity's Subsidiaries, neither Unity nor any of Unity's Subsidiaries sponsors, maintains, contributes, is required to contribute to, or has any Liability with respect to any "pension plan" (as such term is defined under Section 3(2) of ERISA) (the "Unity Pension Plans"); "welfare plan" (as such term is defined under Section 3(1) of ERISA) (the "Unity Welfare Plans"); or any material employee benefit plan, incentive compensation, equity or equity-based compensation, deferred compensation, change in control, retention, termination, supplemental retirement, or severance arrangements (the "Material Unity Non-ERISA Plans"). The Unity Pension Plans, the Unity Welfare Plans, and the Material Unity Non-ERISA Plans are collectively referred to herein as the "Unity Plans." Each of the Unity Pension Plans that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the IRS or is a volume submitter or prototype plan that has received an opinion letter from the IRS and there are no facts or circumstances that would be reasonably likely to affect the qualified status of any such Unity Pension Plans. The Unity Plans comply in form and in operation, in all material respects, with the applicable requirements of the Code, ERISA (if applicable) and all applicable Laws.

(b) With respect to the Unity Plans, all required contributions, expenses or premiums have been timely made or properly accrued, in accordance with all applicable Laws.

(c) The Unity Plans have been established, maintained and administered, in all material respects, in accordance with their respective terms and with all applicable provisions of ERISA (if applicable), the Code and other Laws, except where the failure to be so maintained and administered has not had and would not reasonably be expected to result in a Material Adverse Effect on Unity or Unity's Subsidiaries.

(d) Except as set forth in Schedule 3.20(d), the consummation of the transactions contemplated hereby will not (i) result in an increase in or accelerate the vesting of any of the benefits available under any of the Unity Plans, or (ii) otherwise entitle any current or former director or employee of Unity or Unity's Subsidiaries to severance pay or any other payment from Unity or Unity's Subsidiaries. Except as may be required by Law, neither Unity nor any of Unity's Subsidiaries has announced any type of plan or binding commitment to (1) create any additional Unity Plans, or (2) amend or modify any of the existing Unity Plans with respect to any current or former employee, independent contractor or director.

3.21 Customers and Suppliers. Schedule 3.21 sets forth a list of each of the customers (the "Top Unity Customers"), medical suppliers and non-medical suppliers (together, the "Top Unity Suppliers") of Unity and Unity's Subsidiaries that were among the top ten (10) customers (in terms of covered lives) or medical suppliers or non-medical suppliers (based upon the gross expenditures of Unity and each of Unity's Subsidiaries taken as a whole) in each case during the fiscal year ended December 31, 2014 and, separately, for the seven (7) months ended July 31, 2015. Since January 1, 2015, except as set forth on Schedule 3.21, no Top Unity Customer or Top Unity Supplier has terminated its relationship with Unity or Unity's Subsidiaries, as applicable, or changed other material terms of its business, and no such customer or supplier has notified Unity or any of Unity's Subsidiaries in writing, or to the Knowledge of UHC, orally, that it intends to terminate or change other material terms.

3.22 Environmental. Unity and Unity's Subsidiaries are and have been in compliance in all material respects with all Environmental Laws, and do not have any Liabilities under any Environmental Laws with respect to any properties and assets (whether real, personal, or mixed) in which Unity or Unity's Subsidiaries (or any predecessors thereof) has or had an interest (or otherwise in connection with Unity's or Unity's Subsidiaries' past or current operation of their business) that would reasonably be expected to result in a Material Adverse Effect. Unity and Unity's Subsidiaries have not received at any time any citation, written notice or other communication from any Governmental Authority regarding any alleged, actual or potential violation by Unity or Unity's Subsidiaries of any Environmental Law, or any alleged, actual or potential obligation Unity or any of Unity's Subsidiaries to undertake or bear the cost of any Liabilities under any Environmental Law.

3.23 No Other Representations. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN ARTICLE III, ARTICLE V AND IN THE UHC DELIVERIES, NEITHER UHC NOR ANY OTHER PERSON MAKES ANY REPRESENTATIONS OR WARRANTIES, WRITTEN OR ORAL, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, WITH RESPECT TO UHC, UNITY, OR ANY OF THEIR SUBSIDIARIES OR THEIR BUSINESS, OPERATIONS, ASSETS, OWNERSHIP, LIABILITIES, CONDITION (FINANCIAL OR OTHERWISE) OR PROSPECTS OF UNITY



OR ANY OF ITS SUBSIDIARIES, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

#### **ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF GHS**

GHS hereby represents and warrants to UHC that the statements set forth in this Article IV are true and correct as of the date hereof and shall be true and correct as of the Closing Date:

4.1 Due Organization. GHS (a) has been duly organized as a non-stock corporation under the Laws of the State of Wisconsin, (b) has full right, power and authority to carry on its business as now being conducted and to own or lease and operate its properties as and in the places where such business is now conducted and such properties are now owned or leased and operated, and (c) is validly existing and in good standing under the Laws of the State of Wisconsin.

4.2 Due Authorization; Consents and Approvals; Enforceability.

(a) GHS has full corporate power and authority to enter into this Agreement and the Related Agreements to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by GHS of this Agreement and the Related Agreements to which it is a party have been duly and validly approved by all necessary corporate or other applicable action and no other actions or proceedings on the part of GHS are necessary to authorize this Agreement and the Related Agreements to which it is a party and the transactions contemplated hereby and thereby.

(b) Except for (i) the OCI and DOC, and (ii) the applicable consents, waivers, approvals or authorization of those Persons described in Schedule 2.2, no consent, waiver, approval or authorization of, or filing, registration or qualification with, or notice to, any Person is required to be made, obtained, or given by GHS in connection with the execution, delivery and performance of this Agreement and the Related Agreements to which it is a party.

(c) GHS has duly and validly executed and delivered this Agreement, and the Related Agreements to which it will be a party at the Closing will be duly and validly executed and delivered at the Closing. Assuming this Agreement and the Related Agreements are valid and binding obligations of UHC, this Agreement constitutes, and the Related Agreements to which it will be a party when executed will constitute, legal, valid and binding obligations of GHS, enforceable against it in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar Laws in effect that affect the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies.

4.3 Conflicts.

(a) The execution and delivery by GHS of this Agreement and the Related Agreements to which it is a party, and the performance by it of this Agreement and the Related Agreements to which it is a party, (i) do not and will not conflict with, violate or result in a breach of (with or without the passage of time or notice or both) the terms of any of the articles

of incorporation, by-laws or other similar governing documents of GHS, or any judgment, order or decree of any Governmental Authority binding on GHS, and (ii) do not breach or violate any applicable Law of any Governmental Authority.

(b) The execution and delivery by GHS of this Agreement and the Related Agreements to which it is a party, and the performance by GHS of this Agreement and the Related Agreements to which it is a party, will not result in a breach or violation of (with or without the passage of time or notice or both) the terms or provisions of, or constitute a default under (with or without the passage of time or notice or both), or result in the creation of a Lien upon any of the assets or properties of GHS, GHP or any of GHP's Subsidiaries under, any indenture, mortgage, deed of trust, loan agreement, lease agreement or management agreement or other material agreement or instrument, whether written or oral, to which GHS is a party or by which GHS is bound or to which any assets or properties of GHS are subject.

4.4 Brokers. Except as set forth on Schedule 4.4, GHS has not used any investment banker, broker, or finder in connection with the transactions contemplated hereby, and UHC and its Affiliates do not have and will not have any Liability or otherwise suffer or incur any Loss as a result of or in connection with any investment banker, brokerage, or finder's fee or other commission of any Person retained by or on behalf of GHS in connection with the transactions contemplated by this Agreement.

4.5 Investment Representation. GHS is acquiring the capital stock of Unity being acquired pursuant to Article I for its own account with the present intention of holding such stock for investment purposes and not with a view to, or for sale in connection with, any public distribution of the stock in violation of any federal or state securities Laws. GHS is an "accredited investor" as defined in Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act").

4.6 No Other Representations. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN ARTICLE II, ARTICLE IV AND IN THE GHS DELIVERIES, NEITHER GHS NOR ANY OTHER PERSON MAKES ANY REPRESENTATIONS OR WARRANTIES, WRITTEN OR ORAL, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, WITH RESPECT TO GHS, GHP OR ANY OF THEIR SUBSIDIARIES OR THE BUSINESS, OPERATIONS, ASSETS, SHARES, LIABILITIES, CONDITION (FINANCIAL OR OTHERWISE) OR PROSPECTS OF GHS, GHP OR ANY OF THEIR SUBSIDIARIES, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

## **ARTICLE V. REPRESENTATIONS AND WARRANTIES OF UHC**

UHC hereby represents and warrants to GHS that the statements set forth in this Article V are true and correct as of the date hereof and shall be true and correct as of the Closing Date:

5.1 Due Organization. UHC (a) has been duly organized as a non-profit member corporation under the Laws of the State of Wisconsin, (b) has full right, power and authority to carry on its business as now being conducted and to own or lease and operate its properties as

and in the places where such business is now conducted and such properties are now owned or leased and operated, and (c) is validly existing and in good standing under the Laws of the State of Wisconsin.

## 5.2 Due Authorization; Consents and Approvals; Enforceability.

(a) UHC has full corporate power and authority to enter into this Agreement and the Related Agreements to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by UHC of this Agreement and the Related Agreements to which it is a party have been duly and validly approved by all necessary corporate or other applicable action and no other actions or proceedings on the part of UHC are necessary to authorize this Agreement and the Related Agreements to which it is a party and the transactions contemplated hereby and thereby.

(b) Except for (i) the OCI, and (ii) the applicable consents, waivers, approvals or authorization of those Persons described in Schedule 3.2, no consent, waiver, approval or authorization of, or filing, registration or qualification with, or notice to, any Person is required to be made, obtained, or given by UHC in connection with the execution, delivery and performance of this Agreement and the Related Agreements to which it is a party.

(c) UHC has duly and validly executed and delivered this Agreement, and the Related Agreements to which it will be a party at the Closing will be duly and validly executed and delivered at the Closing. Assuming this Agreement and the Related Agreements are valid and binding obligations of GHS, this Agreement constitutes, and the Related Agreements to which it will be a party when executed will constitute, legal, valid and binding obligations of UHC, enforceable against it in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar Laws in effect that affect the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies.

## 5.3 Conflicts.

(a) The execution and delivery by UHC of this Agreement and the Related Agreements to which it is a party, and the performance by it of this Agreement and the Related Agreements to which it is a party, (i) do not and will not conflict with, violate or result in a breach of (with or without the passage of time or notice or both) the terms of any of the articles of incorporation, by-laws or other similar governing documents of UHC, or any judgment, order or decree of any Governmental Authority binding on UHC, and (ii) do not breach or violate any applicable Law of any Governmental Authority.

(b) The execution and delivery by UHC of this Agreement and the Related Agreements to which it is a party, and the performance by UHC of this Agreement and the Related Agreements to which it is a party, will not result in a breach or violation of (with or without the passage of time or notice or both) the terms or provisions of, or constitute a default under (with or without the passage of time or notice or both), or result in the creation of a Lien upon any of the assets or properties of UHC, Unity or any of Unity's Subsidiaries under, any indenture, mortgage, deed of trust, loan agreement, lease agreement or management agreement

or other material agreement or instrument, whether written or oral, to which UHC is a party or by which UHC is bound or to which any assets or properties of UHC are subject.

5.4 Brokers. Except as set forth on Schedule 5.4, UHC has not used any investment banker, broker, or finder in connection with the transactions contemplated hereby, and GHS and its Affiliates do not have and will not have any Liability or otherwise suffer or incur any Loss as a result of or in connection with any investment banker, brokerage, or finder's fee or other commission of any Person retained by or on behalf of UHC in connection with the transactions contemplated by this Agreement.

5.5 Investment Representation. UHC is acquiring the Membership Rights for its own account with the present intention of holding such ownership interest for investment purposes and not with a view to, or for sale in connection with, any public distribution of the ownership interest in violation of any federal or state securities Laws. UHC is an "accredited investor" as defined in Regulation D promulgated by the Securities Act.

5.6 No Other Representations. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN ARTICLE III, ARTICLE V AND IN THE UHC DELIVERIES, NEITHER UHC NOR ANY OTHER PERSON MAKES ANY REPRESENTATIONS OR WARRANTIES, WRITTEN OR ORAL, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, WITH RESPECT TO UHC, UNITY OR ANY OF THEIR SUBSIDIARIES OR THE BUSINESS, OPERATIONS, ASSETS, SHARES, LIABILITIES, CONDITION (FINANCIAL OR OTHERWISE) OR PROSPECTS OF UHC, UNITY OR ANY OF THEIR SUBSIDIARIES, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

## **ARTICLE VI. COVENANTS**

In addition to the other agreements and covenants included in this Agreement, the Parties agree as follows:

### 6.1 Conduct of Business.

(a) With respect to the period between the date hereof and the earlier to occur of the Closing or the termination of this Agreement pursuant to Article IX, and except as otherwise permitted or required by the terms hereof, GHS shall and shall cause GHP and GHP's Subsidiaries to, and UHC shall and shall cause Unity and Unity's Subsidiaries to, operate their respective businesses in all material respects only in the ordinary course of business, and GHS shall not and shall not permit GHP or any of GHP's Subsidiaries to, and UHC shall not and shall not permit Unity or any of Unity's Subsidiaries to, other than in the ordinary course of business and consistent with past practice, make any material Tax election, change any material Tax accounting method, enter into any settlement or compromise of any material Tax Liability, file an amended Tax Return, enter into any closing agreement with respect to Taxes, or consent to any extension or waiver of any statute of limitations with respect to Taxes.

(b) Except as consented to or approved by the other Party in writing or as permitted under the terms of this Agreement, GHS shall not, and shall not permit GHP or any of

GHP's Subsidiaries to, and UHC shall not, and shall not permit Unity or any of Unity's Subsidiaries to, take or to agree (in writing or otherwise) to take any action which would (i) cause any of the representations or warranties of GHS, GHP and GHP's Subsidiaries, on the one hand, or UHC, Unity and Unity's Subsidiaries, on the other hand and as applicable, set forth in this Agreement to be untrue in any material respect, or (ii) prevent or materially impair the ability of GHS, GHP and GHP's Subsidiaries, on the one hand, or UHC, Unity and Unity's Subsidiaries, on the other hand and as applicable, to consummate the transactions contemplated by this Agreement, including, without limitation, actions that would be reasonably likely to prevent or materially impair the receipt of any consent, registration, approval, permit or authorization, that is necessary in connection with the execution and delivery of this Agreement, the Related Agreements and the consummation of the transactions contemplated hereby and thereby.

(c) Nothing in this Section 6.1 is intended to result in any Party or any of its Subsidiaries ceding control to the other Party of its basic ordinary course of business and commercial decisions.

(d) The Parties acknowledge that in connection with the consummation of the transactions contemplated by this Agreement and pursuant to agreements to be entered into in connection herewith, Quartz will (i) become jointly owned by GHS and UHC, and (ii) become the management company of GHP and Unity. Nothing in this Section 6.1 shall restrict the consummation of those arrangements or preparations in respect thereof.

## 6.2 Access and Information.

(a) With respect to the period between the date hereof and the earlier to occur of the Closing or the termination of this Agreement pursuant to Article IX, GHS shall and shall cause GHP and GHP's Subsidiaries to, and UHC shall and shall cause Unity and Unity's Subsidiaries to, afford to the other Party and its accountants, counsel and other representatives reasonable access, upon reasonable prior notice and during normal business hours, to all of the properties, books, accounts, records, contracts, and personnel of GHP and GHP's Subsidiaries, on the one hand, and Unity and Unity's Subsidiaries, on the other hand and as applicable, and, during such period, GHS shall and shall cause GHP and GHP's Subsidiaries to, and UHC shall and shall cause Unity and Unity's Subsidiaries to, and each Party shall cause their respective accountants, counsel and other representatives to, furnish promptly to the other Party and its representatives all information concerning the business, and the properties and personnel of GHP and GHP's Subsidiaries, on the one hand, and Unity and Unity's Subsidiaries, on the other hand and as applicable, as may be reasonably requested by the other Party; provided that such access shall be subject to reasonable security measures and applicable Law and shall not unreasonably interfere with the operations of the Parties or their Subsidiaries.

(b) With respect to the period between the date hereof and the Closing, each of the Parties acknowledges and agrees that it remains bound by the confidentiality provisions included in that certain Non-Disclosure Agreement, dated June 2014, by and among the Parties (the "Confidentiality Agreement").

6.3 Exclusivity. With respect to the period between the date hereof and the earlier to occur of the Closing or the termination of this Agreement pursuant to Article IX, each Party shall not, and shall not permit any of their respective directors, officers, partners, employees, representatives, agents or Affiliates to, directly or indirectly, solicit, initiate, or encourage inquiries or proposals from, or provide any of its confidential information to, or participate in any discussions or negotiations with, any Person (other than the other Party and its directors, officers, employees, representatives and agents), in each case concerning any joint venture, merger, sale of assets, or sale of membership rights or equity securities of GHP and GHP's Subsidiaries, on the one hand, and Unity and Unity's Subsidiaries, on the other hand and as applicable, or any other similar transaction involving GHP and GHP's Subsidiaries, on the one hand, and Unity and Unity's Subsidiaries, on the other hand and as applicable, or their respective assets. Each Party shall promptly advise the other Party of, and communicate to such other Party the terms and conditions of (and the identity of the Person making), any such offer, inquiry or proposal received on or prior to the earlier to occur of the Closing Date or the termination of this Agreement pursuant to Article IX.

6.4 Antitrust Matters. No filings or submissions are required by the Parties under the HSR Act in connection with the consummation of the transactions contemplated by this Agreement. All competitively sensitive information exchanged between the Parties in connection with the transactions contemplated by this Agreement has been shared in a manner complying with antitrust and all other applicable Laws, whether by redaction, limiting the exchange of such information to "clean teams" or otherwise (including but not limited to the exchange of Schedule 2.18(a) and Schedule 3.18(a) and the information contemplated by Section 2.18(a) and Section 3.18(a)).

6.5 Form A Filings. Within the time prescribed by the OCI, the Parties shall submit the filing required pursuant to Wis. Stat. 611.72 with respect to the transactions contemplated by this Agreement, but in no event later than ten (10) calendar days following the date hereof, the Parties shall prepare and file with the OCI a Form A, as required pursuant to Wis. Stat. 611.72, with all such applications, filings, and submissions to be in compliance with all requirements therefor. Within the time prescribed by the DOC, the Parties shall submit the filing required pursuant to Minn. Stat. 60D.17 with respect to the transactions contemplated by this Agreement, but in no event later than ten (10) calendar days following the date hereof, the Parties shall prepare and file with the DOC a Form A, as required pursuant to Minn. Stat. 60D.17, with all such applications, filings, and submissions to be in compliance with all requirements therefor. The filing fees to be paid in connection with the Form A filings shall be paid fifty percent (50%) by each Party. In connection with the Form A filings, each Party will provide the other Party with copies of all correspondence, filings or communications (or memoranda setting forth the substance thereof) between it and the Governmental Authorities to whom such correspondence, filings or communications are sent. Each Party shall use commercially reasonable efforts to promptly respond to requests for additional information with respect to the Form A filings and to have them approved (or not disapproved) by the OCI and DOC, as applicable, as promptly as practicable. GHS shall, and shall cause GHP and GHP's Subsidiaries to, and UHC shall, and shall cause Unity and Unity's Subsidiaries to, cooperate with all reasonable requests of the other Party in connection with the Form A filings. GHS shall, and shall cause GHP and GHP's Subsidiaries to, and UHC shall, and shall cause Unity and Unity's Subsidiaries to, use commercially reasonable efforts to resolve objections, if any, asserted by the OCI or DOC with

respect to this Agreement so as to enable the transactions contemplated hereunder to be promptly completed.

#### 6.6 Other Filings.

(a) With respect to the period between the date hereof and the earlier to occur of the Closing or the termination of this Agreement pursuant to Article IX, each of the Parties shall use commercially reasonable efforts to cooperate with each other in timely making all filings required to be made prior to the Closing Date with the Governmental Authorities and third Persons described in Schedule 2.2 and Schedule 3.2.

(b) After Closing, the Parties shall cause notice of the transactions contemplated by this Agreement to be provided to the Insurance Division of the State of Iowa as may be required by Law.

6.7 Public Announcements. The Parties will consult with each other regarding communication plans developed for purposes of announcing the transactions contemplated hereby through the Closing (or earlier termination of this Agreement pursuant to Article IX), and will cooperate to develop further communication plans as reasonably necessary. Such communication plans will address the communication needs of: (a) employees; (b) capital markets; (c) media; (d) market services and licensed insurance agents; (e) customers; and (f) any others deemed necessary by the Parties. For greater certainty, each Party, for itself and on behalf of GHP and GHP's Subsidiaries, on the one hand, and Unity and Unity's Subsidiaries, on the other hand and as applicable, agree that they will not issue any press release or otherwise make any public statement or respond to any press inquiry with respect to this Agreement or the transactions contemplated hereby without the prior approval of the other Party (which approval will not be unreasonably conditioned, withheld or delayed), except as may be required to fulfill any condition to the Closing pursuant to this Agreement or as otherwise required by applicable Law.

6.8 Representations and Warranties; Updated Information. With respect to the period between the date hereof and the earlier to occur of the Closing or the termination of this Agreement pursuant to Article IX, each Party shall, after having obtained Knowledge thereof, promptly disclose in writing to the other Party any matter arising after the date of this Agreement that, if existing, occurring or known at the date of this Agreement would render inaccurate any of the representations or warranties of such Party contained in this Agreement. The delivery of any such updated information will not cure any breach of a representation or warranty nor will it limit any remedy that may be available to any Party under the terms of this Agreement.

6.9 Additional Agreements. Subject to the terms and conditions herein provided, each of the Parties agrees to use commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable Laws to consummate and make effective the transactions contemplated by this Agreement.

#### 6.10 Interim Financial Statements.

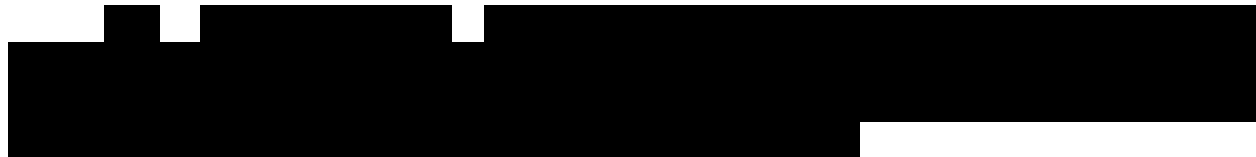
(a) With respect to the period between the date hereof and the earlier to occur of the Closing or the termination of this Agreement pursuant to Article IX, GHS shall cause GHP

to promptly provide UHC with interim, unaudited, financial statements of GHP and GHM prepared in the ordinary course of business in accordance with past practices for each calendar month, which shall include those financial statements required to be filed with OCI or DOC, within three (3) Business Days after being prepared or filed with OCI or DOC, as the case may be (together with the Audited GHP/GHM 2015 Financial Statements delivered pursuant to Section 1.3(a), the “Interim GHP Financial Statements”). The Interim GHP Financial Statements delivered by GHP pursuant to this Section 6.10(a) shall be deemed included in the GHP Financial Statements.

(b) With respect to the period between the date hereof and the earlier to occur of the Closing or the termination of this Agreement pursuant to Article IX, UHC shall cause Unity to promptly provide GHS with interim, unaudited, financial statements of Unity and Quartz prepared in the ordinary course of business in accordance with past practices for each calendar month, which shall include those financial statements required to be filed with OCI, within three (3) Business Days after being prepared or filed with OCI, as the case may be (together with the Audited Unity 2015 Financial Statements delivered pursuant to Section 1.3(a), the “Interim Unity Financial Statements”). The Interim Unity Financial Statements delivered by Unity pursuant to this Section 6.10(b) shall be deemed included in the Unity Financial Statements.

6.11 Transaction Expenses. At or prior to the Closing Date, GHS or GHP, as the case may be, shall pay in full all of the unpaid Transaction Expenses of GHP and GHP’s Subsidiaries, and UHC or Unity, as the case may be, shall pay in full all of the unpaid Transaction Expenses of Unity and Unity’s Subsidiaries.

6.12 Organizational Documents. Immediately prior to the Closing (a) GHS shall cause GHP to duly adopt and approve the Restated Organizational Documents, and (b) UHC shall cause Unity and Quartz to duly adopt and approve the Amended and Restated Bylaws of Unity and the Amended and Restated Bylaws of Quartz that are part of the Related Agreements.



## **ARTICLE VII. CONDITIONS TO CONSUMMATION OF THE EXCHANGE**

7.1 Conditions to Obligations of GHS. The obligation of GHS to consummate the transactions contemplated by this Agreement is subject to the satisfaction or waiver of each of the following conditions precedent:

(a) Each of the representations and warranties of UHC, Unity and Unity’s Subsidiaries set forth in this Agreement that are qualified by Material Adverse Effect shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date as though made on and as of such time (other than such representations and warranties that address matters only as of a particular date, which shall be so true and correct as of such date) and the



representations and warranties of UHC, Unity and Unity's Subsidiaries contained in this Agreement that are not qualified by Material Adverse Effect shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date, as though made on and as of such date except as would not have a Material Adverse Effect on UHC, Unity and Unity's Subsidiaries (other than such representations and warranties that address matters only as of a particular date, which shall be so true and correct as of such date);

(b) UHC shall have performed and complied in all material respects with all covenants, obligations and agreements contained in this Agreement required to be performed or complied with by it on or before the Closing Date;

(c) There shall not be threatened or pending by any Governmental Authority, or pending, with respect to all Persons, other than a Governmental Authority, any action, suit or proceeding seeking to restrain or prohibit the consummation of the transactions contemplated by this Agreement;

(d) The Parties shall have received the written approval of the OCI and DOC (or the OCI's or DOC's determination that it does not disapprove) of this Agreement and the transactions contemplated hereby;

(e) UHC shall have provided written evidence satisfactory to GHS that all consents, waivers, approvals, notices and authorizations set forth on Schedule 7.1(e) have been obtained;

(f) There shall not have occurred any Material Adverse Effect on UHC, Unity or Unity's Subsidiaries;

(g) UHC shall have delivered the Unity Closing Balance Sheet and supporting information to GHS as contemplated by Section 1.1(a); and

(h) All documents and instruments required to be delivered by or on behalf of UHC pursuant to Section 8.2 shall have been so delivered.

If the Closing occurs, all closing conditions set forth in this Section 7.1 which have not been fully satisfied as of the Closing shall be deemed to have been fully waived by GHS, subject to GHS' rights under Article X.

7.2 Conditions to Obligations of UHC. The obligation of UHC to consummate the transactions contemplated by this Agreement is subject to the satisfaction or waiver of each of the following conditions precedent:

(a) Each of the representations and warranties of GHS, GHP and GHP's Subsidiaries set forth in this Agreement that are qualified by Material Adverse Effect shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date as though made on and as of such time (other than such representations and warranties that address matters only as of a particular date, which shall be so true and correct as of such date) and the representations and warranties of GHS, GHP and GHP's Subsidiaries contained in this Agreement that are not qualified by Material Adverse Effect shall be true and correct in all

respects as of the date of this Agreement and as of the Closing Date, as though made on and as of such date except as would not have a Material Adverse Effect on GHS, GHP and GHP's Subsidiaries (other than such representations and warranties that address matters only as of a particular date, which shall be so true and correct as of such date);

(b) GHS shall have performed and complied in all material respects with all covenants, obligations and agreements contained in this Agreement required to be performed or complied with by it on or before the Closing Date;

(c) There shall not be threatened or pending by any Governmental Authority, or pending, with respect to all Persons, other than a Governmental Authority, any action, suit or proceeding seeking to restrain or prohibit the consummation of the transactions contemplated by this Agreement;

(d) The Parties shall have received the written approval of the OCI and DOC (or the OCI's or DOC's determination that it does not disapprove) of this Agreement and the transactions contemplated hereby;

(e) GHS shall have provided written evidence satisfactory to UHC that all consents, waivers, approvals, notices and authorizations set forth on Schedule 7.2(e) have been obtained;

(f) There shall not have occurred any Material Adverse Effect on GHS, GHP or GHP's Subsidiaries;

(g) GHS shall have delivered the GHP Closing Balance Sheet and GHM Closing Balance Sheet and supporting information to UHC as contemplated by Section 1.1(a); and

(h) All documents and instruments required to be delivered by or on behalf of GHS pursuant to Section 8.1 shall have been so delivered.

If the Closing occurs, all closing conditions set forth in this Section 7.2 which have not been fully satisfied as of the Closing shall be deemed to have been fully waived by UHC, subject to UHC's rights under Article X.

## **ARTICLE VIII. DELIVERIES**

8.1 Deliveries by GHS. Subject to written waiver by UHC, GHS shall and shall cause GHP and GHP's Subsidiaries to execute, as appropriate, and deliver to UHC at the Closing all of the following documents and instruments:

(a) a certificate in UHC's name representing the Membership Rights acquired by UHC pursuant to Article I;

(b) a certificate dated the Closing Date signed by an appropriate executive officer of GHS certifying that, as of the Closing Date, each of the conditions specified in

subsections (a) and (b) of Section 7.2 have been satisfied and that, to the Knowledge of GHS, the condition specified in Section 7.2(c) has been satisfied;

(c) a certificate dated the Closing Date signed by an appropriate executive officer of GHS certifying (i) GHS', GHP's and GHP's Subsidiaries' articles of incorporation and by-laws, and (ii) the resolutions of GHS' board of directors approving GHS' execution, delivery and performance of this Agreement;

(d) a certificate of status with respect to GHS, GHP and each of GHP's Subsidiaries issued by the Department of Financial Institutions of the State of Wisconsin, the OCI or the Minnesota Secretary of State, as applicable, not earlier than ten (10) Business Days prior to the Closing Date;

(e) the Related Agreements; and

(f) all other documents and instruments reasonably required or requested by UHC to consummate the transactions contemplated hereby.

8.2 Deliveries by UHC. Subject to written waiver by GHS, UHC shall and shall cause Unity and Unity's Subsidiaries to execute, as appropriate, and deliver to GHS at the Closing all of the following documents and instruments:

(a) a certificate in GHS' name representing the common stock of Unity acquired by GHS pursuant to Article I;

(b) a certificate dated the Closing Date signed by an appropriate executive officer of UHC certifying that, as of the Closing Date, each of the conditions specified in subsections (a) and (b) of Section 7.1 have been satisfied and that, to the Knowledge of UHC, the condition specified in Section 7.1(c) has been satisfied;

(c) a certificate dated the Closing Date signed by an appropriate executive officer of UHC certifying (i) UHC's, Unity's and Unity's Subsidiaries' articles of incorporation and by-laws, and (ii) the resolutions of UHC's board of directors approving UHC's execution, delivery and performance of this Agreement;

(d) a certificate of status with respect to UHC, Unity and each of Unity's Subsidiaries issued by the Department of Financial Institutions of the State of Wisconsin, or OCI, as applicable, not earlier than ten (10) Business Days prior to the Closing Date;

(e) the Related Agreements; and

(f) all other documents and instruments reasonably required or requested by GHS to consummate the transactions contemplated hereby.

## **ARTICLE IX. TERMINATION**

9.1 Termination by Mutual Consent. This Agreement may be terminated at any time prior to the Closing Date by the mutual written consent of the Parties.

9.2 Termination by Either Party. This Agreement may be terminated and the consummation of the transactions contemplated hereby or under the Related Agreements may be abandoned by action of GHS, on the one hand, or UHC, on the other, if: (a) the transactions contemplated hereby shall not have been consummated on or before March 31, 2016, provided, however, that the right to terminate this Agreement under this Section 9.2 shall not be available to GHS or UHC, as the case may be, if the failure by GHS, on the one hand, or UHC, on the other hand, respectively, to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to such date, or (b) a Governmental Authority shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such order, decree, ruling or other action shall have become final and non-appealable.

9.3 Termination by GHS. This Agreement may be terminated and the consummation of the transactions contemplated hereby or under the Related Agreements may be abandoned at any time prior to the Closing Date by GHS, if there has been a breach by UHC of any covenant, representation or warranty set forth in this Agreement which has prevented or would prevent the satisfaction of any condition to the obligations of GHS at the Closing, and (a) such breach has not been waived by GHS; (b) GHS has provided written notice to UHC of such breach; and (c) UHC has not cured (if curable) such breach within twenty (20) calendar days after receiving written notice thereof from GHS.

9.4 Termination by UHC. This Agreement may be terminated and the consummation of the transactions contemplated hereby or under the Related Agreements may be abandoned at any time prior to the Closing Date by action of UHC, if there has been a breach by GHS of any covenant, representation or warranty set forth in this Agreement which has prevented or would prevent the satisfaction of any condition to the obligations of UHC at the Closing, and (a) such breach has not been waived by UHC; (b) UHC has provided written notice to GHS of such breach; and (c) GHS has not cured (if curable) such breach within twenty (20) calendar days after receiving written notice thereof from UHC.

9.5 Effect of Termination and Abandonment. If this Agreement is terminated pursuant to this Article IX, all rights and obligations of the Parties hereunder shall terminate without any Liability of any Party to any other party, except for Section 6.7, this Section 9.5 and Article XI, all of which shall survive the termination of this Agreement, as applicable, and in accordance with their respective terms; provided, further, that the termination of this Agreement shall in no way limit any claim by a Party that the other Party breached the terms of this Agreement prior to or in connection with such termination, including by failing to consummate the transactions contemplated by this Agreement, nor shall such termination limit the right of such non-breaching Party to seek specific performance and all other remedies available at law or equity.

9.6 Extension; Waiver. At any time prior to the Closing Date, GHS, on the one hand, and UHC, on the other, may (a) extend the time for the performance of any of the obligations or other acts of the other Party; (b) waive any inaccuracies in the representations and warranties of the other Party contained herein or in any document, certificate or writing delivered pursuant hereto; or (c) waive compliance by the other Party with any of the agreements or conditions contained herein. Any agreement on the part of a Party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party. The failure of a Party to assert any of its rights hereunder shall not constitute a waiver of such rights.

## **ARTICLE X. INDEMNIFICATION**

### 10.1 Survival.

(a) The representations and warranties of the Parties in Article II, Article III, Article IV and Article V are made as of the date of this Agreement and remade as of the Closing Date. Subject to Section 10.1(b), the representations, warranties, covenants and agreements set forth in this Agreement shall survive the Closing and the consummation of the transactions contemplated hereby.

(b) With respect to claims for breaches of representations and warranties referred to in Section 10.2(a) or Section 10.3(a) (other than the GHS Fundamental Representations and the UHC Fundamental Representations) no Party shall be liable for Losses arising therefrom unless written notice of such breach is given by the Indemnified Person before the earlier of (i) eighteen (18) months after the Closing Date, and (ii) the date that is ninety (90) days after the first complete fiscal year of each of GHP and Unity that begins and ends after the Closing Date. GHS shall remain liable for Losses arising from breaches of the GHS Fundamental Representations for five (5) years after the Closing Date and UHC shall remain liable for Losses arising from breaches of the UHC Fundamental Representations for five (5) years after the Closing Date.

10.2 Indemnification by GHS. From and after the Closing, GHS shall indemnify and defend UHC and its Affiliates and each of their respective officers, directors, employees, agents and representatives (the "UHC Indemnified Parties") against, and agree to hold each of them harmless from, any and all Losses incurred or suffered by any of them incident to, resulting from or in any way arising out of or in connection with any of the following:

(a) any breach of or any inaccuracy in any representation or warranty made by GHS, GHP or any of GHP's Subsidiaries in this Agreement; or

(b) any breach of or failure by GHS, GHP or any of GHP's Subsidiaries to perform any covenant or obligation of GHS, GHP or GHP's Subsidiaries contemplated in this Agreement.

For purposes of this Agreement, the term "Losses" shall mean any and all Liabilities, losses, costs, claims (including third-party claims), damages of any type permitted to be recovered by Law, penalties and documented out-of-pocket expenses (including reasonable attorneys' fees and expenses and costs of investigation and litigation). For purposes of calculating Losses

hereunder, after a breach or failure by GHS referred to in Section 10.2(a) or by UHC referred to in Section 10.3(a) has been established, any materiality or Material Adverse Effect qualifications in the representations and warranties shall be ignored. Furthermore, for purposes of Section 10.2(a), with respect to any breach of or an inaccuracy in any representation or warranty made by GHS, GHP or any of GHP's Subsidiaries in this Agreement other than the GHS Fundamental Representations, Losses shall be calculated as if UHC were the sole owner of GHP, and, for purposes of Section 10.3(a), with respect to any breach of or an inaccuracy in any representation or warranty made by UHC, Unity or any of Unity's Subsidiaries in this Agreement other than the UHC Fundamental Representations, Losses shall be calculated as if GHS were the sole owner of Unity.

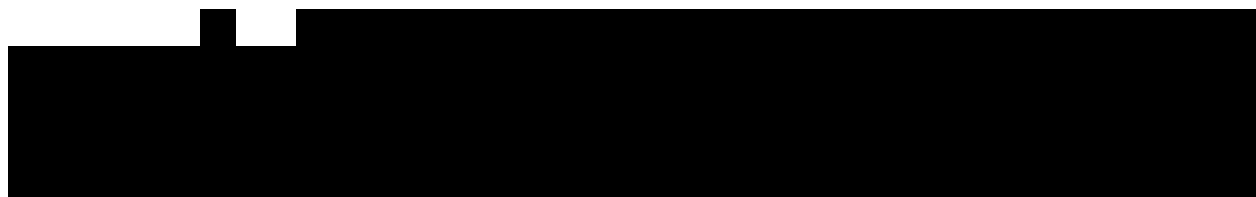
10.3 Indemnification by UHC. From and after the Closing, UHC agrees to indemnify GHS and its Affiliates and each of their respective officers, directors, trustees, employees, agents and representatives (the "GHS Indemnified Parties") against, and agrees to hold each of them harmless from, any and all Losses incurred or suffered by them incident to, resulting from or in any way arising out of or in connection with any of the following:



(a) any breach of or any inaccuracy in any representation or warranty made by UHC, Unity or any of Unity's Subsidiaries in this Agreement; or

(b) any breach of or failure by UHC, Unity or any of Unity's Subsidiaries to perform any covenant or obligation of UHC, Unity or Unity's Subsidiaries contemplated in this Agreement.

10.4 Claims. As soon as is reasonably practicable after becoming aware of a claim for indemnification under this Agreement, the Person(s) entitled to, or claiming a right to, indemnification under this Article X (the "Indemnified Person") shall promptly give notice to the Person(s) claimed by the Indemnified Person to be obliged to provide indemnification under this Article X (the "Indemnifying Person") of such claim and the amount the Indemnified Person believes it is entitled to receive hereunder from the Indemnifying Person. If the Indemnifying Person does not object in writing to such indemnification claim within thirty (30) calendar days of receiving notice thereof, the Indemnified Person shall be entitled to recover promptly from the Indemnifying Person the amount of such claim (but such recovery shall not limit the amount of any additional indemnification to which the Indemnified Person may be entitled pursuant to Section 10.2 or Section 10.3), and no later objection by the Indemnifying Person shall be permitted. If the Indemnifying Person agrees that it has an indemnification obligation but objects claiming that it is obligated to pay only a lesser amount, the Indemnified Person shall nevertheless be entitled to recover promptly from the Indemnifying Person the lesser amount, without prejudice to the Indemnified Person's claim for the difference.

10.5 Limitation on Liability.



10.6 Indemnification Payments. All indemnification payments for Losses incurred by the UHC Indemnified Parties with respect to any breach or inaccuracy of the GHS Fundamental Representations or with respect to Section 10.2(b), shall be paid by GHS by wire transfer of immediately available funds to an account designated by UHC. All other indemnification payments under Section 10.2 shall be paid by GHS to GHP. All indemnification payments for Losses incurred by the GHS Indemnified Parties with respect to any breach or inaccuracy of the UHC Fundamental Representations or with respect to Section 10.3(b), shall be paid by UHC by wire transfer of immediately available funds to an account designated by GHS. All other indemnification payments under Section 10.3 shall be paid by UHC to Unity.

10.7 Exclusive Remedy. Except as set forth in Section 9.5 and Section 11.12, the Parties acknowledge and agree that, after the Closing, the foregoing indemnification provisions in this Article X and the indemnification and remedy provisions of Article X shall be the sole and exclusive remedy of the Parties with respect to the transactions contemplated by this Agreement, absent Fraud.

## **ARTICLE XI. MISCELLANEOUS**

11.1 Notices. Any notice, request, instruction or other document to be given hereunder by a Party shall be in writing and shall be deemed to have been given, (a) when received if given in person or by courier or a courier service, or (b) on the immediately following Business Day after deposit with a nationally recognized overnight carrier; in each case if addressed or directed to a Party in accordance with the contact information included on the signature pages to this Agreement, or to such other address as a Party may designate for itself by notice given as herein provided.

11.2 Counterparts. This Agreement may be executed by electronic transmission (i.e., facsimile or electronically transmitted portable document format (PDF)) and in counterparts, any one of which need not contain the signatures of more than one Party, but all such counterparts taken together shall constitute one and the same instrument.

11.3 Interpretation. The headings preceding the text of Articles and Sections included in this Agreement and the headings to Exhibits and Schedules attached to this Agreement are for convenience only and shall not be deemed part of this Agreement or be given any effect in interpreting this Agreement. The use of the masculine, feminine or neuter gender herein shall not limit any provision of this Agreement. The use of the terms “including” or “include” shall in all cases herein mean “including, without limitation” or “include, without limitation,” respectively. Underscored references to Articles, Sections, Exhibits or Schedules shall refer to those portions of this Agreement.

11.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin, without regard to the principles of conflicts of laws.

11.5 Amendment and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Parties. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way rights arising by virtue of any prior or subsequent occurrence.

11.6 Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. No assignment of any rights or obligations shall be made by any Party without the written consent of each other Party.

11.7 Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such expenses.

11.8 No Third Party Beneficiaries. This Agreement is solely for the benefit of the Parties and no provision of this Agreement shall be deemed to confer upon any third party any remedy, claim, Liability, reimbursement, cause of action or other right.

11.9 Further Assurances. Upon the reasonable request of any Party, each other Party will on and after the Closing Date execute and deliver such other documents, releases, assignments and other instruments as may be required to effectuate completely the transactions contemplated hereby and to otherwise carry out the purposes of this Agreement; provided, however, no such action shall require any other Party to incur any additional cost or Liability unless the requesting Party shall agree to reimburse the reasonable costs and expenses of such other Party.

11.10 Severability. If any provision of this Agreement shall be held invalid, illegal or unenforceable, the validity, legality or enforceability of the other provisions hereof shall not be affected thereby, and there shall be deemed substituted for the provision at issue a valid, legal and enforceable provision as similar as possible to the provision at issue.



11.11 Entire Understanding. This Agreement and the Related Agreements and the Confidentiality Agreement sets forth the entire agreement and understanding of the Parties with respect to the matters set forth herein and supersedes any and all prior agreements, arrangements and understandings among the Parties.

11.12 Specific Performance. Each Party acknowledges and agrees that, in the event of any breach of this Agreement, the non-breaching Party would be irreparably and immediately harmed and could not be made whole by monetary damages. It is accordingly agreed that the Parties will (a) waive, in any action for specific performance, the defense of adequacy of a remedy at law, and (b) be entitled, in the non-breaching Party's sole discretion, in addition to any other remedy to which they may be entitled at law or in equity, to compel specific performance of this Agreement in any action instituted in accordance with this Section 11.12.

11.13 Reproductions. This Agreement, the Related Agreements and all other documents, instruments and agreements in the possession of any Party which relate hereto or thereto may be reproduced by such Party, and any such reproduction shall be admissible in evidence, with the same effect as the original itself, in any judicial or other administrative proceeding, whether the original is in existence or not. No Party will object to the admission in evidence of any such reproduction, unless the objecting Party reasonably believes that the reproduction does not accurately reflect the contents of the original and objects on that basis.

11.14 Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

11.15 Forum Selection and Consent to Jurisdiction. EACH OF THE PARTIES AGREE THAT ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT BETWEEN OR AMONG THE PARTIES, SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF THE STATE OF WISCONSIN LOCATED IN THE CITY OF MADISON, OR IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF WISCONSIN. EACH OF THE PARTIES HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF WISCONSIN LOCATED IN THE CITY OF MADISON, AND OF THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF WISCONSIN. EACH OF THE PARTIES HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

11.16 No Presumption Against Drafter. Each of the Parties has jointly participated in the negotiation and drafting of this Agreement. In the event of any ambiguity or if a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumptions or burdens of proof shall arise favoring any Party by virtue of the authorship of any of the provisions of this Agreement.

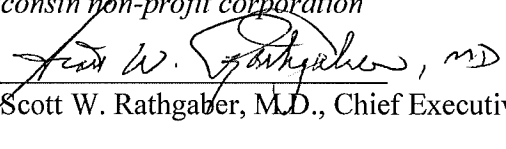
[Signatures on Following Pages]

IN WITNESS WHEREOF, each of the Parties has caused this Exchange Agreement to be executed on its behalf by its representatives duly authorized as of the day and year first above written.

**GHS:**

**GUNDERSEN LUTHERAN HEALTH SYSTEM, INC.,**

*a Wisconsin non-profit corporation*

By:  , MD  
Scott W. Rathgaber, M.D., Chief Executive Officer

Address for notice purposes:

Gundersen Health System  
1900 South Avenue, Mail Stop GB1-001  
LaCrosse, WI 54601  
Attn: Daniel J. Lilly, CPA, JD, General Counsel

With a copy to (which will not constitute notice):

McDermott Will & Emery LLP  
333 Avenue of the Americas, Suite 4500  
Miami, Florida 33131  
Attn: Gary Scott Davis, P.A.

and an additional copy to (which will not constitute notice):

Godfrey & Kahn SC  
One East Main Street, Suite 500  
Madison, Wisconsin 53703  
Attn: Thomas Shorter


[GHS' Counterpart Signature Page]

IN WITNESS WHEREOF, each of the Parties has caused this Exchange Agreement to be executed on its behalf by its representatives duly authorized as of the day and year first above written.

**UHC:**

**UNIVERSITY HEALTH CARE, INC.,**

*a Wisconsin non-profit member corporation*

By:   
Michael E. Dallman; *President and Chief Executive Officer*

Address for notice purposes:

University Health Care, Inc.  
301 S. Westfield Rd.  
Madison, WI 53717  
Attn: Daniel Brzozowski, UHC Corporate Counsel

With a copy to (which will not constitute notice):

McDermott Will & Emery LLP  
333 Avenue of the Americas, Suite 4500  
Miami, Florida 33131  
Attn: Gary Scott Davis, P.A.

and an additional copy to (which will not constitute notice):

Michael Best & Friedrich LLP  
One South Pinckney Street, Suite 700  
P.O. Box 1806  
Madison, WI 53703  
Attn: Hamang B. Patel

and an additional copy to (which will not constitute notice):

Unity Health Insurance  
840 Carolina St  
Sauk City, WI 53583-1374  
Attn: Christine C. Senty, J.D.

[UHC's Counterpart Signature Page]

## EXHIBIT A

### DEFINITIONS

Capitalized terms used herein are defined in the provisions of the Agreement set forth below:

#### Index of Terms Defined Elsewhere in this Agreement

<u>Defined Term</u>	<u>Section</u>
Adjustment Contribution	Section 1.3(b)
Agreement	First Paragraph
Cap	Section 10.5(a)
Closing	Section 1.2
Closing Date	Section 1.2
Confidentiality Agreement	Section 6.2(b)
Deductible	Section 10.5(a)
DOC	Recitals
Exchange	Section 1.1(b)
FAQ	Section 2.14(c)
GHP	Recitals
GHP Closing Balance Sheet	Section 1.1(a)
GHP Pension Plans	Section 2.20(a)
GHP Plans	Section 2.20(a)
GHP Welfare Plans	Section 2.20(a)
GHS	First Paragraph
<span style="background-color: black; color: black;">[REDACTED]</span>	Section 1.1(b)
GHS Indemnified Parties	Section 10.3
GHM	Section 2.5
GHM Closing Balance Sheet	Section 1.1(a)
Health Care Program	Section 2.14(c)
HIPAA	Section 2.14(r)
Indemnified Person	Section 10.4
Indemnifying Person	Section 10.4
Interim GHP Financial Statements	Section 6.10(a)
Interim Unity Financial Statements	Section 6.10(b)
IRS	Section 2.20(a)
Loss(es)	Section 10.2
Material GHP Contracts	Section 2.10(a)
Material GHP Non-ERISA Plans	Section 2.20(a)
Material Unity Contracts	Section 3.10(a)
Material Unity Non-ERISA Plans	Section 3.20(a)
Medicare	Section 2.14(j)
OCI	Recitals
OIG	Section 2.14(i)
Party/Parties	First Paragraph

<u>Defined Term</u>	<u>Section</u>
Permits	Section 2.14(a)
Pre-Closing Tax Period	Section 2.17(a)(i)
Quartz	Section 3.5
Restated Organizational Documents	Recitals
Securities Act	Section 4.5
Top GHP Customer	Section 2.21
Top GHP Supplier	Section 2.21
Top Unity Customer	Section 3.21
Top Unity Supplier	Section 3.21
UHC	First Paragraph
UHC Indemnified Parties	Section 10.2
Unity	Recitals
Unity Closing Balance Sheet	Section 1.1(a)
Unity Pension Plans	Section 3.20(a)
Unity Plans	Section 3.20(a)
Unity Welfare Plans	Section 3.20(a)
WARN	Section 2.18(c)

For purposes of this Agreement, the following terms and variations thereof have the meanings specified below:

“ACA” shall mean the Patient Protection and Affordable Care Act, as amended.

“Accrued Healthcare Expenses” means the following: (a) all reported but unpaid allowable claims and all incurred but not reported allowable claims, each related to healthcare services provided to those Persons for which GHP and GHP’s Subsidiaries or Unity and Unity’s Subsidiaries, as applicable, provided or provides medical coverage, and (b) capitation payables and any other healthcare or medical related payables, estimates of settlements and returns of withhold under risk share arrangements with providers, in each instance for the period through the Closing.

“Affiliate” means, with respect to any Person, any other Person controlling, controlled by or under common control with such Person. For purposes of this definition, the term “control” (including the terms “controlling,” “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through ownership of voting securities, by contract or otherwise.



[REDACTED]

“Audited GHP/GHM 2015 Financial Statements” means the audited statutory financial statements of GHP and GHM which comprise the statutory statements of admitted assets, liabilities and capital and surplus as of December 31, 2015, and the related statutory statements of revenues and expenses, changes in capital and surplus and cash flows for the year then ended and the related notes thereto.

“Audited Unity 2015 Financial Statements” means the audited statutory financial statements of Unity which comprise the statutory statement of admitted assets, liabilities and capital and surplus as of December 31, 2015, and the related statutory statement of revenues and expenses, changes in capital and surplus and cash flows for the year then ended and the related notes thereto.

“Business Day” means any day of the year not a Saturday or a Sunday on which national banking institutions in Milwaukee, Wisconsin are open to the public for conducting business and are not required or authorized to close.

[REDACTED]

[REDACTED]

“CMS” means the Centers for Medicare & Medicaid Services, U.S. Department of Health and Human Services, which is the Governmental Authority responsible for administering the Medicare Advantage and Medicare Prescription Drug Benefit Programs.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Environmental Laws” means all federal, state and local statutes and regulations, as enacted and in effect on or prior to the Closing Date, concerning pollution or the protection of the environment, including all those relating to the generation, processing, production, storage, treatment, transport, Release, disposal, distribution and cleanup of Hazardous Materials.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and rules and regulations issued thereunder.

“Fraud” means an actual and intentional fraud, provided, that such actual and intentional fraud of a Party shall only be deemed to exist if such Party actually knew that the representations and warranties made by such Party as qualified by the Schedules were actually breached when made and the other elements of a fraud claim have been satisfied under applicable Law.

“GHP Financial Statements” means, collectively, (a) the audited statutory financial statements of GHP and GHM which comprise the statutory statements of admitted assets, liabilities and capital and surplus as of December 31, 2013, and the related statutory statements of revenues and expenses, changes in capital and surplus and cash flows for the year then ended and the related notes thereto; (b) the audited statutory financial statements of GHP and GHM which comprise the statutory statements of admitted assets, liabilities and capital and surplus as of December 31, 2014, and the related statutory statements of revenues and expenses, changes in capital and surplus and cash flows for the year then ended and the related notes thereto; (c) the financial statements of GHP and GHM required to be filed with the OCI or the DOC during 2013 and 2014; (d) the unaudited statutory financial statements of GHP and GHM which comprise the statements of admitted assets, liabilities and capital and surplus as of March 31, 2015, June 30, 2015, and September 30, 2015 and the related statements of revenues and expenses, changes in capital and surplus and cash flows for the calendar quarters then ended; and (e) the Interim GHP Financial Statements required to be delivered pursuant to Section 6.10(a).

“GHP Intellectual Property” means the Intellectual Property and Software used in the conduct of the business of GHP and GHP’s Subsidiaries as it is currently conducted.

“GHP Medicaid Contract” shall mean that certain contract for BadgerCare Plus and/or Medicaid SSI HMO Services between GHP and the Wisconsin Department of Health Services for the period from January 1, 2014 through December 31, 2015.

“GHP’s Subsidiaries” means GHM.

“GHS Fundamental Representations” means the representations and warranties contained in Section 2.1 (Due Organization), Section 2.2 (Consents and Approvals), Section 2.3(a) (Conflicts), Section 2.4 (Membership), Section 2.5 (Subsidiaries), Section 4.1 (Due Organization), Section 4.2 (Due Authorization; Consents and Approvals; Enforceability) and Section 4.3(a) (Conflicts).

“Governmental Authority” means any court, arbitrator, administrative agency or commission, or governmental or quasi-governmental or regulatory official, department, agency, body, authority or instrumentality, whether foreign or U.S. federal, state or local.

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“Hazardous Material(s)” means any substance that is (a) defined as a hazardous substance, hazardous material, hazardous waste, biohazardous materials, pollutant, toxic substance, pesticide, contaminant or words of similar import under any Environmental Law; (b) a petroleum hydrocarbon, including crude oil or any fraction thereof; (c) hazardous, toxic, corrosive, flammable, explosive, infectious, radioactive or carcinogenic; or (d) regulated pursuant to any Environmental Law.

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the regulations promulgated thereunder.



“Income Tax Return” means any Tax Return that is required to be filed with respect to a tax that is based on, or calculated by reference to, net income.

“Indebtedness” means any (a) obligations relating to indebtedness for borrowed money, (b) obligations evidenced by bonds, notes, debentures or similar instruments, (c) obligations in respect of capitalized leases, (d) obligations in respect of banker’s acceptances or letters of credit, (e) obligations for the deferred purchase price of property or services (other than current accounts payable and similar accrued liabilities incurred in the ordinary course of business), (f) indebtedness or obligations of the types referred to in the preceding clauses (a) through (e) of any other Person secured by any Lien on any assets of a Person even though such Person has not assumed or otherwise become liable for the payment thereof, (g) obligations in the nature of guarantees of obligations of the type described in clauses (a) through (e) above of any other Person, and (h) obligations under any interest rate swap or hedge agreement, in each case together with all accrued interest thereon and any applicable prepayment, breakage or other premiums, fees or penalties.

“Intellectual Property” means, collectively, all U.S., state and foreign (a) inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto; (b) marks, business identifiers, trade dress, trademarks, service marks, trade names, brand names, designs, logos and slogans and other proprietary indicia of goods and services and all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith; (c) copyrights and original works of authorship in any medium of expression, whether or not published, and all other rights associated therewith (including but not limited to databases); (d) all trade secrets and confidential or proprietary business information (including, without limitation, confidential ideas, research and development, discoveries, improvements, designs, know-how, methods, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals); (e) Internet domain names, whether or not trademarked, registered in any generic top level domain by any authorized private registrar or governmental authority; (f) computer source codes, programs and other software (including all machine readable code, printed listings of code, documentation and related property and information); (g) moral, privacy and publicity rights; and (h) all applications, patents and registrations for all of the foregoing and all other information.



“Laws” means any federal, state, local or municipal statute, law, ordinance, regulation, rule, code, order, other requirement or rule of law.

“Liability” means any liability or obligation, whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated and whether due or to become due, regardless of when asserted.

“Lien” means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, security interest, lien, charge, encumbrance, lease, covenant, condition, restriction, including a restriction on transfer or assignment, option, right of first refusal or any other preference or priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement having substantially the same effect as any of the foregoing).

“Material Adverse Effect” means any change, effect, event, occurrence, state of facts or development, individually or in the aggregate, that has had, or reasonably would be expected to have a material adverse effect on the assets, Liabilities, condition (financial or otherwise), prospects, or results of operations of the business of GHP or GHP’s Subsidiaries, on the one hand, and Unity or Unity’s Subsidiaries, on the other hand and as applicable, or the ability of GHS, GHP or GHP’s Subsidiaries, on the one hand, or UHC, Unity or Unity’s Subsidiaries, on the other hand and as applicable, to perform in a timely manner any of their obligations under this Agreement, the Related Agreements or the transactions contemplated hereby or thereby.

“Medicare Advantage Plan” shall mean a Medicare Advantage Plan, as defined by Law, including a Medicare Advantage Prescription Drug Plan.

“Medicare Advantage Program” means the Medicare managed care program as defined by Law.

“Medicare Advantage Prescription Drug Plan” shall mean a Medicare Advantage Prescription Drug Plan as defined by Law.

“Medicare Prescription Drug Benefit Program” means the Medicare outpatient prescription drug benefit program as defined by Law.

“Membership Rights” has the meaning set forth in the bylaws contained in the Restated Organizational Documents.

“MN SAP” means the statutory accounting practices prescribed by the State of Minnesota and the DOC’s prescribed practices with respect to statutory financial statements filed with the DOC.

“Owned Real Property” means all land, together with all buildings, structures, improvements and fixtures located thereon, including all electrical, mechanical, plumbing and other building systems, fire protection, security and surveillance systems, telecommunications, computer, wiring, and cable installations, utility installations, water distribution systems, and landscaping, together with all easements and other rights and interests appurtenant thereto (including air, oil, gas, mineral, and water rights), owned by a Person.

“Permitted Liens” means (a) statutory liens for current Taxes or other governmental charges not yet due and payable or the amount or validity of which is being contested in good

faith by appropriate proceedings and for which appropriate reserves have been established in accordance with SAP; (b) mechanics', carriers', workers', repairers' and similar statutory liens arising or incurred in the ordinary course of business; (c) liens arising under worker's compensation, unemployment insurance, social security, retirement and similar legislation; (d) purchase money liens and liens securing rental payments under capital or operating lease arrangements; and (e) informational statements filed under the Uniform Commercial Code with respect to operational leases.

“Person” means any human being, sole proprietorship, general partnership, limited partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, Governmental Authority or other entity.

“Release” and similar terms mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment (including the abandonment or discarding of barrels, containers and other receptacles containing any Hazardous Material).

“Related Agreements” means the Restated Organizational Documents, Management Agreement between Quartz and Unity, Management Agreement between Quartz and GHP, Stockholders Agreement between the Parties and Unity, Stockholders Agreement between the Parties and Quartz, Members Agreement between the Parties and GHP, Stock Transfer Power by UHC in favor of GHS, Employee Lease Agreement between Unity and Quartz, Employee Lease Agreement between GHM and Quartz, Amended and Restated Bylaws of Unity, Amended and Restated Bylaws of Quartz (each in the form attached hereto as Exhibit C) and each of the other documents, certificates and instruments to be delivered hereunder or thereunder.

“RI-RA Payments Report” means the summary report on transitional reinsurance payments, risk corridor payments and permanent risk adjustment transfers for the 2015 benefit year to be issued by CMS in 2016.

“SAP” means the statutory accounting practices prescribed by the Wis. Admin. Code § Ins. 50.20(1)(b) and OCI's prescribed practices with respect to statutory financial statements filed with OCI.

“Software” means all computer programs, including any and all software implementations of algorithms, models and methodologies whether in source code or object code form, databases and compilations, including any and all electronic data and electronic collections of data, all documentation, including user manuals and training materials, related to any of the foregoing and of the foregoing located on, offered by or provided through any web site.

“Subsidiary” means, with respect to any Person, any corporation, limited liability company, partnership, association, or other business entity of which (a) if a corporation, a majority of the total voting power of shares of stock (or of the members, if a member corporation) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof or (b) if a limited liability company, partnership, association, or other

business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof and for this purpose, a Person or Persons owns a majority ownership interest in such a business entity (other than a corporation) if such Person or Persons shall be allocated a majority of such business entity's gains or losses or shall be or control any manager, management board, managing director or general partner of such business entity (other than a corporation). The term "Subsidiary" shall include all Subsidiaries of such Subsidiary.

"Taxes" means all federal, provincial, territorial, state, municipal, local, domestic, foreign or other taxes, imposts, rates, levies, assessments and other charges including, without limitation, ad valorem, capital, capital stock, customs and import duties, disability, documentary stamp, escheat and unclaimed property, employment, estimated, excise, fees, franchise, gains, goods and services, gross income, gross receipts, income, intangible, inventory, license, mortgage recording, net income, occupation, payroll, personal property, premiums, production, profits, property, real property, recording, rent, sales, severance, sewer, social security, stamp, transfer, transfer gains, unemployment, use, value added, water, windfall profits, and withholding, together with any interest, additions, fines or penalties with respect thereto or in respect of any failure to comply with any requirement regarding Tax Returns and any interest in respect of such additions, fines or penalties and shall include any transferee Liability in respect of any and all of the above.

"Tax Return" means any declaration, estimate, return, report, information statement, schedule or other document (including any related or supporting information) with respect to Taxes that is required to be filed with any Governmental Authority, including any schedule or attachment thereto, and any amendment thereof.

"Transaction Expenses" means any fees or expenses whether billed or unbilled (including those of investment bankers, brokers, lawyers, accountants and other advisors) incurred in connection with the negotiation, execution, delivery and performance of this Agreement and the transactions contemplated hereby.

"UHC Fundamental Representations" means the representations and warranties contained in Section 3.1 (Due Organization), Section 3.2 (Consents and Approvals), Section 3.3(a) (Conflicts), Section 3.4 (Capitalization), Section 3.5 (Subsidiaries), Section 5.1 (Due Organization), Section 5.2 (Due Authorization; Consents and Approvals; Enforceability) and Section 5.3(a) (Conflicts).

"Unity Financial Statements" means, collectively, (a) the audited statutory financial statements of Unity which comprise the statutory statements of admitted assets, liabilities and capital and surplus as of December 31, 2013, and the related statutory statements of revenues and expenses, changes in capital and surplus and cash flows for the year then ended and the related notes thereto; (b) the audited statutory financial statements of Unity and Quartz which comprise the statutory statements of admitted assets, liabilities and capital and surplus as of December 31, 2014, and the related statutory statements of revenues and expenses, changes in capital and surplus and cash flows for the year then ended and the related notes thereto; (c) the financial statements of Unity and Quartz required to be filed with the OCI during 2013 and 2014; (d) the

unaudited statutory financial statements of Unity and Quartz which comprise the statements of admitted assets, liabilities and capital and surplus as of March 31, 2015, June 30, 2015, and September 30, 2015 and the related statements of revenues and expenses, changes in capital and surplus and cash flows for the calendar quarters then ended; and (e) the Interim Unity Financial Statements required to be delivered pursuant to Section 6.10(b).

“Unity Intellectual Property” means the Intellectual Property and Software used in the conduct of the business of Unity and Unity’s Subsidiaries as it is currently conducted.

“Unity Medicaid Contract” shall mean that certain contract for BadgerCare Plus and/or Medicaid SSI HMO Services between Unity and the Wisconsin Department of Health Services for the period from January 1, 2014 through December 31, 2015.

“Unity’s Subsidiaries” means, prior to the Closing, Quartz.

**EXHIBIT B**

**FORM OF RESTATED ORGANIZATIONAL DOCUMENTS**

See attached.

**Exhibit B-1**  
**Amended and Restated Articles of GHP**

**Second Amended and Restated**

**Articles of Incorporation**

of

**Gundersen Health Plan, Inc.**

Effective \_\_\_\_\_, 2016

**Article I. Name**

The name of the corporation is Gundersen Health Plan, Inc. (the "Corporation").

**Article II. Purpose**

The purpose for which the Corporation is organized and shall be operated is to promote social welfare by operation of a health maintenance organization and other activities incidental thereto, and any other lawful activity within the purposes for which a corporation may be organized under Chapter 613 of the Wisconsin Statutes and Section 501(c)(4) of the Internal Revenue Code of 1986, as amended from time to time (the "Code").

The Corporation is not organized for profit, and no part of the net earnings of this Corporation shall inure to the benefit of any member of the Board of Directors or any other private party except that the Corporation may make payments of reasonable compensation for services rendered.

Notwithstanding any provision of these Articles of Incorporation, the Corporation shall not carry on any activities not permitted to be carried on by an organization exempt from federal income tax under Code Section 501(c)(4).

**Article III. Members**

The Corporation shall have one or more classes of members whose respective qualifications, rights, and method of acceptance shall be as specified in the bylaws. Members may be terminated, expelled or suspended as set forth in the Bylaws or as set forth in Section 181.0620 of the Wisconsin Nonstock Corporation Law. Only members may vote on matters reserved to the members.

**Article IV. Assessments Not Authorized**

Neither members of the Corporation nor other providers of the services provided by the Corporation is subject to assessments for the purpose of paying operating costs or financial deficits of the Corporation. This Article shall not preclude the Corporation from entering into provider agreements which include financial guarantees.

**Article V. Directors**



The number of directors and the standards for their election and qualification shall be fixed from time to time by the bylaws. The directors may be divided into classes as set forth in the bylaws.

#### **Article VI. Principal Office and Registered Agent**

Section 1. The principal office of the Corporation is located in the City and County of La Crosse and its mailing address is 1836 South Avenue, La Crosse, Wisconsin 54601.

Section 2. The name and address of the Corporation's registered agent is Daniel J. Lilly, 1836 South Avenue, La Crosse, Wisconsin 54601.

#### **Article VII. Distributions**

The Corporation may make distributions or other payments under subsections (3) and (4) of Section 181.1302 of the Wisconsin Statutes, as may be amended from time to time, to the extent consistent with its purposes as set out in Article II, above. Such distributions may include distributions to other organizations that are tax exempt under Code section 501(c).

#### **Article VIII. Dissolution**

In the event of dissolution, after payment of all just debts and obligations, the Board of Directors of the Corporation shall have the power to dispose of the total assets of the Corporation in such manner as they, in the exercise of any absolute and uncontrolled discretion, may by a majority vote determine; provided, however, that such disposition shall be calculated as to carry out the objects and purposes for which the Corporation is formed and only such objects and purposes; provided, however, that the recipients of such disposition shall be limited exclusively to the federal government or a state or local government exclusively for public purposes, or to any organization which, at the time of disposition, is exempt from tax under either Section 501(c)(3) or 501(c)(4) of the Code, or the corresponding provision of any subsequent United States internal revenue law.

#### **Article VIII. Amendments**

These articles may be amended in the manner authorized by law at the time of the adoption of the amendment.

**Exhibit B-2**  
**Amended and Restated Bylaws of GHP**

**AMENDED AND RESTATED**  
**BYLAWS OF**  
**GUNDERSEN HEALTH PLAN, INC.**

**Effective [\_\_\_\_\_], 2016**

**Adopted by the Board of Directors on**  
**[\_\_\_\_\_], 2016**

## **ARTICLE 1. OFFICES, CONFLICT OF INTEREST AND TAX EXEMPT STATUS**

**1.1 Principal and Business Offices.** The corporation may have such principal and other business offices, either within or without the State of Wisconsin, as the board of directors of the corporation (the “Board of Directors”) may designate or as the business of the corporation may require from time to time.

**1.2 Registered Office.** The registered office of the corporation required by the Wisconsin Insurance Code, Chapters 600 to 655 of the Wisconsin Statutes, to be maintained in the State of Wisconsin may be, but need not be, identical with the principal office in the State of Wisconsin, and the address of the registered office may be changed from time to time by the Board of Directors or by the registered agent. The business office of the registered agent of the corporation shall be identical to such registered office.

**1.3 Confidentiality and Conflicts of Interest.** The Board of Directors, the officers and the employees of the corporation shall at all times act in an ethical manner in conducting the business of the corporation. Employees shall adhere to the corporation’s Rules of Conduct, including the corporation’s standards pertaining to the protection of confidential and proprietary information. The Board of Directors, officers and employees shall follow the corporation’s Conflict of Interest Policy, as adopted by the Board of Directors from time to time.

**1.4 Tax-Exempt Organization.** This corporation is recognized by the Internal Revenue Service as tax exempt under section 501(c)(4) of the Internal Revenue Code. Notwithstanding anything to the contrary, no action shall be required or permitted to be taken under these bylaws or by the Board of Directors or officers of this corporation that would not be permitted to be taken by an organization described in section 501(c)(4) of the Internal Revenue Code.

## **ARTICLE 2. MEMBERS**

### **2.1 Classes of Members.**

(a) The term “Member” as used in these bylaws has the meaning set forth in Section 181.0103 of the Wisconsin Nonstock Corporation Law. The corporation may have multiple classes of Members. All Members of all classes shall have the same rights and obligations as all other Members of the corporation provided that Members may, from time to time, hold a different number of Membership Rights. The corporation shall at all times have one hundred (100) Membership Rights that shall be allocated among all Members. Any distribution to the Members (as permitted by Section 613.69 of the Wisconsin Insurance Code and Sections 181.1301 and 181.1302 of the Wisconsin Nonstock Corporation Law or, in connection with a voluntary dissolution, as permitted by Section 613.74 of the Wisconsin Insurance Code and Sections 181.1401 through 181.1407 of the Wisconsin Nonstock Corporation Law), shall be made to the Members in accordance with the number of Membership Rights held by each Member such that a hundredth (1/100) of any such distribution shall be made to a Member for each Membership Right held by such Member. The Membership Rights held by each Member as of the date hereof is set forth on Exhibit A attached hereto. Any increase or decrease in the

number of Membership Rights held by any Member shall be evidenced by an updated Exhibit A that shall be certified by the Chief Financial Officer of the corporation.

(b) All Members of the corporation must be non-profit entities that are exempt from federal income tax pursuant to Section 501(c)(3) or (c)(4) of the Internal Revenue Code. Any Member must provide written notice to the corporation of a change in its tax-exempt status within thirty (30) days of such change.

**2.2 Annual Meeting.** The annual meeting of the Members shall be held on the second Tuesday in May of each year, or at such other time and date within thirty (30) days before or after such date as may be fixed by or under the authority of the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Wisconsin, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein, or fixed as herein provided, for any annual meeting of the Members, or at any adjournment and reconvention thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as is practicable.

**2.3 Special Meetings.** Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by the Wisconsin Insurance Code, may be called by the Board of Directors, the Chief Executive Officer or the President. The corporation shall call a special meeting of Members in the event that a Member entitled to vote on any issue proposed to be considered at the proposed special meeting signs, dates and delivers to the corporation one or more written demands for the meeting, describing one or more purposes for which it is to be held. The corporation shall give notice of such a special meeting within thirty (30) days after the date that the demand is delivered to the corporation.

**2.4 Place of Meeting.** The Board of Directors may designate any place, either within or without the State of Wisconsin, as the place of meeting for any annual or special meeting of Members. If no designation is made, the place of meeting shall be the principal office of the corporation. Any meeting may be adjourned to reconvene at any place designated by vote of a majority of the Members represented thereat.

**2.5 Notice of Meeting.** Written notice stating the date, time and place of any meeting of Members and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting (unless a different time is provided by the Wisconsin Insurance Code or the articles of incorporation), either personally or by mail, by or at the direction of the Chief Executive Officer, the President or the Secretary, to each Member of record entitled to vote at such meeting and to such other persons as required by the Wisconsin Insurance Code. If mailed, such notice shall be deemed to be effective when deposited in the United States mail, addressed to the Member at its address as it appears on the Member record books of the corporation, with postage thereon prepaid. If an annual or special meeting of Members is adjourned to a different date, time or place, the corporation shall not be required to give notice of the new date, time or place if the new date, time or place is announced at the meeting before adjournment; *provided, however*, that if a new record date for an adjourned meeting is or must

be fixed, the corporation shall give notice of the adjourned meeting to persons who are Members as of the new record date.

**2.6 Waiver of Notice.** A Member may waive any notice required by the Wisconsin Insurance Code, the articles of incorporation or these bylaws before or after the date and time stated in the notice. The waiver shall be in writing and signed by the Member entitled to the notice, contain the same information that would have been required in the notice under applicable provisions of the Wisconsin Insurance Code (except that the time and place of meeting need not be stated) and be delivered to the corporation for inclusion in the corporate records. A Member's attendance at a meeting, in person or by proxy, waives objection to all of the following: (a) a lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting or promptly upon arrival objects to holding the meeting or transacting business at the meeting; and (b) consideration of a particular matter at the meeting that is not within the purpose described in the meeting notice, unless the Member objects to considering the matter when it is presented.

**2.7 Fixing of Record Date.** The Board of Directors may fix in advance a date as the record date for the purpose of determining Members entitled to notice of and to vote at any meeting of Members, Members entitled to demand a special meeting as contemplated by Section 2.3 hereof, Members entitled to take any other action, or Members for any other purpose. Such record date shall not be more than seventy (70) days prior to the date on which the particular action, requiring such determination of Members, is to be taken. If no record date is fixed by the Board of Directors or by the Wisconsin Insurance Code for the determination of Members entitled to notice of and to vote at a meeting of Members, the record date shall be the close of business on the day before the first notice is given to Members. If no record date is fixed by the Board of Directors or by the Wisconsin Insurance Code for the determination of Members entitled to demand a special meeting as contemplated in Section 2.3 hereof, the record date shall be the date that the first Member signs the demand. Except as provided by the Wisconsin Insurance Code for a court-ordered adjournment, a determination of Members entitled to notice of and to vote at a meeting of Members is effective for any adjournment and reconvention of such meeting unless the Board of Directors fixes a new record date, which it shall do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting. The record date for determining Members entitled to a distribution (other than a distribution involving a purchase, redemption or other acquisition of membership) is the date on which the Board of Directors authorized the distribution, as the case may be, unless the Board of Directors fixes a different record date.

**2.8 Members' List for Meetings.** After a record date for a special or annual meeting of Members has been fixed, the corporation shall prepare a list of the names of all of the Members entitled to notice of the meeting. The list shall be arranged by class of membership, if any, and show the address of each Member. Such list shall be available for inspection by any Member, beginning two (2) business days after notice of the meeting is given for which the list was prepared and continuing to the date of the meeting, at the corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held. A Member or its agent may, on written demand, inspect and, subject to the limitations imposed by the Wisconsin Insurance Code, copy the list, during regular business hours and at its expense, during the period that it is available for inspection pursuant to this

Section 2.8. The corporation shall make the Members' list available at the meeting, and any Member or its agent or attorney may inspect the list at any time during the meeting or any adjournment thereof. Refusal or failure to prepare or make available the Members' list shall not affect the validity of any action taken at a meeting of Members.

**2.9 Quorum and Voting Requirements.** Except as otherwise provided in the articles of incorporation or the Wisconsin Insurance Code, a majority of the votes entitled to be cast on the matter shall constitute a quorum for action on that matter. Once a Member is represented for any purpose at a meeting, other than for the purpose of objecting to holding the meeting or transacting business at the meeting, it is considered present for purposes of determining whether a quorum exists for the remainder of the meeting and for any adjournment and reconvention of that meeting unless a new record date is or must be set for the adjourned and reconvened meeting. If a quorum exists, except in the case of the election of directors, action on a matter shall be approved if the votes cast favoring the action exceed the votes cast opposing the action, unless the articles of incorporation or the Wisconsin Insurance Code requires a greater number of affirmative votes. Unless otherwise provided in the articles of incorporation, each director shall be elected by a plurality of the votes cast by the Members entitled to vote in the election of directors at a meeting at which a quorum is present. Though less than a quorum of the outstanding votes are represented at a meeting, a majority of the votes so represented may adjourn the meeting from time to time without further notice. At such adjourned and reconvened meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed.

**2.10 Conduct of Meeting.** The Chairman of the Board of Directors, and in his or her absence, the Chief Executive Officer, the President or a Vice President in the order provided under Section 4.8 hereof, and in their absence, any person chosen by the Members present shall call the meeting of the Members to order and shall act as chairperson of the meeting, and the Secretary of the corporation shall act as secretary of all meetings of the Members, but, in the absence of the Secretary, the presiding officer may appoint any other person to act as secretary of the meeting.

**2.11 Proxies.** At all meetings of Members, a Member may vote in person or by proxy. A Member may appoint a proxy to vote or otherwise act for the Member by signing an appointment form, either itself or by its attorney-in-fact. An appointment of a proxy is effective when received by the Secretary or other officer or agent of the corporation authorized to tabulate votes. An appointment is valid for eleven (11) months from the date of its signing unless a different period is expressly provided in the appointment form.

**2.12 Voting.** Except as provided or limited in the articles of incorporation or the Wisconsin Insurance Code, each Member, regardless of class, is entitled to one vote for each Membership Right held by such Member on each matter voted on at a meeting of Members.

**2.13 Action Without Meeting.** Any action required or permitted by the articles of incorporation or these bylaws or any provision of the Wisconsin Insurance Code to be taken at a meeting of the Members may be taken without a meeting and without action by the Board of Directors if a written consent or consents, describing the action so taken, is signed by all of the

Members entitled to vote with respect to the subject matter thereof and delivered to the corporation for inclusion in the corporate records.

**2.14 Acceptance of Instruments Showing Member Action.** If the name signed on a vote, consent, waiver or proxy appointment corresponds to the name of a Member, the corporation, if acting in good faith, may accept the vote, consent, waiver or proxy appointment and give it effect as the act of a Member. If the name signed on a vote, consent, waiver or proxy appointment does not correspond to the name of a Member, the corporation, if acting in good faith, may accept the vote, consent, waiver or proxy appointment and give it effect as the act of the Member if any of the following apply:

(a) The Member is an entity and the name signed purports to be that of an officer or agent of the entity.

(b) The name purports to be that of a personal representative, administrator, executor, guardian or conservator representing the Member and, if the corporation requests, evidence of fiduciary status acceptable to the corporation is presented with respect to the vote, consent, waiver or proxy appointment.

(c) The name signed purports to be that of a receiver or trustee in bankruptcy of the Member and, if the corporation requests, evidence of this status acceptable to the corporation is presented with respect to the vote, consent, waiver or proxy appointment.

(d) The name signed purports to be that of a pledgee, beneficial Member, or attorney-in- fact of the Member and, if the corporation requests, evidence acceptable to the corporation of the signatory's authority to sign for the Member is presented with respect to the vote, consent, waiver or proxy appointment.

(e) Two or more persons are the Member as co-tenants or fiduciaries and the name signed purports to be the name of at least one of such persons and the person signing appears to be acting on behalf of both or all such persons.

The corporation may reject a vote, consent, waiver or proxy appointment if the Secretary or other officer or agent of the corporation who is authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the Member.

### **ARTICLE 3. BOARD OF DIRECTORS**

**3.1 General Powers and Number.** All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the Board of Directors. The number of directors of the corporation shall be nine (9).

#### **3.2 Tenure and Qualifications.**

(a) University Health Care, Inc. ("UHC") shall appoint a total of three (3) members of the Board of Directors (the "UHC Directors") and Gundersen Lutheran Health



System, Inc. (“GHS”) shall appoint a total of three (3) members of the Board of Directors (the “GHS Directors”). The Board of Directors, by a vote of no less than five (5) of the UHC Directors and GHS Directors shall appoint three (3) members of the Board of Directors who shall have no current or previous employment, consulting or other financially related association with either GHS or UHC or any of their respective affiliates (the “Independent Directors”). All of the Independent Directors shall be enrollees of the corporation who are not providers and who are not associated with a provider and at least one (1) of the Independent Directors shall at all times be a resident of the State of Iowa.

(b) The Board of Directors shall be and is divided into three (3) classes of three (3) directors each which shall be designated: Class I, Class II and Class III. At all times one (1) GHS Director, one (1) UHC Director, and one (1) Independent Director shall be appointed to each of Class I, Class II and Class III. Each director shall serve for a term ending on the date of the third (3rd) annual meeting following the annual meeting at which such director was elected; provided, that each director initially appointed to Class I shall serve for an initial term expiring at the corporation’s first annual meeting of its Members following the effective date of these bylaws (the “Effective Date”); each director initially appointed to Class II shall serve for an initial term expiring at the corporation’s second (2nd) annual meeting of its Members following the Effective Date; and each director initially appointed to Class III shall serve for an initial term expiring at the corporation’s third (3rd) annual meeting of its Members following the Effective Date; provided further, that the term of each director shall continue until the election and qualification of a successor and be subject to such Director's earlier death, resignation or removal.

(c) A director may be removed by the Members only at a meeting called for the purpose of removing the director, and the meeting notice shall state that the purpose, or one of the purposes, of the meeting is the removal of the director. A director may be removed from office with or without cause if the votes cast to remove the director exceed the number of votes cast not to remove such director. A director may resign at any time by delivering written notice which complies with the Wisconsin Insurance Code to the Board of Directors, to the Chairman of the Board of Directors or to the corporation. A director’s resignation is effective when the notice is delivered unless the notice specifies a later effective date. Directors need not be residents of the State of Wisconsin or Members of the corporation.

**3.3 Chairman.** The Chairman, when present, shall preside at all meetings of the members and the Board of Directors; shall appoint all committee members and committee chairpersons with the approval of the Board of Directors; and shall perform all of the acts usually attendant upon the office of chairperson or which may be set forth in these bylaws or resolutions of the Board of Directors.

**3.4 Regular Meetings.** A regular meeting of the Board of Directors shall be held not less frequently than quarterly and may be held without notice at such time and at such places as may from time to time be determined by the Board of Directors. The Board of Directors shall provide, by resolution, the date, time and place, either within or without the State of Wisconsin, for the holding of additional regular meetings of the Board of Directors without other notice than such resolution.

**3.5 Special Meetings.** Special meetings of the Board of Directors may be called by or at the request of the Chairman, Chief Executive Officer, President, Secretary or any director. The Chairman, Chief Executive Officer, President or Secretary may fix any place, either within or without the State of Wisconsin, as the place for holding any special meeting of the Board of Directors, and if no other place is fixed, the place of the meeting shall be the principal office of the corporation in the State of Wisconsin.

**3.6 Notice; Waiver.** Notice of each special meeting of the Board of Directors shall be given by written notice delivered or communicated in person, by telegraph, teletype, facsimile or other form of wire or wireless communication, or by mail or private carrier, to each director at his or her business address or at such other address as such director shall have designated in writing filed with the Secretary, in each case not less than seventy-two (72) hours prior to the meeting. The notice need not prescribe the purpose of the special meeting of the Board of Directors or the business to be transacted at such meeting. If mailed, such notice shall be deemed to be effective when deposited in the United States mail so addressed, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be effective when the telegram is delivered to the telegraph company. If notice is given by facsimile, such notice shall be deemed to be effective when receipt of such facsimile has been acknowledged. If notice is given by private carrier, such notice shall be deemed to be effective when delivered to the private carrier. Whenever any notice whatsoever is required to be given to any director of the corporation under the articles of incorporation or these bylaws or any provision of the Wisconsin Insurance Code, a waiver thereof in writing, signed at any time, whether before or after the date and time of meeting, by the director entitled to such notice shall be deemed equivalent to the giving of such notice. The corporation shall retain any such waiver as part of the permanent corporate records. A director's attendance at or participation in a meeting waives any required notice to him or her of the meeting unless the director, at the beginning of the meeting or promptly upon his or her arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

**3.7 Quorum.** Five (5) members of the Board of Directors including at least one (1) UHC Director and one (1) GHS Director shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. Except as otherwise provided by the Wisconsin Insurance Code, the articles of incorporation or these bylaws, a quorum of any committee of the Board of Directors created pursuant to Section 3.13 hereof shall consist of the greater of a majority of the number of members appointed to serve on the committee or three (3) members appointed to serve on the committee. A majority of the directors present (though less than such quorum) may adjourn any meeting of the Board of Directors or any committee thereof, as the case may be, from time to time without further notice.

**3.8 Manner of Acting.** Unless the Wisconsin Insurance Code, the articles of incorporation or these bylaws require the vote of a greater number of directors, the affirmative vote by a simple majority of those directors present at a meeting of the Board of Directors at which a quorum is present shall be the act of the Board of Directors; *provided, however*, that at least one (1) UHC Director and one (1) GHS Director each vote in favor of such action.

**3.9 Conduct of Meetings.** The Chairman of the Board of Directors, and in his or her absence, the Chief Executive Officer, the President or a Vice President in the order provided under Section 4.8, and in their absence, any director chosen by the directors present, shall call meetings of the Board of Directors to order and shall act as chairperson of the meeting. The Secretary of the corporation shall act as secretary of all meetings of the Board of Directors, but in the absence of the Secretary, the presiding officer may appoint any other person present to act as secretary of the meeting. Minutes of any regular or special meeting of the Board of Directors shall be prepared and distributed to each director.

**3.10 Vacancies.** If a vacant office occurring in the Board of Directors was held by a director elected by a voting group of Members, only the Members of that voting group may vote to fill the vacancy if it is filled by the Members, and only the remaining directors elected by that voting group may vote to fill the vacancy if it is filled by the directors. A vacancy that will occur at a specific later date, because of a resignation effective at a later date or otherwise, may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

**3.11 Compensation.** The Independent Directors may be entitled to receive reasonable compensation for services in their capacity as members of the Board of Directors and any committee thereof as may be determined by the UHC Directors and GHS Directors. The UHC Directors and GHS Directors shall not be entitled to receive compensation for services in their capacity as members of the Board of Directors or any committee thereof. Notwithstanding the foregoing, all members of the Board of Directors may, in their discretion, be paid for the expenses, if any, that they incur in connection with attendance at meetings of the Board of Directors or any committee thereof. The foregoing shall not prohibit any member of the Board of Directors from serving the corporation in any other capacity and receiving compensation therefor. Any compensation paid to any member of the Board of Directors shall be determined in compliance with any applicable Conflict of Interest Policy adopted by the Board of Directors.

**3.12 Presumption of Assent.** A director who is present and is announced as present at a meeting of the Board of Directors or any committee thereof created in accordance with Section 3.13 or 3.14 hereof, when corporate action is taken, assents to the action taken unless any of the following occurs: (a) the director objects at the beginning of the meeting or promptly upon his or her arrival to holding the meeting or transacting business at the meeting; (b) the director's dissent or abstention from the action taken is entered in the minutes of the meeting; or (c) the director delivers written notice that complies with the Wisconsin Insurance Code of his or her dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation immediately after adjournment of the meeting. Such right of dissent or abstention shall not apply to a director who votes in favor of the action taken.

**3.13 Committees.** The Board of Directors shall not create any major committee as described in Wis. Stat. Section 613.56(2), nor, except for the Audit Committee pursuant to Section 3.14, shall the Board of Directors create any committee of the Board of Directors pursuant to Wis. Stat. Section 613.56(1). In addition to the Audit Committee pursuant to Section 3.14, the Board of Directors may create ordinary committees under Wis. Stat. Section 613.56(3), including, without limitation, a Compliance Committee, Finance Committee, Human

Resources and Compensation Committee, Quality Committee and Marketing Committee, each of which shall have three (3) or more members, including at least one UHC Director and at least one GHS Director and such other members, including Directors and other individuals as may be appointed by the Board of Directors, each of whom shall be voting members of such committee. Committee members shall serve at the pleasure of the Board of Directors; *provided, however*, that any such committees shall include and any action taken by such committee shall require the affirmative vote of at least one (1) UHC Director and one (1) GHS Director. Such ordinary committees, if any, shall have and may exercise such powers as may be provided in the resolution of the Board of Directors creating such committee, as such resolution may from time to time be amended and supplemented; *provided, however*, that in no case shall any such committee take any action in respect to (a) compensation or indemnification of any person who is a director, principal officer or one of the three most highly paid employees, and any benefits or payments requiring member or policyholder approval; (b) approval of any contract required to be approved by the board under Wis. Stat. Section 613.60, or of any other transaction in which a director has a material interest adverse to the corporation; (c) amendment of the articles or bylaws; (d) merger or consolidation, member exchanges, conversion, voluntary dissolution, or transfer of business or assets; (e) any other decision requiring member or policyholder approval; (f) amendment or repeal of any action previously taken by the full board which by its terms is not subject to amendment or repeal by a committee; (g) dividends or other distributions to members or policyholders, other than in the routine implementation of policy determinations of the full board; (h) selection of principal officers; and (i) filling of vacancies on the board or any committee created hereunder. Unless otherwise provided by the Board of Directors in creating the committee, a committee may employ counsel, accountants and other consultants to assist it in the exercise of its authority.

**3.14 Audit Committee.** The Audit Committee shall consist of a minimum of three (3) members of the Board of Directors, 75% or more of whom shall be independent directors in accordance with section Ins 50.15 of the Wisconsin Administrative Code. The Audit Committee, subject to any limitations prescribed by the Board of Directors, shall assist the Board of Directors in carrying out its responsibilities as they relate to accounting policies, reporting practices, adequacy of internal controls, quality and integrity of financial reporting, compliance with laws and other regulations and such other matters as may be assigned by the Board of Directors. The Audit Committee may initiate such investigations as it shall deem necessary. The Audit Committee shall be solely responsible for the appointment, compensation and oversight of the corporation's audit firm, including resolution of disagreements between management and the accountant regarding financial reporting, for the purpose of preparing or issuing the audited financial report or related work and shall pre-approve all audit and non-audit services of the corporation's audit firm. The Audit Committee shall meet at least twice each year and such additional times as may be deemed necessary and expedient by the Audit Committee. The Audit Committee shall meet at such times and places as shall be determined by the Audit Committee. Special meetings may be called by the Chair of the Audit Committee or by written request of any two members of the committee. When the Audit Committee is addressing matters in closed session where in its opinion it is necessary to exclude one or more members of the committee or the Board of Directors, the Audit Committee may exclude such members. Two (2) members of the Audit Committee shall constitute a quorum and any action taken by the Audit Committee shall require the affirmative vote of at least one (1) UHC Director and one (1) GHS Director.

**3.15 Telephonic Meetings.** Except as herein provided and notwithstanding any place set forth in the notice of the meeting or these bylaws, members of the Board of Directors (and any committees thereof created pursuant to Section 3.13 and 3.14 hereof) may participate in regular or special meetings by, or through the use of, any means of communication by which all participants may simultaneously hear each other, such as by conference telephone. If a meeting is conducted by such means, then at the commencement of such meeting the presiding officer shall inform the participating directors that a meeting is taking place at which official business may be transacted. Any participant in a meeting by such means shall be deemed present in person at such meeting. Notwithstanding the foregoing, no action may be taken at any meeting held by such means on any particular matter which the presiding officer determines, in his or her sole discretion, to be inappropriate under the circumstances for action at a meeting held by such means. Such determination shall be made and announced in advance of such meeting.

**3.16 Action Without Meeting.** Any action required or permitted by the Wisconsin Insurance Code to be taken at a meeting of the Board of Directors or a committee thereof created pursuant to Section 3.13 and 3.14 hereof may be taken without a meeting if the action is taken by all members of the Board or of the committee. The action shall be evidenced by one or more written consents describing the action taken, signed by each director or committee member and retained by the corporation. Such action shall be effective when the last director or committee member signs the consent, unless the consent specifies a different effective date.

#### **ARTICLE 4. OFFICERS**

**4.1 Number.** The principal officers of the corporation shall be a Chief Executive Officer, a President, the number of Vice Presidents as authorized from time to time by the Board of Directors, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. The Board of Directors may also authorize any duly authorized officer to appoint one or more officers or assistant officers. The offices of Chief Executive Officer and President may be held by the same person, and the offices of Secretary and Treasurer may be held by the same person.

**4.2 Election and Term of Office.** The officers of the corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the Members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is practicable. Each officer shall hold office until his or her successor shall have been duly elected or until his or her prior death, resignation or removal.

**4.3 Removal.** The Board of Directors may remove any officer and, unless restricted by the Board of Directors or these bylaws, an officer may remove any officer or assistant officer appointed by that officer, at any time, with or without cause and notwithstanding the contract rights, if any, of the officer removed. The appointment of an officer does not of itself create contract rights.

**4.4 Resignation.** An officer may resign at any time by delivering notice to the corporation that complies with the Wisconsin Insurance Code. The resignation shall be effective when the notice is delivered, unless the notice specifies a later effective date and the corporation accepts the later effective date.

**4.5 Vacancies.** A vacancy in any principal office because of death, resignation, removal, disqualification or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term. If a resignation of an officer is effective at a later date as contemplated by Section 4.4 hereof, the Board of Directors may fill the pending vacancy before the effective date if the Board provides that the successor may not take office until the effective date.

**4.6 Chief Executive Officer.** The Chief Executive Officer shall act as the principal executive officer of the corporation and shall be responsible for the management of the corporation. The Chief Executive Officer shall have general charge of the business and affairs of the corporation and shall direct all other officers, agents and employees. Except as provided in these bylaws or by resolution of the Board of Directors, the Chief Executive Officer shall appoint all other officers, agents and employees of the corporation. The Chief Executive Officer shall organize the functions of the corporation through appropriate departmentalization and delegation, establishing formal means of staff evaluation and accountability. The Chief Executive Officer shall keep the Board of Directors informed about the management and financial status of the corporation through regular reports. The Chief Executive Officer shall serve on all standing and special committees of the Board, created in accordance with Section 3.13 hereof, as an ex-officio member with a vote.

**4.7 President.** The President shall, in general, supervise and control the day-to-day insurance operations of the corporation. The President shall have authority, subject to such rules as may be prescribed by the Board of Directors and Chief Executive Officer, to appoint such agents and employees of the corporation as he or she shall deem necessary, to prescribe their powers, duties and compensation, and to delegate authority to them. Such agents and employees shall hold office at the discretion of the President. He or she shall have authority to sign, execute and acknowledge, on behalf of the corporation, all deeds, mortgages, bonds, membership certificates, contracts, leases, reports and all other documents or instruments necessary or proper to be executed in the course of the corporation's regular business, or which shall be authorized by resolution of the Board of Directors; and, except as otherwise provided by law or the Board of Directors or the Chief Executive Officer, he or she may authorize any Vice President or other officer or agent of the corporation to sign, execute and acknowledge such documents or instruments in his or her place and stead. In general, he or she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors and Chief Executive Officer from time to time.

**4.8 Vice Presidents.** In the absence of the President or in the event of the President's death, inability or refusal to act, or in the event for any reason it shall be impracticable for the President to act personally, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign, with the

Secretary or Assistant Secretary, certificates for membership of the corporation; and shall perform such other duties and have such authority as from time to time may be delegated or assigned to him or her by the Chief Executive Officer or the President or by the Board of Directors. The execution of any instrument of the corporation by any Vice President shall be conclusive evidence, as to third parties, of his or her authority to act in the stead of the President.

**4.9 Secretary.** The Secretary shall: (a) keep minutes of the meetings of the members and of the Board of Directors (and of committees thereof) in one or more books provided for that purpose (including records of actions taken by the members or the Board of Directors (or committees thereof) without a meeting); (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by the Wisconsin Insurance Code; (c) be custodian of the corporate records and of the seal of the corporation, if any, and see that the seal of the corporation, if any, is affixed to all documents the execution of which on behalf of the corporation is duly authorized; (d) maintain a record of the Members of the corporation, in a form that permits preparation of a list of the names and addresses of all Members, by class of membership; (e) sign with the Chief Executive Officer, the President, or a Vice President, certificates for membership of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the membership transfer books of the corporation; and (g) in general, perform all duties incident to the office of Secretary and have such other duties and exercise such authority as from time to time may be delegated or assigned by the Chief Executive Officer, the President or the Board of Directors.

**4.10 Treasurer.** The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) maintain appropriate accounting records; (c) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Section 5.4; and (d) in general perform all of the duties incident to the office of Treasurer and have such other duties and exercise such other authority as from time to time may be delegated or assigned by the Chief Executive Officer, the President or the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

**4.11 Assistant Secretaries and Assistant Treasurers.** There shall be such number of Assistant Secretaries and Assistant Treasurers as the Board of Directors may from time to time authorize. The Assistant Secretaries may sign with the Chief Executive Officer, the President or a Vice President, certificates for membership of the corporation, the issuance of which shall have been authorized by a resolution of the Board of Directors. The Assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties and have such authority as shall from time to time be delegated or assigned to them by the Secretary or the Treasurer, respectively, or by the Chief Executive Officer, the President or the Board of Directors.

**4.12 Other Assistants and Acting Officers.** The Board of Directors shall have the power to appoint, or to authorize any duly appointed officer of the corporation to appoint,

any person to act as assistant to any officer, or as agent for the corporation in his or her stead, or to perform the duties of such officer whenever for any reason it is impracticable for such officer to act personally, and such assistant or acting officer or other agent so appointed by the Board of Directors or an authorized officer shall have the power to perform all the duties of the office to which he or she is so appointed to be an assistant, or as to which he or she is so appointed to act, except as such power may be otherwise defined or restricted by the Board of Directors or the appointing officer.

**4.13 Salaries.** The salaries of the Chief Executive Officer, the President, the Vice Presidents, the Secretary and the Treasurer shall be fixed from time to time by the Board of Directors or by a duly authorized committee thereof, in compliance with any Conflict of Interest Policy adopted by the Board of Directors.

## **ARTICLE 5. CONTRACTS, LOANS, CHECKS DEPOSITS, AND DONATIONS; SPECIAL CORPORATE ACTS**

**5.1 Contracts.** The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instrument in the name of and on behalf of the corporation, and such authorization may be general or confined to specific instances. In the absence of other designation, all deeds, mortgages and instruments of assignment or pledge made by the corporation shall be executed in the name of the corporation by the Chief Executive Officer, the President or one of the Vice Presidents and by the Secretary, an Assistant Secretary, the Treasurer or an Assistant Treasurer; the Secretary or an Assistant Secretary, when necessary or required, shall affix the corporate seal, if any, thereto; and when so executed, no other party to such instrument or any third party shall be required to make inquiry into the authority of the signing officer or officers.

**5.2 Loans.** No indebtedness or borrowed money shall be contracted on behalf of the corporation and no evidences of such indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors. Such authorization may be general or confined to specific instances.

**5.3 Checks, Drafts, etc.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by or under the authority of a resolution of the Board of Directors.

**5.4 Deposits.** All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such bank, trust companies or other depositories as may be selected by or under the authority of a resolution of the Board of Directors.

**5.5 Donations.** The Board may accept on behalf of the corporation any donation, contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation. If required under section 6113 of the Internal Revenue Code, the corporation shall include prominent, appropriate fundraising disclosure language in accordance with Notice 88-



120 (e.g., “Donations, contributions or gifts to Gundersen Health Plan, Inc. are not deductible as charitable contributions for federal income tax purposes.”).

**5.6 Voting of Securities Owned by this Corporation.** Subject always to the specific directions of the Board of Directors, (a) any shares or other securities issued by any other corporation and owned or controlled by this corporation may be voted at any meeting of security holders of such other corporation by the Chief Executive Officer or the President of this corporation if he or she be present, or in his or her absence by any Vice President of this corporation who may be present, and (b) whenever, in the judgment of the Chief Executive Officer or the President, or in his or her absence, of any Vice President, it is desirable for this corporation to execute a proxy or written consent in respect to any shares or other securities issued by any other corporation and owned by this corporation, such proxy or consent shall be executed in the name of this corporation by the Chief Executive Officer or the President or one of the Vice Presidents of this corporation, without necessity of any authorization by the Board of Directors, affixation of corporate seal, if any, or countersignature or attestation by another officer. Any person or persons designated in the manner above stated as the proxy or proxies of this corporation shall have full right, power and authority to vote the shares or other securities issued by such other corporation and owned by this corporation the same as such shares or other securities might be voted by this corporation.

## **ARTICLE 6. CERTIFICATES OF MEMBERSHIP; TRANSFER OF MEMBERSHIP**

**6.1 Certificates of Membership.** Certificates representing membership of the corporation shall be in such form, consistent with the Wisconsin Insurance Code, as shall be determined by the Board of Directors. Such certificates shall be signed by the Chief Executive Officer or the President or a Vice President and by the Secretary or an Assistant Secretary. All certificates of membership shall be consecutively numbered or otherwise identified. The name and address of the person admitted as a Member, with the date of admission, shall be entered on the membership transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate shall have been surrendered and canceled, except as provided in Section 6.6.

**6.2 Facsimile Signatures and Seal.** The seal of the corporation, if any, on any certificates of membership may be a facsimile. The signature of the Chief Executive Officer or the President or Vice President and the Secretary or Assistant Secretary upon a certificate may be facsimiles if the certificate is manually signed on behalf of a transfer agent, or a registrar, other than the corporation itself or an employee of the corporation.

**6.3 Signature by Former Officers.** The validity of a membership certificate is not affected if a person who signed the certificate (either manually or in facsimile) no longer holds office when the certificate is issued.

**6.4 Transfer of Membership.** Memberships may not be transferred, including by sale, except as specifically approved by the Board of Directors. Prior to due presentment of a certificate of membership for registration or transfer, the corporation may treat the registered Member of such membership as the person exclusively entitled to vote, to receive notifications and otherwise to have and exercise all the rights and power of a Member. Where a certificate of

membership is presented to the corporation with a request to register for transfer, the corporation shall not be liable to the Member or any other person suffering loss as a result of such registration of transfer if (a) there were on or with the certificate the necessary endorsements, and (b) the corporation had no duty to inquire into adverse claims or has discharged any such duty. The corporation may require reasonable assurance that such endorsements are genuine and effective and in compliance with such other regulations as may be prescribed by or under the authority of the Board of Directors.

**6.5 Restrictions on Transfer.** The face or reverse side of each certificate representing membership shall bear a conspicuous notation of any restriction imposed upon the transfer of such membership by the corporation or pursuant to the Members Agreement between GHS, UHC and the corporation.

**6.6 Lost, Destroyed or Stolen Certificates.** Where a Member claims that a certificate of membership has been lost, destroyed or wrongfully taken, a new certificate shall be issued in place thereof if the Member (a) so requests before the corporation has notice that such membership has been acquired by a bona fide purchaser, (b) files with the corporation a sufficient indemnity bond if required by the Board of Directors or any principal officer, and (c) satisfies such other reasonable requirements as may be prescribed by or under the authority of the Board of Directors.

**6.7 Consideration for Membership.** The Board of Directors may admit a person as a Member of the corporation for consideration consisting of any tangible or intangible property or benefit to the corporation, including cash, promissory notes, services performed, contracts for services to be performed or other securities of the corporation. Before the corporation admits a Member, the Board of Directors shall determine that the consideration received or to be received is adequate. The corporation may place a membership in escrow in whole or in part for a contract for future services or benefits, a promissory note, or other property to be issued in the future, or make other arrangements to restrict the transfer of the membership, and may credit distributions in respect of the membership against their purchase price, until the services are performed, the benefits or property are received or the promissory note is paid. If the services are not performed, the benefits or property are not received or the promissory note is not paid, the corporation may cancel, in whole or in part, the membership escrowed or restricted and the distributions credited.

**6.8 Membership Regulations.** The Board of Directors shall have the power and authority to make all such further rules and regulations not inconsistent with law as it may deem expedient concerning the admission of a Member and the transfer or registration of membership of the corporation.

## **ARTICLE 7. GENERAL**

**7.1 Seal.** The Board of Directors may provide for a corporate seal for the corporation.

**7.2 Fiscal Year.** The fiscal year of the corporation shall begin on the first day of January and end on the last day of December each year.

## ARTICLE 8. INDEMNIFICATION

**8.1 General Provision of Indemnification.** Notwithstanding the specific provision of indemnification set forth in Section 8.2 of these bylaws, the Corporation shall, to the fullest extent permitted or required by Section 613.62 of the Wisconsin Insurance Code and Sections 181.0871 to 181.0883, inclusive, of the Wisconsin Nonstock Corporation Law, including any amendments thereto (but in the case of any such amendment, only to the extent such amendment permits or requires the Corporation to provide broader indemnification rights than prior to such amendment), indemnify its Directors and Officers against any and all Liabilities, and advance any and all reasonable Expenses, incurred thereby in any Proceeding to which any such Director or Officer is a Party because he or she is or was a Director or Officer of the Corporation. All capitalized terms used in this Article 8 and not otherwise defined herein shall have the meaning set forth in Section 181.0871 of the Wisconsin Nonstock Corporation Law.

### **8.2 Specific Provision of Indemnification.**

(a) Any person, or such person's estate or personal representative, made or threatened with being made a party to any action, suit, arbitration, or proceeding (civil, criminal, administrative, or investigative, whether formal or informal), which involves foreign, federal, state or local law, by reason of the fact that such person is or was a Director or Officer of this Corporation or of any Corporation or other enterprise for which he or she served at this Corporation's request as a director, officer, partner, trustee, member of any decision-making committee, employee, or agent, shall be indemnified by this Corporation for all reasonable expenses incurred in the Proceeding to the extent he or she has been successful on the merits or otherwise.

(b) In cases where a person described in subsection (a) is not successful on the merits or otherwise, this Corporation shall indemnify such person against Liability and reasonable Expenses incurred by him or her in any such Proceeding, unless Liability was incurred because the person breached or failed to perform a duty he or she owed to the Corporation and the breach or failure to perform constituted any of the following:

(i) A willful failure to deal fairly with the Corporation or its Members in connection with a matter in which the Director or Officer had a material conflict of interest;

(ii) A violation of criminal law, unless the Director or Officer had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful;

(iii) A transaction from which the Director or Officer derived an improper personal profit; or

(iv) Willful misconduct.

(c) The determination whether indemnification shall be required under subsection (b) shall be made, at the selection of the Director or Officer, according to one of the following methods:

(i) By a majority vote of a quorum of the Board of Directors consisting of Directors not at the time Parties to the same or related Proceedings. If a quorum of disinterested Directors cannot be obtained, by majority vote of a committee duly appointed by the Board of Directors and consisting solely of two or more Directors not at the time Parties to the same or related proceedings. Directors who are Parties to the same or related Proceedings may participate in the designation of members of the committee;

(ii) By independent legal counsel selected by a quorum of the Board of Directors or its committee in the manner prescribed in (i) above or, if unable to obtain such a quorum or committee, by a majority vote of the full Board of Directors, including Directors who are Parties to the same or related Proceedings; or

(iii) By the court conducting the Proceedings or another court of competent jurisdiction, either on application by the Director or Officer for an initial determination or on application for review of an adverse determination under (i) or (ii), above.

(d) The termination of a Proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the Director or Officer is not required.

(e) A Director or Officer who seeks indemnification under this section shall make a written request to the Corporation.

(f) Upon written request by a Director or Officer who is a Party to a Proceeding described in subsection (a), this Corporation may pay or reimburse his or her reasonable Expenses as incurred if the Director or Officer provides the Corporation with all of the following:

(i) A written affirmation of his or her good faith belief that he or she has not breached or failed to perform his or her duties to the Corporation; and

(ii) A written undertaking, executed personally or on his or her behalf, to repay the allowance, and reasonable interest thereon, to the extent that it is ultimately determined under subsections (c) (i) or (c) (ii), above, that indemnification is not required or to the extent that indemnification is not ordered by a court under subsection (c) (iii), above. The undertaking under this subsection shall be an unlimited general obligation of the Director or Officer, may be accepted without reference to his or her ability to repay the allowance, and may be secured or unsecured.

(g) This Section 8.2, subsections (a) - (f), shall also apply where a person, or such person's estate or personal representative, is made or threatened with being made a Party to any Proceeding described in subsection (a) by reason of the fact that such person is or was an employee of the Corporation, except that in addition to the categories of conduct set forth in subsection (b) in relation to which the Corporation has no duty to indemnify the employee

against liability and reasonable Expenses incurred by him or her, the Corporation has no duty to indemnify the employee against liability and reasonable Expenses incurred by him or her in any such Proceeding if Liability was incurred because the person breached or failed to perform a duty he or she owed to the Corporation and the breach or failure to perform constituted material negligence or material misconduct in performance of the employee's duties to the Corporation.

(h) Unless a Director or Officer of this Corporation has knowledge that makes reliance unwarranted, a Director or Officer, in discharging his or her duties to the Corporation, may rely on information, opinions, reports or statements, any of which may be written or oral, formal or informal, including financial statements and other financial data, if prepared or presented by any of the following:

(i) An Officer or employee of the Corporation whom the Director or Officer believes in good faith to be reliable and competent in the matters presented;

(ii) Legal counsel, public accountants or other persons as to matters the Director or Officer believes in good faith are within the person's professional or expert competence; or

(iii) In the case of reliance by a Director, a committee of the Board of Directors of which the Director is not a member if the Director believes in good faith that the committee merits confidence.

This subsection does not apply to the Liability of a Director for improper distribution of assets, corporate purchase of membership, or distribution of assets to Members during liquidation, or for corporate loans made to an Officer or Director, under Wisconsin Nonstock Corporation Law Section 181.0832(1), or the reliance of a Director on financial information represented as correct by corporate officers or independent or certified public accountants under Wisconsin Nonstock Corporation Law Section 181.0850.

(i) In discharging his or her duties to the Corporation and in determining what he or she believes to be in the best interest of the Corporation, a Director or Officer may, in addition to considering the effects of any action on Members, consider the following:

(i) The effects of the action on employees, suppliers and customers of the Corporation;

(ii) The effects of the action on communities in which the Corporation operates; or

(iii) Any other factor the Director or Officer considers pertinent.

### **8.3 Limited Liability of Directors and Officers and Members.**

(a) Except as provided in subsection (b) of this Section 8.3, a Director or Officer is not liable to this Corporation, its Members, or any person asserting rights on behalf of the Corporation or its Members, for damages, settlements, fees, fines, penalties or other monetary Liabilities arising from a breach of, or failure to perform, any duty resulting solely

from his or her status as a Director, unless the person asserting Liability proves that the breach or failure to perform constitutes any of the following:

(i) A willful failure to deal with the Corporation or its Members in connection with a matter in which the Director had a material conflict of interest;

(ii) A violation of criminal law, unless the Director or Officer had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful;

(iii) A transaction from which the Director derived an improper personal profit; or

(iv) Willful misconduct.

(b) This Section 8.3 does not apply to the Liability of a Director or Officer for improper distribution of assets, corporate purchase of membership, or distribution of assets to Members during liquidation, or for corporate loans made to an Officer or Director, under Wisconsin Nonstock Corporation Law Section 181.0832(1).

(c) Pursuant to Section 181.0612 of the Wisconsin Nonstock Corporation Law, a Member of the corporation is not, as a Member, personally liable for the acts, debts, liabilities or obligations of the corporation.

## ARTICLE 9. AMENDMENTS

**9.1 By Members.** These bylaws may be amended or repealed and new bylaws may be adopted by the Members at any annual or special meeting of the Members at which a quorum is in attendance.

**9.2 By Directors.** Except as otherwise provided by the Wisconsin Insurance Code or the articles of incorporation, these bylaws may also be amended or repealed and new bylaws may be adopted by the Board of Directors by affirmative vote of five (5) UHC Directors and GHS Directors; *provided, however*, that the Members in adopting, amending or repealing a particular bylaw may provide therein that the Board of Directors may not amend, repeal or readopt that bylaw.

## ARTICLE 10. MEMBERS AGREEMENT

**10.1 Members Agreement Controls.** The provisions of these bylaws are intended to be consistent with the Members Agreement between GHS, UHC and the corporation. In the event of an inconsistency between these bylaws and the Members Agreement between GHS, UHC and the corporation, the Board of Directors and the Members shall take such steps to ensure that the Members Agreement between GHS, UHC and the corporation controls. In the event that (i) the bylaws are silent on a matter that is addressed by the Members Agreement between GHS, UHC and the corporation, and (ii) the Members Agreement between GHS, UHC and the corporation is not consistent with the Wisconsin Nonstock Corporation Law on such matter but the Wisconsin Nonstock Corporation Law would otherwise allow the bylaws to

control such matter, then these bylaws shall be deemed to contain provisions consistent with the Members Agreement between GHS, UHC and the corporation such that the Members Agreement between GHS, UHC and the corporation will control over the default provisions of the Wisconsin Nonstock Corporation Law.

Exhibit A  
Membership Rights

<u>Member</u>	<u>Membership Rights</u>
Gundersen Lutheran Health System, Inc.	25
University Health Care, Inc.	75
Total	100



**EXHIBIT C**

**FORM OF RELATED AGREEMENTS**

See attached.

**Exhibit C-1**  
**Management Agreement (Unity)**

MANAGEMENT AGREEMENT

This Management Agreement (the “Agreement”) is made and entered into on \_\_\_\_\_, 2016 (“Effective Date”) by and between SPWI TPA, Inc. d/b/a Quartz, a Wisconsin for-profit corporation (“Quartz”), and Unity Health Plans Insurance Corporation, a Wisconsin stock insurance corporation (“Unity”) (each, a “Party,” and collectively, “Parties”), with reference to the following background:

A. Unity is a duly organized and validly existing corporation that is licensed as a stock insurance corporation in Wisconsin;

B. Quartz is a duly organized and validly existing corporation that is an Affiliate (as defined in Section 1(c) below) of Unity and provides administrative and management services to support health maintenance organizations and health insurers in the administration of their benefit products;

C. Unity desires for Quartz to provide certain administrative and management services to and on behalf of Unity in connection with Unity’s benefit products; and

D. Quartz desires to provide such services to and on behalf of Unity in accordance with the terms and conditions set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the foregoing background recitals and the mutual promises and covenants set forth herein, and for other good and value consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereto agree as follows:

1. **Authority and Duties of Quartz.**

(a) Services. Quartz may provide to Unity, from time to time and either directly or through third parties, the following services (“Services”) described below and more fully in Exhibit A:

- (i) reinsurance pricing and procurement;
- (ii) investment services;
- (iii) actuarial analysis;
- (iv) underwriting
- (v) human resources services and employee benefits administration;
- (vi) policyholder services;
- (vii) legal services;
- (viii) corporate and tax accounting;

- (ix) record keeping and financial reporting;
- (x) information technology services;
- (xi) sales, marketing, and enrollment;
- (xii) account and broker management;
- (xiii) compliance and strategic planning;
- (xiv) premium collection and refunds;
- (xv) claims management and settlement;
- (xvi) utilization review and utilization management;
- (xvii) provider credentialing;
- (xviii) member grievance and appeals;
- (xix) care coordination, disease management, quality management, and other quality improvement activities, including but not limited to maintaining National Committee for Quality Assurance accreditation;
- (xx) provider contracting and network management; and
- (xxi) such other services as the Parties mutually agree.

(b) Standard of Care. In providing the Services, Quartz shall act in good faith, in a commercially reasonable manner and in accordance with customary industry standards and applicable laws for the provision of the Services. Unity shall provide Quartz with all information that is necessary to enable Quartz to perform fully its obligations hereunder. Quartz shall provide the Services consistent with the service-level standards set forth in Exhibit B.

(c) Assignment. Quartz must have prior written approval from Unity to assign its rights or obligations with respect to the performance of any Services, including an assignment to an Affiliate of Unity. For purposes of this Agreement, “Affiliate” means, with respect to any Party, any other individual or entity controlling, controlled by or under common control with such Party, with “control” (including the terms “controlling,” “controlled by” and “under common control with”) meaning the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an individual or entity, whether through ownership of voting securities, by contract or otherwise.

(d) Subcontracting. Quartz shall ensure that all arrangements with contractors engaged by Quartz to provide Services (i) are in writing, specify the services and reporting obligations, and are duly executed; (ii) require the provision of such services in accordance with the terms of this Agreement, applicable laws, and services standards and requirements as the

same would apply to Quartz if Quartz were performing the services; (iii) require compliance with the terms of this Agreement, as applicable; (iv) state that Unity and Quartz shall monitor the contractors' performance on an ongoing basis, including through routine audits; (v) include a Business Associate Agreement that complies with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the Health Information Technology for Economic and Clinical Health Act ("HITECH"), in every agreement with a contractor that receives protected health information ("PHI"), as that term is defined under HIPAA; and (vi) permit Quartz to suspend or revoke a contractor's provision of Services under this Agreement or take such other corrective action as regulatory bodies, Unity and/or Quartz determines appropriate. If any contractor credentials health care professionals, then the written arrangement also shall state that the credentials shall be reviewed by Unity and Quartz and/or the contractor's credentialing process shall be subject to review and approval as well as periodic audit by Unity and Quartz. Quartz shall use commercially reasonable efforts to promptly amend any agreements with contractors to comply with applicable laws. Quartz shall provide Unity with a list of all contractors on an annual basis and upon request.

(e) Unity Oversight.

Provision of the Services will at all times be subject to oversight and control by the Board of Directors of Unity, which shall direct and control the business that is being carried out by Quartz on behalf of Unity, including the control and direction of Quartz's employees in the performance of Services under this Agreement. No action taken by Quartz at the direction or with the approval of a majority of the Unity's Board of Directors in office at the time of the direction or approval may be used by Unity as grounds for termination under Section 4. In performing any Services hereunder, Quartz shall be responsible for following the written instructions and procedures of Unity hereunder.

2. Reimbursable Expenses.

(a) Quartz shall not be required to expend or advance its own funds in connection with the performance of the Services. Consistent with Section 3 below, Unity shall pay or reimburse Quartz for all costs and expenses incurred by Quartz for employees, equipment, facilities and other items in connection with Quartz performing Services or other duties and obligations under this Agreement. Expenses shall be apportioned in accordance with applicable Generally Accepted Accounting Principles. The books and records of Quartz and Unity shall be maintained in a way that clearly and accurately discloses the nature and details of the Services, including such accounting information as is necessary to support the expenses apportioned to Unity.

(b) All payments and/or reimbursements made by Unity to Quartz pursuant to Section 3 hereunder are intended to approximate the costs and expenses incurred by Quartz in performing its services hereunder. All of the advances, costs and expenses to be paid or reimbursed by Unity to Quartz pursuant to Section 3 or otherwise in this Agreement are collectively referred to as the "Reimbursable Expenses."

3. Payments for Services.

(a) No later than the second business day of each month that this Agreement is in effect, Unity shall pay Quartz an advance payment (“Monthly Advance Payment”) equal to 1/12<sup>th</sup> the amount of Quartz’s annual operating budget for services provided to Unity as approved by the Unity Board of Directors in advance of each year (“Annual Operating Budget”) to cover the expected cost of Quartz’s Reimbursable Expenses for the month. The first Monthly Advance Payment shall be made by Unity on the Effective Date without regard to whether the Effective Date is the first day of a month. Notwithstanding the foregoing, with respect to the 2016 calendar year, each Monthly Advance Payment shall be equal to the anticipated payment by Quartz to Unity for such month pursuant to the Employee Lease Agreement between Quartz and Unity dated the date hereof.

(b) In the event Quartz expects its Reimbursable Expenses for Services provided to Unity to exceed the amounts paid as Monthly Advance Payments by Unity, then Quartz may request that Unity’s Board of Directors approve additional funding equal to the expected shortfall in Monthly Advance Payments (“Supplemental Funding”). Quartz shall provide Unity with sufficient data and information for Unity to evaluate a request for Supplemental Funding. Upon receiving such a request from Quartz, Unity’s Board of Directors shall promptly vote on such request. The maximum Supplemental Funding request to Unity, as measured in the aggregate on a calendar year basis, is ten percent (10%) of the Annual Operating Budget.

(c) Within thirty (30) days following the end of each calendar year in which Services are provided, Quartz shall submit to Unity a statement setting forth all Reimbursable Expenses for such calendar year. Consistent with Section 2(b), the Reimbursable Expenses shall be calculated based on Quartz’s actual costs to provide the Services. Within thirty (30) days after receipt of the statement, there shall be a reconciliation comparing Reimbursable Expenses to the Monthly Advance Payments and Supplemental Funding. Based on the results of such reconciliation, either (i) Unity shall, within five (5) business days, pay to Quartz the amount by which the Reimbursable Expenses exceeded the total Monthly Advance Payments and Supplemental Funding received by Quartz during the year or (ii) Quartz shall, within five (5) business days, pay to Unity the amount by which the Reimbursable Expenses were less than the total Monthly Advance Payments and Supplemental Funding received by Quartz during the year.

(d) Within thirty (30) days following the termination of this Agreement for any reason or until Services are transferred to a new party, whichever is later, Quartz shall return to Unity the amount Quartz has retained from Unity’s payments during the term of this Agreement after deducting costs for Quartz’s Reimbursable Expenses.

#### 4. Termination.

(a) This Agreement may be terminated as follows:

(i) By mutual agreement of the Parties in writing;

(ii) By either Party if the other Party has materially breached any material term of this Agreement and has not corrected such breach within 30 days after receipt of written notice of such breach. Notwithstanding the foregoing, if a failure by its nature cannot be

corrected within a 30-day period, then there shall be no right to terminate this Agreement if the correcting Party substantially begins correction within such 30-day period and thereafter expeditiously corrects such breach.

(iii) By either Party if the Parties are no longer Affiliates; or

(iv) By Unity if the type, quantity, or manner of Services provided by Quartz hereunder cause Unity to be operated, in Unity's reasonable discretion, in a manner that does not further Unity's purposes.

(b) In the event of termination of this Agreement, Quartz shall promptly arrange, at the cost of Unity, for the return or transfer to a successor service provider, if any, of all of the books and records of Unity, including any Proprietary Information, that were provided to Quartz or created by Quartz pursuant to Quartz's responsibilities under this Agreement. Quartz will cooperate with Unity in such return or transfer.

(c) In the event of termination, Quartz shall continue to provide Services for the period reasonably necessary to transfer the Services to a new entity.

## 5. **Confidentiality – Proprietary Information.**

(a) **Proprietary Information.** “Proprietary Information” includes the pricing, methods, processes, financial data, provider or customer lists, statistics, software, systems or equipment, programs, research, development, strategic plans, operating data, or related information of each of the Parties and/or its or their policyholders, concerning past, present, or future business activities of each Party. Proprietary Information includes all non-public information disclosed by either Party to the other prior to the execution of this Agreement.

(b) **Confidentiality.** Except as otherwise provided in this Agreement, each Party shall maintain the Proprietary Information of the other Party in strict confidence; will use such Proprietary Information only for purposes of this Agreement; and will not disclose such Proprietary Information to any person or entity, except with the prior written consent of the other Party. Each Party shall take reasonable precautions to prevent the disclosure of Proprietary Information and each Party shall be responsible for any breach of this confidentiality requirement by one of its officers, employees, directors, or third-party agents acting on behalf of such Party. Proprietary Information created, used, or purchased by Quartz for purposes of providing Services to Unity shall be the property of Unity while this Agreement is in effect and following its termination; such Proprietary Information must be transferred to Unity or Unity's designee upon termination of this Agreement, as set forth in Section 4(b) above.

(c) **Permissive Disclosures.** Nothing contained in this Agreement may be construed as prohibiting either Party's disclosure of Proprietary Information (other than to known actual competitors of the other Party):

(i) to its employees or employees of its parent company and subsidiaries and Affiliates on a need-to-know basis;

(ii) to the employees, agents, or representatives of the other Party; or

(iii) to other persons (including consultants) in need of access to the information for purposes specifically related to either Party's responsibilities under this Agreement.

(d) **Information Lawfully Received.**

(i) Neither Party has any obligation or liability with respect to the other's information to the extent that the information:

(A) is already known by the receiving Party on the date of this agreement, free from any obligation to keep such information confidential;

(B) is or becomes publicly known through no wrongful act of the receiving Party;

(C) is lawfully received by the receiving Party from a third party without restriction and without breach of any obligation of the third party; or

(D) must be disclosed pursuant to a court order or as required by any governmental or administrative authority or authorized regulatory agency, in which event the disclosing Party shall notify the other Party in advance of any such disclosure.

6. **Privacy.**

(a) The Parties shall, no later than the Effective Date, enter into a Business Associate Agreement substantially similar to that attached hereto as Exhibit C, to govern each Party's obligations under HIPAA and the HITECH Act.

(b) In addition to the obligations set forth in Exhibit C, the Parties shall comply with all applicable privacy laws, including but not limited to those applicable under the Gramm-Leach Bliley Act, codified at 15 U.S.C. § 6801 et seq., Wis. Admin. Code Ins. Chapter 25, Iowa Admin. Code r. 191.90, and Minn. Stat. §§ 60A.98 to 60A.982.

7. **Reports.**

(a) Quartz shall provide Unity with industry standard reports as set forth in Exhibit D ("Reports"), which Unity reasonably and in good faith requests to conduct its business, including monitoring of Quartz's performance hereunder. In addition, Quartz shall provide periodic reports to the Unity Board of Directors, which shall include, at a minimum, quarterly operational reports on certain operational statistics as requested by the Unity. Such reports shall contain the performance metrics for applicable laws related to the Services which Quartz has responsibility for performing. In the preparation of any reports pursuant to this Agreement, Quartz shall be responsible for following the written instructions and procedures of Unity hereunder and otherwise complying with the terms of this Agreement and applicable laws in connection with preparing the Reports.



(b) Quartz shall use commercially reasonable efforts to provide support to Unity in the event Unity is audited by a government authority with jurisdiction over the operations of Unity.

8. **Ownership of and Access to Records.** Each Party shall retain title to its own general corporate books and records. Each Party shall retain the right of continuing access to the books and records of the other Party sufficient to permit the Parties to fulfill all of their respective duties and obligations under this Agreement, subject to the provisions of Sections 5. The Parties acknowledge that state departments of insurance and applicable Federal agencies and departments lawfully entitled to access to books and records of a Party shall be given reasonable access to such books and records during normal business hours and upon reasonable advance notice. Unity shall have the right to audit Quartz's books and records to assess Quartz's compliance with this Agreement and applicable legal requirements.

9. **Relationship of the Parties.** Nothing contained herein shall be construed to create the relationship of employer/employee, partner, or joint venture between Unity and Quartz or to provide Quartz with the exclusive right to manage or control Unity in performing its obligations under this Agreement; Quartz may exercise its own judgment subject to the parameters set forth herein and further subject to any written rules, regulations and instructions issued by the Board of Directors or the officers of Unity as to the time and manner in which Quartz performs such obligations.

10. **Unity's Obligation to Provide Information.** Unity shall provide Quartz with all information which is necessary to enable Quartz to perform fully its obligations hereunder. Quartz shall not be liable to Unity for any failure to perform said obligations if such failure is a result of Unity's failure to provide Quartz with necessary information.

11. **Miscellaneous.**

(a) **Governing Law.** This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the State of Wisconsin, without giving effect to the choice or conflict of law provisions of that or any other jurisdiction.

(b) **Severability.** Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective only to the extent of any such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is invalid or unenforceable, that provision shall be interpreted to the extent possible in a manner that is valid and enforceable.

(c) **Non-waiver.** No failure by either Party to insist upon strict compliance with any term of this Agreement, to exercise any option, enforce any right, or seek any remedy upon any default of the other Party shall affect, or constitute a waiver of, the first Party's right to insist upon such strict compliance, exercise that option, enforce that right, or seek that remedy with respect to that default or any prior, contemporaneous, or subsequent default, nor shall any custom or practice of the Parties at variance with any provision of this Agreement affect, or

constitute a waiver of, either Party's right to demand strict compliance with all provisions of this Agreement.

(d) **Waivers and Amendments.** The Agreement and the Exhibits attached hereto may only be amended or modified, and the terms hereof may only be waived, by writing, signed by each Party or, in the case of a waiver, by the Party entitled to the benefit of the terms being waived.

(e) **Assignment.** Neither this Agreement nor any rights or obligations hereunder may be assigned or otherwise transferred, in whole or in part, by any Party without the prior written consent of the other Party, except as provided in Section 1(c).

(f) **Binding Effect.** This Agreement will apply to and inure to the benefit of and be binding upon and enforceable against each Party and their respective successors and permitted assigns.

(g) **Construction; Interpretation.** All pronouns and any variations thereof refer to the masculine, feminine, or neuter, singular, or plural, as the context may require. The captions and headings of the various sections of this Agreement are not part of this Agreement, but are only labels to assist in locating those sections and shall be ignored in construing this Agreement.

(h) **Notices.** All notices and other communications under this Agreement will be in writing and will be delivered personally or sent by confirmed facsimile transmission or nationally recognized overnight delivery service. Any such notice or other communication will be deemed given upon actual delivery, in each case to the following addresses:

If to Quartz:

SPWI TPA, Inc.  
Attention: President  
840 Carolina Street  
Sauk City, WI 53583

If to Unity:

Unity Health Plans Insurance Corporation  
Attention: President  
840 Carolina Street  
Sauk City, Wisconsin 53583

(i) **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(j) **Licensure and Compliance with Law.** Quartz shall, without reliance upon Unity, keep informed of and materially comply with laws applicable to its performance under this Agreement, including laws governing the conduct of third party administrators, as if

Quartz were subject to those requirements directly. Quartz has and shall maintain, and shall cause any permitted contractors to have and maintain, the applicable state licensures, permits, and other approvals required under law to perform the Services and otherwise meet Quartz's obligations under this Agreement. Quartz shall furnish Unity with evidence of such licensures and permits upon request and shall notify Unity within five (5) days of any fine, penalty, suspension, termination or other action regarding such licenses.

(k) **No Third Party Benefit**. This Agreement is intended for the exclusive benefit of the Parties to this Agreement and their respective heirs, successors and assigns, and nothing contained in this Agreement shall be construed as creating any rights or benefits in or to any third party.

**[SIGNATURE PAGE FOLLOWS]**

**IN WITNESS WHEREOF**, this Agreement has been duly executed and delivered by the duly authorized officers of Unity and Quartz as of the date first above written.

**SPWI TPA, Inc. d/b/a Quartz**

**Unity Health Plans Insurance Corporation**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

## **EXHIBIT A SERVICES**

Quartz shall act as a general administrative and financial manager for Unity and, subject to the direction of Quartz's Board of Directors and further subject to the terms and conditions of this Agreement (including but not limited to Section 1(e) of the Agreement regarding the Unity Board of Directors' ultimate oversight of Quartz), any other applicable agreement, any applicable laws or regulations of any governing body or regulatory agency, and any written policies, rules or regulations of Unity, Quartz shall either directly or through subcontractors (for whose acts, errors or omissions Quartz shall take full responsibility for) provide or perform the following services or activities on behalf of Unity.

- A. Strategic planning, executive guidance and general services with respect to the business activities of Unity.
- B. Consultation and assistance with the legal affairs of Unity.
- C. Coordination of employee health, welfare and fringe benefit programs.
- D. Financial consultation and oversight with respect to the management of the assets of Unity. Such will include the development and implementation of a program of investments for the assets of Unity pursuant to which program Quartz (or investment managers designated by Quartz) will purchase and sell securities on behalf of Unity from, to or through such brokers, dealers, investment advisors of other parties as Quartz shall deem appropriate, provided, however, that Quartz will take no responsibility for the acts, errors or omissions of any such broker, dealer, investment advisor or other party which it may select to perform financial services in behalf of Unity. Quartz will provide to Unity's Board of Directors regular reports with respect to its investment program and such other reports as may be necessary or requested by Unity's Board of Directors with the understanding that Unity's Board of Directors shall review and approve investment transactions on a quarterly basis. Quartz shall at all times manage the assets of Unity in accordance with the investment policy set by Unity's Board of Directors.
- E. Accounting and bookkeeping services including the following:
  - 1. Deposit of Unity's funds in a special bank account in Unity's name that is separate from the funds of Quartz;
  - 2. Processing and payment of trade accounts payable;
  - 3. Maintenance of journals, ledgers, check registers and payroll records;
  - 4. Coordination of Unity's payroll;
  - 5. Preparation of federal and state income and payroll tax returns;

6. Preparation of monthly bank reconciliations;
  7. Assistance in the preparation by the 10th working day of the end of each month a balance sheet, statement of income and a statement of cash flows;
  8. Coordination of investing activities;
  9. Coordination and consolidation of annual budgeting process;
  10. Any and all other services reasonably necessary.
- F. Information systems support and telephone service.
- G. Coordination and performance of the compliance functions of Unity.
- H. Functions necessary to administer Unity's benefit products, including:
1. Utilization review activities, including retrospective and concurrent utilization review, approval of out-of-network referrals, and prior authorization services.
  2. Provider credentialing.
  3. Member grievance and appeals processing.
  4. Provider contracting, network management, and dispute processing.
  5. Claims processing and adjudication.
  6. Development and distribution of member communications.
  7. Healthcare quality improvement activities such as care coordination, disease management, and quality management services, including but not limited to maintaining National Committee for Quality Assurance accreditation.
  8. Coordination and performance of the marketing, sales, enrollment, and account and broker management functions of Unity.
- I. Miscellaneous
1. Quartz may use only such advertising pertaining to business underwritten by Unity as has been approved in writing by Unity in advance of its use.
  2. Any policies, certificates, booklets, termination notices, or other written communications delivered by Unity to Quartz for delivery to its members and policyholders shall be delivered by Quartz promptly after receipt of instructions from Unity to deliver them.

3. Any underwriting conducted by Quartz on behalf of Unity shall be conducted using underwriting criteria or other standards established and provided by Unity.
  4. Quartz shall provide a written notice approved by Unity to insured individuals advising them of the identity of, and relationship among, Quartz, the member or policyholder, and Unity.
- J. Such other services incident to the performance of the aforementioned activities and services as may be reasonably required.

**EXHIBIT B  
SERVICE LEVEL REQUIREMENTS**

Function	Guarantee
Identification card issuance	Less than five (5) days
Enrollment quality accuracy	[REDACTED]
Non-investigated claims paid within thirty (30) days	[REDACTED]
Investigated claims paid in sixty (60) days	[REDACTED]
Claims paid quality accuracy	[REDACTED]
Participant satisfaction	[REDACTED]
Average speed of customer service	Answer in less than 30 seconds
Customer service accuracy	[REDACTED]



**EXHIBIT C**  
**BUSINESS ASSOCIATE AGREEMENT**

This Agreement (“Agreement”) is effective upon execution by and between SPWI TPA, Inc. d/b/a Quartz (“Business Associate”) and Unity Health Plans Insurance Corporation (“Organization”).

Organization and Business Associate mutually agree to comply with the requirements of the implementing regulations at 45 Code of Federal Regulations (“C.F.R.”) Parts 160-64 for the Administrative Simplification provisions of Title II, Subtitle F of the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”). This Agreement shall supersede any prior business associate agreement.

**1. Privacy of Protected Health Information.**

**a) Permitted Uses and Disclosures.** Business Associate is permitted to use and disclose Protected Health Information that it creates or receives on Organization’s behalf or receives from Organization (or another business associate of Organization) and to request Protected Health Information on Organization’s behalf (collectively, “Organization’s Protected Health Information”) only for the following purposes:

**i) Functions and Activities on Organization’s Behalf.** To perform services consistent with Section 1(a) and Exhibit A of the Management Agreement that was effective on [\_\_\_\_\_].

**ii) Business Associate’s Operations.** For Business Associate’s proper management and administration or to carry out Business Associate’s legal responsibilities, provided that, with respect to disclosure of Organization’s Protected Health Information, either:

**A)** The disclosure is Required by Law; or

**B)** Business Associate obtains reasonable assurance from any person or entity to which Business Associate will disclose Organization’s Protected Health Information that the person or entity will:

1) Hold Organization’s Protected Health Information in confidence and use or further disclose Organization’s Protected Health Information only for the purpose for which Business Associate disclosed Organization’s Protected Health Information to the person or entity or as Required by Law; and

2) Promptly notify Business Associate (who will in turn notify Organization in accordance with Section 4(a)) of any instance of which the person or entity becomes aware in which the confidentiality of Organization’s Protected Health Information was breached.

**iii) Data Aggregation Services.** Business Associate may use Protected Health Information to provide Data Aggregation services to the Organization as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).

iv) **Reporting Violations.** Business Associate may use and disclose Protected Health Information to report violations of law to appropriate state and federal authorities, to the extent permitted or required by 45 C.F.R. § 164.502(j)(1) and state law.

v) **De-Identified Data.** Business Associate may de-identify Protected Health Information in accordance with the requirements outlined in the Privacy Rule. Data that has been de-identified will no longer be subject to the terms of this Agreement.

vi) **Minimum Necessary.** Business Associate will, in its performance of the functions, activities, services, and operations specified in Section 1(a) above, make reasonable efforts to use, to disclose, and to request only the minimum amount of Organization's Protected Health Information reasonably necessary to accomplish the intended purpose of the use, disclosure or request, except that Business Associate will not be obligated to comply with this minimum necessary limitation if neither Business Associate nor Organization is required to limit the use, disclosure or request to the minimum necessary. Business Associate and Organization acknowledge that the phrase "minimum necessary" shall be interpreted in accordance with the American Recovery and Reinvestment Act ("ARRA") and government guidance on the definition.

b) **Prohibition on Unauthorized Use or Disclosure.** To the extent Protected Health Information is held by Business Associate, Business Associate will neither use nor disclose Organization's Protected Health Information, except as permitted or required by this Agreement or in writing by Organization or as Required by Law. This Agreement does not authorize Business Associate to use or disclose Organization's Protected Health Information or take any other action in a manner that will violate 45 C.F.R. Part 164, Subpart E "Privacy of Individually Identifiable Health Information" (the "Privacy Rule") if done by Organization, except as set forth in Section 1(a)(ii).

c) **Information Safeguards.**

i) **Privacy of Organization's Protected Health Information.** Business Associate will develop, implement, maintain, and use appropriate administrative, technical, and physical safeguards to protect the privacy of Organization's Protected Health Information. The safeguards must reasonably protect Organization's Protected Health Information from any intentional or unintentional use or disclosure in violation of the Privacy Rule and limit incidental uses or disclosures made pursuant to a use or disclosure otherwise permitted by this Agreement.

ii) **Security of Organization's Electronic Protected Health Information.** Business Associate will develop, implement, maintain, and use administrative, technical, and physical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information that Business Associate creates, receives, maintains, or transmits on Organization's behalf as required by the Security Rule, 45 C.F.R. Part 164, Subpart C.

**d) Subcontractors and Agents.** Business Associate will require any of its subcontractors and agents, to which Business Associate is permitted by this Agreement or in writing by Organization to disclose Organization's Protected Health Information and / or Electronic Protected Health Information, to agree in a written agreement with Business Associate, to comply with the same privacy and security safeguard obligations with respect to Organization's Protected Health Information and / or Electronic Protected Health Information that are applicable to Business Associate under this Agreement.

**e) Prohibition on Sale of Records.** Business Associate shall not directly or indirectly receive remuneration in exchange for any Protected Health Information of an individual unless the Organization or Business Associate obtained from the individual, in accordance with 45 C.F.R. 164.508, a valid authorization that includes a specification of whether the Protected Health Information can be further exchanged for remuneration by the entity receiving Protected Health Information of that individual, except as otherwise allowed under ARRA.

**f) Conditions on Marketing and Fundraising Communications.** Business Associate shall not use or disclose Protected Health Information for the purpose of making a communication about a product or service that encourages recipients of the communication to purchase or use the product or service or for fundraising communications unless such communication is permitted by the Privacy Rule and as approved in writing by the Organization.

**g) Compliance with Law.** To the extent Business Associate is to carry out the Organization's obligations under HIPAA, Business Associate will comply with HIPAA's requirements that apply to Organization in the performance of such obligation.

**2. Compliance with Transaction Standards.** If Business Associate conducts in whole or part electronic Transactions on behalf of Organization for which DHHS has established Standards, Business Associate will comply, and will require any subcontractor or agent it involves with the conduct of such Transactions to comply, with each applicable requirement of the Transaction Rule, 45 C.F.R. Part 162. Business Associate shall comply with the National Provider Identifier requirements, if and to the extent applicable. Business Associate will not enter into, or permit its subcontractors or agents to enter into, any Trading Partner Agreement in connection with the conduct of Standard Transactions on behalf of Organization that:

**a)** Changes the definition, data condition, or use of a data element or segment in a Standard Transaction;

**b)** Adds any data element or segment to the maximum defined data set;

**c)** Uses any code or data element that is marked "not used" in the Standard Transaction's implementation specification or is not in the Standard Transaction's implementation specification; or

**d)** Changes the meaning or intent of the Standard Transaction's implementation specification.

**3. Individual Rights.**

**a) Access.** Business Associate will, within 20 calendar days following Organization's request, make available to Organization or, at Organization's direction, to an individual

(or the individual's personal representative) for inspection and obtaining copies of the Organization's Protected Health Information about the individual that is in Business Associate's custody or control, so that Organization may meet its access obligations under 45 C.F.R. § 164.524. If none is possessed, Business Associate will so advise the Organization within the same timeframe. If the Protected Health Information is held in an Electronic Health Record, then the individual shall have a right to obtain from Business Associate a copy of such information in an electronic format if it is readily producible in such format as is required under 45 C.F.R. § 164.524; if it is not readily producible, Business Associate will work with Organization to determine an alternative form and format so that the Covered Entity can meet its obligations under 45 C.F.R. § 164.524. Business Associate shall provide such a copy to Organization or, alternatively, to the individual directly, if such alternative choice is clearly, conspicuously and specifically made by the individual or Organization.

**b) Amendment.** Business Associate will, upon receipt of written notice from Organization, promptly amend or permit Organization access to amend any portion of Organization's Protected Health Information, so that Organization may meet its amendment obligations under 45 C.F.R. § 164.526.

**c) Disclosure Accounting.** So that Organization may meet its disclosure accounting obligations under 45 C.F.R. § 164.528:

**i) Disclosures Subject to Accounting.** Business Associate will record the information specified in Section 3(c)(iii) below ("Disclosure Information") for each disclosure of Organization's Protected Health Information, not excepted from disclosure accounting as specified in Section 3(c)(ii) below, that Business Associate makes to Organization or to a third party.

**ii) Disclosures Not Subject to Accounting.** Business Associate will not be obligated to record Disclosure Information or otherwise account for disclosures of Organization's Protected Health Information if Organization need not account for such disclosures.

**iii) Disclosure Information.** With respect to any disclosure by Business Associate of Organization's Protected Health Information that is not excepted from disclosure accounting by Section 3(c)(ii) above, Business Associate will record the following Disclosure Information as applicable to the type of accountable disclosure made:

**A) Disclosure Information Generally.** Except for repetitive disclosures of Organization's Protected Health Information as specified in Section 3(c)(iii)(B) below, the Disclosure Information that Business Associate must record for each accountable disclosure is: (i) the disclosure date, (ii) the name and (if known) address of the entity to which Business Associate made the disclosure, (iii) a brief description of Organization's Protected Health Information disclosed, and (iv) a brief statement of the purpose of the disclosure.

**B) Disclosure Information for Repetitive Disclosures.** For repetitive disclosures of Organization's Protected Health Information that Business

Associate makes for a single purpose to the same person or entity (including Organization), the Disclosure Information that Business Associate must record is either the Disclosure Information specified in Section 3(c)(iii)(A) above for each accountable disclosure, or: (i) the Disclosure Information specified in Section 3(c)(iii)(A) above for the first of the repetitive accountable disclosures, (ii) the frequency, periodicity, or number of the repetitive accountable disclosures, and (iii) the date of the last of the repetitive accountable disclosures.

iv) **Availability of Disclosure Information.** Business Associate will maintain the Disclosure Information for at least 6 years following the date of the accountable disclosure to which the Disclosure Information relates (3 years for disclosures related to an Electronic Health Record, starting with the date specified by DHHS).

Business Associate will make the Disclosure Information available to Organization within 20 calendar days following Organization's request for such Disclosure Information to comply with an individual's request for disclosure accounting. Effective as of the date specified by DHHS, with respect to disclosures related to an Electronic Health Record, Business Associate shall provide the accounting directly to an individual making such a disclosure request, if a direct response is requested by the individual.

d) **Restriction Agreements and Confidential Communications.** Business Associate will comply with any agreement that Organization makes that either (i) restricts use or disclosure of Organization's Protected Health Information pursuant to 45 C.F.R. § 164.522(a), or (ii) requires confidential communication about Organization's Protected Health Information pursuant to 45 C.F.R. § 164.522(b), provided that Organization notifies Business Associate in writing of the restriction or confidential communication obligations that Business Associate must follow. Organization will promptly notify Business Associate in writing of the termination of any such restriction agreement or confidential communication requirement and, with respect to termination of any such restriction agreement, instruct Business Associate whether any of Organization's Protected Health Information will remain subject to the terms of the restriction agreement. Business Associate will comply with any restriction request if: (i) except as otherwise required by law, the disclosure is to a health plan for purposes of carrying out payment or health care operations (and is not for purposes of carrying out treatment); and (ii) the Protected Health Information pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full.

#### **4. Breaches and Security Incidents.**

a) **Mitigation.** Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

b) **Reporting.**

i) **Privacy or Security Breach.** Business Associate will report to Organization any use or disclosure of Organization's Protected Health Information not permitted by this Agreement or in writing by Organization, along with any Breach of Organization's Unsecured Protected Health Information. Business Associate will treat the Breach as being Discovered in accordance with HIPAA's requirements. Business Associate will make the report to Organization's Privacy Official not more than 10 calendar days after Business Associate learns of such non-permitted use or disclosure. If a delay is requested by a law enforcement official in accordance with 45 C.F.R. § 164.412, Business Associate may delay notifying Organization for the time period specified by such regulation. Business Associate's report will at least:

A) Identify the nature of the Breach or other non-permitted use or disclosure, which will include a brief description of what happened, including the date of any Breach and the date of the discovery of any Breach;

B) Identify Organization's Protected Health Information that was subject to the non-permitted use or disclosure or Breach (such as whether full name, social security number, date of birth, home address, account number or other information were involved) on an individual-by-individual basis;

C) Identify who made the non-permitted use or disclosure and who received the non-permitted disclosure;

D) Identify what corrective or investigational action Business Associate took or will take to prevent further non-permitted uses or disclosures, to mitigate any harmful effects that are known or reasonably should be known to Business Associate and to protect against any further Breaches;

E) Identify what steps the individuals who were subject to a Breach should take to protect themselves;

F) Provide such other information, including a written report, as Organization may reasonably request; and

G) Coordinate with Organization regarding information to be provided to individuals who were subject to a Breach regarding a contact for the individual to ask questions or obtain additional information regarding such Breach.

ii) **Security Incidents.** Business Associate will report to Organization within three calendar days any attempted or successful (A) unauthorized access, use, disclosure, modification, or destruction of Organization's Electronic Protected Health Information or (B) interference with Business Associate's system operations in Business Associate's information systems, of which Business Associate becomes aware. Business Associate will make this report upon Organization's request, except if any such security incident resulted in a disclosure or Breach of Organization's Protected Health Information or Electronic Protected Health Information not permitted by this Agreement, Business Associate will make the report in accordance with Section 4(a)(i) above.

## 5. Termination of Agreement.

a) **Right to Terminate for Breach.** Organization may terminate Agreement if it determines, in its sole discretion, that Business Associate has breached any provision of this Agreement and upon written notice to Business Associate of the breach, Business Associate fails to cure the breach within 10 calendar days after receipt of the notice. Organization may exercise this right to terminate Agreement by providing Business Associate written notice of termination, stating the failure to cure the breach of the Agreement that provides the basis for the termination. Any such termination will be effective immediately or at such other date specified in Organization's notice of termination.

### b) **Obligations on Termination.**

i) **Return or Destruction of Organization's Protected Health Information as Feasible.** Upon termination or other conclusion of Agreement, Business Associate will, if feasible, return to Organization or destroy all of Organization's Protected Health Information in whatever form or medium, including all copies thereof and all data, compilations, and other works derived therefrom that allow identification of any individual who is a subject of Organization's Protected Health Information. Business Associate will require any subcontractor or agent, to which Business Associate has disclosed Organization's Protected Health Information as permitted by Section 1(e) of this Agreement, to if feasible return to Business Associate (so that Business Associate may return it to Organization) or destroy all of Organization's Protected Health Information in whatever form or medium received from Business Associate, including all copies thereof and all data, compilations, and other works derived therefrom that allow identification of any individual who is a subject of Organization's Protected Health Information, and certify on oath to Business Associate that all such information has been returned or destroyed. Business Associate will complete these obligations as promptly as possible, but not later than 60 calendar days following the effective date of the termination or other conclusion of Agreement.

ii) **Procedure When Return or Destruction Is Not Feasible.** Business Associate will identify any of Organization's Protected Health Information, including any that Business Associate has disclosed to subcontractors or agents as permitted by Section 1(e) of this Agreement, that cannot feasibly be returned to Organization or destroyed and explain why return or destruction is infeasible. Business Associate will limit its further use or disclosure of such information to those purposes that make return or destruction of such information infeasible. Business Associate will require such subcontractor or agent to limit its further use or disclosure of Organization's Protected Health Information that such subcontractor or agent cannot feasibly return or destroy to those purposes that make the return or destruction of such information infeasible. Business Associate will complete these obligations as promptly as possible, but not later than 60 calendar days following the effective date of the termination or other conclusion of Agreement.

iii) **Continuing Privacy and Security Obligation.** Business Associate's obligation to protect the privacy and safeguard the security of Organization's Protected Health Information as specified in this Agreement will be continuous and survive termination or other conclusion of this Agreement.

6. **Indemnification.** Business Associate shall indemnify and hold harmless Organization from any and all claims, causes of action, and demands whatsoever made for loss, damage, or injury to any person arising from a breach by Business Associate, or its subcontractors, of its obligations under this Agreement, to the extent said claims, causes action, and demands were incurred by Organization as a result of the Business Associate's (or any subcontractor's) breach of its obligations under this Agreement.

7. **General Provisions.**

a) **Inspection of Internal Practices, Books, and Records.** Business Associate will make its internal practices, books, and records relating to its use and disclosure of Organization's Protected Health Information available to Organization and to DHHS to determine Organization's compliance with the Privacy Rule, 45 C.F.R. Part 164, Subpart E.

b) **Definitions.** All terms that are used but not otherwise defined in this Agreement shall have the meaning specified under HIPAA, including its statute, regulations and other official government guidance. For purposes of this Agreement, Organization's Protected Health Information encompasses Organization's Electronic Protected Health Information.

c) **Amendment to Agreement.** Upon the compliance date of any final regulation or amendment to final regulation promulgated by DHHS that affects Business Associate's use or disclosure of Organization's Protected Health Information or Standard Transactions this Agreement will automatically amend such that the obligations imposed on Business Associate remain in compliance with the final regulation or amendment to final regulation.

d) **No Third Party Beneficiaries.** Nothing in this Agreement shall be construed as creating any rights or benefits to any third parties.

e) **Regulatory References.** A reference in this Agreement to a section in the Privacy Rule, the Security Rule, HIPAA, or ARRA, or any other reference to a law or regulation, means the section or law as in effect as of the date of this Agreement or as subsequently amended.

f) **Survival.** The respective rights and obligations of Business Associate under Section 5(b) and Section 6 of this Agreement shall survive the termination of this Agreement.

g) **Interpretation.** Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits compliance with the applicable law, rule or regulation.

h) **Relationship to Other Agreement Provisions.** In the event that a provision of this Agreement is contrary to a provision of an underlying agreement or agreements under which Organization discloses Protected Health Information to Business Associate, the provision of this Agreement shall control. Otherwise, this Agreement shall be construed under, and in accordance with, the terms of such underlying agreement or agreements between the parties.



i) **Prior Business Associate Agreements.** Consistent with Section 7(h), this Agreement shall supersede any and all prior business associate agreement(s), or terms of other agreements addressing the privacy and security of Protected Health Information, between the parties.

j) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of Wisconsin.

k) **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and when taken together shall constitute one agreement.

**IN WITNESS WHEREOF,** Organization and Business Associate execute this Agreement in multiple originals to be effective \_\_\_\_\_.

**SPWI TPA, Inc. d/b/a Quartz**

**Unity Health Plans Insurance Corporation**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT D  
REPORTS**

<b>Report</b>	<b>Frequency</b>
Balance Sheet	Quarterly; must be sent to Unity no later than 30 days after the end of a quarter
Income Statement	Quarterly; must be sent to Unity no later than 30 days after the end of a quarter
Cash Flow Statements	Quarterly; must be sent to Unity no later than 30 days after the end of a quarter
Standing Committee Reports	Quarterly; must be sent to Unity no later than 30 days after the end of a quarter
Audit Plan	Annually; must be sent to Unity no later than 30 days after the end of a calendar year
Proposed Annual Operating Budget	Annually; must be sent to Unity no later than 45 days before the start of a calendar year
External Audit Reports	Must be sent to Unity no later than 30 days after Quartz's receipt from external auditor
Internal Audit Reports	Must be sent to Unity no later than 30 days after Quartz completes the internal audit report

1. All reports provided by Quartz shall be in the format requested by Unity.
2. Quartz shall provide any such other reports as requested by the Unity Board of Directors and/or as required by Unity or applicable law.

**Exhibit C-2**  
**Management Agreement (GHP)**

MANAGEMENT AGREEMENT

This Management Agreement (the “Agreement”) is made and entered into on \_\_\_\_\_, 2016 (“Effective Date”) by and between SPWI TPA, Inc. d/b/a Quartz, a Wisconsin for-profit corporation (“Quartz”), and Gundersen Health Plan, Inc., a Wisconsin health maintenance organization (“HMO”) (each, a “Party,” and collectively, “Parties”), with reference to the following background:

A. HMO is a duly organized and validly existing non-profit corporation that is licensed as a health maintenance organization in Wisconsin;

B. Quartz is a duly organized and validly existing corporation that is an Affiliate (as defined in Section 1(c) below) of HMO and provides administrative and management services to support health maintenance organizations and health insurers in the administration of their benefit products;

C. HMO desires for Quartz to provide certain administrative and management services to and on behalf of HMO in connection with HMO’s benefit products; and

D. Quartz desires to provide such services to and on behalf of HMO in accordance with the terms and conditions set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the foregoing background recitals and the mutual promises and covenants set forth herein, and for other good and value consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereto agree as follows:

1. **Authority and Duties of Quartz.**

(a) Services. Quartz may provide to HMO, from time to time and either directly or through third parties, the following services (“Services”) described below and more fully in Exhibit A:

- (i) reinsurance pricing and procurement;
- (ii) investment services;
- (iii) actuarial analysis;
- (iv) underwriting
- (v) human resources services and employee benefits administration;
- (vi) policyholder services;
- (vii) legal services;
- (viii) corporate and tax accounting;

- (ix) record keeping and financial reporting;
- (x) information technology services;
- (xi) sales, marketing, and enrollment;
- (xii) account and broker management;
- (xiii) compliance and strategic planning;
- (xiv) premium collection and refunds;
- (xv) claims management and settlement;
- (xvi) utilization review and utilization management;
- (xvii) provider credentialing;
- (xviii) member grievance and appeals;
- (xix) care coordination, disease management, quality management, and other quality improvement activities, including but not limited to maintaining National Committee for Quality Assurance accreditation;
- (xx) provider contracting and network management; and
- (xxi) such other services as the Parties mutually agree.

(b) Standard of Care. In providing the Services, Quartz shall act in good faith, in a commercially reasonable manner and in accordance with customary industry standards and applicable laws for the provision of the Services. HMO shall provide Quartz with all information that is necessary to enable Quartz to perform fully its obligations hereunder. Quartz shall provide the Services consistent with the service-level standards set forth in Exhibit B.

(c) Assignment. Quartz must have prior written approval from HMO to assign its rights or obligations with respect to the performance of any Services, including an assignment to an Affiliate of HMO. For purposes of this Agreement, “Affiliate” means, with respect to any Party, any other individual or entity controlling, controlled by or under common control with such Party, with “control” (including the terms “controlling,” “controlled by” and “under common control with”) meaning the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an individual or entity, whether through ownership of voting securities, by contract or otherwise.

(d) Subcontracting. Quartz shall ensure that all arrangements with contractors engaged by Quartz to provide Services (i) are in writing, specify the services and reporting obligations, and are duly executed; (ii) require the provision of such services in accordance with the terms of this Agreement, applicable laws, and services standards and requirements as the

same would apply to Quartz if Quartz were performing the services; (iii) require compliance with the terms of this Agreement, as applicable; (iv) state that HMO and Quartz shall monitor the contractors' performance on an ongoing basis, including through routine audits; (v) include a Business Associate Agreement that complies with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the Health Information Technology for Economic and Clinical Health Act ("HITECH"), in every agreement with a contractor that receives protected health information ("PHI"), as that term is defined under HIPAA; and (vi) permit Quartz to suspend or revoke a contractor's provision of Services under this Agreement or take such other corrective action as regulatory bodies, HMO and/or Quartz determines appropriate. If any contractor credentials health care professionals, then the written arrangement also shall state that the credentials shall be reviewed by HMO and Quartz and/or the contractor's credentialing process shall be subject to review and approval as well as periodic audit by HMO and Quartz. Quartz shall use commercially reasonable efforts to promptly amend any agreements with contractors to comply with applicable laws. Quartz shall provide HMO with a list of all contractors on an annual basis and upon request.

(e) HMO Oversight.

Provision of the Services will at all times be subject to oversight and control by the Board of Directors of HMO, which shall direct and control the business that is being carried out by Quartz on behalf of HMO, including the control and direction of Quartz's employees in the performance of Services under this Agreement. No action taken by Quartz at the direction or with the approval of a majority of the HMO's Board of Directors in office at the time of the direction or approval may be used by HMO as grounds for termination under Section 4. In performing any Services hereunder, Quartz shall be responsible for following the written instructions and procedures of HMO hereunder.

2. Reimbursable Expenses.

(a) Quartz shall not be required to expend or advance its own funds in connection with the performance of the Services. Consistent with Section 3 below, HMO shall pay or reimburse Quartz for all costs and expenses incurred by Quartz for employees, equipment, facilities and other items in connection with Quartz performing Services or other duties and obligations under this Agreement. Expenses shall be apportioned in accordance with applicable Generally Accepted Accounting Principles. The books and records of Quartz and HMO shall be maintained in a way that clearly and accurately discloses the nature and details of the Services, including such accounting information as is necessary to support the expenses apportioned to HMO.

(b) All payments and/or reimbursements made by HMO to Quartz pursuant to Section 3 hereunder are intended to approximate the costs and expenses incurred by Quartz in performing its services hereunder. All of the advances, costs and expenses to be paid or reimbursed by HMO to Quartz pursuant to Section 3 or otherwise in this Agreement are collectively referred to as the "Reimbursable Expenses."

3. Payments for Services.

(a) No later than the second business day of each month that this Agreement is in effect, HMO shall pay Quartz an advance payment (“Monthly Advance Payment”) equal to 1/12<sup>th</sup> the amount of Quartz’s annual operating budget for Services provided to HMO as approved by the HMO Board of Directors in advance of each year (“Annual Operating Budget”) to cover the expected cost of Quartz’s Reimbursable Expenses for the month. The first Monthly Advance Payment shall be made by HMO on the Effective Date without regard to whether the Effective Date is the first day of a month. Notwithstanding the foregoing, with respect to the 2016 calendar year, each Monthly Advance Payment shall be equal to the anticipated payment by Quartz to Gundersen Lutheran Administrative Services, Inc., a Wisconsin nonstock corporation (“GLAS”), for such month pursuant to the Employee Lease Agreement between Quartz and GLAS dated the date hereof.

(b) In the event Quartz expects its Reimbursable Expenses for Services provided to HMO to exceed the amounts paid as Monthly Advance Payments by HMO, then Quartz may request that HMO’s Board of Directors approve additional funding equal to the expected shortfall in Monthly Advance Payments (“Supplemental Funding”). Quartz shall provide HMO with sufficient data and information for HMO to evaluate a request for Supplemental Funding. Upon receiving such a request from Quartz, HMO’s Board of Directors shall promptly vote on such request. The maximum Supplemental Funding request to HMO, as measured in the aggregate on a calendar year basis, is ten percent (10%) of the Annual Operating Budget.

(c) Within thirty (30) days following the end of each calendar year in which Services are provided, Quartz shall submit to HMO a statement setting forth all Reimbursable Expenses for such calendar year. Consistent with Section 2(b), the Reimbursable Expenses shall be calculated based on Quartz’s actual costs to provide the Services. Within thirty (30) days after receipt of the statement, there shall be a reconciliation comparing Reimbursable Expenses to the Monthly Advance Payments and Supplemental Funding. Based on the results of such reconciliation, either (i) HMO shall, within five (5) business days, pay to Quartz the amount by which the Reimbursable Expenses exceeded the total Monthly Advance Payments and Supplemental Funding received by Quartz during the year or (ii) Quartz shall, within five (5) business days, pay to HMO the amount by which the Reimbursable Expenses were less than the total Monthly Advance Payments and Supplemental Funding received by Quartz during the year.

(d) Within thirty (30) days following the termination of this Agreement for any reason or until Services are transferred to a new party, whichever is later, Quartz shall return to HMO the amount Quartz has retained from HMO’s payments during the term of this Agreement after deducting costs for Quartz’s Reimbursable Expenses.

#### 4. **Termination**.

(a) This Agreement may be terminated as follows:

(i) By mutual agreement of the Parties in writing;

(ii) By either Party if the other Party has materially breached any material term of this Agreement and has not corrected such breach within 30 days after receipt of

written notice of such breach. Notwithstanding the foregoing, if a failure by its nature cannot be corrected within a 30-day period, then there shall be no right to terminate this Agreement if the correcting Party substantially begins correction within such 30-day period and thereafter expeditiously corrects such breach.

(iii) By either Party if the Parties are no longer Affiliates; or

(iv) By HMO if the type, quantity, or manner of Services provided by Quartz hereunder cause HMO to be operated, in HMO's reasonable discretion, in a manner that does not further HMO's charitable purposes.

(b) In the event of termination of this Agreement, Quartz shall promptly arrange, at the cost of HMO, for the return or transfer to a successor service provider, if any, of all of the books and records of HMO, including any Proprietary Information, that were provided to Quartz or created by Quartz pursuant to Quartz's responsibilities under this Agreement. Quartz will cooperate with HMO in such return or transfer.

(c) In the event of termination, Quartz shall continue to provide Services for the period reasonably necessary to transfer the Services to a new entity.

## 5. **Confidentiality – Proprietary Information.**

(a) **Proprietary Information.** “Proprietary Information” includes the pricing, methods, processes, financial data, provider or customer lists, statistics, software, systems or equipment, programs, research, development, strategic plans, operating data, or related information of each of the Parties and/or its or their policyholders, concerning past, present, or future business activities of each Party. Proprietary Information includes all non-public information disclosed by either Party to the other prior to the execution of this Agreement.

(b) **Confidentiality.** Except as otherwise provided in this Agreement, each Party shall maintain the Proprietary Information of the other Party in strict confidence; will use such Proprietary Information only for purposes of this Agreement; and will not disclose such Proprietary Information to any person or entity, except with the prior written consent of the other Party. Each Party shall take reasonable precautions to prevent the disclosure of Proprietary Information and each Party shall be responsible for any breach of this confidentiality requirement by one of its officers, employees, directors, or third-party agents acting on behalf of such Party. Proprietary Information created, used, or purchased by Quartz for purposes of providing Services to HMO shall be the property of HMO while this Agreement is in effect and following its termination; such Proprietary Information must be transferred to HMO or HMO's designee upon termination of this Agreement, as set forth in Section 4(b) above.

(c) **Permissive Disclosures.** Nothing contained in this Agreement may be construed as prohibiting either Party's disclosure of Proprietary Information (other than to known actual competitors of the other Party):

(i) to its employees or employees of its parent company and subsidiaries and Affiliates on a need-to-know basis;



(ii) to the employees, agents, or representatives of the other Party; or

(iii) to other persons (including consultants) in need of access to the information for purposes specifically related to either Party's responsibilities under this Agreement.

(d) Information Lawfully Received.

(i) Neither Party has any obligation or liability with respect to the other's information to the extent that the information:

(A) is already known by the receiving Party on the date of this agreement, free from any obligation to keep such information confidential;

(B) is or becomes publicly known through no wrongful act of the receiving Party;

(C) is lawfully received by the receiving Party from a third party without restriction and without breach of any obligation of the third party; or

(D) must be disclosed pursuant to a court order or as required by any governmental or administrative authority or authorized regulatory agency, in which event the disclosing Party shall notify the other Party in advance of any such disclosure.

6. Privacy.

(a) The Parties shall, no later than the Effective Date, enter into a Business Associate Agreement substantially similar to that attached hereto as Exhibit C, to govern each Party's obligations under HIPAA and the HITECH Act.

(b) In addition to the obligations set forth in Exhibit C, the Parties shall comply with all applicable privacy laws, including but not limited to those applicable under the Gramm-Leach Bliley Act, codified at 15 U.S.C. § 6801 et seq., Wis. Admin. Code Ins. Chapter 25, Iowa Admin. Code r. 191.90, and Minn. Stat. §§ 60A.98 to 60A.982.

7. Reports.

(a) Quartz shall provide HMO with industry standard reports as set forth in Exhibit E ("Reports"), which HMO reasonably and in good faith requests to conduct its business, including monitoring of Quartz's performance hereunder. In addition, Quartz shall provide periodic reports to the HMO Board of Directors, which shall include, at a minimum, quarterly operational reports on certain operational statistics as requested by the HMO. Such reports shall contain the performance metrics for applicable laws related to the Services which Quartz has responsibility for performing. In the preparation of any reports pursuant to this Agreement, Quartz shall be responsible for following the written instructions and procedures of HMO hereunder and otherwise complying with the terms of this Agreement and applicable laws in connection with preparing the Reports.

(b) Quartz shall use commercially reasonable efforts to provide support to HMO in the event HMO is audited by a government authority with jurisdiction over the operations of HMO.

8. **Ownership of and Access to Records.** Each Party shall retain title to its own general corporate books and records. Each Party shall retain the right of continuing access to the books and records of the other Party sufficient to permit the Parties to fulfill all of their respective duties and obligations under this Agreement, subject to the provisions of Sections 5. The Parties acknowledge that state departments of insurance and applicable Federal agencies and departments lawfully entitled to access to books and records of a Party shall be given reasonable access to such books and records during normal business hours and upon reasonable advance notice. As set forth more fully in Exhibit D, HMO shall have the right to audit Quartz's books and records to assess Quartz's compliance with this Agreement and applicable legal requirements.

9. **Relationship of the Parties.** Nothing contained herein shall be construed to create the relationship of employer/employee, partner, or joint venture between HMO and Quartz or to provide Quartz with the exclusive right to manage or control HMO in performing its obligations under this Agreement; Quartz may exercise its own judgment subject to the parameters set forth herein and further subject to any written rules, regulations and instructions issued by the Board of Directors or the officers of HMO as to the time and manner in which Quartz performs such obligations.

10. **HMO's Obligation to Provide Information.** HMO shall provide Quartz with all information which is necessary to enable Quartz to perform fully its obligations hereunder. Quartz shall not be liable to HMO for any failure to perform said obligations if such failure is a result of HMO's failure to provide Quartz with necessary information.

11. **Miscellaneous.**

(a) **Governing Law.** This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the State of Wisconsin, without giving effect to the choice or conflict of law provisions of that or any other jurisdiction.

(b) **Severability.** Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective only to the extent of any such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is invalid or unenforceable, that provision shall be interpreted to the extent possible in a manner that is valid and enforceable.

(c) **Non-waiver.** No failure by either Party to insist upon strict compliance with any term of this Agreement, to exercise any option, enforce any right, or seek any remedy upon any default of the other Party shall affect, or constitute a waiver of, the first Party's right to insist upon such strict compliance, exercise that option, enforce that right, or seek that remedy with respect to that default or any prior, contemporaneous, or subsequent default, nor shall any

custom or practice of the Parties at variance with any provision of this Agreement affect, or constitute a waiver of, either Party's right to demand strict compliance with all provisions of this Agreement.

(d) **Waivers and Amendments.** The Agreement and the Exhibits attached hereto may only be amended or modified, and the terms hereof may only be waived, by writing, signed by each Party or, in the case of a waiver, by the Party entitled to the benefit of the terms being waived.

(e) **Assignment.** Neither this Agreement nor any rights or obligations hereunder may be assigned or otherwise transferred, in whole or in part, by any Party without the prior written consent of the other Party, except as provided in Section 1(c).

(f) **Binding Effect.** This Agreement will apply to and inure to the benefit of and be binding upon and enforceable against each Party and their respective successors and permitted assigns.

(g) **Construction; Interpretation.** All pronouns and any variations thereof refer to the masculine, feminine, or neuter, singular, or plural, as the context may require. The captions and headings of the various sections of this Agreement are not part of this Agreement, but are only labels to assist in locating those sections and shall be ignored in construing this Agreement.

(h) **Notices.** All notices and other communications under this Agreement will be in writing and will be delivered personally or sent by confirmed facsimile transmission or nationally recognized overnight delivery service. Any such notice or other communication will be deemed given upon actual delivery, in each case to the following addresses:

If to Quartz:

SPWI TPA, Inc.  
Attention: President  
840 Carolina Street  
Sauk City, WI 53583

If to Gundersen:

Gundersen Health Plan  
Attention: Chairman of the Board  
1900 South Avenue - NCA2-01  
La Crosse, WI 54601

(i) **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(j) **Licensure and Compliance with Law.** Quartz shall, without reliance upon HMO, keep informed of and materially comply with laws applicable to its performance

under this Agreement, including laws governing the conduct of third party administrators, as if Quartz were subject to those requirements directly. Quartz has and shall maintain, and shall cause any permitted contractors to have and maintain, the applicable state licensures, permits, and other approvals required under law to perform the Services and otherwise meet Quartz's obligations under this Agreement. Quartz shall furnish HMO with evidence of such licensures and permits upon request and shall notify HMO within five (5) days of any fine, penalty, suspension, termination or other action regarding such licenses.

(k) **No Third Party Benefit**. This Agreement is intended for the exclusive benefit of the Parties to this Agreement and their respective heirs, successors and assigns, and nothing contained in this Agreement shall be construed as creating any rights or benefits in or to any third party.

**[SIGNATURE PAGE FOLLOWS]**

**IN WITNESS WHEREOF**, this Agreement has been duly executed and delivered by the duly authorized officers of HMO and Quartz as of the date first above written.

**SPWI TPA, Inc. d/b/a Quartz**

**Gundersen Health Plan, Inc.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

## **EXHIBIT A SERVICES**

Quartz shall act as a general administrative and financial manager for HMO and, subject to the direction of Quartz's Board of Directors and further subject to the terms and conditions of this Agreement (including but not limited to Section 1(e) of the Agreement regarding the HMO Board of Directors' ultimate oversight of Quartz), any other applicable agreement, any applicable laws or regulations of any governing body or regulatory agency, and any written policies, rules or regulations of HMO, Quartz shall either directly or through subcontractors (for whose acts, errors or omissions Quartz shall take full responsibility for) provide or perform the following services or activities on behalf of HMO.

- A. Strategic planning, executive guidance and general services with respect to the business activities of HMO.
- B. Consultation and assistance with the legal affairs of HMO.
- C. Coordination of employee health, welfare and fringe benefit programs.
- D. Financial consultation and oversight with respect to the management of the assets of HMO. Such will include the development and implementation of a program of investments for the assets of HMO pursuant to which program Quartz (or investment managers designated by Quartz) will purchase and sell securities on behalf of HMO from, to or through such brokers, dealers, investment advisors of other parties as Quartz shall deem appropriate, provided, however, that Quartz will take no responsibility for the acts, errors or omissions of any such broker, dealer, investment advisor or other party which it may select to perform financial services in behalf of HMO. Quartz will provide to HMO's Board of Directors regular reports with respect to its investment program and such other reports as may be necessary or requested by HMO's Board of Directors with the understanding that HMO's Board of Directors shall review and approve investment transactions on a quarterly basis. Quartz shall at all times manage the assets of HMO in accordance with the investment policy set by HMO's Board of Directors.
- E. Accounting and bookkeeping services including the following:
  - 1. Deposit of HMO's funds in a special bank account in HMO's name that is separate from the funds of Quartz;
  - 2. Processing and payment of trade accounts payable;
  - 3. Maintenance of journals, ledgers, check registers and payroll records;
  - 4. Coordination of HMO's payroll;
  - 5. Preparation of federal and state income and payroll tax returns;

6. Preparation of monthly bank reconciliations;
  7. Assistance in the preparation by the 10th working day of the end of each month a balance sheet, statement of income and a statement of cash flows;
  8. Coordination of investing activities;
  9. Coordination and consolidation of annual budgeting process;
  10. Any and all other services reasonably necessary.
- F. Information systems support and telephone service.
- G. Coordination and performance of the compliance functions of HMO.
- H. Functions necessary to administer HMO's benefit products, including:
1. Utilization review activities, including retrospective and concurrent utilization review, approval of out-of-network referrals, and prior authorization services.
  2. Provider credentialing.
  3. Member grievance and appeals processing.
  4. Provider contracting, network management, and dispute processing.
  5. Claims processing and adjudication.
  6. Development and distribution of member communications.
  7. Healthcare quality improvement activities such as care coordination, disease management, and quality management services, including but not limited to maintaining National Committee for Quality Assurance accreditation.
  8. Coordination and performance of the marketing, sales, enrollment, and account and broker management functions of HMO.
- I. Miscellaneous
- 1 Quartz may use only such advertising pertaining to business underwritten by HMO as has been approved in writing by HMO in advance of its use.
  2. Any policies, certificates, booklets, termination notices, or other written communications delivered by HMO to Quartz for delivery to its members and policyholders shall be delivered by Quartz promptly after receipt of instructions from HMO to deliver them.

3. Any underwriting conducted by Quartz on behalf of HMO shall be conducted using underwriting criteria or other standards established and provided by HMO.
  4. Quartz shall provide a written notice approved by HMO to insured individuals advising them of the identity of, and relationship among, Quartz, the member or policyholder, and HMO.
- J. Such other services incident to the performance of the aforementioned activities and services as may be reasonably required.



**EXHIBIT B  
SERVICE LEVEL REQUIREMENTS**

Function	Guarantee
Identification card issuance	Less than five (5) days
Enrollment quality accuracy	[REDACTED]
Non-investigated claims paid within thirty (30) days	[REDACTED]
Investigated claims paid in sixty (60) days	[REDACTED]
Claims paid quality accuracy	[REDACTED]
Participant satisfaction	[REDACTED]
Average speed of customer service	Answer in less than 30 seconds
Customer service accuracy	[REDACTED]

**EXHIBIT C**  
**BUSINESS ASSOCIATE AGREEMENT**

This Agreement (“Agreement”) is effective upon execution by and between SPWI TPA, Inc. d/b/a Quartz (“Business Associate”) and Gundersen Health Plans, Inc. (“Organization”).

Organization and Business Associate mutually agree to comply with the requirements of the implementing regulations at 45 Code of Federal Regulations (“C.F.R.”) Parts 160-64 for the Administrative Simplification provisions of Title II, Subtitle F of the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”). This Agreement shall supersede any prior business associate agreement.

**1. Privacy of Protected Health Information.**

a) **Permitted Uses and Disclosures.** Business Associate is permitted to use and disclose Protected Health Information that it creates or receives on Organization’s behalf or receives from Organization (or another business associate of Organization) and to request Protected Health Information on Organization’s behalf (collectively, “Organization’s Protected Health Information”) only for the following purposes:

i) **Functions and Activities on Organization’s Behalf.** To perform services consistent with Section 1(a) and Exhibit A of the Management Agreement that was effective on [\_\_\_\_\_].

ii) **Business Associate’s Operations.** For Business Associate’s proper management and administration or to carry out Business Associate’s legal responsibilities, provided that, with respect to disclosure of Organization’s Protected Health Information, either:

A) The disclosure is Required by Law; or

B) Business Associate obtains reasonable assurance from any person or entity to which Business Associate will disclose Organization’s Protected Health Information that the person or entity will:

1) Hold Organization’s Protected Health Information in confidence and use or further disclose Organization’s Protected Health Information only for the purpose for which Business Associate disclosed Organization’s Protected Health Information to the person or entity or as Required by Law; and

2) Promptly notify Business Associate (who will in turn notify Organization in accordance with Section 4(a)) of any instance of which the person or entity becomes aware in which the confidentiality of Organization’s Protected Health Information was breached.

iii) **Data Aggregation Services.** Business Associate may use Protected Health Information to provide Data Aggregation services to the Organization as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).

iv) **Reporting Violations.** Business Associate may use and disclose Protected Health Information to report violations of law to appropriate state and federal authorities, to the extent permitted or required by 45 C.F.R. § 164.502(j)(1) and state law.

v) **De-Identified Data.** Business Associate may de-identify Protected Health Information in accordance with the requirements outlined in the Privacy Rule. Data that has been de-identified will no longer be subject to the terms of this Agreement.

vi) **Minimum Necessary.** Business Associate will, in its performance of the functions, activities, services, and operations specified in Section 1(a) above, make reasonable efforts to use, to disclose, and to request only the minimum amount of Organization's Protected Health Information reasonably necessary to accomplish the intended purpose of the use, disclosure or request, except that Business Associate will not be obligated to comply with this minimum necessary limitation if neither Business Associate nor Organization is required to limit the use, disclosure or request to the minimum necessary. Business Associate and Organization acknowledge that the phrase "minimum necessary" shall be interpreted in accordance with the American Recovery and Reinvestment Act ("ARRA") and government guidance on the definition.

b) **Prohibition on Unauthorized Use or Disclosure.** To the extent Protected Health Information is held by Business Associate, Business Associate will neither use nor disclose Organization's Protected Health Information, except as permitted or required by this Agreement or in writing by Organization or as Required by Law. This Agreement does not authorize Business Associate to use or disclose Organization's Protected Health Information or take any other action in a manner that will violate 45 C.F.R. Part 164, Subpart E "Privacy of Individually Identifiable Health Information" (the "Privacy Rule") if done by Organization, except as set forth in Section 1(a)(ii).

c) **Information Safeguards.**

i) **Privacy of Organization's Protected Health Information.** Business Associate will develop, implement, maintain, and use appropriate administrative, technical, and physical safeguards to protect the privacy of Organization's Protected Health Information. The safeguards must reasonably protect Organization's Protected Health Information from any intentional or unintentional use or disclosure in violation of the Privacy Rule and limit incidental uses or disclosures made pursuant to a use or disclosure otherwise permitted by this Agreement.

ii) **Security of Organization's Electronic Protected Health Information.** Business Associate will develop, implement, maintain, and use administrative, technical, and physical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information that Business Associate creates, receives, maintains, or transmits on Organization's behalf as required by the Security Rule, 45 C.F.R. Part 164, Subpart C.

**d) Subcontractors and Agents.** Business Associate will require any of its subcontractors and agents, to which Business Associate is permitted by this Agreement or in writing by Organization to disclose Organization's Protected Health Information and / or Electronic Protected Health Information, to agree in a written agreement with Business Associate, to comply with the same privacy and security safeguard obligations with respect to Organization's Protected Health Information and / or Electronic Protected Health Information that are applicable to Business Associate under this Agreement.

**e) Prohibition on Sale of Records.** Business Associate shall not directly or indirectly receive remuneration in exchange for any Protected Health Information of an individual unless the Organization or Business Associate obtained from the individual, in accordance with 45 C.F.R. 164.508, a valid authorization that includes a specification of whether the Protected Health Information can be further exchanged for remuneration by the entity receiving Protected Health Information of that individual, except as otherwise allowed under ARRA.

**f) Conditions on Marketing and Fundraising Communications.** Business Associate shall not use or disclose Protected Health Information for the purpose of making a communication about a product or service that encourages recipients of the communication to purchase or use the product or service or for fundraising communications unless such communication is permitted by the Privacy Rule and as approved in writing by the Organization.

**g) Compliance with Law.** To the extent Business Associate is to carry out the Organization's obligations under HIPAA, Business Associate will comply with HIPAA's requirements that apply to Organization in the performance of such obligation.

**2. Compliance with Transaction Standards.** If Business Associate conducts in whole or part electronic Transactions on behalf of Organization for which DHHS has established Standards, Business Associate will comply, and will require any subcontractor or agent it involves with the conduct of such Transactions to comply, with each applicable requirement of the Transaction Rule, 45 C.F.R. Part 162. Business Associate shall comply with the National Provider Identifier requirements, if and to the extent applicable. Business Associate will not enter into, or permit its subcontractors or agents to enter into, any Trading Partner Agreement in connection with the conduct of Standard Transactions on behalf of Organization that:

**a)** Changes the definition, data condition, or use of a data element or segment in a Standard Transaction;

**b)** Adds any data element or segment to the maximum defined data set;

**c)** Uses any code or data element that is marked "not used" in the Standard Transaction's implementation specification or is not in the Standard Transaction's implementation specification; or

**d)** Changes the meaning or intent of the Standard Transaction's implementation specification.

**3. Individual Rights.**

**a) Access.** Business Associate will, within 20 calendar days following Organization's request, make available to Organization or, at Organization's direction, to an individual

(or the individual's personal representative) for inspection and obtaining copies of the Organization's Protected Health Information about the individual that is in Business Associate's custody or control, so that Organization may meet its access obligations under 45 C.F.R. § 164.524. If none is possessed, Business Associate will so advise the Organization within the same timeframe. If the Protected Health Information is held in an Electronic Health Record, then the individual shall have a right to obtain from Business Associate a copy of such information in an electronic format if it is readily producible in such format as is required under 45 C.F.R. § 164.524; if it is not readily producible, Business Associate will work with Organization to determine an alternative form and format so that the Covered Entity can meet its obligations under 45 C.F.R. § 164.524. Business Associate shall provide such a copy to Organization or, alternatively, to the individual directly, if such alternative choice is clearly, conspicuously and specifically made by the individual or Organization.

**b) Amendment.** Business Associate will, upon receipt of written notice from Organization, promptly amend or permit Organization access to amend any portion of Organization's Protected Health Information, so that Organization may meet its amendment obligations under 45 C.F.R. § 164.526.

**c) Disclosure Accounting.** So that Organization may meet its disclosure accounting obligations under 45 C.F.R. § 164.528:

**i) Disclosures Subject to Accounting.** Business Associate will record the information specified in Section 3(c)(iii) below ("Disclosure Information") for each disclosure of Organization's Protected Health Information, not excepted from disclosure accounting as specified in Section 3(c)(ii) below, that Business Associate makes to Organization or to a third party.

**ii) Disclosures Not Subject to Accounting.** Business Associate will not be obligated to record Disclosure Information or otherwise account for disclosures of Organization's Protected Health Information if Organization need not account for such disclosures.

**iii) Disclosure Information.** With respect to any disclosure by Business Associate of Organization's Protected Health Information that is not excepted from disclosure accounting by Section 3(c)(ii) above, Business Associate will record the following Disclosure Information as applicable to the type of accountable disclosure made:

**A) Disclosure Information Generally.** Except for repetitive disclosures of Organization's Protected Health Information as specified in Section 3(c)(iii)(B) below, the Disclosure Information that Business Associate must record for each accountable disclosure is: (i) the disclosure date, (ii) the name and (if known) address of the entity to which Business Associate made the disclosure, (iii) a brief description of Organization's Protected Health Information disclosed, and (iv) a brief statement of the purpose of the disclosure.

**B) Disclosure Information for Repetitive Disclosures.** For repetitive disclosures of Organization's Protected Health Information that Business

Associate makes for a single purpose to the same person or entity (including Organization), the Disclosure Information that Business Associate must record is either the Disclosure Information specified in Section 3(c)(iii)(A) above for each accountable disclosure, or: (i) the Disclosure Information specified in Section 3(c)(iii)(A) above for the first of the repetitive accountable disclosures, (ii) the frequency, periodicity, or number of the repetitive accountable disclosures, and (iii) the date of the last of the repetitive accountable disclosures.

iv) **Availability of Disclosure Information.** Business Associate will maintain the Disclosure Information for at least 6 years following the date of the accountable disclosure to which the Disclosure Information relates (3 years for disclosures related to an Electronic Health Record, starting with the date specified by DHHS).

Business Associate will make the Disclosure Information available to Organization within 20 calendar days following Organization's request for such Disclosure Information to comply with an individual's request for disclosure accounting. Effective as of the date specified by DHHS, with respect to disclosures related to an Electronic Health Record, Business Associate shall provide the accounting directly to an individual making such a disclosure request, if a direct response is requested by the individual.

d) **Restriction Agreements and Confidential Communications.** Business Associate will comply with any agreement that Organization makes that either (i) restricts use or disclosure of Organization's Protected Health Information pursuant to 45 C.F.R. § 164.522(a), or (ii) requires confidential communication about Organization's Protected Health Information pursuant to 45 C.F.R. § 164.522(b), provided that Organization notifies Business Associate in writing of the restriction or confidential communication obligations that Business Associate must follow. Organization will promptly notify Business Associate in writing of the termination of any such restriction agreement or confidential communication requirement and, with respect to termination of any such restriction agreement, instruct Business Associate whether any of Organization's Protected Health Information will remain subject to the terms of the restriction agreement. Business Associate will comply with any restriction request if: (i) except as otherwise required by law, the disclosure is to a health plan for purposes of carrying out payment or health care operations (and is not for purposes of carrying out treatment); and (ii) the Protected Health Information pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full.

#### **4. Breaches and Security Incidents.**

a) **Mitigation.** Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

b) **Reporting.**

i) **Privacy or Security Breach.** Business Associate will report to Organization any use or disclosure of Organization's Protected Health Information not permitted by this Agreement or in writing by Organization, along with any Breach of Organization's Unsecured Protected Health Information. Business Associate will treat the Breach as being Discovered in accordance with HIPAA's requirements. Business Associate will make the report to Organization's Privacy Official not more than 10 calendar days after Business Associate learns of such non-permitted use or disclosure. If a delay is requested by a law enforcement official in accordance with 45 C.F.R. § 164.412, Business Associate may delay notifying Organization for the time period specified by such regulation. Business Associate's report will at least:

A) Identify the nature of the Breach or other non-permitted use or disclosure, which will include a brief description of what happened, including the date of any Breach and the date of the discovery of any Breach;

B) Identify Organization's Protected Health Information that was subject to the non-permitted use or disclosure or Breach (such as whether full name, social security number, date of birth, home address, account number or other information were involved) on an individual-by-individual basis;

C) Identify who made the non-permitted use or disclosure and who received the non-permitted disclosure;

D) Identify what corrective or investigational action Business Associate took or will take to prevent further non-permitted uses or disclosures, to mitigate any harmful effects that are known or reasonably should be known to Business Associate and to protect against any further Breaches;

E) Identify what steps the individuals who were subject to a Breach should take to protect themselves;

F) Provide such other information, including a written report, as Organization may reasonably request; and

G) Coordinate with Organization regarding information to be provided to individuals who were subject to a Breach regarding a contact for the individual to ask questions or obtain additional information regarding such Breach.

ii) **Security Incidents.** Business Associate will report to Organization within three calendar days any attempted or successful (A) unauthorized access, use, disclosure, modification, or destruction of Organization's Electronic Protected Health Information or (B) interference with Business Associate's system operations in Business Associate's information systems, of which Business Associate becomes aware. Business Associate will make this report upon Organization's request, except if any such security incident resulted in a disclosure or Breach of Organization's Protected Health Information or Electronic Protected Health Information not permitted by this Agreement, Business Associate will make the report in accordance with Section 4(a)(i) above.

## 5. Termination of Agreement.

a) **Right to Terminate for Breach.** Organization may terminate Agreement if it determines, in its sole discretion, that Business Associate has breached any provision of this Agreement and upon written notice to Business Associate of the breach, Business Associate fails to cure the breach within 10 calendar days after receipt of the notice. Organization may exercise this right to terminate Agreement by providing Business Associate written notice of termination, stating the failure to cure the breach of the Agreement that provides the basis for the termination. Any such termination will be effective immediately or at such other date specified in Organization's notice of termination.

### b) **Obligations on Termination.**

i) **Return or Destruction of Organization's Protected Health Information as Feasible.** Upon termination or other conclusion of Agreement, Business Associate will, if feasible, return to Organization or destroy all of Organization's Protected Health Information in whatever form or medium, including all copies thereof and all data, compilations, and other works derived therefrom that allow identification of any individual who is a subject of Organization's Protected Health Information. Business Associate will require any subcontractor or agent, to which Business Associate has disclosed Organization's Protected Health Information as permitted by Section 1(e) of this Agreement, to if feasible return to Business Associate (so that Business Associate may return it to Organization) or destroy all of Organization's Protected Health Information in whatever form or medium received from Business Associate, including all copies thereof and all data, compilations, and other works derived therefrom that allow identification of any individual who is a subject of Organization's Protected Health Information, and certify on oath to Business Associate that all such information has been returned or destroyed. Business Associate will complete these obligations as promptly as possible, but not later than 60 calendar days following the effective date of the termination or other conclusion of Agreement.

ii) **Procedure When Return or Destruction Is Not Feasible.** Business Associate will identify any of Organization's Protected Health Information, including any that Business Associate has disclosed to subcontractors or agents as permitted by Section 1(e) of this Agreement, that cannot feasibly be returned to Organization or destroyed and explain why return or destruction is infeasible. Business Associate will limit its further use or disclosure of such information to those purposes that make return or destruction of such information infeasible. Business Associate will require such subcontractor or agent to limit its further use or disclosure of Organization's Protected Health Information that such subcontractor or agent cannot feasibly return or destroy to those purposes that make the return or destruction of such information infeasible. Business Associate will complete these obligations as promptly as possible, but not later than 60 calendar days following the effective date of the termination or other conclusion of Agreement.



iii) **Continuing Privacy and Security Obligation.** Business Associate's obligation to protect the privacy and safeguard the security of Organization's Protected Health Information as specified in this Agreement will be continuous and survive termination or other conclusion of this Agreement.

6. **Indemnification.** Business Associate shall indemnify and hold harmless Organization from any and all claims, causes of action, and demands whatsoever made for loss, damage, or injury to any person arising from a breach by Business Associate, or its subcontractors, of its obligations under this Agreement, to the extent said claims, causes action, and demands were incurred by Organization as a result of the Business Associate's (or any subcontractor's) breach of its obligations under this Agreement.

7. **General Provisions.**

a) **Inspection of Internal Practices, Books, and Records.** Business Associate will make its internal practices, books, and records relating to its use and disclosure of Organization's Protected Health Information available to Organization and to DHHS to determine Organization's compliance with the Privacy Rule, 45 C.F.R. Part 164, Subpart E.

b) **Definitions.** All terms that are used but not otherwise defined in this Agreement shall have the meaning specified under HIPAA, including its statute, regulations and other official government guidance. For purposes of this Agreement, Organization's Protected Health Information encompasses Organization's Electronic Protected Health Information.

c) **Amendment to Agreement.** Upon the compliance date of any final regulation or amendment to final regulation promulgated by DHHS that affects Business Associate's use or disclosure of Organization's Protected Health Information or Standard Transactions this Agreement will automatically amend such that the obligations imposed on Business Associate remain in compliance with the final regulation or amendment to final regulation.

d) **No Third Party Beneficiaries.** Nothing in this Agreement shall be construed as creating any rights or benefits to any third parties.

e) **Regulatory References.** A reference in this Agreement to a section in the Privacy Rule, the Security Rule, HIPAA, or ARRA, or any other reference to a law or regulation, means the section or law as in effect as of the date of this Agreement or as subsequently amended.

f) **Survival.** The respective rights and obligations of Business Associate under Section 5(b) and Section 6 of this Agreement shall survive the termination of this Agreement.

g) **Interpretation.** Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits compliance with the applicable law, rule or regulation.

h) **Relationship to Other Agreement Provisions.** In the event that a provision of this Agreement is contrary to a provision of an underlying agreement or agreements under which Organization discloses Protected Health Information to Business Associate, the provision of this Agreement shall control. Otherwise, this Agreement shall be construed under, and in accordance with, the terms of such underlying agreement or agreements between the parties.

i) **Prior Business Associate Agreements.** Consistent with Section 7(h), this Agreement shall supersede any and all prior business associate agreement(s), or terms of other agreements addressing the privacy and security of Protected Health Information, between the parties.

j) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of Wisconsin.

k) **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and when taken together shall constitute one agreement.

**IN WITNESS WHEREOF,** Organization and Business Associate execute this Agreement in multiple originals to be effective \_\_\_\_\_.

**SPWI TPA, Inc. d/b/a Quartz**

**Gundersen Health Plan, Inc.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT D**  
**MEDICARE ADVANTAGE ADDENDUM**

This Medicare Advantage Addendum (“Addendum”) supplements the Management Services Agreement by and between SPWI TPA, Inc. d/b/a Quartz, a Wisconsin for-profit corporation (“Quartz”), and Gundersen Health Plan, Inc., a Wisconsin health maintenance organization (“HMO”) (each, a “Party,” and collectively, “Parties”) with respect to Members enrolled in HMO’s Medicare Advantage Benefit Plan (“Medicare Advantage Members”). Capitalized terms not defined herein shall have the meaning ascribed to them in the Agreement.

**WHEREAS**, HMO and the Centers for Medicare and Medicaid Services (“CMS”) have entered into an agreement (“MA Agreement”) for the provision by HMO of its Medicare Advantage Benefit Plan, a Medicare Advantage program;

**WHEREAS**, Quartz has agreed to provide management and administrative services with respect to Medicare Advantage Members enrolled in the Medicare Advantage Benefit Plan; and

**WHEREAS**, Quartz and HMO must comply with the statutory and regulatory requirements for any Medicare Advantage program.

**NOW, THEREFORE**, the Parties agree as follows:

1. **Administration of the CMS Contract.**

a. HMO is ultimately responsible for adhering to and otherwise materially complying with all terms and conditions of the CMS Contract. HMO shall maintain responsibility for all terms, conditions, approvals and decisions as a Medicare Advantage Organization and as required by Laws, except where expressly provided in this Agreement. HMO shall offer Product to Members according to the terms and conditions of the Product, the CMS Contract, and Laws. HMO shall keep Quartz informed on communications with CMS with respect to the CMS Contract and shall promptly, but in no instance more than one (1) business day after the communication from CMS, notify Quartz of the proposed termination by HMO or receipt of any notice to terminate the CMS Contract or any notice of proposed amendment, deficiency or corrective action that is directly related to the CMS Contract and that affects Quartz’s performance of Services.

b. Except as expressly provided herein, HMO shall not take any action, and shall not fail to act, in connection with the CMS Contract, the administration of the Product, or this Agreement in a manner that prevents, impedes, interferes or reduces in any way the provision of Services or Quartz’s ability to perform under this Agreement.

2. **No Billing of Medicare Advantage Members.** Quartz hereby agrees that in no event, including, without limitation, non-payment by HMO or HMO’s insolvency or breach of this Agreement, shall Quartz bill, charge, seek compensation, remuneration, or reimbursement from, or have any recourse against a Medicare Advantage Member or person acting on his or her behalf, for amounts owed by HMO under this Agreement.

3. **Inspection and Audit of Records and Facilities; Record Retention.** Quartz shall provide access to its office premises and equipment, during normal business hours and upon advance notice, to HMO, the Department of Health and Human Services, the Comptroller General or their designees to audit, evaluate and inspect any books, contracts or records, including medical records and documentation of services provided under this agreement. The right to audit shall extend through ten (10) years from termination of this Addendum or the date of completion of any audit, whichever is later. Quartz shall retain the books and records described in this Section for at least ten (10) years from the later of the end of the term of the MA Agreement, the date of the completion of any audit, or for such longer period required by applicable state or federal law.
4. **Compliance with Medicare Laws.** The Parties shall comply with Medicare laws and regulations, CMS instructions and guidance, and the terms of the MA Agreement. Each Party shall cooperate with the other Party's efforts to so comply.
5. **Compliance with Federal Laws.** Quartz agrees to comply with laws designed to prevent or ameliorate fraud, waste and abuse, including, but not limited to applicable provisions of Federal criminal law, the False Claims Act (31 U.S.C. § 3729 et seq.), and the anti-kickback statute (42 U.S.C. § 1320a-7b(b)). Quartz agrees to comply with all other Federal statutes and regulations applicable to recipients of Medicare funds. 42 CFR § 422.504(h)(1).
6. **Excluded Persons.** Quartz shall not, and shall not employ or contract with an individual or entity who is, excluded from participation in Medicare under Section 1128 or 1128A of the Social Security Act (or with an entity that employs or contracts with such an excluded individual or entity) for the provision of health care services, and Quartz represents and warrants that no final adverse action, as such term is defined under 42 U.S.C. § 1320a-7e-(g), has occurred or is pending or threatened against Quartz or, to Quartz's knowledge, against any employees, contractor or agent engaged to provide goods or services under this Agreement. Quartz shall notify HMO immediately if it becomes so excluded or ineligible to participate in Medicare.
7. **Delegation.** The Parties acknowledge and agree that HMO oversees and is accountable to CMS for any functions and responsibilities described in the MA Agreement. To the extent HMO delegates any functions, it shall comply with the Medicare Advantage delegation regulatory requirements, as amended from time to time. HMO shall only delegate activities or functions to Quartz pursuant to a written delegation agreement in compliance with 42 CFR §§ 422.504(i)(3), (4) and (5), which require, among other things, a covenant of Quartz that it will comply with all applicable Medicare laws, regulations, and CMS instructions.
8. **Certification of Data.** The chief executive officer of Quartz, the chief financial officer, or an individual delegated the authority to sign on behalf of one of these officers, shall certify from time to time, as requested by HMO, that the encounter data and other data supplied by Quartz (based on its best knowledge, information, and belief) are accurate, complete and truthful. If any of this data is inaccurate or incomplete, HMO may withhold or deny payment in accordance with Medicare Advantage rules.

9. **Interference With Health Care Professionals' Advice.** Quartz may not prohibit or otherwise restrict a health care professional, acting within the lawful scope of practice, from advising or advocating on behalf of a Medicare Advantage Member about the Medicare Advantage Member's health status, medical care or treatment options (including any alternative treatments that may be self-administered), including the provision of sufficient information to the Medicare Advantage Member to provide the Medicare Advantage Member an opportunity to decide among relevant treatment options, the associated risks, benefits, and consequences of treatment or non-treatment or the opportunity for the Medicare Advantage Member to refuse treatment and to express preferences about future treatment decisions.
10. **Services.** Quartz agrees to provide and perform services consistent with and in compliance with the terms of the MA Agreement, federal program participation requirements and HMO's policies and procedures which implement Medicare Advantage laws, regulations, and CMS instructions applicable to Quartz for services to Medicare Advantage Members.
11. **Non-Discrimination.** Quartz acknowledges and agrees that payments Quartz receives from HMO to provide services to Medicare Advantage Members are, in whole or part, from federal funds. Quartz shall comply with Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Rehabilitation Act of 1973, the Americans With Disabilities Act, and all related implementing regulations. Quartz agrees that it will not (i) discriminate against any Medicare Advantage Member on the basis of race, color, religion, sex, national origin, age, health status, participation in any government program (including Medicare), source of payment, participation in a health plan, marital status or physical or mental handicap nor (ii) contract with any downstream entity to provide Services, which discriminates against any Medicare Advantage Member on such bases.
12. **Subcontracting.** If Quartz subcontracts any services under the Agreement to other vendors, such vendors must agree to comply with the provisions contained in this Addendum, and Quartz shall provide documentation to HMO upon request evidencing the same.
13. **HIPAA.** Each Party shall protect the confidentiality of each Medicare Advantage Member's private health information and shall otherwise comply with the requirements of the privacy, security and transaction/code set standards set forth in the implementing regulations for HIPAA and the HITECH Act.
14. **Revocation.** Quartz acknowledges that HMO oversees on an on-going basis, and is ultimately accountable to CMS for, administration of the Product and performance under the CMS Contract. Pursuant to 42 C.F.R. § 422.504(i), in instances in which CMS determines or HMO reasonably determines that Quartz has not performed satisfactorily with respect to any of the material delegated functions or reporting responsibilities, HMO, in lieu of terminating this Agreement with cause, reserves the right to revoke and assume or delegate to another Person (meaning natural person, corporation, partnership, association, joint stock company, governmental entity, business trust, unincorporated organization or other legal entity) performance of the delegated activity or reporting requirement or implement other remedies; provided, however, that Quartz shall be given at least thirty (30) days to cure such issue giving rise to the unsatisfactory performance. The Parties agree that in the event that HMO

revokes any delegated activity or reporting requirement under this section, Quartz shall cooperate with HMO in transferring such delegated activity or reporting requirement.

15. **Special Services.** In addition to the Services set forth in Section 1 of the Agreement, Quartz shall provide those Services listed in Attachment 1 hereto that relate specifically to HMO's Medicare Advantage products.

16. **General Provisions.**

- a. **Applicability.** The provisions of this Addendum pertain solely to the federal Medicare Advantage programs operated and administered by CMS and to Quartz's services rendered to HMO's Medicare Advantage Members. HMO and Quartz intend that the terms of the Agreement and this Addendum shall be interpreted in a manner consistent with applicable requirements under Medicare law.
- b. **Construction.** These provisions of this Addendum shall be construed in favor of any Medicare Advantage Member.
- c. **Termination.** This Addendum shall terminate upon the earlier of the termination of the MA Agreement or the termination of the Agreement.
- d. **Survival.** The provisions of this Addendum shall survive termination of the Agreement, regardless of the reason for termination.
- e. **Conflict with Agreement.** This Addendum supersedes any provisions in the Agreement, any prior Medicare or Medicare Advantage addenda or any other agreement between the Parties or between Quartz and a Medicare Advantage Member or his or her representative, relating to Quartz's services to Medicare Advantage Members that are: (i) inconsistent with this Addendum; (ii) less specific than this Addendum with respect to the subject matter of any provision herein; or (iii) non-compliant with Medicare regulations and instructions.

**IN WITNESS WHEREOF**, this Medicare Addendum is entered into by and between the undersigned Parties set forth below.

**SPWI TPA, Inc. d/b/a Quartz**

**Gundersen Health Plan, Inc.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

## **Attachment 1 – Special Medicare Advantage Services**

### Develop Product and Submit Bid

1. Assist and guide HMO in system access to Health Plan Management System
2. Assist in CMS rebate reallocation process and actuarial review with CMS.
3. Configure benefit designs, rates and communications materials in Quartz systems for MA Plans.
4. Establish business and/or system processes to update – includes adding, removing, or modifying – HMO’s individual MA Plans, benefits and rates from year to year.
5. Establish business and/or system processes to update – includes adding, removing, or modifying – HMO’s group MA Plans, benefits and rates from year to year.
6. Provide annual MA Plans/bid support, that includes, but not limited to:
  - Review of MA Plans / benefit design based on HMO’s marketplace and Quartz’s experience and best practices
  - Actuarial support on the build and review prior to submission of the bid
  - Assistance as CMS works with client on the bid and all follow-ups prior to acceptance

### Marketing Activities

1. Share best practices for sales strategy and campaigns, including AEP and age-in or special enrollment processes.
2. Review and provide guidance on annual CMS changes related to commissions and provide consulting on HMO’s agent/broker network and commission strategy.
3. Assist in determining whether secondary language requirements will be triggered in HMO’s service area.
4. Participate in joint business process design meetings to clearly define the processes and hand-offs between Quartz and HMO, including but not limited to processes for the creation, business review, CMS submission and approval processes for member, broker/agent materials (includes scripts, presentations, member/group materials, etc.), hand-offs between the sales and enrollment functions, account and broker management functions, among others.
5. Provide ongoing guidance on annual CMS changes related to commissions and sales approach.

### Provider Contracting and Network Development

1. Quartz to participate in business design and requirements sessions and then complete system development work to:
  - Develop HMO branded provider directory, on-line and paper versions
  - Load and secure HMO provider contracts in Quartz systems, including related CMS reimbursement schedules and policies
  - Develop reporting and/or data extracts to support HMO management of MA provider network and provider engagement initiatives

Manage Enrollment, Disenrollment, Membership and Billing

1. Quartz shall participate in joint business process design meetings to clearly define the processes and hand-offs between Quartz and HMO, including processes to support Individual MA Plan and Employer Group enrollment, disenrollment and membership maintenance activities (including billing, refunds and delinquencies).
2. Quartz shall participate in business design and requirements sessions and then complete system development work to:
  - Develop required enrollment/post-enrollment member communications, including outbound enrollment verification (“OEV”) calls
  - Develop integration with HMO bank for Member and CMS premium receipt
  - Develop systems and processes for the receipt and reconciliation of CMS enrollment data and payments, including monthly reporting and/or data extracts to HMO
3. Quartz shall be responsible for all Member communications (e.g., letters, enrollment packets, inbound and outbound telephone calls) and associated costs.
4. Quartz shall process member applications during AEP and SEP (whether submitted online, via the Quartz sales portal, in paper, from HMO or via group enrollment file transfer or other channels) according to CMS guidelines and timeframes, including (i) performing OEV, (ii) ensuring that CMS required materials are appropriately issued to Members, (iii) processing Late Enrollment Penalties and (iv) processing low income subsidy reconciliations.
5. Quartz shall process Member cancellations and disenrollments.
6. Quartz shall perform daily and monthly reconciliations of Member accounts and CMS payments in order to ensure agreement between CMS records and HMO records.
7. Quartz shall assist HMO in resolving enrollment and Member payment discrepancies with CMS.
8. Quartz shall on a monthly basis, monitor, process and reconcile special status data such as Medicare Secondary Payer and End Stage Renal Disease.
9. Quartz shall create and distribute CMS mandated new member materials such as Summary of Benefits, formulary, Member ID card development, etc.
10. Quartz shall support auto-assignment of PCP as well as PCP change processes for members.
11. Quartz shall manage fulfillment of CMS mandated Member materials related to enrollment, disenrollment and maintenance activities.
12. Quartz shall collect and process all Member premium payments (check, EFT/ACH or credit card).
13. Quartz shall receive, post and reconcile CMS payments to HMO, including working with CMS and other stakeholders (member, group, etc.) to handle any/all adjustments including retrospective.

Customer Service

1. Quartz shall manage and staff the call center to ensure that call statistics meet or exceed the CMS requirements as outlined in Laws.
2. Quartz shall provide translation and TTY/TTD services.
3. Quartz shall identify and respond to non-quality Member grievances related to



benefits, network or other non-quality issues within CMS required standards and timeframes.

4. Quartz shall perform Member outreach activities, including OEV calls and other calls identified to deliver improved customer satisfaction and future service call prevention.

#### Claims

1. Quartz shall participate in business design and requirements sessions and then complete system development work to:
  - Configure the claims or other systems to support HMO's defined payment parameters (payment cycle, auto-recovery, etc.), Medicare payment rules and provider contract structures for incentives, withholds/draws and related payments
2. Quartz shall receive, review and provide a full adjudication process of all Part C claims (paper or electronic), submitted pursuant to HMO policies and verification of claimant's eligibility for benefits and determining the applicable payment amount based on requirements and information provided by HMO.

#### Medical Management

1. Develop Health Risk Assessment processes and materials, including HMO branding and processes/systems for sharing with primary care physicians
2. Create Quality Improvement Program, including: overall Program, metrics and monitoring processes; establishment of required quality committees and related reporting to HMO representatives and/or committees, HEDIS/CAHPS/HOS data collection and reporting, quality improvement program for readmissions
3. Implement a Chronic Care Improvement Plan, including development of criteria and scope, design interventions and reporting
4. 105) Quartz shall design, implement and provide reporting related to a CMS mandated Quality Improvement Program and Chronic Care Improvement Program.

#### Appeals and Grievances

1. Quartz shall participate in joint sessions to define the processes, hand-offs, and roles and responsibilities for each of the appeals and grievances processes, including required reporting to CMS and engagement of HMO Medical Director.
2. Quartz shall participate in business design and requirements sessions and then complete system development work to:
  - Implement Organizational determination processes, including review and modification of policies and procedures; establishment of related reporting and metrics to client and CMS; development of the oversight processes for delegated entities;
  - Implement MA appeals process, including review and modification of policies and procedures; establishment of related reporting and metrics, to client and CMS; development of the oversight processes for delegated entities;
  - Implement MA grievance process, including review and modification of policies and procedures; establishment of related reporting and metrics, to client and CMS
  - Implement Part D appeals and grievance process, including review and

modification of policies and procedures; establishment of related reporting and metrics, to client and CMS; development of the oversight processes for PBM related activities;

3. Quartz shall process and resolve Member and non-participating provider Part C appeals in a time frame and manner that meets or exceeds the standards outlined by CMS, including but not limited to initial intake and data entry, review of pertinent regulations, Medical Director outreach (including interfaces with HMO's designated Medical Director for cases that meet pre-defined criteria) to make a determination, generating and mailing of correspondence to communicate determinations, and effectuating corrective activities as a result of an overturn determination.
4. Quartz shall provide reporting to HMO detailing Part C and Part D appeals and Independent Review Entity ("IRE") overturns in frequency and manner agreed upon by HMO.
5. Quartz shall respond to IRE requests as received, which may involve performing effectuation requirements and providing additional clinical information to the IRE.
6. Quartz shall forward required documentation to IRE related to adverse reconsiderations or redeterminations. Assess IRE overturn decisions and determine if process improvements or a request to re-open the case are warranted.
7. As necessary, Quartz shall participate in Administrative Law Judge hearings, Medicare Appeals Council reviews, or judicial reviews.
8. Quartz shall conduct/participate in mock audits/CMS audits/data validation audits, including the population of the audit universe, responding to auditor inquiries, participating in audit sessions and meetings, implementing corrective actions and documentation of specific interventions.

#### Quality Star Management

1. Quartz shall provide initial and ongoing configuration of System for Quality Stars management, including the establishment of related reporting, metrics and analytics customized for HMO.
2. Quartz shall participate in business design and requirements sessions and then complete system development work for the following:
  - Develop Quality Stars intervention plan, process, and reporting for HMO
  - Develop proxy measure and reporting support related to Quality Stars management; including the evaluation of current provider performance in the Service Area
  - Develop supplemental data collection and submission process
3. Quartz shall participate in joint business process design meetings to:
  - Clearly define the processes and hand-offs between Quartz and HMO related to Stars management and decision making
  - Establish provider education forum including but not limited to monthly Provider Practice Medical Director Calls

#### Part D/PBM

1. Quartz shall participate in review meetings for Part D benefit and network design to ensure best practice approach and operational feasibility.

2. Quartz shall participate in working sessions to define roles and responsibilities between HMO, Quartz and HMO's contracted PBM.
3. Quartz shall participate in joint business process design meetings to define the processes and hand-offs between Quartz, HMO and HMO's contracted PBM, including but not limited to:
  - Part D customer service functions
  - Part D appeals and grievances
  - Part D UM
  - MTMP Medication Therapy Management Program functions
  - Performance monitoring and compliance oversight
4. Quartz shall participate in business design and requirements sessions and then complete system development work to:
  - Integrate data (eligibility, accumulators, claims) to/from HMO's contracted PBM with Quartz systems
  - Develop and implement member communication materials for Part D functions provided by Quartz, including combined EOB/benefit statements
  - Develop and implement prescription drug event processes
  - Develop and implement HMO reporting on Part D program performance
5. Quartz shall participate in business design and requirements sessions and then complete system development work to:
  - Integrate data (eligibility, accumulators, claims) to/from HMO's contracted PBM with Quartz systems
  - Develop and implement member communication materials for Part D functions provided by Quartz, including combined EOB/benefit statements
  - Develop and implement prescription drug event processes
6. Quartz shall develop and implement HMO reporting on Part D program performance
7. Quartz shall perform overall medical and utilization management functions, including:
  - Conduct medical necessity review of services provided to members to administer organization determinations in compliance with CMS requirements.
  - Administer timely member and provider notifications in compliance with CMS requirements.
8. Quartz shall provide on-going oversight and management responsibilities for Part D operations based on roles and responsibilities defined during the implementation phase of this agreement
9. Manage on-going business processes related to HMO's Part D program to ensure on-going compliance with CMS as well as HMO's business design and requirements

## Financials

1. Manage CMS payments, including but not limited to:
  - Collection and reconciliation of CMS payments
  - HMO reporting to CMS

- CMS reporting to HMO (payment)

**EXHIBIT E  
REPORTS**

<b>Report</b>	<b>Frequency</b>
Balance Sheet	Quarterly; must be sent to HMO no later than 30 days after the end of a quarter
Income Statement	Quarterly; must be sent to HMO no later than 30 days after the end of a quarter
Cash Flow Statements	Quarterly; must be sent to HMO no later than 30 days after the end of a quarter
Standing Committee Reports	Quarterly; must be sent to HMO no later than 30 days after the end of a quarter
Audit Plan	Annually; must be sent to HMO no later than 30 days after the end of a calendar year
Proposed Annual Operating Budget	Annually; must be sent to HMO no later than 45 days before the start of a calendar year
External Audit Reports	Must be sent to HMO no later than 30 days after Quartz's receipt from external auditor
Internal Audit Reports	Must be sent to HMO no later than 30 days after Quartz completes the internal audit report

1. All reports provided by Quartz shall be in the format requested by HMO.
2. Quartz shall provide any such other reports as requested by the HMO Board of Directors and/or as required by HMO or applicable law.

**Exhibit C-3**  
**Stockholders Agreement (Unity)**

STOCKHOLDERS AGREEMENT

by and among

UNITY HEALTH PLANS INSURANCE CORPORATION

and its stockholders

GUNDERSEN LUTHERAN HEALTH SYSTEM, INC.

and

UNIVERSITY HEALTH CARE, INC.

Dated as of [\_\_\_\_\_], 2016

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## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS.....	1
ARTICLE II CAPITAL CONTRIBUTIONS .....	5
Section 2.1 Mandatory Contributions.....	5
Section 2.2 Elective Contributions .....	5
ARTICLE III RESTRICTIONS ON TRANSFER; RIGHT OF FIRST REFUSAL .....	6
Section 3.1 Restrictions on Transfer .....	6
Section 3.2 Right of First Refusal .....	7
Section 3.3 Required Transfers .....	7
Section 3.4 Permitted Transfer .....	7
Section 3.5 Joinder .....	7
ARTICLE IV LOST BUSINESS PAYMENTS .....	7
Section 4.1 Lost Business Definitions.....	8
Section 4.2 Lost Business Payments .....	9
ARTICLE V CORPORATE GOVERNANCE .....	10
Section 5.1 Board of Directors .....	11
Section 5.2 Staggered Board .....	12
Section 5.3 Reserve Powers .....	13
Section 5.4 Market Expansion.....	13
ARTICLE VI DISPUTES.....	14
ARTICLE VII MISCELLANEOUS PROVISIONS.....	15
Section 7.1 Notices.....	15
Section 7.2 Counterparts .....	15
Section 7.3 Interpretation .....	15
Section 7.4 Governing Law .....	15
Section 7.5 Amendment and Waivers .....	15
Section 7.6 Assignment.....	15
Section 7.7 Expenses.....	15
Section 7.8 No Third Party Beneficiaries.....	16
Section 7.9 Further Assurances .....	16
Section 7.10 Severability.....	16
Section 7.11 Entire Understanding.....	16
Section 7.12 Specific Performance.....	16
Section 7.13 Reproductions.....	16
Section 7.14 Waiver of Jury Trial .....	16
Section 7.15 Forum Selection and Consent to Jurisdiction .....	16
Section 7.16 No Presumption Against Drafter .....	16



## STOCKHOLDERS AGREEMENT

This **STOCKHOLDERS AGREEMENT** (this "Agreement") is entered into as of [\_\_\_\_\_], 2016 (the "Effective Date"), by and among Unity Health Plans Insurance Corporation, a Wisconsin stock insurance corporation organized under Chapter 611 of Wisconsin Statutes (the "Company"), Gundersen Lutheran Health System, Inc., a Wisconsin non-profit corporation ("GHS") and University Health Care, Inc., a Wisconsin non-profit member corporation f/k/a University Health Resources, Inc. ("UHC", and together with GHS, the "Owners" and each individually an "Owner"). The Company, GHS and UHC are sometimes referred to herein individually as a "Party" and together as the "Parties."

WHEREAS, GHS and UHC have entered into an Exchange Agreement dated December 18, 2015 (the "Exchange Agreement") pursuant to which both GHS and UHC have become stockholders of the Company as of the date hereof;

WHEREAS, GHS and UHC are the only stockholders of the Company;

WHEREAS, the Company is authorized to do business in Wisconsin and engages in the business of health insurance;

WHEREAS, the Parties wish to enter into this Agreement to govern certain affairs of the Company and to set forth certain rights and obligations of the Owners.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

### ARTICLE I DEFINITIONS

For the purposes of this Agreement, the following terms shall have the following meanings:

"ACA" means the Patient Protection and Affordable Care Act, as amended.

"Additional Equity Amounts" means an amount of membership rights in GHP and equity in Quartz in each case proportionate to the amount of Equity Interests being transferred by a Transferring Owner in relation to all of the Transferring Owner's Equity Interests.

"Affiliate" means, with respect to any Person, any other Person controlling, controlled by or under common control with such Person. For purposes of this definition, the term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" has the meaning set forth in the preamble.

“Applicable Rate” shall mean 2% plus a variable per annum rate equal to the rate published in the “Money Rates” section of The Wall Street Journal as being the “Prime Rate” (or, if more than one rate is published as the Prime Rate, then the highest of such rates). The Prime Rate will change as of the date of publication in The Wall Street Journal of a Prime Rate that is different from that published on the preceding Business Day. In the event that The Wall Street Journal shall, for any reason, fail or cease to publish the Prime Rate, the Parties shall choose a reasonably comparable index or source to use as the basis for the Prime Rate.

“Board” means the Board of Directors of the Company.

“Book Value Price” means the price per share determined by subtracting the Company’s statutory liabilities from its statutory assets and dividing the difference by the number of total outstanding Equity Interests.

“Business Day” means any day of the year not a Saturday or a Sunday on which national banking institutions in Milwaukee, Wisconsin are open to the public for conducting business and are not required or authorized to close.

“Company” has the meaning set forth in the preamble.

“Competitor” means any Person that directly or through an Affiliate is authorized to sell, market or service health or disability insurance on an insured or self-funded basis in Wisconsin or any other state.

“Contribution Period” has the meaning set forth in Section 2.2(a).

“Defaulting Owner” has the meaning set forth in Section 2.1(b).

“Director” means any member of the Board.

“Effective Date” has the meaning set forth in the preamble.

“Elective Contribution” has the meaning set forth in Section 2.2.

“Equity Interests” means the capital stock of the Company or any interest therein.

“Exchange Agreement” has the meaning set forth in the recitals.

“Expansion Contribution” has the meaning set forth in Section 5.4(b)(ii).

“GHP” means Gundersen Health Plan, Inc., a Wisconsin non-stock service insurance corporation organized under Chapter 613 of Wisconsin Statutes.

“GHS” has the meaning set forth in the preamble.

“GHS Provider Area” means the geographic area (on a county by county basis) where Gundersen Health Plan, Inc. provides products and offerings immediately prior to the Effective

Date and those additional counties that may be agreed to in writing by the Parties after the Effective Date.

“Growth Market Expansion” has the meaning set forth in Section 5.4(b).

“Involuntary Transfer” means any involuntary Transfer by reason of operation of law, judicial decree or order, execution upon a judgment, lien or security interest, attachment, or the filing of an involuntary petition in bankruptcy.

“Law” means any federal, state, local or municipal statute, law, ordinance, regulation, rule, code, order, other requirement or rule of law.

“Lien” means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, security interest, lien, charge, encumbrance, lease, covenant, condition, restriction, including a restriction on transfer or assignment, option, right of first refusal or any other preference or priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement having substantially the same effect as any of the foregoing).

“Majority Approval” has the meaning set forth in Section 5.3(b).

“Minimum RBC” means, (a) 385% of risk-based capital during the period beginning on the Effective Date and ending on the one (1) year anniversary thereof, and (b) 400% of risk-based capital beginning on the first (1<sup>st</sup>) anniversary of the Effective Date.

“Non-Transferring Owner” has the meaning set forth in Section 3.2(a).

“OCI” means the Office of the Commissioner of Insurance for the State of Wisconsin.

“Offered Interests” has the meaning set forth in Section 3.2(a).

“Offer Price” has the meaning set forth in Section 3.2(a).

“Option Period” has the meaning set forth in Section 3.2(b).

“Ownership Percentage” means, with respect to an Owner, the number of shares of common stock of the Company held by such owner divided by the number of shares of common stock of the Company held by all Owners.

“Parties” has the meaning set forth in the preamble.

“Person” means any human being, sole proprietorship, general partnership, limited partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, government or any agency or political subdivision thereof, or other entity.

“Provider Area” means the UHC Provider Area and the GHS Provider Area.

“Quartz” means SPWI TPA, Inc., a Wisconsin stock for-profit corporation organized under Chapter 180 of Wisconsin Statutes (doing business as Quartz).

“Reserve Contribution” has the meaning set forth in Section 2.1(a).

“Reserve Deficiency” has the meaning set forth in Section 2.1(a).

“Risk Pool Surplus Requirements” shall be the risk based capital that the applicable risk pool must maintain, calculated in good faith by the Chief Financial Officer of Quartz (or such other financial officer as agreed to by the Parties) as the difference of (a) gross capitation funding of the applicable risk pool, less (b) administrative expenses and ACA fees and taxes associated with the risk pool.

“Super Contributing Owner” has the meaning set forth in Section 2.1(a).

“Super Contribution” has the meaning set forth in Section 2.1(b).

“Supermajority Approval” has the meaning set forth in Section 5.3(a).

“Surplus Note” means a surplus note as permitted by the OCI and applicable Law.

“Transfer” means to transfer, sell, assign, pledge, hypothecate, give, grant or create a security interest in or Lien on, place in trust (voting or otherwise), contribute, distribute, assign an interest in or in any other way encumber or dispose of, directly or indirectly and whether or not by operation of law or for value, any Equity Interests and any Involuntary Transfer.

“Transfer Notice” has the meaning set forth in Section 3.2(a).

“Transferring Owner” has the meaning set forth in Section 3.2(a).

“UHC” has the meaning set forth in the preamble.

“UHC Provider Area” means the geographic area (on a county by county basis) where the Company provides products and offerings immediately prior to the Effective Date and those additional counties that may be agreed to in writing by the Parties after the Effective Date.

## **ARTICLE II CAPITAL CONTRIBUTIONS**

### **Section 2.1 Mandatory Contributions.**

(a) If (i) the Board or the OCI has determined that the Company has, or is at immediate risk of having, less than the minimum amount of regulatory capital required by applicable law, or (ii) the Company has less than the greater of (x) the security surplus as required by the OCI pursuant to Sections 623.11, 611.26(1), 609.97 and 609.98 Wis. Stats. or (y) Minimum RBC, then in each case of the foregoing clauses (i) and (ii), the Board shall provide written notice to the Owners of the amount of such deficiency (the “Reserve Deficiency”).

Within fifteen (15) days (the “Contribution Period”) after receiving such notice from the Board of a Reserve Deficiency, each Owner shall make a cash contribution (a “Reserve Contribution”) to the Company equal to such Owner’s Ownership Percentage multiplied by the Reserve Deficiency, which amount shall be held by the Company to satisfy the regulatory capital requirements under applicable Law. Except as may be determined by the OCI, any determination of a Reserve Deficiency shall be made by Majority Approval. The Owners agree that they shall make cash contributions to the Company in proportion to their respective Ownership Percentages sufficient to cause the risk-based capital of the Company to equal 400% of risk-based capital no later than the first (1<sup>st</sup>) anniversary of the Effective Date.

(b) In the event an Owner fails to make all or part of a Reserve Contribution during the Contribution Period (such Owner, a “Defaulting Owner”), the Company shall provide notice of that failure to the other Owner (the “Super Contributing Owner”) and such Owner may elect to contribute to the Company in cash the portion of the Reserve Contribution which the Defaulting Owner failed to contribute (a “Super Contribution”). If the Super Contributing Owner elects to make a Super Contribution, the Super Contribution shall be given in exchange for a Surplus Note if permitted by the OCI. The Surplus Note shall bear interest at the lesser of the Applicable Rate or the highest annual rate permitted by the OCI and applicable Law and interest shall be paid by the Company to the Super Contributing Owner as often as permitted by the OCI and applicable Law but no more frequently than monthly. The principal amount of the Surplus Note plus accrued but unpaid interest thereon shall be paid by the Company to the Super Contributing Owner as promptly as permitted by the OCI and applicable Law, but in any event prior to any dividend or other distribution by the Company to the Defaulting Owner.

(c) If the OCI does not permit the issuance of a Surplus Note in exchange for a Super Contribution, the Company shall issue common stock to the Super Contributing Owner in exchange for such Super Contribution such that its Ownership Percentage after such issuance will be equal to the quotient of (x) the Super Contribution plus the product of (A) the Super Contributing Owner’s Ownership Percentage multiplied by (B) the total capital and surplus of the Company as set forth in the audited statutory financial statements of the Company for the end of the calendar year immediately preceding the Super Contribution plus the gain/loss in the calendar year the Super Contribution is made, divided by (y) the total capital and surplus of the Company as set forth in the audited statutory financial statements of the Company for the end of the calendar year in which the Super Contribution is made. Any equity issuance contemplated by this Section 2.1(c) will be made promptly after the audited statutory financial statements of the Company for the calendar year immediately following the applicable Super Contribution are available. Solely for illustrative purposes, a sample calculation with respect to the foregoing is set forth on Exhibit A.

(d) For the avoidance of doubt, an election by a Super Contributing Owner to make a Super Contribution will not constitute an election of remedies or limit the Super Contributing Owner in any manner in seeking any other remedies available to it pursuant to Law. Furthermore, a Super Contribution shall not be construed as a cure or waiver with respect to a Defaulting Owner’s obligations under this Article II.

**Section 2.2 Elective Contributions.** If the Company desires additional capital for any

reason other than as set forth in Section 2.1 (an “Elective Contribution”) it shall submit such request to the Board for Supermajority Approval. Except as set forth in Section 2.1, no dues or assessments to be paid by, or capital contributions to be made by, the Owners to the Company shall be required without Supermajority Approval. Except as agreed to by the Owners in writing, no contribution of capital pursuant to this Section 2.2 shall affect an Owner’s Ownership Percentage. If the Board (pursuant to Supermajority Approval) determines that an Elective Contribution shall be given in exchange for a Surplus Note, it shall be on terms determined by the Board (pursuant to Supermajority Approval) and as permitted and approved by the OCI and applicable Law.

### **ARTICLE III RESTRICTIONS ON TRANSFER; RIGHT OF FIRST REFUSAL**

**Section 3.1 Restrictions on Transfer.** Subject to Section 3.4, no Owner shall Transfer its Equity Interests unless such proposed Transfer is approved by Supermajority Approval in accordance with Section 5.3(a)(viii) and complies with the procedures and requirements set forth in Section 3.2 and Section 3.3. To the fullest extent permitted by Law, no Transfer of or attempt to Transfer any Equity Interests in violation of the preceding sentence shall be effective or valid for any purpose. No Owner shall grant any proxy or enter into or agree to be bound by any voting trust with respect to its Equity Interests nor shall any Owner enter into any agreements or arrangements of any kind with any Person with respect to its Equity Interests on terms that conflict with the provisions of this Agreement.

#### **Section 3.2 Right of First Refusal.**

(a) In connection with any Transfer of Equity Interests by an Owner (a “Transferring Owner”) to any Person, such Transferring Owner shall deliver written notice of such proposed Transfer to the Company and the other Owner (the “Non-Transferring Owner”). Such written notice (the “Transfer Notice”) shall set forth, in reasonable detail, the terms and conditions of such proposed Transfer, including the name of the prospective purchaser (including all parties that directly or indirectly hold interests in the prospective purchaser), the payment terms, the type of disposition, the number and type of Equity Interests proposed to be Transferred (“Offered Interests”), the proposed purchase price for the Offered Interests (the “Offer Price”) and any other information reasonably requested by the Company or the Non-Transferring Owner with respect to such proposed Transfer and the prospective purchaser, together with a complete and accurate copy of the prospective purchaser’s written offer to purchase the Offered Interests from the Transferring Owner (except if, in connection with an Involuntary Transfer, no such written offer exists). The Transfer Notice shall further state that the Company and the Non-Transferring Owner may acquire, in accordance with the provisions of this Agreement, the Offered Interests at a cash price per share equal to the Book Value Price.

(b) For a period of sixty (60) calendar days after receipt of the Transfer Notice (the “Option Period”), the Non-Transferring Owner may elect, by delivery of written notice to the Transferring Owner, to purchase all or any portion of the Offered Interests at a cash price per share equal to the Book Value Price and on the other terms and conditions set forth in the Transfer Notice.

(c) The closing of the purchase of any Offered Interests pursuant to Section 3.2(b) shall take place at the principal office of the Company as soon as practical after the delivery of an election notice, but in no event later than the one hundred and twentieth (120th) calendar day after the expiration of the Option Period. At such closing, the Non-Transferring Owner shall deliver to the Transferring Owner the Book Value Price in cash, on the same terms and conditions as set forth in the Transfer Notice, payable in respect of the Offered Interests in exchange for certificates duly endorsed representing the Offered Interests being acquired, together with stock powers, free and clear of all Liens (other than any Liens imposed hereunder). All of the foregoing deliveries will be deemed to be made simultaneously and none shall be deemed completed until all have been completed.

(d) If all of the Offered Interests are not purchased by the Non-Transferring Owner, then the Transferring Owner may Transfer all (but not less than all) of the remaining Offered Interests to the prospective purchaser identified in the Transfer Notice, but only in accordance with this Article III and in accordance with the terms (including the Offer Price) set forth in the Transfer Notice, within three (3) months after expiration of the Option Period. Any of such Offered Interests that have not been Transferred by the Transferring Owner during such three (3) month period shall again be subject to the restrictions set forth in this Section 3.2 and must be reoffered to the Non-Transferring Owner before any subsequent Transfer.

### **Section 3.3 Required Transfers.**

(a) In connection with any Transfer of Equity Interests pursuant to this Agreement, the Transferring Owner must simultaneously offer the Additional Equity Amounts to the Non-Transferring Owner pursuant to the terms of Section 3.2 *mutatis mutandis*. If the Non-Transferring Owner does not elect to purchase such Additional Equity Amounts, the Transferring Owner must Transfer the Additional Equity Amounts to the Person that purchases the Equity Interests.

(b) Notwithstanding anything to the contrary contained herein, a Transfer of Equity Interests shall be permitted pursuant to the terms of this Agreement and shall be required to the extent such Transfer is contemplated, permitted and required pursuant to the terms of that certain Stockholders Agreement by and among the Owners and Quartz or that certain Members Agreement by and among the Owners and GHP.

**Section 3.4 Permitted Transfer.** The provisions of Section 3.1 and Section 3.2 shall not apply to a Transfer of Equity Interests by an Owner to an Affiliate of such Owner; provided that a transferring Owner shall provide the other Owner with sixty (60) days prior written notice of a Transfer to an Affiliate and the transferring Owner shall pay any applicable transfer tax (if any). Notwithstanding anything to the contrary contained in this Agreement, (a) in no event shall any Owner transfer (directly or indirectly) any Equity Interests to a Competitor, unless the other Owner has consented thereto in writing and (b) a Transfer of Equity Interests will not be valid or of any force or effect if such Transfer would result in a violation or breach of any applicable Federal or state securities law or any agreement to which the Company is a party.

**Section 3.5 Joinder.** Any Equity Interests transferred pursuant to this Article III shall

remain subject to the Transfer restrictions of this Agreement and the transferee of such Equity Interests shall execute and deliver to the Company a joinder agreement agreeing to be bound by the terms of this Agreement and shall take such other actions and execute such other documents as the Company and Non-Transferring Owner reasonably request. The Transferring Owner shall pay all expenses incurred by the Company in connection with a Transfer pursuant to this Article III.

#### **ARTICLE IV LOST BUSINESS PAYMENTS**

**Section 4.1 Lost Business Definitions.** For purposes of this Article IV, the following terms have the following meanings:

- (a) “ETF” means the Wisconsin Department of Employee Trust Funds.
- (b) “Loss Amount” has the meaning set forth in Section 4.2.
- (c) “Loss Event” means that the ETF has ceased doing business with the Company in one or more counties in a service area or materially reduced the enrollment of ETF Members in the Company’s benefit plans.

**Section 4.2 Lost Business Payments.** If there is a Loss Event on or prior to January 1, 2017, then the Chief Financial Officer of the Company (or such other financial officer as mutually agreed by the Owners) shall in good faith and in such person’s reasonable discretion determine the negative financial impact of such Loss Event on the Company, if any, over the twelve (12) month period after such Loss Event while taking into account the positive financial impact of any new business added on or prior to the date of the Loss Event and during such twelve (12) month period (such net impact, the “Loss Amount”). Such determination shall be made as soon as reasonably practical after the expiration of such twelve (12) month period. Within thirty (30) days of the determination of the Loss Amount, an Owner whose attributed members (determined based on the methodology agreed to by the Parties) were impacted by the Loss Event shall contribute cash to the Company in an amount proportionate to the Loss Amount attributable to such Owner (based on attributed members impacted by the Loss Event and as determined by the Board) or shall otherwise make the Company whole for the Loss Amount attributable to such Owner as may be approved by the Board.

#### **ARTICLE V CORPORATE GOVERNANCE**

**Section 5.1 Board of Directors.** The Parties shall take all action, including but not limited to the Owners voting or executing written consents with respect to their Equity Interests, in furtherance of the terms of this Section 5.1.

- (a) Number of Board Members. The Board shall be comprised of nine (9) Directors, each of whom shall be designated, elected, removed and or replaced according to the applicable provisions in Section 5.1(b).



(b) Board Composition.

(i) Each Owner agrees to vote all Equity Interests owned by such Owner and will take such other actions as are necessary, and the Company will take all necessary and desirable action to cause:

(A) the election to the Board of (I) three (3) individuals designated from time to time by GHS (the "GHS Directors") (who shall initially be [\_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_]), and (II) one (1) individual designated from time to time by GHS who shall have no current or previous employment, consulting or other financially related association with GHS or any of its Affiliates and who shall have professional health insurance and finance related experience (the "Independent GHS Director") (who shall initially be [\_\_\_\_\_]);

(B) the election to the Board of (I) three (3) individuals designated from time to time by UHC (the "UHC Directors") (who shall initially be [\_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_]), and (II) one (1) individual designated from time to time by UHC who shall have no current or previous employment, consulting or other financially related association with UHC or any of its Affiliates and who shall have professional health insurance and finance related experience (the "Independent UHC Director") (who shall initially be [\_\_\_\_\_]);

(C) the election to the Board of one (1) individual designated by Majority Approval who shall have no current or previous employment, consulting or other financially related association with either GHS or UHC or any of their respective Affiliates (the "Independent Joint Director" and together with the Independent GHS Director and the Independent UHC Director, the "Independent Directors") (who shall initially be [\_\_\_\_\_]);

(D) the removal from the Board, with or without cause, of any GHS Directors or the Independent GHS Director at the written request of GHS, but only upon such written request and under no other circumstances;

(E) the removal from the Board, with or without cause, of any UHC Directors or the Independent UHC Director at the written request of UHC, but only upon such written request and under no other circumstances;

(F) the removal from the Board, with or without cause, of the Independent Joint Director by Supermajority Approval, but only upon such Supermajority Approval and under no other circumstances;

(G) if any GHS Director or the Independent GHS Director resigns, or for any other reason ceases to serve as a Director during his or her term of office, then the filling of the resulting vacancy on the Board by a representative designated by GHS;

(H) if any UHC Director or the Independent UHC Director resigns, or for any other reason ceases to serve as a Director during his or her term of office, then the filling of the resulting vacancy on the Board by a representative designated by UHC; and

(I) if the Independent Joint Director resigns, or for any other reason ceases to serve as a Director during his or her term of office, then the filling of the resulting vacancy on the Board by a representative designated jointly by UHC and GHS.

(ii) If an Owner fails for a period of ninety (90) days to perform its obligations under this Section 5.1, then such Owner hereby grants to the Company its proxy to vote its Equity Interests in accordance with this Section 5.1.

### **Section 5.2 Staggered Board.**

(a) The Board shall be and is divided into three (3) classes of three (3) Directors each which shall be designated: Class I, Class II and Class III. At all times one (1) GHS Director, one (1) UHC Director, and one (1) Independent Director shall be appointed to each of Class I, Class II and Class III. As of the Effective Date, [\_\_\_\_], [\_\_\_\_] and [\_\_\_\_] are appointed to Class I, [\_\_\_\_], [\_\_\_\_] and [\_\_\_\_] are appointed to Class II, and [\_\_\_\_], [\_\_\_\_] and [\_\_\_\_] are appointed to Class III.

(b) Each Director shall serve for a term ending on the date of the third (3rd) annual meeting following the annual meeting at which such Director was elected; provided, that each Director initially appointed to Class I shall serve for an initial term expiring at the Company's first annual meeting of its stockholders following the Effective Date; each Director initially appointed to Class II shall serve for an initial term expiring at the Company's second (2nd) annual meeting of its stockholders following the Effective Date; and each Director initially appointed to Class III shall serve for an initial term expiring at the Company's third (3rd) annual meeting of its stockholders following the Effective Date; provided further, that the term of each Director shall continue until the election and qualification of a successor and be subject to such Director's earlier death, resignation or removal.

### **Section 5.3 Reserve Powers.**

(a) Supermajority Approval. The vote of five (5) GHS Directors and UHC Directors (“Supermajority Approval”) shall be required for the Company to take action on any of the following items: (i) approval of the sale, merger, stock exchange or consolidation of the Company or the sale of substantially all of its assets, (ii) approval of the voluntary dissolution or liquidation of the Company, (iii) authorization or issuance, or the obligation of the Company to issue, any Equity Interest, (iv) redemption, retirement or purchase of any Equity Interest (other than in accordance with Section 3.2), (v) declaration or payment of any distribution or dividend (except with respect to the Surplus Notes contemplated by Article II), (vi) the approval of any strategic decision (such as entering into a new service area) that would be reasonably expected to cause a reduction of the surplus of the Company below Minimum RBC or the security surplus requirement of the OCI, whichever is greater, (vii) approval of an Elective Contribution, (viii)

approval of any Transfer of Equity Interests by any Owner, (ix) the removal of the Independent Joint Director, and (x) removal and appointment of the Company's principal officers.

(b) Majority Approval. The vote of five (5) Directors ("Majority Approval") shall be required for the Company to take action on any of the following items: (i) approval of the Company's annual budget and business plan and any changes thereto, (ii) adoption of vision, mission and values statements and policies consistent with those statements, (iii) approval of administrative or management services arrangements with any Affiliate of GHS or UHC, (iv) the creation of any subsidiary or risk pool (other than those existing on the date hereof), (v) approval of any capital expenditure that would have a fair market value greater than two percent (2%) of the Company's statutory net worth, (vi) the appointment of the Independent Joint Director, (vii) authorization to incur, create, assume or become liable in any manner with respect to any indebtedness that is in excess of three percent (3%) of the Company's statutory net worth, (viii) the determination of a Reserve Deficiency, and (ix) any other matter requiring Board approval pursuant to applicable Law.

(c) GHS Approval. The written approval of GHS shall be required for the Company to take action on any of the following items: (i) approval of new products and offerings in the GHS Provider Area, (ii) decisions regarding which health care service providers will be part of the network for the products and offerings in the GHS Provider Area, (iii) approval of target reimbursement levels for the products and offerings in the GHS Provider Area, (iv) approval of risk pool targets for products and offerings in the GHS Provider Area, (v) approval of sales and marketing policies and procedures for products and offerings in the GHS Provider Area, and (vi) recommendation or approval of any material change to the operating policies and procedures of the Company in the GHS Provider Area that differ from the Company's standard operating policies and procedures in other markets.

(d) UHC Approval. The written approval of UHC shall be required for the Company to take action on any of the following items: (i) approval of new products and offerings in the UHC Provider Area, (ii) decisions regarding which health care service providers will be part of the network for the products and offerings in the UHC Provider Area, (iii) approval of target reimbursement levels for the products and offerings in the UHC Provider Area, (iv) approval of risk pool targets for products and offerings in the UHC Provider Area, (v) approval of sales and marketing policies and procedures for products and offerings in the UHC Provider Area, and (vi) recommendation or approval of any material change to the operating policies and procedures of the Company in the UHC Provider Area that differ from the Company's standard operating policies and procedures in other markets.

#### **Section 5.4 Market Expansion.**

(a) Existing Market Expansion. Subject to approval by the Board of Directors, an Owner shall have the right to cause the Company to offer new health insurance products and offerings in such Owner's Provider Area so long as such Owner is the provider of health care services with respect to such products and offerings and is the risk bearing party with respect to such products and offerings.

(b) Growth Market Expansion.

(i) Subject to approval by the Board of Directors, an Owner shall have the right to cause the Company to offer new health insurance products and offerings in a market outside of the Provider Area (a “Growth Market Expansion”) even if such Owner is not the provider of health care services or the risk bearing party with respect to such products and offerings provided that the Company has determined that there is no risk bearing partner with whom the Company may partner with in the Growth Market Expansion area.

(ii) Within sixty (60) days of the end of a fiscal year in which a Growth Market Expansion has occurred, the Parties shall cause the Chief Financial Officer of Quartz (or such other financial officer as agreed to by the parties) to deliver to the Parties his or her good faith calculation of the risk based capital requirements of each Owner’s risk pool, with the risk associated with the new health insurance products and offerings to be offered by the Company as a result of the Growth Market Expansion assigned to the risk pool of the Owner causing the Growth Market Expansion. To the extent that an Owner’s risk pool is funded below such Owner’s Risk Pool Surplus Requirement, that Owner shall promptly (but no later than thirty (30) days after notification) contribute capital until such risk pool’s surplus is equivalent to such Owner’s Risk Pool Surplus Requirement or to the Security Surplus requirement of the OCI, whichever is greater (an “Expansion Contribution”).

(c) Expansion Contribution Equity Issuances. The Parties agree that Equity Interests will be issued in consideration for Expansion Contributions. The Company shall issue common stock to the Owner making an Expansion Contribution such that its Ownership Percentage after such issuance will be equal to the quotient of (x) such Owner’s Expansion Contribution plus the product of (A) such Owner’s Ownership Percentage multiplied by (B) the total capital and surplus of the Company as set forth in the audited statutory financial statements of the Company for the calendar year immediately preceding the applicable Growth Market Expansion plus the gain/loss in the calendar year the Expansion Contribution is made, divided by (y) the total capital and surplus of the Company as set forth in the audited statutory financial statements of the Company for the calendar year immediately following the applicable Growth Market Expansion. The equity issuance contemplated by this Section 5.4(c) will be made promptly after the audited statutory financial statements of the Company for the calendar year immediately following the applicable Growth Market Expansion are available. Any cash contributions to the Company in excess of the required Expansion Contribution will not result in any adjustment to Ownership Percentages and shall not be included in the foregoing calculations. Solely for illustrative purposes, a sample calculation with respect to the foregoing is set forth on Exhibit B.

## ARTICLE VI DISPUTES

Anything to the contrary contained herein notwithstanding, all disputes arising out of or relating to this Agreement shall be resolved in accordance with the procedures set forth in this Article VI. If a dispute arises under this Agreement (including any alleged breach of this Agreement), a Party may submit the dispute to alternative dispute resolution under this Article

VI by giving written notice thereof to the other Parties. The matter shall be submitted to the highest ranking executive officer of each Party who shall meet to attempt in good faith to resolve the dispute. If after thirty (30) days, the matter has not been resolved by the highest ranking executive officers of the Parties, at the request of any Party, the matter will be submitted to mediation by a mediator mutually acceptable to the Parties. Each Party will designate one or more representatives to participate in the mediation on behalf of such Party who will have the authority to accept a resolution of the dispute on behalf of such Party. The Parties will act immediately to jointly select a mediator and agree to hold the mediation as soon as possible, but no later than sixty (60) days following the expiration of the aforementioned thirty (30) day negotiation period. If, and only if, the dispute is not resolved by mediation, either Party may file suit in a court of competent jurisdiction to obtain a judicial determination or adjudication of the dispute, which may include specific performance, declaratory relief, or any other remedies available under the agreement, at law or in equity.

## **ARTICLE VII MISCELLANEOUS PROVISIONS**

**Section 7.1 Notices.** Any notice, request, instruction or other document to be given hereunder by a Party shall be in writing and shall be deemed to have been given, (a) when received if given in person or by courier or a courier service, or (b) on the immediately following Business Day after deposit with a nationally recognized overnight carrier; in each case if addressed or directed to a Party in accordance with the contact information included on the signature pages to this Agreement, or to such other address as a Party may designate for itself by notice given as herein provided.

**Section 7.2 Counterparts.** This Agreement may be executed by electronic transmission (i.e., facsimile or electronically transmitted portable document format (PDF)) and in counterparts, any one of which need not contain the signatures of more than one Party, but all such counterparts taken together shall constitute one and the same instrument.

**Section 7.3 Interpretation.** The headings preceding the text of Articles and Sections included in this Agreement are for convenience only and shall not be deemed part of this Agreement or be given any effect in interpreting this Agreement. The use of the masculine, feminine or neuter gender herein shall not limit any provision of this Agreement. The use of the terms “including” or “include” shall in all cases herein mean “including, without limitation” or “include, without limitation,” respectively. Underscored references to Articles or Schedules shall refer to those portions of this Agreement.

**Section 7.4 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin, without regard to the principles of conflicts of laws.

**Section 7.5 Amendment and Waivers.** No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Parties. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent

default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way rights arising by virtue of any prior or subsequent occurrence.

**Section 7.6 Assignment.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. No assignment of any rights or obligations shall be made by any Party without the written consent of each other Party.

**Section 7.7 Expenses.** All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such expenses.

**Section 7.8 No Third Party Beneficiaries.** This Agreement is solely for the benefit of the Parties and no provision of this Agreement shall be deemed to confer upon any third party any remedy, claim, liability, reimbursement, cause of action or other right.

**Section 7.9 Further Assurances.** Upon the reasonable request of any Party, each other Party will execute and deliver such other documents, releases, assignments and other instruments as may be required to effectuate completely the transactions contemplated hereby and to otherwise carry out the purposes of this Agreement; provided, however, no such action shall require any other Party to incur any additional cost or liability unless the requesting Party shall agree to reimburse the reasonable costs and expenses of such other Party.

**Section 7.10 Severability.** If any provision of this Agreement shall be held invalid, illegal or unenforceable, the validity, legality or enforceability of the other provisions hereof shall not be affected thereby, and there shall be deemed substituted for the provision at issue a valid, legal and enforceable provision as similar as possible to the provision at issue.

**Section 7.11 Entire Understanding.** This Agreement sets forth the entire agreement and understanding of the Parties with respect to the matters set forth herein and supersedes any and all prior agreements, arrangements and understandings among the Parties.

**Section 7.12 Specific Performance.** Each Party acknowledges and agrees that, in the event of any breach of this Agreement, the non-breaching Party would be irreparably and immediately harmed and could not be made whole by monetary damages. It is accordingly agreed that the Parties will (a) waive, in any action for specific performance, the defense of adequacy of a remedy at law, and (b) be entitled, in the non-breaching Party's sole discretion, in addition to any other remedy to which they may be entitled at law or in equity, to compel specific performance of this Agreement in any action instituted in accordance with this Section.

**Section 7.13 Reproductions.** This Agreement all other documents, instruments and agreements in the possession of any Party which relate hereto or thereto may be reproduced by such Party, and any such reproduction shall be admissible in evidence, with the same effect as the original itself, in any judicial or other administrative proceeding, whether the original is in existence or not. No Party will object to the admission in evidence of any such reproduction, unless the objecting Party reasonably believes that the reproduction does not accurately reflect the contents of the original and objects on that basis.

**Section 7.14 Wavier of Jury Trial.** TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

**Section 7.15 Forum Selection and Consent to Jurisdiction.** EACH OF THE PARTIES AGREE THAT ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT BETWEEN OR AMONG THE PARTIES, SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF THE STATE OF WISCONSIN LOCATED IN THE CITY OF MADISON, OR IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF WISCONSIN. EACH OF THE PARTIES HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF WISCONSIN LOCATED IN THE CITY OF MADISON, AND OF THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF WISCONSIN. EACH OF THE PARTIES HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

**Section 7.16 No Presumption Against Drafter.** Each of the Parties has jointly participated in the negotiation and drafting of this Agreement. In the event of any ambiguity or if a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumptions or burdens of proof shall arise favoring any Party by virtue of the authorship of any of the provisions of this Agreement.

[Signatures on Following Pages]

IN WITNESS WHEREOF, the Parties have executed this Stockholders Agreement as of the date first set forth above.

**The Company:**

**UNITY HEALTH PLANS INSURANCE CORPORATION,**  
*a Wisconsin stock insurance corporation*

By: \_\_\_\_\_  
[Name; Title]

Address for notice purposes:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn:

With a copy to each of GHS and UHC (which will not constitute notice) and an additional copy to (which will not constitute notice):

McDermott Will & Emery LLP  
333 Avenue of the Americas, Suite 4500  
Miami, Florida 33131  
Attn: Gary Scott Davis, P.A.



**GHS:**

**GUNDERSEN LUTHERAN HEALTH  
SYSTEM, INC.,**

*a Wisconsin non-profit corporation*

By: \_\_\_\_\_  
[Name; Title]

Address for notice purposes:

Gundersen Health System  
1900 South Avenue, Mail Stop GB1-001  
LaCrosse, WI 54601  
Attn: Daniel J. Lilly, CPA, JD, General Counsel

With a copy to (which will not constitute notice):

McDermott Will & Emery LLP  
333 Avenue of the Americas, Suite 4500  
Miami, Florida 33131  
Attn: Gary Scott Davis, P.A.

and an additional copy to (which will not constitute  
notice):

Godfrey & Kahn SC  
One East Main Street, Suite 500  
Madison, Wisconsin 53703  
Attn: Thomas Shorter

**UHC:**

**UNIVERSITY HEALTH CARE, INC.,**  
*a Wisconsin non-profit member corporation*

By: \_\_\_\_\_  
[Name; Title]

Address for notice purposes:

University Health Care, Inc.  
301 S. Westfield Rd.  
Madison, WI 53717  
Attn: Daniel Brzozowski, UHC Corporate Counsel

With a copy to (which will not constitute notice):

McDermott Will & Emery LLP  
333 Avenue of the Americas, Suite 4500  
Miami, Florida 33131  
Attn: Gary Scott Davis, P.A.

and an additional copy to (which will not constitute notice):

Michael Best & Friedrich LLP  
One South Pinckney Street, Suite 700  
P.O. Box 1806  
Madison, WI 53703  
Attn: Hamang B. Patel

and an additional copy to (which will not constitute notice):

Unity Health Insurance  
840 Carolina St  
Sauk City, WI 53583-1374  
Attn: Christine C. Senty, J.D.

Exhibit A

Super Contribution Equity Issuance

2016 Year End Capital and Surplus of the Company: \$80 Million

Owner A's pre-Super Contribution Ownership Percentage: 25%

2017 Super Contribution by Owner A: \$15 Million

2017 Year End Capital and Surplus of the Company: \$100 Million (2016 capital and surplus plus 2017 Super Contribution plus a net gain of \$5 Million)

Owner A's post-Super Contribution ownership percentage =  $[\$15\text{MM} + (.25 \times [\$80\text{MM} + \$5\text{MM}])] / \$100\text{MM} = 36.25\%$

If the net gain for 2017 was \$0, the 2017 Year End Capital and Surplus of the Company would be \$95 Million, and the calculation would be:

Owner A's post-Super Contribution ownership percentage =  $[\$15\text{MM} + (.25 \times [\$80\text{MM} + \$0\text{MM}])] / \$95\text{MM} = 36.84\%$

Exhibit B

Expansion Contribution Equity Issuance

2016 Year End Capital and Surplus of the Company: \$80 Million

Owner A's pre-expansion Ownership Percentage: 25%

2017 Expansion Contribution by Owner A: \$15 Million

2017 Year End Capital and Surplus of the Company: \$100 Million (2016 capital and surplus plus 2017 Expansion Contribution plus a net gain of \$5 Million)

Owner A's post-expansion ownership percentage =  $[\$15\text{MM} + (.25 \times [\$80\text{MM} + \$5\text{MM}])] / \$100\text{MM} = 36.25\%$

If the net gain for 2017 was \$0, the 2017 Year End Capital and Surplus of the Company would be \$95 Million, and the calculation would be:

Owner A's post-expansion ownership percentage =  $[\$15\text{MM} + (.25 \times [\$80\text{MM} + \$0\text{MM}])] / \$95\text{MM} = 36.84\%$

**Exhibit C-4**  
**Stockholders Agreement (Quartz)**

STOCKHOLDERS AGREEMENT

by and among

SPWI TPA, INC.

and its stockholders

GUNDERSEN LUTHERAN HEALTH SYSTEM, INC.

and

UNIVERSITY HEALTH CARE, INC.

Dated as of [\_\_\_\_\_], 2016

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TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS.....	1
ARTICLE II CAPITAL CONTRIBUTIONS .....	5
Section 2.1 Mandatory Contributions .....	5
Section 2.2 Elective Contributions .....	5
ARTICLE III RESTRICTIONS ON TRANSFER; RIGHT OF FIRST REFUSAL.....	6
Section 3.1 Restrictions on Transfer .....	6
Section 3.2 Right of First Refusal.....	7
Section 3.3 Required Transfers.....	7
Section 3.4 Permitted Transfer .....	7
Section 3.5 Joinder.....	7
ARTICLE IV CORPORATE GOVERNANCE .....	10
Section 4.1 Board of Directors.....	11
Section 4.2 Staggered Board.....	12
Section 4.3 Reserve Powers.....	13
ARTICLE V DISPUTES.....	14
ARTICLE VI MISCELLANEOUS PROVISIONS.....	15
Section 6.1 Notices .....	15
Section 6.2 Counterparts .....	15
Section 6.3 Interpretation.....	15
Section 6.4 Governing Law .....	15
Section 6.5 Amendment and Waivers.....	15
Section 6.6 Assignment .....	15
Section 6.7 Expenses .....	15
Section 6.8 No Third Party Beneficiaries .....	16
Section 6.9 Further Assurances.....	16
Section 6.10 Severability .....	16
Section 6.11 Entire Understanding .....	16
Section 6.12 Specific Performance .....	16
Section 6.13 Reproductions .....	16
Section 6.14 Waiver of Jury Trial.....	16
Section 6.15 Forum Selection and Consent to Jurisdiction .....	16
Section 6.16 No Presumption Against Drafter .....	16

## STOCKHOLDERS AGREEMENT

This **STOCKHOLDERS AGREEMENT** (this "Agreement") is entered into as of [\_\_\_\_\_], 2016 (the "Effective Date"), by and among SPWI TPA, Inc., a Wisconsin stock for-profit corporation organized under Chapter 180 of Wisconsin Statutes (doing business as Quartz) (the "Company"), Gundersen Lutheran Health System, Inc., a Wisconsin non-profit corporation ("GHS") and University Health Care, Inc., a Wisconsin non-profit member corporation f/k/a University Health Resources, Inc. ("UHC", and together with GHS, the "Owners" and each individually an "Owner"). The Company, GHS and UHC are sometimes referred to herein individually as a "Party" and together as the "Parties."

WHEREAS, GHS and UHC have entered into an Exchange Agreement dated December 18, 2015;

WHEREAS, the Company was a wholly owned subsidiary of UHC until, on the date hereof, GHS became a stockholder of the Company pursuant to that certain Stock Transfer Power dated as of the date hereof;

WHEREAS, GHS and UHC are the only stockholders of the Company;

WHEREAS, the Company is authorized to do business in Wisconsin and is an employee benefit plan administrator licensed and in good standing with the OCI;

WHEREAS, the Parties wish to enter into this Agreement to govern certain affairs of the Company and to set forth certain rights and obligations of the Owners.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

### ARTICLE I DEFINITIONS

For the purposes of this Agreement, the following terms shall have the following meanings:

"Additional Equity Amounts" means an amount of membership rights of GHP and equity in Unity in each case proportionate to the amount of Equity Interests being transferred by a Transferring Owner in relation to all of the Transferring Owner's Equity Interests.

"Affiliate" means, with respect to any Person, any other Person controlling, controlled by or under common control with such Person. For purposes of this definition, the term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" has the meaning set forth in the preamble.



“Applicable Rate” shall mean 2% plus a variable per annum rate equal to the rate published in the “Money Rates” section of The Wall Street Journal as being the “Prime Rate” (or, if more than one rate is published as the Prime Rate, then the highest of such rates). The Prime Rate will change as of the date of publication in The Wall Street Journal of a Prime Rate that is different from that published on the preceding Business Day. In the event that The Wall Street Journal shall, for any reason, fail or cease to publish the Prime Rate, the Parties shall choose a reasonably comparable index or source to use as the basis for the Prime Rate.

“Board” means the Board of Directors of the Company.

“Book Value Price” means the price per share determined by subtracting the Company’s liabilities from its assets and dividing the difference by the number of total outstanding Equity Interests.

“Business Day” means any day of the year not a Saturday or a Sunday on which national banking institutions in Milwaukee, Wisconsin are open to the public for conducting business and are not required or authorized to close.

“Capital Contribution” has the meaning set forth in Section 2.1(a).

“Capital Deficiency” has the meaning set forth in Section 2.1(a).

“Company” has the meaning set forth in the preamble.

“Competitor” means any Person that directly or through an Affiliate is authorized to sell, market or service health or disability insurance on an insured or self-funded basis in Wisconsin or any other state and any Person that acts as a third party administrator or similar service provider for any such Person.

“Contribution Period” has the meaning set forth in Section 2.2(a).

“Defaulting Owner” has the meaning set forth in Section 2.1(b).

“Director” means any member of the Board.

“Effective Date” has the meaning set forth in the preamble.

“Elective Contribution” has the meaning set forth in Section 2.2.

“Equity Interests” means the capital stock of the Company or any interest therein.

“GHP” means Gundersen Health Plan, Inc., a Wisconsin non-stock service insurance corporation organized under Chapter 613 of Wisconsin Statutes.

“GHS” has the meaning set forth in the preamble.

“Involuntary Transfer” means any involuntary Transfer by reason of operation of law, judicial decree or order, execution upon a judgment, lien or security interest, attachment, or the filing of an involuntary petition in bankruptcy.

“Law” means any federal, state, local or municipal statute, law, ordinance, regulation, rule, code, order, other requirement or rule of law.

“Lien” means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, security interest, lien, charge, encumbrance, lease, covenant, condition, restriction, including a restriction on transfer or assignment, option, right of first refusal or any other preference or priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement having substantially the same effect as any of the foregoing).

“Majority Approval” has the meaning set forth in Section 4.3(b).

“Non-Transferring Owner” has the meaning set forth in Section 3.2(a).

“OCI” means the Office of the Commissioner of Insurance for the State of Wisconsin.

“Offered Interests” has the meaning set forth in Section 3.2(a).

“Offer Price” has the meaning set forth in Section 3.2(a).

“Option Period” has the meaning set forth in Section 3.2(b).

“Ownership Percentage” means, with respect to an Owner, the number of shares of common stock of the Company held by such owner divided by the number of shares of common stock of the Company held by all Owners.

“Parties” has the meaning set forth in the preamble.

“Person” means any human being, sole proprietorship, general partnership, limited partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, government or any agency or political subdivision thereof, or other entity.

“Super Contributing Owner” has the meaning set forth in Section 2.1(a).

“Super Contribution” has the meaning set forth in Section 2.1(b).

“Supermajority Approval” has the meaning set forth in Section 4.3(a).

“Transfer” means to transfer, sell, assign, pledge, hypothecate, give, grant or create a security interest in or Lien on, place in trust (voting or otherwise), contribute, distribute, assign an interest in or in any other way encumber or dispose of, directly or indirectly and whether or not by operation of law or for value, any Equity Interests and any Involuntary Transfer.

“Transfer Notice” has the meaning set forth in Section 3.2(a).

“Transferring Owner” has the meaning set forth in Section 3.2(a).

“UHC” has the meaning set forth in the preamble.

“Unity” means Unity Health Plans Insurance Corporation, a Wisconsin stock insurance corporation organized under Chapter 611 of Wisconsin Statutes.

## **ARTICLE II CAPITAL CONTRIBUTIONS**

### **Section 2.1 Mandatory Contributions.**

(a) If the Board has determined that the Company has, or is at immediate risk of having, (i) an inability to pay its debts as they become due, (ii) inadequate capital to carry on its business, or (iii) aggregate liabilities that exceeds its aggregate assets, then in each case of the foregoing clauses (i), (ii) and (iii), the Board shall provide written notice to the Owners of the amount of such deficiency (the “Capital Deficiency”). Within fifteen (15) days (the “Contribution Period”) after receiving such notice from the Board of a Capital Deficiency, each Owner shall make a cash contribution (a “Capital Contribution”) to the Company equal to such Owner’s Ownership Percentage multiplied by the Capital Deficiency, which amount shall be utilized by the Company as required for then existing operations and obligations. Any determination of a Capital Deficiency shall be made by Majority Approval.

(b) In the event an Owner fails to make all or part of a Capital Contribution during the Contribution Period (such Owner, a “Defaulting Owner”), the Company shall provide notice of that failure to the other Owner (the “Super Contributing Owner”) and such Owner may elect to contribute to the Company in cash the portion of the Capital Contribution which the Defaulting Owner failed to contribute (a “Super Contribution”). At the election of the Super Contributing Owner, the Super Contribution may be given in exchange for a promissory note. The promissory note shall bear interest at the lesser of the Applicable Rate or the highest annual rate permitted by applicable Law and interest shall be paid by the Company to the Super Contributing Owner on a monthly basis. The principal amount of the promissory note plus accrued but unpaid interest thereon shall be paid by the Company to the Super Contributing Owner as promptly as possible, but in any event prior to any dividend or other distribution by the Company to the Defaulting Owner.

(c) If the Super Contributing Owner elects to receive equity in exchange for its Super Contribution (rather than a promissory note), the Company shall issue common stock to the Super Contributing Owner in exchange for such Super Contribution such that its Ownership Percentage after such issuance will be equal to the quotient of (x) the Super Contribution plus the product of (A) the Super Contributing Owner’s Ownership Percentage multiplied by (B) the total stockholders’ equity of the Company as set forth in the audited financial statements of the Company for the end of the calendar year immediately preceding the Super Contribution plus the gain/loss in the calendar year the Super Contribution is made, divided by (y) the total stockholders’ equity of the Company as set forth in the audited financial statements of the Company for the end of the calendar year in which the Super Contribution is made. Any equity

issuance contemplated by this Section 2.1(c) will be made promptly after the audited financial statements of the Company for the calendar year immediately following the applicable Super Contribution are available. Solely for illustrative purposes, a sample calculation with respect to the foregoing is set forth on Exhibit A.

(d) For the avoidance of doubt, an election by a Super Contributing Owner to make a Super Contribution will not constitute an election of remedies or limit the Super Contributing Owner in any manner in seeking any other remedies available to it pursuant to Law. Furthermore, a Super Contribution shall not be construed as a cure or waiver with respect to a Defaulting Owner's obligations under this Article II.

**Section 2.2 Elective Contributions.** If the Company desires additional capital for any reason other than as set forth in Section 2.1 (an "Elective Contribution") it shall submit such request to the Board for Supermajority Approval. Except as set forth in Section 2.1, no dues or assessments to be paid by, or capital contributions to be made by, the Owners to the Company shall be required without Supermajority Approval. Except as agreed to by the Owners in writing, no contribution of capital pursuant to this Section 2.2 shall affect an Owner's Ownership Percentage. If the Board (pursuant to Supermajority Approval) determines that an Elective Contribution shall be given in exchange for a promissory note, it shall be on terms determined by the Board (pursuant to Supermajority Approval).

### **ARTICLE III RESTRICTIONS ON TRANSFER; RIGHT OF FIRST REFUSAL**

**Section 3.1 Restrictions on Transfer.** Subject to Section 3.4, no Owner shall Transfer its Equity Interests unless such proposed Transfer is approved by Supermajority Approval in accordance with Section 4.3(a)(vii) and complies with the procedures and requirements set forth in Section 3.2 and Section 3.3. To the fullest extent permitted by Law, no Transfer of or attempt to Transfer any Equity Interests in violation of the preceding sentence shall be effective or valid for any purpose. No Owner shall grant any proxy or enter into or agree to be bound by any voting trust with respect to its Equity Interests nor shall any Owner enter into any agreements or arrangements of any kind with any Person with respect to its Equity Interests on terms that conflict with the provisions of this Agreement.

#### **Section 3.2 Right of First Refusal.**

(a) In connection with any Transfer of Equity Interests by an Owner (a "Transferring Owner") to any Person, such Transferring Owner shall deliver written notice of such proposed Transfer to the Company and the other Owner (the "Non-Transferring Owner"). Such written notice (the "Transfer Notice") shall set forth, in reasonable detail, the terms and conditions of such proposed Transfer, including the name of the prospective purchaser (including all parties that directly or indirectly hold interests in the prospective purchaser), the payment terms, the type of disposition, the number and type of Equity Interests proposed to be Transferred ("Offered Interests"), the proposed purchase price for the Offered Interests (the "Offer Price") and any other information reasonably requested by the Company or the Non-Transferring Owner with respect to such proposed Transfer and the prospective purchaser,

together with a complete and accurate copy of the prospective purchaser's written offer to purchase the Offered Interests from the Transferring Owner (except if, in connection with an Involuntary Transfer, no such written offer exists). The Transfer Notice shall further state that the Company and the Non-Transferring Owner may acquire, in accordance with the provisions of this Agreement, the Offered Interests at a cash price per share equal to the Book Value Price.

(b) For a period of sixty (60) calendar days after receipt of the Transfer Notice (the "Option Period"), the Non-Transferring Owner may elect, by delivery of written notice to the Transferring Owner, to purchase all or any portion of the Offered Interests at a cash price per share equal to the Book Value Price and on the other terms and conditions set forth in the Transfer Notice.

(c) The closing of the purchase of any Offered Interests pursuant to Section 3.2(b) shall take place at the principal office of the Company as soon as practical after the delivery of an election notice, but in no event later than the one hundred and twentieth (120th) calendar day after the expiration of the Option Period. At such closing, the Non-Transferring Owner shall deliver to the Transferring Owner the Book Value Price in cash, on the same terms and conditions as set forth in the Transfer Notice, payable in respect of the Offered Interests in exchange for certificates duly endorsed representing the Offered Interests being acquired, together with stock powers, free and clear of all Liens (other than any Liens imposed hereunder). All of the foregoing deliveries will be deemed to be made simultaneously and none shall be deemed completed until all have been completed.

(d) If all of the Offered Interests are not purchased by the Non-Transferring Owner, then the Transferring Owner may Transfer all (but not less than all) of the remaining Offered Interests to the prospective purchaser identified in the Transfer Notice, but only in accordance with this Article III and in accordance with the terms (including the Offer Price) set forth in the Transfer Notice, within three (3) months after expiration of the Option Period. Any of such Offered Interests that have not been Transferred by the Transferring Owner during such three (3) month period shall again be subject to the restrictions set forth in this Section 3.2 and must be reoffered to the Non-Transferring Owner before any subsequent Transfer.

### **Section 3.3 Required Transfers.**

(a) In connection with any Transfer of Equity Interests pursuant to this Agreement, the Transferring Owner must simultaneously offer the Additional Equity Amounts to the Non-Transferring Owner pursuant to the terms of Section 3.2 *mutatis mutandis*. If the Non-Transferring Owner does not elect to purchase such Additional Equity Amounts, the Transferring Owner must Transfer the Additional Equity Amounts to the Person that purchases the Equity Interests.

(b) Notwithstanding anything to the contrary contained herein, a Transfer of Equity Interests shall be permitted pursuant to the terms of this Agreement and shall be required to the extent such Transfer is contemplated, permitted and required pursuant to the terms of that certain Stockholders Agreement by and among the Owners and Unity or that certain Members Agreement by and among the Owners and GHP.

**Section 3.4 Permitted Transfer.** The provisions of Section 3.1 and Section 3.2 shall not apply to a Transfer of Equity Interests by an Owner to an Affiliate of such Owner; provided that a transferring Owner shall provide the other Owner with sixty (60) days prior written notice of a Transfer to an Affiliate and the transferring Owner shall pay any applicable transfer tax (if any). Notwithstanding anything to the contrary contained in this Agreement, (a) in no event shall any Owner transfer (directly or indirectly) any Equity Interests to a Competitor, unless the other Owner has consented thereto in writing and (b) a Transfer of Equity Interests will not be valid or of any force or effect if such Transfer would result in a violation or breach of any applicable Federal or state securities law or any agreement to which the Company is a party.

**Section 3.5 Joinder.** Any Equity Interests transferred pursuant to this Article III shall remain subject to the Transfer restrictions of this Agreement and the transferee of such Equity Interests shall execute and deliver to the Company a joinder agreement agreeing to be bound by the terms of this Agreement and shall take such other actions and execute such other documents as the Company and Non-Transferring Owner reasonably request. The Transferring Owner shall pay all expenses incurred by the Company in connection with a Transfer pursuant to this Article III.

## ARTICLE IV CORPORATE GOVERNANCE

**Section 4.1 Board of Directors.** The Parties shall take all action, including but not limited to the Owners voting or executing written consents with respect to their Equity Interests, in furtherance of the terms of this Section 4.1.

(a) Number of Board Members. The Board shall be comprised of nine (9) Directors, each of whom shall be designated, elected, removed and or replaced according to the applicable provisions in Section 4.1(b).

(b) Board Composition.

(i) Each Owner agrees to vote all Equity Interests owned by such Owner and will take such other actions as are necessary, and the Company will take all necessary and desirable action to cause:

(A) the election to the Board of (I) three (3) individuals designated from time to time by GHS (the “GHS Directors”) (who shall initially be [\_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_]), and (II) one (1) individual designated from time to time by GHS who shall have no current or previous employment, consulting or other financially related association with GHS or any of its Affiliates and who shall have professional health insurance and finance related experience (the “Independent GHS Director”) (who shall initially be [\_\_\_\_\_]);

(B) the election to the Board of (I) three (3) individuals designated from time to time by UHC (the “UHC Directors”) (who shall initially be [\_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_]), and (II) one (1) individual designated from time to time by UHC who shall have no current or previous employment, consulting or other financially related

association with UHC or any of its Affiliates and who shall have professional health insurance and finance related experience (the “Independent UHC Director”) (who shall initially be [\_\_\_\_]);

(C) the election to the Board of one (1) individual designated by Majority Approval who shall have no current or previous employment, consulting or other financially related association with either GHS or UHC or any of their respective Affiliates (the “Independent Joint Director” and together with the Independent GHS Director and the Independent UHC Director, the “Independent Directors”) (who shall initially be [\_\_\_\_]);

(D) the removal from the Board, with or without cause, of any GHS Directors or the Independent GHS Director at the written request of GHS, but only upon such written request and under no other circumstances;

(E) the removal from the Board, with or without cause, of any UHC Directors or the Independent UHC Director at the written request of UHC, but only upon such written request and under no other circumstances;

(F) the removal from the Board, with or without cause, of the Independent Joint Director by Supermajority Approval, but only upon such Supermajority Approval and under no other circumstances;

(G) if any GHS Director or the Independent GHS Director resigns, or for any other reason ceases to serve as a Director during his or her term of office, then the filling of the resulting vacancy on the Board by a representative designated by GHS;

(H) if any UHC Director or the Independent UHC Director resigns, or for any other reason ceases to serve as a Director during his or her term of office, then the filling of the resulting vacancy on the Board by a representative designated by UHC; and

(I) if the Independent Joint Director resigns, or for any other reason ceases to serve as a Director during his or her term of office, then the filling of the resulting vacancy on the Board by a representative designated jointly by UHC and GHS.

(ii) If an Owner fails for a period of ninety (90) days to perform its obligations under this Section 4.1, then such Owner hereby grants to the Company its proxy to vote its Equity Interests in accordance with this Section 4.1.

## **Section 4.2 Staggered Board.**

(a) The Board shall be and is divided into three (3) classes of three (3) Directors each which shall be designated: Class I, Class II and Class III. At all times one (1) GHS Director, one (1) UHC Director, and one (1) Independent Director shall be appointed to each of Class I, Class II and Class III. As of the Effective Date, [\_\_\_\_], [\_\_\_\_] and [\_\_\_\_] are appointed to Class I, [\_\_\_\_], [\_\_\_\_] and [\_\_\_\_] are appointed to Class II, and [\_\_\_\_], [\_\_\_\_] and [\_\_\_\_] are appointed to Class III.

(b) Each Director shall serve for a term ending on the date of the third (3rd) annual meeting following the annual meeting at which such Director was elected; provided, that each Director initially appointed to Class I shall serve for an initial term expiring at the Company's first annual meeting of its stockholders following the Effective Date; each Director initially appointed to Class II shall serve for an initial term expiring at the Company's second (2nd) annual meeting of its stockholders following the Effective Date; and each Director initially appointed to Class III shall serve for an initial term expiring at the Company's third (3rd) annual meeting of its stockholders following the Effective Date; provided further, that the term of each Director shall continue until the election and qualification of a successor and be subject to such Director's earlier death, resignation or removal.

### **Section 4.3 Reserve Powers.**

(a) Supermajority Approval. The vote of five (5) GHS Directors and UHC Directors ("Supermajority Approval") shall be required for the Company to take action on any of the following items: (i) approval of the sale, merger, stock exchange or consolidation of the Company or the sale of substantially all of its assets, (ii) approval of the voluntary dissolution or liquidation of the Company, (iii) authorization or issuance, or the obligation of the Company to issue, any Equity Interest, (iv) redemption, retirement or purchase of any Equity Interest (other than in accordance with Section 3.2), (v) declaration or payment of any distribution or dividend (except with respect to any promissory note issued pursuant to Article II), (vi) approval of an Elective Contribution, (vii) approval of any Transfer of Equity Interests by any Owner, (viii) the removal of the Independent Joint Director, and (ix) removal and appointment of the Company's principal officers.

(b) Majority Approval. The vote of five (5) Directors ("Majority Approval") shall be required for the Company to take action on any of the following items: (i) approval of the Company's annual budget and business plan and any changes thereto, (ii) adoption of vision, mission and values statements and policies consistent with those statements, (iii) approval of administrative or management services arrangements with any Affiliate of GHS or UHC, (iv) the subcontracting or delegation to a third-party of the administrative or management services that are provided by the Company to the Owners in excess of \$250,000, (v) approval of any capital expenditure that would have a fair market value greater than two percent (2%) of the Company's net worth, (vi) the appointment of the Independent Joint Director, (vii) authorization to incur, create, assume or become liable in any manner with respect to any indebtedness that is in excess of three percent (3%) of the Company's net worth, (viii) the determination of a Capital Deficiency, and (ix) any other matter requiring Board approval pursuant to applicable Law.

## **ARTICLE V DISPUTES**

Anything to the contrary contained herein notwithstanding, all disputes arising out of or relating to this Agreement shall be resolved in accordance with the procedures set forth in this Article VI. If a dispute arises under this Agreement (including any alleged breach of this Agreement), a Party may submit the dispute to alternative dispute resolution under this Article VI by giving written notice thereof to the other Parties. The matter shall be submitted to the



highest ranking executive officer of each Party who shall meet to attempt in good faith to resolve the dispute. If after thirty (30) days, the matter has not been resolved by the highest ranking executive officers of the Parties, at the request of any Party, the matter will be submitted to mediation by a mediator mutually acceptable to the Parties. Each Party will designate one or more representatives to participate in the mediation on behalf of such Party who will have the authority to accept a resolution of the dispute on behalf of such Party. The Parties will act immediately to jointly select a mediator and agree to hold the mediation as soon as possible, but no later than sixty (60) days following the expiration of the aforementioned thirty (30) day negotiation period. If, and only if, the dispute is not resolved by mediation, either Party may file suit in a court of competent jurisdiction to obtain a judicial determination or adjudication of the dispute, which may include specific performance, declaratory relief, or any other remedies available under the agreement, at law or in equity.

## **ARTICLE VI MISCELLANEOUS PROVISIONS**

**Section 6.1 Notices.** Any notice, request, instruction or other document to be given hereunder by a Party shall be in writing and shall be deemed to have been given, (a) when received if given in person or by courier or a courier service, or (b) on the immediately following Business Day after deposit with a nationally recognized overnight carrier; in each case if addressed or directed to a Party in accordance with the contact information included on the signature pages to this Agreement, or to such other address as a Party may designate for itself by notice given as herein provided.

**Section 6.2 Counterparts.** This Agreement may be executed by electronic transmission (i.e., facsimile or electronically transmitted portable document format (PDF)) and in counterparts, any one of which need not contain the signatures of more than one Party, but all such counterparts taken together shall constitute one and the same instrument.

**Section 6.3 Interpretation.** The headings preceding the text of Articles and Sections included in this Agreement are for convenience only and shall not be deemed part of this Agreement or be given any effect in interpreting this Agreement. The use of the masculine, feminine or neuter gender herein shall not limit any provision of this Agreement. The use of the terms “including” or “include” shall in all cases herein mean “including, without limitation” or “include, without limitation,” respectively. Underscored references to Articles or Schedules shall refer to those portions of this Agreement.

**Section 6.4 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin, without regard to the principles of conflicts of laws.

**Section 6.5 Amendment and Waivers.** No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Parties. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way

rights arising by virtue of any prior or subsequent occurrence.

**Section 6.6 Assignment.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. No assignment of any rights or obligations shall be made by any Party without the written consent of each other Party.

**Section 6.7 Expenses.** All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such expenses.

**Section 6.8 No Third Party Beneficiaries.** This Agreement is solely for the benefit of the Parties and no provision of this Agreement shall be deemed to confer upon any third party any remedy, claim, liability, reimbursement, cause of action or other right.

**Section 6.9 Further Assurances.** Upon the reasonable request of any Party, each other Party will execute and deliver such other documents, releases, assignments and other instruments as may be required to effectuate completely the transactions contemplated hereby and to otherwise carry out the purposes of this Agreement; provided, however, no such action shall require any other Party to incur any additional cost or liability unless the requesting Party shall agree to reimburse the reasonable costs and expenses of such other Party.

**Section 6.10 Severability.** If any provision of this Agreement shall be held invalid, illegal or unenforceable, the validity, legality or enforceability of the other provisions hereof shall not be affected thereby, and there shall be deemed substituted for the provision at issue a valid, legal and enforceable provision as similar as possible to the provision at issue.

**Section 6.11 Entire Understanding.** This Agreement sets forth the entire agreement and understanding of the Parties with respect to the matters set forth herein and supersedes any and all prior agreements, arrangements and understandings among the Parties.

**Section 6.12 Specific Performance.** Each Party acknowledges and agrees that, in the event of any breach of this Agreement, the non-breaching Party would be irreparably and immediately harmed and could not be made whole by monetary damages. It is accordingly agreed that the Parties will (a) waive, in any action for specific performance, the defense of adequacy of a remedy at law, and (b) be entitled, in the non-breaching Party's sole discretion, in addition to any other remedy to which they may be entitled at law or in equity, to compel specific performance of this Agreement in any action instituted in accordance with this Section.

**Section 6.13 Reproductions.** This Agreement all other documents, instruments and agreements in the possession of any Party which relate hereto or thereto may be reproduced by such Party, and any such reproduction shall be admissible in evidence, with the same effect as the original itself, in any judicial or other administrative proceeding, whether the original is in existence or not. No Party will object to the admission in evidence of any such reproduction, unless the objecting Party reasonably believes that the reproduction does not accurately reflect the contents of the original and objects on that basis.

**Section 6.14 Wavier of Jury Trial.** TO THE EXTENT PERMITTED BY

APPLICABLE LAW, THE PARTIES HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

**Section 6.15 Forum Selection and Consent to Jurisdiction.** EACH OF THE PARTIES AGREE THAT ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT BETWEEN OR AMONG THE PARTIES, SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF THE STATE OF WISCONSIN LOCATED IN THE CITY OF MADISON, OR IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF WISCONSIN. EACH OF THE PARTIES HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF WISCONSIN LOCATED IN THE CITY OF MADISON, AND OF THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF WISCONSIN. EACH OF THE PARTIES HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

**Section 6.16 No Presumption Against Drafter.** Each of the Parties has jointly participated in the negotiation and drafting of this Agreement. In the event of any ambiguity or if a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumptions or burdens of proof shall arise favoring any Party by virtue of the authorship of any of the provisions of this Agreement.

[Signatures on Following Pages]

IN WITNESS WHEREOF, the Parties have executed this Stockholders Agreement as of the date first set forth above.

**The Company:**

**SPWI TPA, INC.,**  
*a Wisconsin stock for-profit corporation*

By: \_\_\_\_\_  
[Name; Title]

Address for notice purposes:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn:

With a copy to each of GHS and UHC (which will not constitute notice) and an additional copy to (which will not constitute notice):

McDermott Will & Emery LLP  
333 Avenue of the Americas, Suite 4500  
Miami, Florida 33131  
Attn: Gary Scott Davis, P.A.

**GHS:**

**GUNDERSEN LUTHERAN HEALTH  
SYSTEM, INC.,**

*a Wisconsin non-profit corporation*

By: \_\_\_\_\_  
[Name; Title]

Address for notice purposes:

Gundersen Health System  
1900 South Avenue, Mail Stop GB1-001  
LaCrosse, WI 54601  
Attn: Daniel J. Lilly, CPA, JD, General Counsel

With a copy to (which will not constitute notice):

McDermott Will & Emery LLP  
333 Avenue of the Americas, Suite 4500  
Miami, Florida 33131  
Attn: Gary Scott Davis, P.A.

and an additional copy to (which will not constitute  
notice):

Godfrey & Kahn SC  
One East Main Street, Suite 500  
Madison, Wisconsin 53703  
Attn: Thomas Shorter

**UHC:**

**UNIVERSITY HEALTH CARE, INC.,**  
*a Wisconsin non-profit member corporation*

By: \_\_\_\_\_  
[Name; Title]

Address for notice purposes:

University Health Care, Inc.  
301 S. Westfield Rd.  
Madison, WI 53717  
Attn: Daniel Brzozowski, UHC Corporate Counsel

With a copy to (which will not constitute notice):

McDermott Will & Emery LLP  
333 Avenue of the Americas, Suite 4500  
Miami, Florida 33131  
Attn: Gary Scott Davis, P.A.

and an additional copy to (which will not constitute notice):

Michael Best & Friedrich LLP  
One South Pinckney Street, Suite 700  
P.O. Box 1806  
Madison, WI 53703  
Attn: Hamang B. Patel

and an additional copy to (which will not constitute notice):

Unity Health Insurance  
840 Carolina St  
Sauk City, WI 53583-1374  
Attn: Christine C. Senty, J.D.

Exhibit A

Super Contribution Equity Issuance

2016 Year End stockholders' equity of the Company: \$80 Million

Owner A's pre-Super Contribution Ownership Percentage: 25%

2017 Super Contribution by Owner A: \$15 Million

2017 Year End stockholders' equity of the Company: \$100 Million (2016 stockholders' equity plus 2017 Super Contribution plus a net gain of \$5 Million)

Owner A's post-Super Contribution ownership percentage =  $[\$15\text{MM} + (.25 \times [\$80\text{MM} + \$5\text{MM}])] / \$100\text{MM} = 36.25\%$

If the net gain for 2017 was \$0, the 2017 Year End stockholders' equity of the Company would be \$95 Million, and the calculation would be:

Owner A's post-Super Contribution ownership percentage =  $[\$15\text{MM} + (.25 \times [\$80\text{MM} + \$0\text{MM}])] / \$95\text{MM} = 36.84\%$

**Exhibit C-5**  
**Members Agreement (GHP)**



MEMBERS AGREEMENT

by and among

GUNDERSEN HEALTH PLAN, INC.

and its Members

GUNDERSEN LUTHERAN HEALTH SYSTEM, INC.

and

UNIVERSITY HEALTH CARE, INC.

Dated as of [\_\_\_\_\_], 2016

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## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS.....	1
ARTICLE II CAPITAL CONTRIBUTIONS .....	5
Section 2.1 Mandatory Contributions.....	5
Section 2.2 Elective Contributions .....	5
ARTICLE III RESTRICTIONS ON TRANSFER; RIGHT OF FIRST REFUSAL .....	6
Section 3.1 Restrictions on Transfer .....	6
Section 3.2 Right of First Refusal .....	7
Section 3.3 Required Transfers .....	7
Section 3.4 Permitted Transfer .....	7
Section 3.5 Joinder .....	7
ARTICLE IV LOST BUSINESS PAYMENTS .....	7
Section 4.1 Lost Business Definitions.....	8
Section 4.2 Lost Business Payments .....	9
ARTICLE V CORPORATE GOVERNANCE .....	10
Section 5.1 Board of Directors .....	11
Section 5.2 Staggered Board .....	12
Section 5.3 Reserve Powers .....	13
Section 5.4 Market Expansion.....	13
ARTICLE VI DISPUTES.....	14
ARTICLE VII MISCELLANEOUS PROVISIONS.....	15
Section 7.1 Notices.....	15
Section 7.2 Counterparts .....	15
Section 7.3 Interpretation .....	15
Section 7.4 Governing Law .....	15
Section 7.5 Amendment and Waivers .....	15
Section 7.6 Assignment.....	15
Section 7.7 Expenses.....	15
Section 7.8 No Third Party Beneficiaries.....	16
Section 7.9 Further Assurances .....	16
Section 7.10 Severability.....	16
Section 7.11 Entire Understanding.....	16
Section 7.12 Specific Performance.....	16
Section 7.13 Reproductions.....	16
Section 7.14 Waiver of Jury Trial .....	16
Section 7.15 Forum Selection and Consent to Jurisdiction .....	16
Section 7.16 No Presumption Against Drafter .....	16

## MEMBERS AGREEMENT

This **MEMBERS AGREEMENT** (this "Agreement") is entered into as of [\_\_\_\_], 2016 (the "Effective Date"), by and among Gundersen Health Plan, Inc., a Wisconsin non-stock service insurance corporation organized under Chapter 613 of Wisconsin Statutes (the "Company"), Gundersen Lutheran Health System, Inc., a Wisconsin non-profit corporation ("GHS") and University Health Care, Inc., a Wisconsin non-profit member corporation f/k/a University Health Resources, Inc. ("UHC", and together with GHS, the "Members" and each individually a "Member"). The Company, GHS and UHC are sometimes referred to herein individually as a "Party" and together as the "Parties."

WHEREAS, GHS and UHC have entered into an Exchange Agreement dated December 18, 2015 (the "Exchange Agreement") pursuant to which both GHS and UHC have become members (as defined in Section 181.0103 of the Wisconsin Statutes) of the Company as of the date hereof;

WHEREAS, GHS and UHC are the only members (as defined in Section 181.0103 of the Wisconsin Statutes) of the Company;

WHEREAS, the Company is authorized to do business in Wisconsin and Iowa and engages in the business of the operation of a health maintenance organization;

WHEREAS, the Parties wish to enter into this Agreement to govern certain affairs of the Company and to set forth certain rights and obligations of the Members;

WHEREAS, the Parties intend this Agreement to constitute a voting agreement created under Section 181.0730 of the Wisconsin Statutes.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

### ARTICLE I DEFINITIONS

For the purposes of this Agreement, the following terms shall have the following meanings:

"ACA" means the Patient Protection and Affordable Care Act, as amended.

"Additional Equity Amounts" means an amount of equity in Unity and Quartz in each case proportionate to the amount of Membership Rights being transferred by a Transferring Member in relation to all of the Transferring Member's Membership Rights.

"Affiliate" means, with respect to any Person, any other Person controlling, controlled by or under common control with such Person. For purposes of this definition, the term "control" (including the terms "controlling," "controlled by" and "under common control with") means the

possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through ownership of voting securities, by membership, by contract or otherwise.

“Agreement” has the meaning set forth in the preamble.

“Applicable Rate” shall mean 2% plus a variable per annum rate equal to the rate published in the “Money Rates” section of The Wall Street Journal as being the “Prime Rate” (or, if more than one rate is published as the Prime Rate, then the highest of such rates). The Prime Rate will change as of the date of publication in The Wall Street Journal of a Prime Rate that is different from that published on the preceding Business Day. In the event that The Wall Street Journal shall, for any reason, fail or cease to publish the Prime Rate, the Parties shall choose a reasonably comparable index or source to use as the basis for the Prime Rate.

“Board” means the Board of Directors of the Company.

“Book Value Price” means the price per Membership Right determined by subtracting the Company’s statutory liabilities from its statutory assets and dividing the difference by the total number of all Membership Rights.

“Business Day” means any day of the year not a Saturday or a Sunday on which national banking institutions in Milwaukee, Wisconsin are open to the public for conducting business and are not required or authorized to close.

“Company” has the meaning set forth in the preamble.

“Competitor” means any Person that directly or through an Affiliate is authorized to sell, market or service health or disability insurance on an insured or self-funded basis in Wisconsin or any other state.

“Contribution Period” has the meaning set forth in Section 2.2(a).

“Defaulting Member” has the meaning set forth in Section 2.1(b).

“Director” means any member of the Board.

“Effective Date” has the meaning set forth in the preamble.

“Elective Contribution” has the meaning set forth in Section 2.2.

“Exchange Agreement” has the meaning set forth in the recitals.

“Expansion Contribution” has the meaning set forth in Section 5.4(b)(ii).

“GHS” has the meaning set forth in the preamble.

“GHS Provider Area” means the geographic area (on a county by county basis) where the Company provides products and offerings immediately prior to the Effective Date and those additional counties that may be agreed to in writing by the Parties after the Effective Date.

“Growth Market Expansion” has the meaning set forth in Section 5.4(b).

“Involuntary Transfer” means any involuntary Transfer by reason of operation of law, judicial decree or order, execution upon a judgment, lien or security interest, attachment, or the filing of an involuntary petition in bankruptcy.

“Law” means any federal, state, local or municipal statute, law, ordinance, regulation, rule, code, order, other requirement or rule of law.

“Lien” means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, security interest, lien, charge, encumbrance, lease, covenant, condition, restriction, including a restriction on transfer or assignment, option, right of first refusal or any other preference or priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement having substantially the same effect as any of the foregoing).

“Majority Approval” has the meaning set forth in Section 5.3(b).

“Membership Percentage” means, with respect to a Member, the number of Membership Rights held by such Member divided by the number of Membership Rights held by all Members.

“Minimum RBC” means 325% of risk-based capital.

“Membership Right” has the meaning set forth in the Company’s Amended and Restated Bylaws.

“Non-Transferring Member” has the meaning set forth in Section 3.2(a).

“OCI” means the Office of the Commissioner of Insurance for the State of Wisconsin.

“Offered Interests” has the meaning set forth in Section 3.2(a).

“Offer Price” has the meaning set forth in Section 3.2(a).

“Option Period” has the meaning set forth in Section 3.2(b).

“Parties” has the meaning set forth in the preamble.

“Person” means any human being, sole proprietorship, general partnership, limited partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, government or any agency or political subdivision thereof, or other entity.

“Provider Area” means the UHC Provider Area and the GHS Provider Area.

“Quartz” means SPWI TPA, Inc., a Wisconsin stock for-profit corporation organized under Chapter 180 of Wisconsin Statutes (doing business as Quartz).

“Reserve Contribution” has the meaning set forth in Section 2.1(a).

“Reserve Deficiency” has the meaning set forth in Section 2.1(a).

“Risk Pool Surplus Requirements” shall be the risk based capital that the applicable risk pool must maintain, calculated in good faith by the Chief Financial Officer of Quartz (or such other financial officer as agreed to by the Parties) as the difference of (a) gross capitation funding of the applicable risk pool, less (b) administrative expenses and ACA fees and taxes associated with the risk pool.

“Super Contributing Member” has the meaning set forth in Section 2.1(a).

“Super Contribution” has the meaning set forth in Section 2.1(b).

“Supermajority Approval” has the meaning set forth in Section 5.3(a).

“Surplus Note” means a surplus note as permitted by the OCI and applicable Law.

“Transfer” means to transfer, sell, assign, pledge, hypothecate, give, grant or create a security interest in or Lien on, place in trust (voting or otherwise), contribute, distribute, assign an interest in or in any other way encumber or dispose of, directly or indirectly and whether or not by operation of law or for value, any Membership Rights and any Involuntary Transfer.

“Transfer Notice” has the meaning set forth in Section 3.2(a).

“Transferring Member” has the meaning set forth in Section 3.2(a).

“UHC” has the meaning set forth in the preamble.

“UHC Provider Area” means the geographic area (on a county by county basis) where Unity provides products and offerings immediately prior to the Effective Date and those additional counties that may be agreed to in writing by the Parties after the Effective Date.

“Unity” means Unity Health Plans Insurance Corporation, a Wisconsin stock insurance corporation organized under Chapter 611 of Wisconsin Statutes.

## ARTICLE II CAPITAL CONTRIBUTIONS

### Section 2.1 **Mandatory Contributions.**

(a) If (i) the Board or the OCI has determined that the Company has, or is at immediate risk of having, less than the minimum amount of regulatory capital required by applicable law, or (ii) the Company has less than the greater of (x) the security surplus as required by the OCI pursuant to Sections 623.11, 611.26(1), 609.97 and 609.98 Wis. Stats. or (y)

Minimum RBC, then in each case of the foregoing clauses (i) and (ii), the Board shall provide written notice to the Members of the amount of such deficiency (the “Reserve Deficiency”). Within fifteen (15) days (the “Contribution Period”) after receiving such notice from the Board of a Reserve Deficiency, each Member shall make a cash contribution (a “Reserve Contribution”) to the Company equal to such Member’s Membership Percentage multiplied by the Reserve Deficiency, which amount shall be held by the Company to satisfy the regulatory capital requirements under applicable Law. Except as may be determined by the OCI, any determination of a Reserve Deficiency shall be made by Majority Approval.

(b) In the event a Member fails to make all or part of a Reserve Contribution during the Contribution Period (such Member, a “Defaulting Member”), the Company shall provide notice of that failure to the other Member (the “Super Contributing Member”) and such Member may elect to contribute to the Company in cash the portion of the Reserve Contribution which the Defaulting Member failed to contribute (a “Super Contribution”). If the Super Contributing Member elects to make a Super Contribution, the Super Contribution shall be given in exchange for a Surplus Note if permitted by the OCI. The Surplus Note shall bear interest at the lesser of the Applicable Rate or the highest annual rate permitted by the OCI and applicable Law and interest shall be paid by the Company to the Super Contributing Member as often as permitted by the OCI and applicable Law but no more frequently than monthly. The principal amount of the Surplus Note plus accrued but unpaid interest thereon shall be paid by the Company to the Super Contributing Member as promptly as permitted by the OCI and applicable Law, but in any event prior to any distribution by the Company to the Defaulting Member.

(c) If the OCI does not permit the issuance of a Surplus Note in exchange for a Super Contribution, the Company shall adjust the Membership Rights of the Members in favor of the Super Contributing Member in exchange for such Super Contribution such that its Membership Percentage after such adjustment will be equal to the quotient of (x) the Super Contribution plus the product of (A) the Super Contributing Member’s Membership Percentage multiplied by (B) the total capital and surplus of the Company as set forth in the audited statutory financial statements of the Company for the end of the calendar year immediately preceding the Super Contribution plus the gain/loss in the calendar year the Super Contribution is made, divided by (y) the total capital and surplus of the Company as set forth in the audited statutory financial statements of the Company for the end of the calendar year in which the Super Contribution is made. Any adjustment of Membership Rights contemplated by this Section 2.1(c) will be made promptly after the audited statutory financial statements of the Company for the calendar year immediately following the applicable Super Contribution are available. Solely for illustrative purposes, a sample calculation with respect to the foregoing is set forth on Exhibit A.

(d) For the avoidance of doubt, an election by a Super Contributing Member to make a Super Contribution will not constitute an election of remedies or limit the Super Contributing Member in any manner in seeking any other remedies available to it pursuant to Law. Furthermore, a Super Contribution shall not be construed as a cure or waiver with respect to a Defaulting Member’s obligations under this Article II.

**Section 2.2 Elective Contributions.** If the Company desires additional capital for any

reason other than as set forth in Section 2.1 (an “Elective Contribution”) it shall submit such request to the Board for Supermajority Approval. Except as set forth in Section 2.1, no dues or assessments to be paid by, or capital contributions to be made by, the Members to the Company shall be required without Supermajority Approval. Except as agreed to by the Members in writing, no contribution of capital pursuant to this Section 2.2 shall affect a Member’s Membership Percentage. If the Board (pursuant to Supermajority Approval) determines that an Elective Contribution shall be given in exchange for a Surplus Note, it shall be on terms determined by the Board (pursuant to Supermajority Approval) and as permitted and approved by the OCI and applicable Law.

### ARTICLE III RESTRICTIONS ON TRANSFER; RIGHT OF FIRST REFUSAL

**Section 3.1 Restrictions on Transfer.** Subject to Section 3.4, no Member shall Transfer its Membership Rights unless such proposed Transfer is approved by Supermajority Approval in accordance with Section 5.3(a)(viii) and complies with the procedures and requirements set forth in Section 3.2 and Section 3.3. To the fullest extent permitted by Law, no Transfer of or attempt to Transfer any Membership Rights in violation of the preceding sentence shall be effective or valid for any purpose. No Member shall grant any proxy or enter into or agree to be bound by any voting trust with respect to its Membership Rights nor shall any Member enter into any agreements or arrangements of any kind with any Person with respect to its Membership Rights on terms that conflict with the provisions of this Agreement.

#### **Section 3.2 Right of First Refusal.**

(a) In connection with any Transfer of Membership Rights by a Member (a “Transferring Member”) to any Person, such Transferring Member shall deliver written notice of such proposed Transfer to the Company and the other Member (the “Non-Transferring Member”). Such written notice (the “Transfer Notice”) shall set forth, in reasonable detail, the terms and conditions of such proposed Transfer, including the name of the prospective purchaser (including all parties that directly or indirectly hold interests in the prospective purchaser), the payment terms, the type of disposition, the number of Membership Rights proposed to be Transferred (“Offered Interests”), the proposed purchase price for the Offered Interests (the “Offer Price”) and any other information reasonably requested by the Company or the Non-Transferring Member with respect to such proposed Transfer and the prospective purchaser, together with a complete and accurate copy of the prospective purchaser’s written offer to purchase the Offered Interests from the Transferring Member (except if, in connection with an Involuntary Transfer, no such written offer exists). The Transfer Notice shall further state that the Company and the Non-Transferring Member may acquire, in accordance with the provisions of this Agreement, the Offered Interests at a cash price per Membership Right equal to the Book Value Price.

(b) For a period of sixty (60) calendar days after receipt of the Transfer Notice (the “Option Period”), the Non-Transferring Member may elect, by delivery of written notice to the Transferring Member, to purchase all or any portion of the Offered Interests at a cash price



per Membership Right equal to the Book Value Price and on the other terms and conditions set forth in the Transfer Notice.

(c) The closing of the purchase of any Offered Interests pursuant to Section 3.2(b) shall take place at the principal office of the Company as soon as practical after the delivery of an election notice, but in no event later than the one hundred and twentieth (120th) calendar day after the expiration of the Option Period. At such closing, the Non-Transferring Member shall deliver to the Transferring Member the Book Value Price in cash, on the same terms and conditions as set forth in the Transfer Notice, payable in respect of the Offered Interests in exchange for a certificate duly endorsed representing the Offered Interests being acquired, together with transfer powers, free and clear of all Liens (other than any Liens imposed hereunder). All of the foregoing deliveries will be deemed to be made simultaneously and none shall be deemed completed until all have been completed.

(d) If all of the Offered Interests are not purchased by the Non-Transferring Member, then the Transferring Member may Transfer all (but not less than all) of the remaining Offered Interests to the prospective purchaser identified in the Transfer Notice, but only in accordance with this Article III and in accordance with the terms (including the Offer Price) set forth in the Transfer Notice, within three (3) months after expiration of the Option Period. Any of such Offered Interests that have not been Transferred by the Transferring Member during such three (3) month period shall again be subject to the restrictions set forth in this Section 3.2 and must be reoffered to the Non-Transferring Member before any subsequent Transfer.

### **Section 3.3 Required Transfers.**

(a) In connection with any Transfer of Membership Rights pursuant to this Agreement, the Transferring Member must simultaneously offer the Additional Equity Amounts to the Non-Transferring Member pursuant to the terms of Section 3.2 *mutatis mutandis*. If the Non-Transferring Member does not elect to purchase such Additional Equity Amounts, the Transferring Member must Transfer the Additional Equity Amounts to the Person that purchases the Membership Rights.

(b) Notwithstanding anything to the contrary contained herein, a Transfer of Membership Rights shall be permitted pursuant to the terms of this Agreement and shall be required to the extent such Transfer is contemplated, permitted and required pursuant to the terms of that certain Stockholders Agreement by and among the Members and Quartz or that certain Stockholders Agreement by and among the Members and Unity.

**Section 3.4 Permitted Transfer.** The provisions of Section 3.1 and Section 3.2 shall not apply to a Transfer of Membership Rights by a Member to an Affiliate of such Member; provided that a transferring Member shall provide the other Member with sixty (60) days prior written notice of a Transfer to an Affiliate and the transferring Member shall pay any applicable transfer tax (if any). Notwithstanding anything to the contrary contained in this Agreement, (a) in no event shall any Member transfer (directly or indirectly) any Membership Right to a Competitor, unless the other Member has consented thereto in writing, (b) a Transfer of Membership Rights will not be valid or of any force or effect if such Transfer would result in a

violation or breach of any applicable Federal or state securities law or any agreement to which the Company is a party and (c) any Transfer of Membership Rights must be made to a non-profit entity exempt from federal income tax pursuant to Section 501(c)(3) or (c)(4) of the Internal Revenue Code.

**Section 3.5 Joinder.** Any Membership Rights transferred pursuant to this Article III shall remain subject to the Transfer restrictions of this Agreement and the transferee of such Membership Rights shall execute and deliver to the Company a joinder agreement agreeing to be bound by the terms of this Agreement and shall take such other actions and execute such other documents as the Company and Non-Transferring Member reasonably request. The Transferring Member shall pay all expenses incurred by the Company in connection with a Transfer pursuant to this Article III.

#### ARTICLE IV LOST BUSINESS PAYMENTS

**Section 4.1 Lost Business Definitions.** For purposes of this Article IV, the following terms have the following meanings:

- (a) “ETF” means the Wisconsin Department of Employee Trust Funds.
- (b) “Loss Amount” has the meaning set forth in Section 4.2.
- (c) “Loss Event” means that the ETF has ceased doing business with the Company in one or more counties in a service area or materially reduced the enrollment of ETF Members in the Company’s benefit plans.

**Section 4.2 Lost Business Payments.** If there is a Loss Event on or prior to January 1, 2017, then the Chief Financial Officer of the Company (or such other financial officer as mutually agreed by the Members) shall in good faith and in such person’s reasonable discretion determine the negative financial impact of such Loss Event on the Company, if any, over the twelve (12) month period after such Loss Event while taking into account the positive financial impact of any new business added on or prior to the date of the Loss Event and during such twelve (12) month period (such net impact, the “Loss Amount”). Such determination shall be made as soon as reasonably practical after the expiration of such twelve (12) month period. Within thirty (30) days of the determination of the Loss Amount, a Member whose attributed members (determined based on the methodology agreed to by the Parties) were impacted by the Loss Event shall contribute cash to the Company in an amount proportionate to the Loss Amount attributable to such Member (based on attributed members impacted by the Loss Event and as determined by the Board) or shall otherwise make the Company whole for the Loss Amount attributable to such Member as may be approved by the Board.

#### ARTICLE V CORPORATE GOVERNANCE

**Section 5.1 Board of Directors.** The Parties shall take all action, including but not limited to the Members voting or executing written consents with respect to their Membership

Rights, in furtherance of the terms of this Section 5.1.

(a) Number of Board Members. The Board shall be comprised of nine (9) Directors, each of whom shall be designated, elected, removed and or replaced according to the applicable provisions in Section 5.1(b).

(b) Board Composition.

(i) Each Member agrees to vote all Membership Rights held by such Member and will take such other actions as are necessary, and the Company will take all necessary and desirable action to cause:

(A) the election to the Board of three (3) individuals designated from time to time by GHS (the "GHS Directors") (who shall initially be [\_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_]);

(B) the election to the Board of three (3) individuals designated from time to time by UHC (the "UHC Directors") (who shall initially be [\_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_]);

(C) the election to the Board of three (3) individuals designated by Supermajority Approval who shall have no current or previous employment, consulting or other financially related association with either GHS or UHC or any of their respective Affiliates, each of whom shall be enrollees of the Company who are not providers and who are not associated with a provider and at least one (1) of whom shall at all times be a resident of the State of Iowa (the "Independent Directors") (who shall initially be [\_\_\_\_\_, \_\_\_\_\_] and [\_\_\_\_\_]);

(D) the removal from the Board, with or without cause, of any GHS Directors at the written request of GHS, but only upon such written request and under no other circumstances;

(E) the removal from the Board, with or without cause, of any UHC Directors at the written request of UHC, but only upon such written request and under no other circumstances;

(F) the removal from the Board, with or without cause, of the Independent Directors by Supermajority Approval, but only upon such Supermajority Approval and under no other circumstances;

(G) if any GHS Director resigns, or for any other reason ceases to serve as a Director during his or her term of office, then the filling of the resulting vacancy on the Board by a representative designated by GHS;

(H) if any UHC Director resigns, or for any other reason ceases to serve as a Director during his or her term of office, then the filling of the resulting vacancy on the Board by a representative designated by UHC; and

(I) if an Independent Director resigns, or for any other reason ceases to serve as a Director during his or her term of office, then the filling of the resulting vacancy on the Board by Supermajority Approval.

(ii) If a Member fails for a period of ninety (90) days to perform its obligations under this Section 5.1, then such Member hereby grants to the Company its proxy to vote its Membership Rights in accordance with this Section 5.1.

(iii) If applicable Law no longer requires that certain Directors be enrollees of the Company or residents of the State of Iowa, then each Member agrees to vote all Membership Rights held by such Member and will take such other actions as are necessary, and the Company will take all necessary and desirable action to cause:

(A) the election to the Board of (I) three (3) individuals designated from time to time by GHS, and (II) one (1) individual designated from time to time by GHS who shall have no current or previous employment, consulting or other financially related association with GHS or any of its Affiliates and who shall have professional health insurance and finance related experience (the “Independent GHS Director”);

(B) the election to the Board of (I) three (3) individuals designated from time to time by UHC, and (II) one (1) individual designated from time to time by UHC who shall have no current or previous employment, consulting or other financially related association with UHC or any of its Affiliates and who shall have professional health insurance and finance related experience (the “Independent UHC Director”);

(C) the election to the Board of one (1) individual designated by Majority Approval who shall have no current or previous employment, consulting or other financially related association with either GHS or UHC or any of their respective Affiliates (the “Independent Joint Director” and together with the Independent GHS Director and the Independent UHC Director, the “Independent Directors”);

(D) the removal from the Board, with or without cause, of any GHS Directors or the Independent GHS Director at the written request of GHS, but only upon such written request and under no other circumstances;

(E) the removal from the Board, with or without cause, of any UHC Directors or the Independent UHC Director at the written request of UHC, but only upon such written request and under no other circumstances;

(F) the removal from the Board, with or without cause, of the Independent Joint Director by Supermajority Approval, but only upon such Supermajority Approval and under no other circumstances;

(G) if any GHS Director or the Independent GHS Director resigns, or for any other reason ceases to serve as a Director during his or her term of office, then the filling of the resulting vacancy on the Board by a representative designated by GHS;

(H) if any UHC Director or the Independent UHC Director resigns, or for any other reason ceases to serve as a Director during his or her term of office, then the filling of the resulting vacancy on the Board by a representative designated by UHC; and

(I) if the Independent Joint Director resigns, or for any other reason ceases to serve as a Director during his or her term of office, then the filling of the resulting vacancy on the Board by a representative designated jointly by UHC and GHS.

#### **Section 5.2 Staggered Board.**

(a) The Board shall be and is divided into three (3) classes of three (3) Directors each which shall be designated: Class I, Class II and Class III. At all times one (1) GHS Director, one (1) UHC Director, and one (1) Independent Director shall be appointed to each of Class I, Class II and Class III. As of the Effective Date, [\_\_\_\_], [\_\_\_\_] and [\_\_\_\_] are appointed to Class I, [\_\_\_\_], [\_\_\_\_] and [\_\_\_\_] are appointed to Class II, and [\_\_\_\_], [\_\_\_\_] and [\_\_\_\_] are appointed to Class III.

(b) Each Director shall serve for a term ending on the date of the third (3rd) annual meeting following the annual meeting at which such Director was elected; provided, that each Director initially appointed to Class I shall serve for an initial term expiring at the Company's first annual meeting of its members (as defined in Section 181.0103 of the Wisconsin Statutes) following the Effective Date; each Director initially appointed to Class II shall serve for an initial term expiring at the Company's second (2nd) annual meeting of its members (as defined in Section 181.0103 of the Wisconsin Statutes) following the Effective Date; and each Director initially appointed to Class III shall serve for an initial term expiring at the Company's third (3rd) annual meeting of its members (as defined in Section 181.0103 of the Wisconsin Statutes) following the Effective Date; provided further, that the term of each Director shall continue until the election and qualification of a successor and be subject to such Director's earlier death, resignation or removal.

#### **Section 5.3 Reserve Powers.**

(a) Supermajority Approval. The vote of five (5) GHS Directors and UHC Directors (“Supermajority Approval”) shall be required for the Company to take action on any of the following items: (i) approval of the sale, merger, membership exchange or consolidation of the Company or the sale of substantially all of its assets, (ii) approval of the voluntary dissolution or liquidation of the Company, (iii) admission of any Person as a member (as defined in Section 181.0103 of the Wisconsin Statutes) of the Company or authorization or issuance, or the obligation of the Company to issue, any Membership Rights, (iv) redemption, retirement or purchase of any Membership Rights (other than in accordance with Section 3.2), (v) declaration or payment of any distribution (except with respect to the Surplus Notes contemplated by Article II), (vi) the approval of any strategic decision (such as entering into a new service area) that would be reasonably expected to cause a reduction of the surplus of the Company below Minimum RBC or the security surplus requirement of the OCI, whichever is greater, (vii) approval of an Elective Contribution, (viii) approval of any Transfer of Membership Rights by any Member, (ix) the appointment or removal of an Independent Director (or, alternatively, if

Section 5.1(b)(iii) is then effective, the removal of the Independent Joint Director), and (x) removal and appointment of the Company's principal officers.

(b) Majority Approval. The vote of five (5) Directors ("Majority Approval") shall be required for the Company to take action on any of the following items: (i) approval of the Company's annual budget and business plan and any changes thereto, (ii) adoption of vision, mission and values statements and policies consistent with those statements, (iii) approval of administrative or management services arrangements with any Affiliate of GHS or UHC, (iv) the creation of any subsidiary or risk pool (other than those existing on the date hereof), (v) approval of any capital expenditure that would have a fair market value greater than two percent (2%) of the Company's statutory net worth, (vi) if Section 5.1(b)(iii) is then effective, the appointment of the Independent Joint Director, (vii) authorization to incur, create, assume or become liable in any manner with respect to any indebtedness that is in excess of three percent (3%) of the Company's statutory net worth, (viii) the determination of a Reserve Deficiency, and (ix) any other matter requiring Board approval pursuant to applicable Law.

(c) GHS Approval. The written approval of GHS shall be required for the Company to take action on any of the following items: (i) approval of new products and offerings in the GHS Provider Area, (ii) decisions regarding which health care service providers will be part of the network for the products and offerings in the GHS Provider Area, (iii) approval of target reimbursement levels for the products and offerings in the GHS Provider Area, (iv) approval of risk pool targets for products and offerings in the GHS Provider Area, (v) approval of sales and marketing policies and procedures for products and offerings in the GHS Provider Area, and (vi) recommendation or approval of any material change to the operating policies and procedures of the Company in the GHS Provider Area that differ from the Company's standard operating policies and procedures in other markets.

(d) UHC Approval. The written approval of UHC shall be required for the Company to take action on any of the following items: (i) approval of new products and offerings in the UHC Provider Area, (ii) decisions regarding which health care service providers will be part of the network for the products and offerings in the UHC Provider Area, (iii) approval of target reimbursement levels for the products and offerings in the UHC Provider Area, (iv) approval of risk pool targets for products and offerings in the UHC Provider Area, (v) approval of sales and marketing policies and procedures for products and offerings in the UHC Provider Area, and (vi) recommendation or approval of any material change to the operating policies and procedures of the Company in the UHC Provider Area that differ from the Company's standard operating policies and procedures in other markets.

#### **Section 5.4Market Expansion.**

(a) Existing Market Expansion. Subject to approval by the Board of Directors, a Member shall have the right to cause the Company to offer new health insurance products and offerings in such Member's Provider Area so long as such Member is the provider of health care services with respect to such products and offerings and is the risk bearing party with respect to such products and offerings.

(b) Growth Market Expansion.

(i) Subject to approval by the Board of Directors, a Member shall have the right to cause the Company to offer new health insurance products and offerings in a market outside of the Provider Area (a “Growth Market Expansion”) even if such Member is not the provider of health care services or the risk bearing party with respect to such products and offerings provided that the Company has determined that there is no risk bearing partner with whom the Company may partner with in the Growth Market Expansion area.

(ii) Within sixty (60) days of the end of a fiscal year in which a Growth Market Expansion has occurred, the Parties shall cause the Chief Financial Officer of Quartz (or such other financial officer as agreed to by the parties) to deliver to the Parties his or her good faith calculation of the risk based capital requirements of each Member’s risk pool, with the risk associated with the new health insurance products and offerings to be offered by the Company as a result of the Growth Market Expansion assigned to the risk pool of the Member causing the Growth Market Expansion. To the extent that a Member’s risk pool is funded below such Member’s Risk Pool Surplus Requirement, that Member shall promptly (but no later than thirty (30) days after notification) contribute capital until such risk pool’s surplus is equivalent to such Member’s Risk Pool Surplus Requirement or to the Security Surplus requirement of the OCI, whichever is greater (an “Expansion Contribution”).

(c) Expansion Contribution Equity Issuances. The Parties agree that Membership Rights will be adjusted in consideration for Expansion Contributions. The Company shall adjust the Membership Rights of the Members in favor of the Member making an Expansion Contribution such that its Membership Percentage after such adjustment will be equal to the quotient of (x) such Member’s Expansion Contribution plus the product of (A) such Member’s Membership Percentage multiplied by (B) the total capital and surplus of the Company as set forth in the audited statutory financial statements of the Company for the calendar year immediately preceding the applicable Growth Market Expansion plus the gain/loss in the calendar year the Expansion Contribution is made, divided by (y) the total capital and surplus of the Company as set forth in the audited statutory financial statements of the Company for the calendar year immediately following the applicable Growth Market Expansion. The adjustment of Specified Management Rights contemplated by this Section 5.4(c) will be made promptly after the audited statutory financial statements of the Company for the calendar year immediately following the applicable Growth Market Expansion are available. Any cash contributions to the Company in excess of the required Expansion Contribution will not result in any adjustment to Membership Percentages and shall not be included in the foregoing calculations. Solely for illustrative purposes, a sample calculation with respect to the foregoing is set forth on Exhibit B.

**ARTICLE VI  
DISPUTES**

Anything to the contrary contained herein notwithstanding, all disputes arising out of or relating to this Agreement shall be resolved in accordance with the procedures set forth in this Article VI. If a dispute arises under this Agreement (including any alleged breach of this Agreement), a Party may submit the dispute to alternative dispute resolution under this Article

VI by giving written notice thereof to the other Parties. The matter shall be submitted to the highest ranking executive officer of each Party who shall meet to attempt in good faith to resolve the dispute. If after thirty (30) days, the matter has not been resolved by the highest ranking executive officers of the Parties, at the request of any Party, the matter will be submitted to mediation by a mediator mutually acceptable to the Parties. Each Party will designate one or more representatives to participate in the mediation on behalf of such Party who will have the authority to accept a resolution of the dispute on behalf of such Party. The Parties will act immediately to jointly select a mediator and agree to hold the mediation as soon as possible, but no later than sixty (60) days following the expiration of the aforementioned thirty (30) day negotiation period. If, and only if, the dispute is not resolved by mediation, either Party may file suit in a court of competent jurisdiction to obtain a judicial determination or adjudication of the dispute, which may include specific performance, declaratory relief, or any other remedies available under the agreement, at law or in equity.

## ARTICLE VII MISCELLANEOUS PROVISIONS

**Section 7.1 Notices.** Any notice, request, instruction or other document to be given hereunder by a Party shall be in writing and shall be deemed to have been given, (a) when received if given in person or by courier or a courier service, or (b) on the immediately following Business Day after deposit with a nationally recognized overnight carrier; in each case if addressed or directed to a Party in accordance with the contact information included on the signature pages to this Agreement, or to such other address as a Party may designate for itself by notice given as herein provided.

**Section 7.2 Counterparts.** This Agreement may be executed by electronic transmission (i.e., facsimile or electronically transmitted portable document format (PDF)) and in counterparts, any one of which need not contain the signatures of more than one Party, but all such counterparts taken together shall constitute one and the same instrument.

**Section 7.3 Interpretation.** The headings preceding the text of Articles and Sections included in this Agreement are for convenience only and shall not be deemed part of this Agreement or be given any effect in interpreting this Agreement. The use of the masculine, feminine or neuter gender herein shall not limit any provision of this Agreement. The use of the terms “including” or “include” shall in all cases herein mean “including, without limitation” or “include, without limitation,” respectively. Underscored references to Articles or Schedules shall refer to those portions of this Agreement.

**Section 7.4 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin, without regard to the principles of conflicts of laws.

**Section 7.5 Amendment and Waivers.** No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Parties. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent



default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way rights arising by virtue of any prior or subsequent occurrence.

**Section 7.6 Assignment.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. No assignment of any rights or obligations shall be made by any Party without the written consent of each other Party.

**Section 7.7 Expenses.** All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such expenses.

**Section 7.8 No Third Party Beneficiaries.** This Agreement is solely for the benefit of the Parties and no provision of this Agreement shall be deemed to confer upon any third party any remedy, claim, liability, reimbursement, cause of action or other right.

**Section 7.9 Further Assurances.** Upon the reasonable request of any Party, each other Party will execute and deliver such other documents, releases, assignments and other instruments as may be required to effectuate completely the transactions contemplated hereby and to otherwise carry out the purposes of this Agreement; provided, however, no such action shall require any other Party to incur any additional cost or liability unless the requesting Party shall agree to reimburse the reasonable costs and expenses of such other Party.

**Section 7.10 Severability.** If any provision of this Agreement shall be held invalid, illegal or unenforceable, the validity, legality or enforceability of the other provisions hereof shall not be affected thereby, and there shall be deemed substituted for the provision at issue a valid, legal and enforceable provision as similar as possible to the provision at issue.

**Section 7.11 Entire Understanding.** This Agreement sets forth the entire agreement and understanding of the Parties with respect to the matters set forth herein and supersedes any and all prior agreements, arrangements and understandings among the Parties.

**Section 7.12 Specific Performance.** Each Party acknowledges and agrees that, in the event of any breach of this Agreement, the non-breaching Party would be irreparably and immediately harmed and could not be made whole by monetary damages. It is accordingly agreed that the Parties will (a) waive, in any action for specific performance, the defense of adequacy of a remedy at law, and (b) be entitled, in the non-breaching Party's sole discretion, in addition to any other remedy to which they may be entitled at law or in equity, to compel specific performance of this Agreement in any action instituted in accordance with this Section.

**Section 7.13 Reproductions.** This Agreement all other documents, instruments and agreements in the possession of any Party which relate hereto or thereto may be reproduced by such Party, and any such reproduction shall be admissible in evidence, with the same effect as the original itself, in any judicial or other administrative proceeding, whether the original is in existence or not. No Party will object to the admission in evidence of any such reproduction, unless the objecting Party reasonably believes that the reproduction does not accurately reflect the contents of the original and objects on that basis.

**Section 7.14 Wavier of Jury Trial.** TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

**Section 7.15 Forum Selection and Consent to Jurisdiction.** EACH OF THE PARTIES AGREE THAT ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT BETWEEN OR AMONG THE PARTIES, SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF THE STATE OF WISCONSIN LOCATED IN THE CITY OF MADISON, OR IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF WISCONSIN. EACH OF THE PARTIES HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF WISCONSIN LOCATED IN THE CITY OF MADISON, AND OF THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF WISCONSIN. EACH OF THE PARTIES HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

**Section 7.16 No Presumption Against Drafter.** Each of the Parties has jointly participated in the negotiation and drafting of this Agreement. In the event of any ambiguity or if a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumptions or burdens of proof shall arise favoring any Party by virtue of the authorship of any of the provisions of this Agreement.

[Signatures on Following Pages]

IN WITNESS WHEREOF, the Parties have executed this Members Agreement as of the date first set forth above.

**The Company:**

**GUNDERSEN HEALTH PLAN, INC.,**  
*Wisconsin non-stock service insurance corporation*

By: \_\_\_\_\_  
[Name; Title]

Address for notice purposes:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn:

With a copy to each of GHS and UHC (which will not constitute notice) and an additional copy to (which will not constitute notice):

McDermott Will & Emery LLP  
333 Avenue of the Americas, Suite 4500  
Miami, Florida 33131  
Attn: Gary Scott Davis, P.A.

**GHS:**

**GUNDERSEN LUTHERAN HEALTH  
SYSTEM, INC.,**

*a Wisconsin non-profit corporation*

By: \_\_\_\_\_  
[Name; Title]

Address for notice purposes:

Gundersen Health System  
1900 South Avenue, Mail Stop GB1-001  
LaCrosse, WI 54601  
Attn: Daniel J. Lilly, CPA, JD, General Counsel

With a copy to (which will not constitute notice):

McDermott Will & Emery LLP  
333 Avenue of the Americas, Suite 4500  
Miami, Florida 33131  
Attn: Gary Scott Davis, P.A.

and an additional copy to (which will not constitute  
notice):

Godfrey & Kahn SC  
One East Main Street, Suite 500  
Madison, Wisconsin 53703  
Attn: Thomas Shorter

**UHC:**

**UNIVERSITY HEALTH CARE, INC.,**  
*a Wisconsin non-profit member corporation*

By: \_\_\_\_\_  
[Name; Title]

Address for notice purposes:

University Health Care, Inc.  
301 S. Westfield Rd.  
Madison, WI 53717  
Attn: Daniel Brzozowski, UHC Corporate Counsel

With a copy to (which will not constitute notice):

McDermott Will & Emery LLP  
333 Avenue of the Americas, Suite 4500  
Miami, Florida 33131  
Attn: Gary Scott Davis, P.A.

and an additional copy to (which will not constitute notice):

Michael Best & Friedrich LLP  
One South Pinckney Street, Suite 700  
P.O. Box 1806  
Madison, WI 53703  
Attn: Hamang B. Patel

and an additional copy to (which will not constitute notice):

Unity Health Insurance  
840 Carolina St  
Sauk City, WI 53583-1374  
Attn: Christine C. Senty, J.D.

Exhibit A

Super Contribution Membership Right Adjustment

2016 Year End Capital and Surplus of the Company: \$80 Million

Member A's pre-Super Contribution Membership Percentage: 25%

2017 Super Contribution by Member A: \$15 Million

2017 Year End Capital and Surplus of the Company: \$100 Million (2016 capital and surplus plus 2017 Super Contribution plus a net gain of \$5 Million)

Member A's post-Super Contribution membership percentage =  $[\$15\text{MM} + (.25 \times [\$80\text{MM} + \$5\text{MM}])] / \$100\text{MM} = 36.25\%$

If the net gain for 2017 was \$0, the 2017 Year End Capital and Surplus of the Company would be \$95 Million, and the calculation would be:

Member A's post-Super Contribution membership percentage =  $[\$15\text{MM} + (.25 \times [\$80\text{MM} + \$0\text{MM}])] / \$95\text{MM} = 36.84\%$

Exhibit B

Expansion Contribution Membership Right Adjustment

2016 Year End Capital and Surplus of the Company: \$80 Million

Member A's pre-expansion membership Percentage: 25%

2017 Expansion Contribution by Member A: \$15 Million

2017 Year End Capital and Surplus of the Company: \$100 Million (2016 capital and surplus plus 2017 Expansion Contribution plus a net gain of \$5 Million)

Member A's post-expansion membership percentage =  $[\$15\text{MM} + (.25 \times [\$80\text{MM} + \$5\text{MM}])] / \$100\text{MM} = 36.25\%$

If the net gain for 2017 was \$0, the 2017 Year End Capital and Surplus of the Company would be \$95 Million, and the calculation would be:

Member A's post-expansion membership percentage =  $[\$15\text{MM} + (.25 \times [\$80\text{MM} + \$0\text{MM}])] / \$95\text{MM} = 36.84\%$

**Exhibit C-6**  
**Stock Transfer Power (re Quartz)**



**STOCK TRANSFER POWER**

WHEREAS, this **STOCK TRANSFER POWER** is being executed in connection with the closing of the transactions contemplated by that certain Exchange Agreement, dated as of December 18, 2015 (the "Exchange Agreement"), by and between Gundersen Lutheran Health System, Inc., a Wisconsin non-profit corporation ("GHS") and University Health Care, Inc., a Wisconsin non-profit member corporation f/k/a University Health Resources, Inc. ("UHC").

WHEREAS, immediately prior to the date hereof Unity Health Plans Insurance Corporation, a Wisconsin stock insurance corporation organized under Chapter 611 of the Wisconsin Statutes ("Unity"), pursuant to the resolution and directive of its board of directors, distributed to UHC One Hundred (100) Shares of Common Stock of SPWI TPA, Inc. (d/b/a Quartz), a Wisconsin for-profit corporation ("Quartz"), representing one-hundred percent (100%) of the issued and outstanding capital stock of Quartz and represented by Certificate No. 002 ("Certificate No. 002").

WHEREAS, on the date hereof Certificate No. 002 has been cancelled and in its place the following certificates have been issued in UHC's name (i) Certificate No. 003 representing Seventy-Five (75) Shares of Common Stock of Quartz and (ii) Certificate No. 004 representing Twenty-Five (25) Shares of Common Stock of Quartz.

NOW THEREFORE FOR VALUE RECEIVED, UHC, hereby sells, assigns and transfers unto GHS free and clear of all Liens (as defined in the Exchange Agreement and excluding Liens imposed pursuant to the articles of incorporation, bylaws and shareholder agreement of Quartz), Twenty-Five (25) Shares of Common Stock of Quartz, standing in the name of UHC on the books of Quartz and represented by Certificate No. 004, and irrevocably appoints each duly appointed officer of Quartz as its duly authorized agent and attorney-in-fact to transfer such stock on the books of Quartz with full power of substitution in the premises.

Date: \_\_\_\_\_, 2016

**UNIVERSITY HEALTH CARE, INC.,**  
*a Wisconsin non-profit member corporation*

By: \_\_\_\_\_  
Michael E. Dallman; President and Chief  
Executive Officer

**Exhibit C-7**  
**Employee Lease Agreement (Unity)**

**EMPLOYEE LEASE AGREEMENT (UNITY)**

This Employee Lease Agreement (“Agreement”) is made and entered into as of the \_\_\_ day of \_\_\_\_\_, 2016, (“Effective Date”) by and between SPWI TPA, Inc. (“Quartz”) and Unity Health Plans Insurance Corporation (“Unity”).

**RECITALS**

- A. Quartz wishes, pursuant to the terms and conditions contained in this Agreement, to lease all of the employees employed by Unity from Unity, whom Quartz shall then utilize to provide services to Unity under the Management Agreement between Unity and Quartz, dated the date hereof (the “Unity Management Agreement”) and the Management Agreement between Gundersen Health Plan, Inc., a Wisconsin nonstock corporation (“GHP”) and Quartz, dated the date hereof (the “GHP Management Agreement”, and together with the Unity Management Agreement, the “Management Agreement”).
- B. Pursuant to the terms and conditions outlined in this Agreement, Unity is willing to lease all such employees to Quartz.

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants hereinafter set forth, it is hereby agreed as follows:

**AGREEMENT**

- 1. Lease. Unity hereby leases all of its employees to Quartz. All employees leased from Unity to Quartz under this Agreement are referred to as “Leased Employees.” Quartz shall utilize the Leased Employees to provide services to Unity and GHP under the Management Agreement.
- 2. Direction and Control of Leased Employees. Quartz shall direct and control the day-to-day activities of all Leased Employees, including but not limited to assigning work and supervising them. Quartz also has the right to discipline and promote Leased Employees, and to hire and terminate Leased Employees for and on behalf of Unity. In the event that Quartz hires or terminates a Leased Employee, such employee shall be hired by or terminated from Unity. Quartz shall not assign Leased Employees to any activities nor subject them to working conditions which violate or in violation of any local, state or federal law, ordinance, statute, regulation or Executive Order, including but not limited to workplace safety or discrimination laws.
- 3. Office Space and Equipment. Unity hereby leases to Quartz the office space owned, leased, or subleased, as applicable, by Unity and all furniture, equipment, computers, telephones, or other information systems that is/are owned or leased by Unity and, immediately prior to the Effective Date, was/were being utilized by Unity’s employees who shall, on the Effective Date, become Leased Employees, for Quartz to perform the services under the Management Agreement. Unity shall also be responsible for purchasing or replacing any such furniture, equipment, computers, telephones, and other

information systems that exist as of the Effective Date of this Agreement but that become obsolete or need to be replaced during the term of this Agreement.

4. Unity's Payment of Leased Employees and Provision of Benefits. Unity shall pay all wages, salaries and/or bonuses to the Leased Employees, for their work during the Term of this Agreement, as well as all taxes on such amounts. Unity shall also provide the Leased Employees with insurance and fringe benefits, which shall be substantially similar to the benefits that Unity provided to such employees immediately prior to the Effective Date. Unity shall provide worker's compensation insurance for Leased Employees.
5. Payment. Quartz shall pay Unity the following amounts to lease the Leased Employees and the above-described furniture, equipment, computers, telephones, and other information systems from Unity, on a monthly basis:
  - (a) The wages, salaries, and bonuses Unity paid to all Leased Employees in the previous month;
  - (b) The cost of any and all benefits paid by Unity for the Leased Employees;
  - (c) The cost of any worker's compensation insurance premiums paid by Unity related to the Leased Employees;
  - (d) The taxes paid by Unity related to all payments made by Unity to the Leased Employees; and
  - (e) Any other amounts paid by Unity related to employment of the Leased Employees.
6. Compliance. Both parties shall comply with applicable state and federal laws and regulations including but not limited to the Health Insurance Portability and Accountability Act of 1996 and regulations promulgated thereunder, laws and rules governing the provision of health care and payment therefor, the Occupational Safety and Health Administration regulations, and legal standards relating to the interaction of personnel in the workplace.
7. Indemnification. Except as otherwise provided herein, each party shall be responsible for its own acts and omissions and shall not be responsible for the acts and omissions of the other party. Additionally, each party shall indemnify and hold harmless the other for the party's own acts or omissions.
8. Term. This Agreement shall continue in effect from the Effective Date until December 31, 2016.
9. Notices. All notices required or permitted under this Agreement shall be made in writing and delivered (a) personally or (b) by registered or certified mail, postage prepaid, return receipt requested, or (c) by a recognized courier service. Notice to a party shall be addressed to the address(es) listed in this Section or at such other address(es) that a party may designate by like notice from time to time. Notice shall be effective when received if delivered by hand, or on the date shown on the return receipt if by certified mail or courier service.

**If to Quartz:**

SPWI TPA, Inc.  
Attention: President  
840 Carolina Street  
Sauk City, WI 53583

**If to Unity:**

Unity Health Plans Insurance Corporation  
Attention: President  
840 Carolina Street  
Sauk City, WI 53583

10. Governing Law. This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of Wisconsin, without giving effect to any choice or conflict of law rule (whether of the State of Wisconsin or any other jurisdiction) that would cause the laws of any jurisdiction other than the State of Wisconsin to apply.
11. Venue and Personal Jurisdiction. The parties hereby consent to venue and personal jurisdiction in the Dane County Circuit Court. If the Dane County Circuit Court cannot adjudicate an action because it lacks subject matter jurisdiction, the parties alternatively consent to venue and personal jurisdiction in the federal district court for the Western District of Wisconsin.
12. No Assignment. Neither party may assign this Agreement without the prior written consent of the other.
13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.
14. Entire Agreement. This Agreement, including any exhibits, attachments, or addenda which are incorporated by reference herein and attached hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, representations and understandings of the parties.
15. Amendment. No amendment to this Agreement shall be effective unless in writing and signed by both parties.

16. Consent to Amendment. The parties agree to amend this Agreement as necessary to comply with any changes in applicable laws and regulations. If a party refuses to enter into such an amendment, the other party may immediately terminate this Agreement upon providing written notice of termination.
17. No Waiver. The waiver by either party of a breach of any provision of this Agreement will not be deemed a waiver of any subsequent breach of the same or any other provision. All of the rights and remedies provided herein are cumulative and additional to any rights or remedies the parties may have at law.
18. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.
19. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and to their permitted successors and assigns.
20. Section Headings. Section headings are provided solely for the convenience of the parties and shall not affect the interpretation of this Agreement.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the Effective Date set forth above.

**SPWI TPA, Inc.**

**Unity Health Plans Insurance Corporation**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print name: \_\_\_\_\_

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit C-8**  
**Employee Lease Agreement (GLAS)**

**EMPLOYEE LEASE AGREEMENT (GLAS)**

This Employee Lease Agreement (“Agreement”) is made and entered into as of the \_\_\_ day of \_\_\_\_\_, 2016, (“Effective Date”) by and between SPWI TPA, Inc. (“Quartz”) and Gundersen Lutheran Administrative Services, Inc., a Wisconsin nonstock corporation (“GLAS”).

**RECITALS**

- A. Quartz wishes, pursuant to the terms and conditions contained in this Agreement, to lease certain employees employed by GLAS from GLAS, whom Quartz shall then utilize to provide services to Gundersen Health Plan, Inc., a Wisconsin nonstock corporation (“GHP”) under the Management Agreement between GLAS and Quartz, dated the date hereof (the “GHP Management Agreement”) and the Management Agreement between Unity Health Plans Insurance Corporation, a Wisconsin stock insurance corporation (“Unity”) dated the date hereof (the “Unity Management Agreement”, and together with the GHP Management Agreement, the “Management Agreement”).
- B. Pursuant to the terms and conditions outlined in this Agreement, GLAS is willing to lease all such employees to Quartz.

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants hereinafter set forth, it is hereby agreed as follows:

**AGREEMENT**

- 1. Lease. GLAS hereby leases to Quartz those GLAS employees who on the Effective Date hereof provided services to or for the benefit of GHP. All employees leased from GLAS to Quartz under this Agreement are referred to as “Leased Employees.” Quartz shall utilize the Leased Employees to provide services under the Management Agreement.
- 2. Direction and Control of Leased Employees. Quartz shall direct and control the day-to-day activities of all Leased Employees, including but not limited to assigning work and supervising them. Quartz also has the right to discipline and promote Leased Employees, and to hire and terminate Leased Employees for and on behalf of GLAS. In the event that Quartz hires or terminates a Leased Employee, such employee shall be hired by or terminated from GLAS. Quartz shall not assign Leased Employees to any activities nor subject them to working conditions which violate or in violation of any local, state or federal law, ordinance, statute, regulation or Executive Order, including but not limited to workplace safety or discrimination laws.
- 3. Office Space and Equipment. GLAS hereby leases to Quartz the office space owned, leased, or subleased, as applicable, by GLAS and all furniture, equipment, computers, telephones, or other information systems that is/are owned or leased by GLAS and, immediately prior to the Effective Date, was/were being utilized by GLAS’s employees who shall, on the Effective Date, become Leased Employees, for Quartz to perform the services under the Management Agreement. GLAS shall also be responsible for purchasing or replacing any such furniture, equipment, computers, telephones, and other



information systems that exist as of the Effective Date of this Agreement but that become obsolete or need to be replaced during the term of this Agreement.

4. GLAS's Payment of Leased Employees and Provision of Benefits. GLAS shall pay all wages, salaries and/or bonuses to the Leased Employees, for their work during the Term of this Agreement, as well as all taxes on such amounts. GLAS shall also provide the Leased Employees with insurance and fringe benefits, which shall be substantially similar to the benefits that GLAS provided to such employees immediately prior to the Effective Date. GLAS shall provide worker's compensation insurance for Leased Employees.
5. Payment. Quartz shall pay GLAS the following amounts to lease the Leased Employees and the above-described furniture, equipment, computers, telephones, and other information systems from GLAS, on a monthly basis:
  - (a) The wages, salaries, and bonuses GLAS paid to all Leased Employees in the previous month;
  - (b) The cost of any and all benefits paid by GLAS for the Leased Employees;
  - (c) The cost of any worker's compensation insurance premiums paid by GLAS related to the Leased Employees;
  - (d) The taxes paid by GLAS related to all payments made by GLAS to the Leased Employees; and
  - (e) Any other amounts paid by GLAS related to employment of the Leased Employees.
6. Compliance. Both parties shall comply with applicable state and federal laws and regulations including but not limited to the Health Insurance Portability and Accountability Act of 1996 and regulations promulgated thereunder, laws and rules governing the provision of health care and payment therefor, the Occupational Safety and Health Administration regulations, and legal standards relating to the interaction of personnel in the workplace.
7. Indemnification. Except as otherwise provided herein, each party shall be responsible for its own acts and omissions and shall not be responsible for the acts and omissions of the other party. Additionally, each party shall indemnify and hold harmless the other for the party's own acts or omissions.
8. Term. This Agreement shall continue in effect from the Effective Date until December 31, 2016.
9. Notices. All notices required or permitted under this Agreement shall be made in writing and delivered (a) personally or (b) by registered or certified mail, postage prepaid, return receipt requested, or (c) by a recognized courier service. Notice to a party shall be addressed to the address(es) listed in this Section or at such other address(es) that a party may designate by like notice from time to time. Notice shall be effective when received if delivered by hand, or on the date shown on the return receipt if by certified mail or courier service.

**If to Quartz:**

SPWI TPA, Inc.  
Attention: President  
840 Carolina Street  
Sauk City, WI 53583

**If to GLAS:**

Gundersen Lutheran Administrative Services, Inc.  
Attention: President  
1836 South Avenue  
La Crosse, WI 54601

10. Governing Law. This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of Wisconsin, without giving effect to any choice or conflict of law rule (whether of the State of Wisconsin or any other jurisdiction) that would cause the laws of any jurisdiction other than the State of Wisconsin to apply.
11. Venue and Personal Jurisdiction. The parties hereby consent to venue and personal jurisdiction in the Dane County Circuit Court. If the Dane County Circuit Court cannot adjudicate an action because it lacks subject matter jurisdiction, the parties alternatively consent to venue and personal jurisdiction in the federal district court for the Western District of Wisconsin.
12. No Assignment. Neither party may assign this Agreement without the prior written consent of the other.
13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.
14. Entire Agreement. This Agreement, including any exhibits, attachments, or addenda which are incorporated by reference herein and attached hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, representations and understandings of the parties.
15. Amendment. No amendment to this Agreement shall be effective unless in writing and signed by both parties.

16. Consent to Amendment. The parties agree to amend this Agreement as necessary to comply with any changes in applicable laws and regulations. If a party refuses to enter into such an amendment, the other party may immediately terminate this Agreement upon providing written notice of termination.
17. No Waiver. The waiver by either party of a breach of any provision of this Agreement will not be deemed a waiver of any subsequent breach of the same or any other provision. All of the rights and remedies provided herein are cumulative and additional to any rights or remedies the parties may have at law.
18. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.
19. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and to their permitted successors and assigns.
20. Section Headings. Section headings are provided solely for the convenience of the parties and shall not affect the interpretation of this Agreement.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the Effective Date set forth above.

**SPWI TPA, Inc.**

**Gundersen Lutheran Administrative Services, Inc.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print name: \_\_\_\_\_

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit C-9**  
**Amended and Restated Bylaws (Unity)**

**AMENDED AND RESTATED**  
**BYLAWS OF**  
**UNITY HEALTH PLANS INSURANCE CORPORATION**

**Effective [\_\_\_\_\_] , 2016**

**Adopted by the Board of Directors on**

**[\_\_\_\_\_] , 2016**

## ARTICLE 1. OFFICES

**1.1 Principal and Business Offices.** The corporation may have such principal and other business offices, either within or without the State of Wisconsin, as the board of directors of the corporation (the “Board of Directors”) may designate or as the business of the corporation may require from time to time.

**1.2 Registered Office.** The registered office of the corporation required by the Wisconsin Insurance Code, Chapters 600 to 655 of the Wisconsin Statutes, to be maintained in the State of Wisconsin may be, but need not be, identical with the principal office in the State of Wisconsin, and the address of the registered office may be changed from time to time by the Board of Directors or by the registered agent. The business office of the registered agent of the corporation shall be identical to such registered office.

**1.3 Confidentiality and Conflicts of Interest.** The Board of Directors, the officers and the employees of the corporation shall at all times act in an ethical manner in conducting the business of the corporation. Employees shall adhere to the corporation’s Rules of Conduct, including the corporation’s standards pertaining to the protection of confidential and proprietary information. If an actual or potential conflict of interest is found to exist between the corporation and any director, officer or employee, resulting from a relationship that such person has with an entity that is a supplier, vendor, competitor or consultant to the corporation, then such person shall send written notification to the Chairman or Secretary of the Board of Directors, as appropriate. At a minimum, a conflicted director or officer will recuse himself from any decisions that relate in any way to the conflict.

## ARTICLE 2. SHAREHOLDERS

**2.1 Annual Meeting.** The annual meeting of the shareholders shall be held on the second Tuesday in May of each year, or at such other time and date within thirty (30) days before or after such date as may be fixed by or under the authority of the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Wisconsin, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein, or fixed as herein provided, for any annual meeting of the shareholders, or at any adjournment and reconvention thereof, the Board of Directors shall cause the election to be held at a special meeting of the shareholders as soon thereafter as is practicable.

**2.2 Special Meetings.** Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by the Wisconsin Insurance Code, may be called by the Board of Directors, the Chief Executive Officer or the President. The corporation shall call a special meeting of shareholders in the event that the holders of at least ten percent (10%) of all of the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date and deliver to the corporation one or more written demands for the meeting, describing one or more purposes for which it is to be held. The corporation shall give notice of such a special meeting within thirty (30) days after the date that the demand is delivered to the corporation.

**2.3 Place of Meeting.** The Board of Directors may designate any place, either within or without the State of Wisconsin, as the place of meeting for any annual or special meeting of shareholders. If no designation is made, the place of meeting shall be the principal office of the corporation. Any meeting may be adjourned to reconvene at any place designated by vote of a majority of the shares represented thereat.

**2.4 Notice of Meeting.** Written notice stating the date, time and place of any meeting of shareholders and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting (unless a different time is provided by the Wisconsin Insurance Code or the articles of incorporation), either personally or by mail, by or at the direction of the Chief Executive Officer, the President or the Secretary, to each shareholder of record entitled to vote at such meeting and to such other persons as required by the Wisconsin Insurance Code. If mailed, such notice shall be deemed to be effective when deposited in the United States mail, addressed to the shareholder at his or her address as it appears on the stock record books of the corporation, with postage thereon prepaid. If an annual or special meeting of shareholders is adjourned to a different date, time or place, the corporation shall not be required to give notice of the new date, time or place if the new date, time or place is announced at the meeting before adjournment; *provided, however*, that if a new record date for an adjourned meeting is or must be fixed, the corporation shall give notice of the adjourned meeting to persons who are shareholders as of the new record date.

**2.5 Waiver of Notice.** A shareholder may waive any notice required by the Wisconsin Insurance Code, the articles of incorporation or these bylaws before or after the date and time stated in the notice. The waiver shall be in writing and signed by the shareholder entitled to the notice, contain the same information that would have been required in the notice under applicable provisions of the Wisconsin Insurance Code (except that the time and place of meeting need not be stated) and be delivered to the corporation for inclusion in the corporate records. A shareholder's attendance at a meeting, in person or by proxy, waives objection to all of the following: (a) a lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting or promptly upon arrival objects to holding the meeting or transacting business at the meeting; and (b) consideration of a particular matter at the meeting that is not within the purpose described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

**2.6 Fixing of Record Date.** The Board of Directors may fix in advance a date as the record date for the purpose of determining shareholders entitled to notice of and to vote at any meeting of shareholders, shareholders entitled to demand a special meeting as contemplated by Section 2.2 hereof, shareholders entitled to take any other action, or shareholders for any other purpose. Such record date shall not be more than seventy (70) days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If no record date is fixed by the Board of Directors or by the Wisconsin Insurance Code for the determination of shareholders entitled to notice of and to vote at a meeting of shareholders, the record date shall be the close of business on the day before the first notice is given to shareholders. If no record date is fixed by the Board of Directors or by the Wisconsin Insurance Code for the determination of shareholders entitled to demand a special meeting as contemplated in Section 2.2 hereof, the record date shall be the date that the first shareholder signs the

demand. Except as provided by the Wisconsin Insurance Code for a court-ordered adjournment, a determination of shareholders entitled to notice of and to vote at a meeting of shareholders is effective for any adjournment and reconvention of such meeting unless the Board of Directors fixes a new record date, which it shall do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting. The record date for determining shareholders entitled to a distribution (other than a distribution involving a purchase, redemption or other acquisition of the corporation's shares) or a share dividend is the date on which the Board of Directors authorized the distribution or share dividend, as the case may be, unless the Board of Directors fixes a different record date.

**2.7 Shareholders' List for Meetings.** After a record date for a special or annual meeting of shareholders has been fixed, the corporation shall prepare a list of the names of all of the shareholders entitled to notice of the meeting. The list shall be arranged by class or series of shares, if any, and show the address of and number of shares held by each shareholder. Such list shall be available for inspection by any shareholder, beginning two (2) business days after notice of the meeting is given for which the list was prepared and continuing to the date of the meeting, at the corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held. A shareholder or his or her agent may, on written demand, inspect and, subject to the limitations imposed by the Wisconsin Insurance Code, copy the list, during regular business hours and at his or her expense, during the period that it is available for inspection pursuant to this Section 2.7. The corporation shall make the shareholders' list available at the meeting, and any shareholder or his or her agent or attorney may inspect the list at any time during the meeting or any adjournment thereof. Refusal or failure to prepare or make available the shareholders' list shall not affect the validity of any action taken at a meeting of shareholders.

**2.8 Quorum and Voting Requirements.** Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. If the corporation has only one class of stock outstanding, such class shall constitute a separate voting group for the purposes of this Section 2.8. Except as otherwise provided in the articles of incorporation or the Wisconsin Insurance Code, a majority of the votes entitled to be cast on the matter shall constitute a quorum of the voting group for action on that matter. Once a share is represented for any purpose at a meeting, other than for the purpose of objecting to holding the meeting or transacting business at the meeting, it is considered present for purposes of determining whether a quorum exists for the remainder of the meeting and for any adjournment and reconvention of that meeting unless a new record date is or must be set for the adjourned and reconvened meeting. If a quorum exists, except in the case of the election of directors, action on a matter shall be approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, unless the articles of incorporation or the Wisconsin Insurance Code requires a greater number of affirmative votes. Unless otherwise provided in the articles of incorporation, each director shall be elected by a plurality of the votes cast by the shares entitled to vote in the election of directors at a meeting at which a quorum is present. Though less than a quorum of the outstanding votes of a voting group are represented at a meeting, a majority of the votes so represented may adjourn the meeting from time to time without further notice. At such adjourned and reconvened meeting at which a quorum shall be present or represented, any



business may be transacted which might have been transacted at the meeting as originally noticed.

**2.9 Conduct of Meeting.** The Chairman of the Board of Directors, and in his or her absence, the Chief Executive Officer, the President or a Vice President in the order provided under Section 4.8 hereof, and in their absence, any person chosen by the shareholders present shall call the meeting of the shareholders to order and shall act as chairperson of the meeting, and the Secretary of the corporation shall act as secretary of all meetings of the shareholders, but, in the absence of the Secretary, the presiding officer may appoint any other person to act as secretary of the meeting.

**2.10 Proxies.** At all meetings of shareholders, a shareholder may vote his or her shares in person or by proxy. A shareholder may appoint a proxy to vote or otherwise act for the shareholder by signing an appointment form, either personally or by his or her attorney-in-fact. An appointment of a proxy is effective when received by the Secretary or other officer or agent of the corporation authorized to tabulate votes. An appointment is valid for eleven (11) months from the date of its signing unless a different period is expressly provided in the appointment form.

**2.11 Voting of Shares.** Except as provided or limited in the articles of incorporation or the Wisconsin Insurance Code, each outstanding share, regardless of class, is entitled to one vote on each matter voted on at a meeting of shareholders.

**2.12 Action Without Meeting.** Any action required or permitted by the articles of incorporation or these bylaws or any provision of the Wisconsin Insurance Code to be taken at a meeting of the shareholders may be taken without a meeting and without action by the Board of Directors if a written consent or consents, describing the action so taken, is signed by all of the shareholders entitled to vote with respect to the subject matter thereof and delivered to the corporation for inclusion in the corporate records.

**2.13 Acceptance of Instruments Showing Shareholder Action.** If the name signed on a vote, consent, waiver or proxy appointment corresponds to the name of a shareholder, the corporation, if acting in good faith, may accept the vote, consent, waiver or proxy appointment and give it effect as the act of a shareholder. If the name signed on a vote, consent, waiver or proxy appointment does not correspond to the name of a shareholder, the corporation, if acting in good faith, may accept the vote, consent, waiver or proxy appointment and give it effect as the act of the shareholder if any of the following apply:

(a) The shareholder is an entity and the name signed purports to be that of an officer or agent of the entity.

(b) The name purports to be that of a personal representative, administrator, executor, guardian or conservator representing the shareholder and, if the corporation requests, evidence of fiduciary status acceptable to the corporation is presented with respect to the vote, consent, waiver or proxy appointment.

(c) The name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder and, if the corporation requests, evidence of this status

acceptable to the corporation is presented with respect to the vote, consent, waiver or proxy appointment.

(d) The name signed purports to be that of a pledgee, beneficial owner, or attorney-in- fact of the shareholder and, if the corporation requests, evidence acceptable to the corporation of the signatory's authority to sign for the shareholder is presented with respect to the vote, consent, waiver or proxy appointment.

(e) Two or more persons are the shareholders as co-tenants or fiduciaries and the name signed purports to be the name of at least one of the co-owners and the person signing appears to be acting on behalf of both or all such persons.

The corporation may reject a vote, consent, waiver or proxy appointment if the Secretary or other officer or agent of the corporation who is authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the shareholder.

### **ARTICLE 3. BOARD OF DIRECTORS**

**3.1 General Powers and Number.** All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the Board of Directors. The number of directors of the corporation shall be nine (9).

#### **3.2 Tenure and Qualifications.**

(a) University Health Care, Inc. ("UHC") shall appoint a total of four (4) members of the Board of Directors, including (i) one (1) individual who shall have no current or previous employment, consulting or other financially related association with UHC or any of its affiliates (the "Independent UHC Director") and (ii) three (3) other individuals (the "UHC Directors"). Gundersen Lutheran Health System, Inc. ("GHS") shall appoint a total of four (4) members of the Board of Directors, including (i) one (1) individual who shall have no current or previous employment, consulting or other financially related association with GHS or any of its affiliates (the "Independent GHS Director") and (ii) three (3) other individuals (the "GHS Directors"). The Board of Directors, by a vote of no less than five (5) of its members, shall appoint one (1) member of the Board of Directors who shall have no current or previous employment, consulting or other financially related association with either GHS or UHC or any of their respective affiliates (the "Independent Joint Director" and together with the Independent UHC Director and the Independent GHS Directors, the "Independent Directors").

(b) The Board of Directors shall be and is divided into three (3) classes of three (3) directors each which shall be designated: Class I, Class II and Class III. At all times one (1) GHS Director, one (1) UHC Director, and one (1) Independent Director shall be appointed to each of Class I, Class II and Class III. Each director shall serve for a term ending on the date of the third (3rd) annual meeting following the annual meeting at which such director was elected; provided, that each director initially appointed to Class I shall serve for an initial term expiring at the corporation's first annual meeting of its shareholders following the effective date of these bylaws (the "Effective Date"); each director initially appointed to Class II shall

serve for an initial term expiring at the corporation's second (2nd) annual meeting of its shareholders following the Effective Date; and each director initially appointed to Class III shall serve for an initial term expiring at the corporation's third (3rd) annual meeting of its shareholders following the Effective Date; provided further, that the term of each director shall continue until the election and qualification of a successor and be subject to such Director's earlier death, resignation or removal.

(c) A director may be removed by the shareholders only at a meeting called for the purpose of removing the director, and the meeting notice shall state that the purpose, or one of the purposes, of the meeting is the removal of the director. A director may be removed from office with or without cause if the votes cast to remove the director exceed the number of votes cast not to remove such director. A director may resign at any time by delivering written notice which complies with the Wisconsin Insurance Code to the Board of Directors, to the Chairman of the Board of Directors or to the corporation. A director's resignation is effective when the notice is delivered unless the notice specifies a later effective date. Directors need not be residents of the State of Wisconsin or shareholders of the corporation.

**3.3 Chairman.** The Chairman, when present, shall preside at all meetings of the shareholders and the Board of Directors; shall appoint all committee members and committee chairpersons with the approval of the Board of Directors; and shall perform all of the acts usually attendant upon the office of chairperson or which may be set forth in these bylaws or resolutions of the Board of Directors.

**3.4 Regular Meetings.** A regular meeting of the Board of Directors shall be held not less frequently than quarterly and may be held without notice at such time and at such places as may from time to time be determined by the Board of Directors. The Board of Directors shall provide, by resolution, the date, time and place, either within or without the State of Wisconsin, for the holding of additional regular meetings of the Board of Directors without other notice than such resolution.

**3.5 Special Meetings.** Special meetings of the Board of Directors may be called by or at the request of the Chairman, Chief Executive Officer, President, Secretary or any director. The Chairman, Chief Executive Officer, President or Secretary may fix any place, either within or without the State of Wisconsin, as the place for holding any special meeting of the Board of Directors, and if no other place is fixed, the place of the meeting shall be the principal office of the corporation in the State of Wisconsin.

**3.6 Notice; Waiver.** Notice of each special meeting of the Board of Directors shall be given by written notice delivered or communicated in person, by telegraph, teletype, facsimile or other form of wire or wireless communication, or by mail or private carrier, to each director at his or her business address or at such other address as such director shall have designated in writing filed with the Secretary, in each case not less than seventy-two (72) hours prior to the meeting. The notice need not prescribe the purpose of the special meeting of the Board of Directors or the business to be transacted at such meeting. If mailed, such notice shall be deemed to be effective when deposited in the United States mail so addressed, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be effective when the telegram is delivered to the telegraph company. If notice is given by

facsimile, such notice shall be deemed to be effective when receipt of such facsimile has been acknowledged. If notice is given by private carrier, such notice shall be deemed to be effective when delivered to the private carrier. Whenever any notice whatsoever is required to be given to any director of the corporation under the articles of incorporation or these bylaws or any provision of the Wisconsin Insurance Code, a waiver thereof in writing, signed at any time, whether before or after the date and time of meeting, by the director entitled to such notice shall be deemed equivalent to the giving of such notice. The corporation shall retain any such waiver as part of the permanent corporate records. A director's attendance at or participation in a meeting waives any required notice to him or her of the meeting unless the director, at the beginning of the meeting or promptly upon his or her arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

**3.7 Quorum.** Five (5) members of the Board of Directors including at least one (1) UHC Director and one (1) GHS Director shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. Except as otherwise provided by the Wisconsin Insurance Code, the articles of incorporation or these bylaws, a quorum of any committee of the Board of Directors created pursuant to Section 3.13 hereof shall consist of the greater of a majority of the number of members appointed to serve on the committee or three (3) members appointed to serve on the committee. A majority of the directors present (though less than such quorum) may adjourn any meeting of the Board of Directors or any committee thereof, as the case may be, from time to time without further notice.

**3.8 Manner of Acting.** Unless the Wisconsin Insurance Code, the articles of incorporation or these bylaws require the vote of a greater number of directors, the affirmative vote by a simple majority of those directors present at a meeting of the Board of Directors at which a quorum is present shall be the act of the Board of Directors; *provided, however*, that at least one (1) UHC Director and one (1) GHS Director each vote in favor of such action.

**3.9 Conduct of Meetings.** The Chairman of the Board of Directors, and in his or her absence, the Chief Executive Officer, the President or a Vice President in the order provided under Section 4.8, and in their absence, any director chosen by the directors present, shall call meetings of the Board of Directors to order and shall act as chairperson of the meeting. The Secretary of the corporation shall act as secretary of all meetings of the Board of Directors, but in the absence of the Secretary, the presiding officer may appoint any other person present to act as secretary of the meeting. Minutes of any regular or special meeting of the Board of Directors shall be prepared and distributed to each director.

**3.10 Vacancies.** If a vacant office occurring in the Board of Directors was held by a director elected by a voting group of shareholders, only the holders of shares of that voting group may vote to fill the vacancy if it is filled by the shareholders, and only the remaining directors elected by that voting group may vote to fill the vacancy if it is filled by the directors. A vacancy that will occur at a specific later date, because of a resignation effective at a later date or otherwise, may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

**3.11 Compensation.** The Independent Directors may be entitled to receive reasonable compensation for services in their capacity as members of the Board of Directors and any committee thereof as may be determined by the UHC Directors and GHS Directors. The UHC Directors and GHS Directors shall not be entitled to receive compensation for services in their capacity as members of the Board of Directors or any committee thereof. Notwithstanding the foregoing, all members of the Board of Directors may, in their discretion, be paid for the expenses, if any, that they incur in connection with attendance at meetings of the Board of Directors or any committee thereof. The foregoing shall not prohibit any member of the Board of Directors from serving the corporation in any other capacity and receiving compensation therefor.

**3.12 Presumption of Assent.** A director who is present and is announced as present at a meeting of the Board of Directors or any committee thereof created in accordance with Section 3.13 or 3.14 hereof, when corporate action is taken, assents to the action taken unless any of the following occurs: (a) the director objects at the beginning of the meeting or promptly upon his or her arrival to holding the meeting or transacting business at the meeting; (b) the director's dissent or abstention from the action taken is entered in the minutes of the meeting; or (c) the director delivers written notice that complies with the Wisconsin Insurance Code of his or her dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation immediately after adjournment of the meeting. Such right of dissent or abstention shall not apply to a director who votes in favor of the action taken.

**3.13 Committees.** The Board of Directors shall not create any major committee as described in Wis. Stat. Section 611.56 (2) nor, except for the Audit Committee pursuant to Section 3.14, shall the Board of Directors create any committee of the Board of Directors pursuant to Wis. Stat. Section 611.56(1). In addition to the Audit Committee pursuant to Section 3.14, the Board of Directors may create ordinary committees under Wis. Stat. Section 611.56 (3), including, without limitation, a Compliance Committee, Finance Committee, Human Resources and Compensation Committee, Quality Committee and Marketing Committee, each of which shall have three (3) or more members including at least one UHC Director and at least one GHS Director and such other members, including Directors and other individuals as may be appointed by the Board of Directors, each of whom shall be voting members of such committee. Committee members shall serve at the pleasure of the Board of Directors; *provided, however,* that any such committees shall include and any action taken by such committee shall require the affirmative vote of at least one (1) UHC Director and one (1) GHS Director. Such ordinary committees, if any, shall have and may exercise such powers as may be provided in the resolution of the Board of Directors creating such committee, as such resolution may from time to time be amended and supplemented; *provided, however,* that in no case shall any such committee take any action in respect to (a) compensation or indemnification of any person who is a director, principal officer or one of the three most highly paid employees, and any benefits or payments requiring shareholder or policyholder approval; (b) approval of any contract required to be approved by the board under Wis. Stat. Sections 611.60 or 611.61, or of any other transaction in which a director has a material interest adverse to the corporation; (c) amendment of the articles or bylaws; (d) merger or consolidation, stock exchanges, conversion, voluntary dissolution, or transfer of business or assets; (e) any other decision requiring shareholder or policyholder approval; (f) amendment or repeal of any action previously taken by the full board which by its terms is not subject to amendment or

repeal by a committee; (g) dividends or other distributions to shareholders or policyholders, other than in the routine implementation of policy determinations of the full board; (h) selection of principal officers; and (i) filling of vacancies on the board or any committee created hereunder. Unless otherwise provided by the Board of Directors in creating the committee, a committee may employ counsel, accountants and other consultants to assist it in the exercise of its authority.

**3.14 Audit Committee.** The Audit Committee shall consist of a minimum of three (3) members of the Board of Directors, 75% or more of whom shall be independent directors in accordance with section Ins 50.15 of the Wisconsin Administrative Code. The Audit Committee, subject to any limitations prescribed by the Board of Directors, shall assist the Board of Directors in carrying out its responsibilities as they relate to accounting policies, reporting practices, adequacy of internal controls, quality and integrity of financial reporting, compliance with laws and other regulations and such other matters as may be assigned by the Board of Directors. The Audit Committee may initiate such investigations as it shall deem necessary. The Audit Committee shall be solely responsible for the appointment, compensation and oversight of the corporation's audit firm, including resolution of disagreements between management and the accountant regarding financial reporting, for the purpose of preparing or issuing the audited financial report or related work and shall pre-approve all audit and non-audit services of the corporation's audit firm. The Audit Committee shall meet at least twice each year and such additional times as may be deemed necessary and expedient by the Audit Committee. The Audit Committee shall meet at such times and places as shall be determined by the Audit Committee. Special meetings may be called by the Chair of the Audit Committee or by written request of any two members of the committee. When the Audit Committee is addressing matters in closed session where in its opinion it is necessary to exclude one or more members of the committee or the Board of Directors, the Audit Committee may exclude such members. Two (2) members of the Audit Committee shall constitute a quorum and any action taken by the Audit Committee shall require the affirmative vote of at least one (1) UHC Director and one (1) GHS Director.

**3.15 Telephonic Meetings.** Except as herein provided and notwithstanding any place set forth in the notice of the meeting or these bylaws, members of the Board of Directors (and any committees thereof created pursuant to Section 3.13 and 3.14 hereof) may participate in regular or special meetings by, or through the use of, any means of communication by which all participants may simultaneously hear each other, such as by conference telephone. If a meeting is conducted by such means, then at the commencement of such meeting the presiding officer shall inform the participating directors that a meeting is taking place at which official business may be transacted. Any participant in a meeting by such means shall be deemed present in person at such meeting. Notwithstanding the foregoing, no action may be taken at any meeting held by such means on any particular matter which the presiding officer determines, in his or her sole discretion, to be inappropriate under the circumstances for action at a meeting held by such means. Such determination shall be made and announced in advance of such meeting.

**3.16 Action Without Meeting.** Any action required or permitted by the Wisconsin Insurance Code to be taken at a meeting of the Board of Directors or a committee thereof created pursuant to Section 3.13 and 3.14 hereof may be taken without a meeting if the action is taken by all members of the Board or of the committee. The action shall be evidenced by one or more

written consents describing the action taken, signed by each director or committee member and retained by the corporation. Such action shall be effective when the last director or committee member signs the consent, unless the consent specifies a different effective date.

#### **ARTICLE 4. OFFICERS**

**4.1 Number.** The principal officers of the corporation shall be a Chief Executive Officer, a President, the number of Vice Presidents as authorized from time to time by the Board of Directors, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. The Board of Directors may also authorize any duly authorized officer to appoint one or more officers or assistant officers. The offices of Chief Executive Officer and President may be held by the same person, and the offices of Secretary and Treasurer may be held by the same person.

**4.2 Election and Term of Office.** The officers of the corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is practicable. Each officer shall hold office until his or her successor shall have been duly elected or until his or her prior death, resignation or removal.

**4.3 Removal.** The Board of Directors may remove any officer and, unless restricted by the Board of Directors or these bylaws, an officer may remove any officer or assistant officer appointed by that officer, at any time, with or without cause and notwithstanding the contract rights, if any, of the officer removed. The appointment of an officer does not of itself create contract rights.

**4.4 Resignation.** An officer may resign at any time by delivering notice to the corporation that complies with the Wisconsin Insurance Code. The resignation shall be effective when the notice is delivered, unless the notice specifies a later effective date and the corporation accepts the later effective date.

**4.5 Vacancies.** A vacancy in any principal office because of death, resignation, removal, disqualification or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term. If a resignation of an officer is effective at a later date as contemplated by Section 4.4 hereof, the Board of Directors may fill the pending vacancy before the effective date if the Board provides that the successor may not take office until the effective date.

**4.6 Chief Executive Officer.** The Chief Executive Officer shall act as the principal executive officer of the corporation and shall be responsible for the management of the corporation. The Chief Executive Officer shall have general charge of the business and affairs of the corporation and shall direct all other officers, agents and employees. Except as provided in these bylaws or by resolution of the Board of Directors, the Chief Executive Officer shall appoint all other officers, agents and employees of the corporation. The Chief Executive Officer shall organize the functions of the corporation through appropriate departmentalization and delegation, establishing formal means of staff evaluation and accountability. The Chief

Executive Officer shall keep the Board of Directors informed about the management and financial status of the corporation through regular reports. The Chief Executive Officer; shall serve on all standing and special committees of the Board, created in accordance with Section 3.13 hereof, as an ex-officio member with a vote.

**4.7 President.** The President shall, in general, supervise and control the day-to-day insurance operations of the corporation. The President shall have authority, subject to such rules as may be prescribed by the Board of Directors and Chief Executive Officer, to appoint such agents and employees of the corporation as he or she shall deem necessary, to prescribe their powers, duties and compensation, and to delegate authority to them. Such agents and employees shall hold office at the discretion of the President. He or she shall have authority to sign, execute and acknowledge, on behalf of the corporation, all deeds, mortgages, bonds, stock certificates, contracts, leases, reports and all other documents or instruments necessary or proper to be executed in the course of the corporation's regular business, or which shall be authorized by resolution of the Board of Directors; and, except as otherwise provided by law or the Board of Directors or the Chief Executive Officer, he or she may authorize any Vice President or other officer or agent of the corporation to sign, execute and acknowledge such documents or instruments in his or her place and stead. In general, he or she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors and Chief Executive Officer from time to time.

**4.8 Vice Presidents.** In the absence of the President or in the event of the President's death, inability or refusal to act, or in the event for any reason it shall be impracticable for the President to act personally, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign, with the Secretary or Assistant Secretary, certificates for shares of the corporation; and shall perform such other duties and have such authority as from time to time may be delegated or assigned to him or her by the Chief Executive Officer or the President or by the Board of Directors. The execution of any instrument of the corporation by any Vice President shall be conclusive evidence, as to third parties, of his or her authority to act in the stead of the President.

**4.9 Secretary.** The Secretary shall: (a) keep minutes of the meetings of the shareholders and of the Board of Directors (and of committees thereof) in one or more books provided for that purpose (including records of actions taken by the shareholders or the Board of Directors (or committees thereof) without a meeting); (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by the Wisconsin Insurance Code; (c) be custodian of the corporate records and of the seal of the corporation, if any, and see that the seal of the corporation, if any, is affixed to all documents the execution of which on behalf of the corporation is duly authorized; (d) maintain a record of the shareholders of the corporation, in a form that permits preparation of a list of the names and addresses of all shareholders, by class or series of shares and showing the number and class or series of shares held by each shareholder; (e) sign with the Chief Executive Officer, the President, or a Vice President, certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the



corporation; and (g) in general, perform all duties incident to the office of Secretary and have such other duties and exercise such authority as from time to time may be delegated or assigned by the Chief Executive Officer, the President or the Board of Directors.

**4.10 Treasurer.** The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) maintain appropriate accounting records; (c) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Section 5.4; and (d) in general perform all of the duties incident to the office of Treasurer and have such other duties and exercise such other authority as from time to time may be delegated or assigned by the Chief Executive Officer, the President or the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

**4.11 Assistant Secretaries and Assistant Treasurers.** There shall be such number of Assistant Secretaries and Assistant Treasurers as the Board of Directors may from time to time authorize. The Assistant Secretaries may sign with the Chief Executive Officer, the President or a Vice President, certificates for shares of the corporation, the issuance of which shall have been authorized by a resolution of the Board of Directors. The Assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties and have such authority as shall from time to time be delegated or assigned to them by the Secretary or the Treasurer, respectively, or by the Chief Executive Officer, the President or the Board of Directors.

**4.12 Other Assistants and Acting Officers.** The Board of Directors shall have the power to appoint, or to authorize any duly appointed officer of the corporation to appoint, any person to act as assistant to any officer, or as agent for the corporation in his or her stead, or to perform the duties of such officer whenever for any reason it is impracticable for such officer to act personally, and such assistant or acting officer or other agent so appointed by the Board of Directors or an authorized officer shall have the power to perform all the duties of the office to which he or she is so appointed to be an assistant, or as to which he or she is so appointed to act, except as such power may be otherwise defined or restricted by the Board of Directors or the appointing officer.

**4.13 Salaries.** The salaries of the Chief Executive Officer, the President, the Vice Presidents, the Secretary and the Treasurer shall be fixed from time to time by the Board of Directors or by a duly authorized committee thereof.

## **ARTICLE 5. CONTRACTS, LOANS, CHECKS AND DEPOSITS; SPECIAL CORPORATE ACTS**

**5.1 Contracts.** The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instrument in the name of and on behalf of the corporation, and such authorization may be general or confined to specific

instances. In the absence of other designation, all deeds, mortgages and instruments of assignment or pledge made by the corporation shall be executed in the name of the corporation by the Chief Executive Officer, the President or one of the Vice Presidents and by the Secretary, an Assistant Secretary, the Treasurer or an Assistant Treasurer; the Secretary or an Assistant Secretary, when necessary or required, shall affix the corporate seal, if any, thereto; and when so executed, no other party to such instrument or any third party shall be required to make inquiry into the authority of the signing officer or officers.

**5.2 Loans.** No indebtedness or borrowed money shall be contracted on behalf of the corporation and no evidences of such indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors. Such authorization may be general or confined to specific instances.

**5.3 Checks, Drafts, etc.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by or under the authority of a resolution of the Board of Directors.

**5.4 Deposits.** All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such bank, trust companies or other depositories as may be selected by or under the authority of a resolution of the Board of Directors.

**5.5 Voting of Securities Owned by this Corporation.** Subject always to the specific directions of the Board of Directors, (a) any shares or other securities issued by any other corporation and owned or controlled by this corporation may be voted at any meeting of security holders of such other corporation by the Chief Executive Officer or the President of this corporation if he or she be present, or in his or her absence by any Vice President of this corporation who may be present, and (b) whenever, in the judgment of the Chief Executive Officer or the President, or in his or her absence, of any Vice President, it is desirable for this corporation to execute a proxy or written consent in respect to any shares or other securities issued by any other corporation and owned by this corporation, such proxy or consent shall be executed in the name of this corporation by the Chief Executive Officer or the President or one of the Vice Presidents of this corporation, without necessity of any authorization by the Board of Directors, affixation of corporate seal, if any, or countersignature or attestation by another officer. Any person or persons designated in the manner above stated as the proxy or proxies of this corporation shall have full right, power and authority to vote the shares or other securities issued by such other corporation and owned by this corporation the same as such shares or other securities might be voted by this corporation.

## **ARTICLE 6. CERTIFICATES FOR SHARES; TRANSFER OF SHARES**

**6.1 Certificates for Shares.** Certificates representing shares of the corporation shall be in such form, consistent with the Wisconsin Insurance Code, as shall be determined by the Board of Directors. Such certificates shall be signed by the Chief Executive Officer or the President or a Vice President and by the Secretary or an Assistant Secretary. All certificates

for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except as provided in Section 6.6.

**6.2 Facsimile Signatures and Seal.** The seal of the corporation, if any, on any certificates for shares may be a facsimile. The signature of the Chief Executive Officer or the President or Vice President and the Secretary or Assistant Secretary upon a certificate may be facsimiles if the certificate is manually signed on behalf of a transfer agent, or a registrar, other than the corporation itself or an employee of the corporation.

**6.3 Signature by Former Officers.** The validity of a share certificate is not affected if a person who signed the certificate (either manually or in facsimile) no longer holds office when the certificate is issued.

**6.4 Transfer of Shares.** Shares of the corporation may not be transferred, including by sale, except as specifically approved by the Board of Directors. Prior to due presentment of a certificate for shares for registration or transfer, the corporation may treat the registered owner of such shares as the person exclusively entitled to vote, to receive notifications and otherwise to have and exercise all the rights and power of an owner. Where a certificate for shares is presented to the corporation with a request to register for transfer, the corporation shall not be liable to the owner or any other person suffering loss as a result of such registration of transfer if (a) there were on or with the certificate the necessary endorsements, and (b) the corporation had no duty to inquire into adverse claims or has discharged any such duty. The corporation may require reasonable assurance that such endorsements are genuine and effective and in compliance with such other regulations as may be prescribed by or under the authority of the Board of Directors.

**6.5 Restrictions on Transfer.** The face or reverse side of each certificate representing shares shall bear a conspicuous notation of any restriction imposed upon the transfer of such shares by the corporation or pursuant to the Stockholders Agreement between GHS, UHC and the corporation.

**6.6 Lost, Destroyed or Stolen Certificates.** Where the owner claims that certificates for shares have been lost, destroyed or wrongfully taken, a new certificate shall be issued in place thereof if the owner (a) so requests before the corporation has notice that such shares have been acquired by a bona fide purchaser, (b) files with the corporation a sufficient indemnity bond if required by the Board of Directors or any principal officer, and (c) satisfies such other reasonable requirements as may be prescribed by or under the authority of the Board of Directors.

**6.7 Consideration for Shares.** The Board of Directors may authorize shares to be issued for consideration consisting of any tangible or intangible property or benefit to the corporation, including cash, promissory notes, services performed, contracts for services to be performed or other securities of the corporation. Before the corporation issues shares, the

Board of Directors shall determine that the consideration received or to be received for the shares to be issued is adequate. The determination of the Board of Directors is conclusive insofar as the adequacy of consideration for the issuance of shares relates to whether the shares are validly issued, fully paid and nonassessable. The corporation may place in escrow shares issued in whole or in part for a contract for future services or benefits, a promissory note, or other property to be issued in the future, or make other arrangements to restrict the transfer of the shares, and may credit distributions in respect of the shares against their purchase price, until the services are performed, the benefits or property are received or the promissory note is paid. If the services are not performed, the benefits or property are not received or the promissory note is not paid, the corporation may cancel, in whole or in part, the shares escrowed or restricted and the distributions credited.

**6.8 Stock Regulations.** The Board of Directors shall have the power and authority to make all such further rules and regulations not inconsistent with law as it may deem expedient concerning the issue, transfer and registration of shares of the corporation.

## ARTICLE 7. GENERAL

**7.1 Seal.** The Board of Directors may provide for a corporate seal for the corporation.

**7.2 Fiscal Year.** The fiscal year of the corporation shall begin on the first day of January and end on the last day of December each year.

## ARTICLE 8. INDEMNIFICATION

**8.1 General Provision of Indemnification.** Notwithstanding the specific provision of indemnification set forth in Section 8.2 of these bylaws, the Corporation shall, to the fullest extent permitted or required by Section 611.62 of the Wisconsin Insurance Code and Sections 180.0850 to 180.0859, inclusive, of the Wisconsin Business Corporation Law, including any amendments thereto (but in the case of any such amendment, only to the extent such amendment permits or requires the Corporation to provide broader indemnification rights than prior to such amendment), indemnify its Directors and Officers against any and all Liabilities, and advance any and all reasonable Expenses, incurred thereby in any Proceeding to which any such Director or Officer is a Party because he or she is or was a Director or Officer of the Corporation. All capitalized terms used in this Article 8 and not otherwise defined herein shall have the meaning set forth in Section 180.0850 of the Wisconsin Business Corporation Law.

### **8.2 Specific Provision of Indemnification.**

(a) Any person, or such person's estate or personal representative, made or threatened with being made a party to any action, suit, arbitration, or proceeding (civil, criminal, administrative, or investigative, whether formal or informal), which involves foreign, federal, state or local law, by reason of the fact that such person is or was a Director or Officer of this Corporation or of any Corporation or other enterprise for which he or she served at this Corporation's request as a director, officer, partner, trustee, member of any decision-making committee, employee, or agent, shall be indemnified by this Corporation for all reasonable

expenses incurred in the Proceeding to the extent he or she has been successful on the merits or otherwise.

(b) In cases where a person described in subsection (a) is not successful on the merits or otherwise, this Corporation shall indemnify such person against Liability and reasonable Expenses incurred by him or her in any such Proceeding, unless Liability was incurred because the person breached or failed to perform a duty he or she owed to the Corporation and the breach or failure to perform constituted any of the following:

(i) A willful failure to deal fairly with the Corporation or its shareholders in connection with a matter in which the Director or Officer had a material conflict of interest;

(ii) A violation of criminal law, unless the Director or Officer had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful;

(iii) A transaction from which the Director or Officer derived an improper personal profit; or

(iv) Willful misconduct.

(c) The determination whether indemnification shall be required under subsection (b) shall be made, at the selection of the Director or Officer, according to one of the following methods:

(i) By a majority vote of a quorum of the Board of Directors consisting of Directors not at the time Parties to the same or related Proceedings. If a quorum of disinterested Directors cannot be obtained, by majority vote of a committee duly appointed by the Board of Directors and consisting solely of two or more Directors not at the time Parties to the same or related proceedings. Directors who are Parties to the same or related Proceedings may participate in the designation of members of the committee;

(ii) By independent legal counsel selected by a quorum of the Board of Directors or its committee in the manner prescribed in (i) above or, if unable to obtain such a quorum or committee, by a majority vote of the full Board of Directors, including Directors who are Parties to the same or related Proceedings; or

(iii) By the court conducting the Proceedings or another court of competent jurisdiction, either on application by the Director or Officer for an initial determination or on application for review of an adverse determination under (i) or (ii), above.

(d) The termination of a Proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the Director or Officer is not required.

(e) A Director or Officer who seeks indemnification under this section shall make a written request to the Corporation.

(f) Upon written request by a Director or Officer who is a Party to a Proceeding described in subsection (a), this Corporation may pay or reimburse his or her reasonable Expenses as incurred if the Director or Officer provides the Corporation with all of the following:

(i) A written affirmation of his or her good faith belief that he or she has not breached or failed to perform his or her duties to the Corporation; and

(ii) A written undertaking, executed personally or on his or her behalf, to repay the allowance, and reasonable interest thereon, to the extent that it is ultimately determined under subsections (c) (i) or (c) (ii), above, that indemnification is not required or to the extent that indemnification is not ordered by a court under subsection (c) (iii), above. The undertaking under this subsection shall be an unlimited general obligation of the Director or Officer, may be accepted without reference to his or her ability to repay the allowance, and may be secured or unsecured.

(g) This Section 8.2, subsections (a) - (f), shall also apply where a person, or such person's estate or personal representative, is made or threatened with being made a Party to any Proceeding described in subsection (a) by reason of the fact that such person is or was an employee of the Corporation, except that in addition to the categories of conduct set forth in subsection (b) in relation to which the Corporation has no duty to indemnify the employee against liability and reasonable Expenses incurred by him or her, the Corporation has no duty to indemnify the employee against liability and reasonable Expenses incurred by him or her in any such Proceeding if Liability was incurred because the person breached or failed to perform a duty he or she owed to the Corporation and the breach or failure to perform constituted material negligence or material misconduct in performance of the employee's duties to the Corporation.

(h) Unless a Director or Officer of this Corporation has knowledge that makes reliance unwarranted, a Director or Officer, in discharging his or her duties to the Corporation, may rely on information, opinions, reports or statements, any of which may be written or oral, formal or informal, including financial statements and other financial data, if prepared or presented by any of the following:

(i) An Officer or employee of the Corporation whom the Director or Officer believes in good faith to be reliable and competent in the matters presented;

(ii) Legal counsel, public accountants or other persons as to matters the Director or Officer believes in good faith are within the person's professional or expert competence; or

(iii) In the case of reliance by a Director, a committee of the Board of Directors of which the Director is not a member if the Director believes in good faith that the committee merits confidence.

This subsection does not apply to the Liability of a Director for improper declaration of dividends, distribution of assets, corporate purchase of its own shares, or distribution of assets to shareholders during liquidation, or for corporate loans made to an Officer or Director, under Wisconsin Business Corporation Law Section 180.0832 (1), or the reliance of a Director on

financial information represented as correct by corporate officers or independent or certified public accountants under Wisconsin Business Corporation Law Section 180.0826.

(i) In discharging his or her duties to the Corporation and in determining what he or she believes to be in the best interest of the Corporation, a Director or Officer may, in addition to considering the effects of any action on shareholders, consider the following:

(i) The effects of the action on employees, suppliers and customers of the Corporation;

(ii) The effects of the action on communities in which the Corporation operates; or

(iii) Any other factor the Director or Officer considers pertinent.

### **8.3 Limited Liability of Directors and Officers and Shareholders.**

(a) Except as provided in subsection (b) of this Section 8.3, a Director or Officer is not liable to this Corporation, its shareholders, or any person asserting rights on behalf of the Corporation or its shareholders, for damages, settlements, fees, fines, penalties or other monetary Liabilities arising from a breach of, or failure to perform, any duty resulting solely from his or her status as a Director, unless the person asserting Liability proves that the breach or failure to perform constitutes any of the following:

(i) A willful failure to deal with the Corporation or its shareholders in connection with a matter in which the Director had a material conflict of interest;

(ii) A violation of criminal law, unless the Director or Officer had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful;

(iii) A transaction from which the Director derived an improper personal profit; or

(iv) Willful misconduct.

(b) This Section 8.3 does not apply to the Liability of a Director or Officer for improper declaration of dividends, distribution of assets, corporate purchase of its own shares, or distribution of assets to shareholders during liquidation, or for corporate loans made to an Officer or Director, under Wisconsin Business Corporation Law Section 180.0832 (1).

## **ARTICLE 9. AMENDMENTS**

**9.1 By Shareholders.** These bylaws may be amended or repealed and new bylaws may be adopted by the shareholders at any annual or special meeting of the shareholders at which a quorum is in attendance.

**9.2 By Directors.** Except as otherwise provided by the Wisconsin Insurance Code or the articles of incorporation, these bylaws may also be amended or repealed and new bylaws may be adopted by the Board of Directors by affirmative vote of five (5) UHC Directors and GHS Directors; *provided, however*, that the shareholders in adopting, amending or repealing a particular bylaw may provide therein that the Board of Directors may not amend, repeal or readopt that bylaw.

## **ARTICLE 10. STOCKHOLDERS AGREEMENT**

**10.1 Stockholders Agreement Controls.** The provisions of these bylaws are intended to be consistent with the Stockholders Agreement between GHS, UHC and the corporation. In the event of an inconsistency between these bylaws and the Stockholders Agreement between GHS, UHC and the corporation, the Board of Directors and the stockholders shall take such steps to ensure that the Stockholders Agreement between GHS, UHC and the corporation controls. In the event that (i) the bylaws are silent on a matter that is addressed by the Stockholders Agreement between GHS, UHC and the corporation, and (ii) the Stockholders Agreement between GHS, UHC and the corporation is not consistent with the Wisconsin Business Corporation Law on such matter but the Wisconsin Business Corporation Law would otherwise allow the bylaws to control such matter, then these bylaws shall be deemed to contain provisions consistent with the Stockholders Agreement between GHS, UHC and the corporation such that the Stockholders Agreement between GHS, UHC and the corporation will control over the default provisions of the Wisconsin Business Corporation Law.



**Exhibit C-10**  
**Amended and Restated Bylaws (Quartz)**

**AMENDED AND RESTATED**

**BYLAWS OF**

**SPWI TPA, INC.**

**Effective [\_\_\_\_\_], 2016**

**Adopted by the Board of Directors on**

**[\_\_\_\_\_], 2016**

## ARTICLE 1. OFFICES

**1.1 Principal and Business Offices.** The corporation may have such principal and other business offices, either within or without the State of Wisconsin, as the board of directors of the corporation (the “Board of Directors”) may designate or as the business of the corporation may require from time to time.

**1.2 Registered Office.** The registered office of the corporation required by Chapter 180 of the Wisconsin Statutes, to be maintained in the State of Wisconsin may be, but need not be, identical with the principal office in the State of Wisconsin, and the address of the registered office may be changed from time to time by the Board of Directors or by the registered agent. The business office of the registered agent of the corporation shall be identical to such registered office.

**1.3 Confidentiality and Conflicts of Interest.** The Board of Directors, the officers and the employees of the corporation shall at all times act in an ethical manner in conducting the business of the corporation. Employees shall adhere to the corporation’s Rules of Conduct, including the corporation’s standards pertaining to the protection of confidential and proprietary information. If an actual or potential conflict of interest is found to exist between the corporation and any director, officer or employee, resulting from a relationship that such person has with an entity that is a supplier, vendor, competitor or consultant to the corporation, then such person shall send written notification to the Chairman or Secretary of the Board of Directors, as appropriate. At a minimum, a conflicted director or officer will recuse himself from any decisions that relate in any way to the conflict.

## ARTICLE 2. SHAREHOLDERS

**2.1 Annual Meeting.** The annual meeting of the shareholders shall be held on the second Tuesday in May of each year, or at such other time and date within thirty (30) days before or after such date as may be fixed by or under the authority of the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Wisconsin, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein, or fixed as herein provided, for any annual meeting of the shareholders, or at any adjournment and reconvention thereof, the Board of Directors shall cause the election to be held at a special meeting of the shareholders as soon thereafter as is practicable.

**2.2 Special Meetings.** Special meetings of the shareholders, for any purpose or purposes, may be called by the Board of Directors, the Chief Executive Officer or the President. The corporation shall call a special meeting of shareholders in the event that the holders of at least ten percent (10%) of all of the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date and deliver to the corporation one or more written demands for the meeting, describing one or more purposes for which it is to be held. The corporation shall give notice of such a special meeting within thirty (30) days after the date that the demand is delivered to the corporation.

**2.3 Place of Meeting.** The Board of Directors may designate any place, either within or without the State of Wisconsin, as the place of meeting for any annual or special meeting of shareholders. If no designation is made, the place of meeting shall be the principal office of the corporation. Any meeting may be adjourned to reconvene at any place designated by vote of a majority of the shares represented thereat.

**2.4 Notice of Meeting.** Written notice stating the date, time and place of any meeting of shareholders and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting (unless a different time is provided by the articles of incorporation), either personally or by mail, by or at the direction of the Chief Executive Officer, the President or the Secretary, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be effective when deposited in the United States mail, addressed to the shareholder at his or her address as it appears on the stock record books of the corporation, with postage thereon prepaid. If an annual or special meeting of shareholders is adjourned to a different date, time or place, the corporation shall not be required to give notice of the new date, time or place if the new date, time or place is announced at the meeting before adjournment; *provided, however*, that if a new record date for an adjourned meeting is or must be fixed, the corporation shall give notice of the adjourned meeting to persons who are shareholders as of the new record date.

**2.5 Waiver of Notice.** A shareholder may waive any notice required by the articles of incorporation or these bylaws before or after the date and time stated in the notice. The waiver shall be in writing and signed by the shareholder entitled to the notice and be delivered to the corporation for inclusion in the corporate records. A shareholder's attendance at a meeting, in person or by proxy, waives objection to all of the following: (a) a lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting or promptly upon arrival objects to holding the meeting or transacting business at the meeting; and (b) consideration of a particular matter at the meeting that is not within the purpose described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

**2.6 Fixing of Record Date.** The Board of Directors may fix in advance a date as the record date for the purpose of determining shareholders entitled to notice of and to vote at any meeting of shareholders, shareholders entitled to demand a special meeting as contemplated by Section 2.2 hereof, shareholders entitled to take any other action, or shareholders for any other purpose. Such record date shall not be more than seventy (70) days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If no record date is fixed by the Board of Directors for the determination of shareholders entitled to notice of and to vote at a meeting of shareholders, the record date shall be the close of business on the day before the first notice is given to shareholders. If no record date is fixed by the Board of Directors for the determination of shareholders entitled to demand a special meeting as contemplated in Section 2.2 hereof, the record date shall be the date that the first shareholder signs the demand. A determination of shareholders entitled to notice of and to vote at a meeting of shareholders is effective for any adjournment and reconvention of such meeting unless the Board of Directors fixes a new record date, which it shall do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting. The record

date for determining shareholders entitled to a distribution (other than a distribution involving a purchase, redemption or other acquisition of the corporation's shares) or a share dividend is the date on which the Board of Directors authorized the distribution or share dividend, as the case may be, unless the Board of Directors fixes a different record date.

**2.7 Shareholders' List for Meetings.** After a record date for a special or annual meeting of shareholders has been fixed, the corporation shall prepare a list of the names of all of the shareholders entitled to notice of the meeting. The list shall be arranged by class or series of shares, if any, and show the address of and number of shares held by each shareholder. Such list shall be available for inspection by any shareholder, beginning two (2) business days after notice of the meeting is given for which the list was prepared and continuing to the date of the meeting, at the corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held. A shareholder or his or her agent may, on written demand, inspect and copy the list, during regular business hours and at his or her expense, during the period that it is available for inspection pursuant to this Section 2.7. The corporation shall make the shareholders' list available at the meeting, and any shareholder or his or her agent or attorney may inspect the list at any time during the meeting or any adjournment thereof. Refusal or failure to prepare or make available the shareholders' list shall not affect the validity of any action taken at a meeting of shareholders.

**2.8 Quorum and Voting Requirements.** Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. If the corporation has only one class of stock outstanding, such class shall constitute a separate voting group for the purposes of this Section 2.8. Except as otherwise provided in the articles of incorporation, a majority of the votes entitled to be cast on the matter shall constitute a quorum of the voting group for action on that matter. Once a share is represented for any purpose at a meeting, other than for the purpose of objecting to holding the meeting or transacting business at the meeting, it is considered present for purposes of determining whether a quorum exists for the remainder of the meeting and for any adjournment and reconvention of that meeting unless a new record date is or must be set for the adjourned and reconvened meeting. If a quorum exists, except in the case of the election of directors, action on a matter shall be approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, unless the articles of incorporation requires a greater number of affirmative votes. Unless otherwise provided in the articles of incorporation, each director shall be elected by a plurality of the votes cast by the shares entitled to vote in the election of directors at a meeting at which a quorum is present. Though less than a quorum of the outstanding votes of a voting group are represented at a meeting, a majority of the votes so represented may adjourn the meeting from time to time without further notice. At such adjourned and reconvened meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed.

**2.9 Conduct of Meeting.** The Chairman of the Board of Directors, and in his or her absence, the Chief Executive Officer, the President or a Vice President in the order provided under Section 4.8 hereof, and in their absence, any person chosen by the shareholders present shall call the meeting of the shareholders to order and shall act as chairperson of the meeting, and the Secretary of the corporation shall act as secretary of all meetings of the shareholders, but, in

the absence of the Secretary, the presiding officer may appoint any other person to act as secretary of the meeting.

**2.10 Proxies.** At all meetings of shareholders, a shareholder may vote his or her shares in person or by proxy. A shareholder may appoint a proxy to vote or otherwise act for the shareholder by signing an appointment form, either personally or by his or her attorney-in-fact. An appointment of a proxy is effective when received by the Secretary or other officer or agent of the corporation authorized to tabulate votes. An appointment is valid for eleven (11) months from the date of its signing unless a different period is expressly provided in the appointment form.

**2.11 Voting of Shares.** Except as provided or limited in the articles of incorporation, each outstanding share, regardless of class, is entitled to one vote on each matter voted on at a meeting of shareholders.

**2.12 Action Without Meeting.** Any action required or permitted by the articles of incorporation or these bylaws to be taken at a meeting of the shareholders may be taken without a meeting and without action by the Board of Directors if a written consent or consents, describing the action so taken, is signed by all of the shareholders entitled to vote with respect to the subject matter thereof and delivered to the corporation for inclusion in the corporate records.

**2.13 Acceptance of Instruments Showing Shareholder Action.** If the name signed on a vote, consent, waiver or proxy appointment corresponds to the name of a shareholder, the corporation, if acting in good faith, may accept the vote, consent, waiver or proxy appointment and give it effect as the act of a shareholder. If the name signed on a vote, consent, waiver or proxy appointment does not correspond to the name of a shareholder, the corporation, if acting in good faith, may accept the vote, consent, waiver or proxy appointment and give it effect as the act of the shareholder if any of the following apply:

(a) The shareholder is an entity and the name signed purports to be that of an officer or agent of the entity.

(b) The name purports to be that of a personal representative, administrator, executor, guardian or conservator representing the shareholder and, if the corporation requests, evidence of fiduciary status acceptable to the corporation is presented with respect to the vote, consent, waiver or proxy appointment.

(c) The name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder and, if the corporation requests, evidence of this status acceptable to the corporation is presented with respect to the vote, consent, waiver or proxy appointment.

(d) The name signed purports to be that of a pledgee, beneficial owner, or attorney-in- fact of the shareholder and, if the corporation requests, evidence acceptable to the corporation of the signatory's authority to sign for the shareholder is presented with respect to the vote, consent, waiver or proxy appointment.

(e) Two or more persons are the shareholders as co-tenants or fiduciaries and the name signed purports to be the name of at least one of the co-owners and the person signing appears to be acting on behalf of both or all such persons.

The corporation may reject a vote, consent, waiver or proxy appointment if the Secretary or other officer or agent of the corporation who is authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the shareholder.

### **ARTICLE 3. BOARD OF DIRECTORS**

**3.1 General Powers and Number.** All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the Board of Directors. The number of directors of the corporation shall be nine (9).

**3.2 Tenure and Qualifications.**

(a) University Health Care, Inc. ("UHC") shall appoint a total of four (4) members of the Board of Directors, including (i) one (1) individual who shall have no current or previous employment, consulting or other financially related association with UHC or any of its affiliates (the "Independent UHC Director") and (ii) three (3) other individuals (the "UHC Directors"). Gundersen Lutheran Health System, Inc. ("GHS") shall appoint a total of four (4) members of the Board of Directors, including (i) one (1) individual who shall have no current or previous employment, consulting or other financially related association with GHS or any of its affiliates (the "Independent GHS Director") and (ii) three (3) other individuals (the "GHS Directors"). The Board of Directors, by a vote of no less than five (5) of its members, shall appoint one (1) member of the Board of Directors who shall have no current or previous employment, consulting or other financially related association with either GHS or UHC or any of their respective affiliates (the "Independent Joint Director" and together with the Independent UHC Director and the Independent GHS Directors, the "Independent Directors").

(b) The Board of Directors shall be and is divided into three (3) classes of three (3) directors each which shall be designated: Class I, Class II and Class III. At all times one (1) GHS Director, one (1) UHC Director, and one (1) Independent Director shall be appointed to each of Class I, Class II and Class III. Each director shall serve for a term ending on the date of the third (3rd) annual meeting following the annual meeting at which such director was elected; provided, that each director initially appointed to Class I shall serve for an initial term expiring at the corporation's first annual meeting of its shareholders following the effective date of these bylaws (the "Effective Date"); each director initially appointed to Class II shall serve for an initial term expiring at the corporation's second (2nd) annual meeting of its shareholders following the Effective Date; and each director initially appointed to Class III shall serve for an initial term expiring at the corporation's third (3rd) annual meeting of its shareholders following the Effective Date; provided further, that the term of each director shall continue until the election and qualification of a successor and be subject to such Director's earlier death, resignation or removal.

(c) A director may be removed by the shareholders only at a meeting called for the purpose of removing the director, and the meeting notice shall state that the purpose, or one of the purposes, of the meeting is the removal of the director. A director may be removed from office with or without cause if the votes cast to remove the director exceed the number of votes cast not to remove such director. A director may resign at any time by delivering written notice to the Board of Directors, to the Chairman of the Board of Directors or to the corporation. A director's resignation is effective when the notice is delivered unless the notice specifies a later effective date. Directors need not be residents of the State of Wisconsin or shareholders of the corporation.

**3.3 Chairman.** The Chairman, when present, shall preside at all meetings of the shareholders and the Board of Directors; shall appoint all committee members and committee chairpersons with the approval of the Board of Directors; and shall perform all of the acts usually attendant upon the office of chairperson or which may be set forth in these bylaws or resolutions of the Board of Directors.

**3.4 Regular Meetings.** A regular meeting of the Board of Directors shall be held not less frequently than quarterly and may be held without notice at such time and at such places as may from time to time be determined by the Board of Directors. The Board of Directors shall provide, by resolution, the date, time and place, either within or without the State of Wisconsin, for the holding of additional regular meetings of the Board of Directors without other notice than such resolution.

**3.5 Special Meetings.** Special meetings of the Board of Directors may be called by or at the request of the Chairman, Chief Executive Officer, President, Secretary or any director. The Chairman, Chief Executive Officer, President or Secretary may fix any place, either within or without the State of Wisconsin, as the place for holding any special meeting of the Board of Directors, and if no other place is fixed, the place of the meeting shall be the principal office of the corporation in the State of Wisconsin.

**3.6 Notice; Waiver.** Notice of each special meeting of the Board of Directors shall be given by written notice delivered or communicated in person, by telegraph, teletype, facsimile or other form of wire or wireless communication, or by mail or private carrier, to each director at his or her business address or at such other address as such director shall have designated in writing filed with the Secretary, in each case not less than seventy-two (72) hours prior to the meeting. The notice need not prescribe the purpose of the special meeting of the Board of Directors or the business to be transacted at such meeting. If mailed, such notice shall be deemed to be effective when deposited in the United States mail so addressed, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be effective when the telegram is delivered to the telegraph company. If notice is given by facsimile, such notice shall be deemed to be effective when receipt of such facsimile has been acknowledged. If notice is given by private carrier, such notice shall be deemed to be effective when delivered to the private carrier. Whenever any notice whatsoever is required to be given to any director of the corporation under the articles of incorporation or these bylaws, a waiver thereof in writing, signed at any time, whether before or after the date and time of meeting, by the director entitled to such notice shall be deemed equivalent to the giving of such notice. The corporation shall retain any such waiver as part of the permanent corporate



records. A director's attendance at or participation in a meeting waives any required notice to him or her of the meeting unless the director, at the beginning of the meeting or promptly upon his or her arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

**3.7 Quorum.** Five (5) members of the Board of Directors including at least one (1) UHC Director and one (1) GHS Director shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. Except as otherwise provided by the articles of incorporation or these bylaws, a quorum of any committee of the Board of Directors created pursuant to Section 3.13 hereof shall consist of the greater of a majority of the number of members appointed to serve on the committee or three (3) members appointed to serve on the committee. A majority of the directors present (though less than such quorum) may adjourn any meeting of the Board of Directors or any committee thereof, as the case may be, from time to time without further notice.

**3.8 Manner of Acting.** Unless the articles of incorporation or these bylaws require the vote of a greater number of directors, the affirmative vote by a simple majority of those directors present at a meeting of the Board of Directors at which a quorum is present shall be the act of the Board of Directors; *provided, however*, that at least one (1) UHC Director and one (1) GHS Director each vote in favor of such action.

**3.9 Conduct of Meetings.** The Chairman of the Board of Directors, and in his or her absence, the Chief Executive Officer, the President or a Vice President in the order provided under Section 4.8, and in their absence, any director chosen by the directors present, shall call meetings of the Board of Directors to order and shall act as chairperson of the meeting. The Secretary of the corporation shall act as secretary of all meetings of the Board of Directors, but in the absence of the Secretary, the presiding officer may appoint any other person present to act as secretary of the meeting. Minutes of any regular or special meeting of the Board of Directors shall be prepared and distributed to each director.

**3.10 Vacancies.** If a vacant office occurring in the Board of Directors was held by a director elected by a voting group of shareholders, only the holders of shares of that voting group may vote to fill the vacancy if it is filled by the shareholders, and only the remaining directors elected by that voting group may vote to fill the vacancy if it is filled by the directors. A vacancy that will occur at a specific later date, because of a resignation effective at a later date or otherwise, may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

**3.11 Compensation.** The Independent Directors may be entitled to receive reasonable compensation for services in their capacity as members of the Board of Directors and any committee thereof as may be determined by the UHC Directors and GHS Directors. The UHC Directors and GHS Directors shall not be entitled to receive compensation for services in their capacity as members of the Board of Directors or any committee thereof. Notwithstanding the foregoing, all members of the Board of Directors may, in their discretion, be paid for the expenses, if any, that they incur in connection with attendance at meetings of the Board of Directors or any committee thereof. The foregoing shall not prohibit any member of the

Board of Directors from serving the corporation in any other capacity and receiving compensation therefor.

**3.12 Presumption of Assent.** A director who is present and is announced as present at a meeting of the Board of Directors or any committee thereof created in accordance with Section 3.13 or 3.14 hereof, when corporate action is taken, assents to the action taken unless any of the following occurs: (a) the director objects at the beginning of the meeting or promptly upon his or her arrival to holding the meeting or transacting business at the meeting; (b) the director's dissent or abstention from the action taken is entered in the minutes of the meeting; or (c) the director delivers written notice of his or her dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation immediately after adjournment of the meeting. Such right of dissent or abstention shall not apply to a director who votes in favor of the action taken.

**3.13 Committees.** In addition to the Audit Committee pursuant to Section 3.14, the Board of Directors may create committees including, without limitation, a Compliance Committee, Finance Committee, Human Resources and Compensation Committee, Quality Committee and Marketing Committee, each of which shall have three (3) or more members selected from the Board of Directors, including at least one UHC Director and at least one GHS Director. Committee members shall serve at the pleasure of the Board of Directors; *provided, however,* that any such committees shall include and any action taken by such committee shall require the affirmative vote of at least one (1) UHC Director and one (1) GHS Director. Such ordinary committees, if any, shall have and may exercise such powers as may be provided in the resolution of the Board of Directors creating such committee, as such resolution may from time to time be amended and supplemented; *provided, however,* that in no case shall any such committee take any action in respect to (a) compensation or indemnification of any person who is a director, principal officer or one of the three most highly paid employees, and any benefits or payments requiring shareholder or policyholder approval; (b) approval of any contract required to be approved by the board or of any other transaction in which a director has a material interest adverse to the corporation; (c) amendment of the articles or bylaws; (d) merger or consolidation, stock exchanges, conversion, voluntary dissolution, or transfer of business or assets; (e) any other decision requiring shareholder or policyholder approval; (f) amendment or repeal of any action previously taken by the full board which by its terms is not subject to amendment or repeal by a committee; (g) dividends or other distributions to shareholders or policyholders, other than in the routine implementation of policy determinations of the full board; (h) selection of principal officers; and (i) filling of vacancies on the board or any committee created hereunder. Unless otherwise provided by the Board of Directors in creating the committee, a committee may employ counsel, accountants and other consultants to assist it in the exercise of its authority.

**3.14 Audit Committee.** The Audit Committee shall consist of a minimum of three (3) members of the Board of Directors. The Audit Committee, subject to any limitations prescribed by the Board of Directors, shall assist the Board of Directors in carrying out its responsibilities as they relate to accounting policies, reporting practices, adequacy of internal controls, quality and integrity of financial reporting, compliance with laws and other regulations and such other matters as may be assigned by the Board of Directors. The Audit Committee may initiate such investigations as it shall deem necessary. The Audit Committee shall be solely responsible for

the appointment, compensation and oversight of the corporation's audit firm, including resolution of disagreements between management and the accountant regarding financial reporting, for the purpose of preparing or issuing the audited financial report or related work and shall pre-approve all audit and non-audit services of the corporation's audit firm. The Audit Committee shall meet at least twice each year and such additional times as may be deemed necessary and expedient by the Audit Committee. The Audit Committee shall meet at such times and places as shall be determined by the Audit Committee. Special meetings may be called by the Chair of the Audit Committee or by written request of any two members of the committee. When the Audit Committee is addressing matters in closed session where in its opinion it is necessary to exclude one or more members of the committee or the Board of Directors, the Audit Committee may exclude such members. Two (2) members of the Audit Committee shall constitute a quorum and any action taken by the Audit Committee shall require the affirmative vote of at least one (1) UHC Director and one (1) GHS Director.

**3.15 Telephonic Meetings.** Except as herein provided and notwithstanding any place set forth in the notice of the meeting or these bylaws, members of the Board of Directors (and any committees thereof created pursuant to Section 3.13 and 3.14 hereof) may participate in regular or special meetings by, or through the use of, any means of communication by which all participants may simultaneously hear each other, such as by conference telephone. If a meeting is conducted by such means, then at the commencement of such meeting the presiding officer shall inform the participating directors that a meeting is taking place at which official business may be transacted. Any participant in a meeting by such means shall be deemed present in person at such meeting. Notwithstanding the foregoing, no action may be taken at any meeting held by such means on any particular matter which the presiding officer determines, in his or her sole discretion, to be inappropriate under the circumstances for action at a meeting held by such means. Such determination shall be made and announced in advance of such meeting.

**3.16 Action Without Meeting.** Any action required or permitted to be taken at a meeting of the Board of Directors or a committee thereof created pursuant to Section 3.13 and 3.14 hereof may be taken without a meeting if the action is taken by all members of the Board or of the committee. The action shall be evidenced by one or more written consents describing the action taken, signed by each director or committee member and retained by the corporation. Such action shall be effective when the last director or committee member signs the consent, unless the consent specifies a different effective date.

## **ARTICLE 4. OFFICERS**

**4.1 Number.** The principal officers of the corporation shall be a Chief Executive Officer, a President, the number of Vice Presidents as authorized from time to time by the Board of Directors, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. The Board of Directors may also authorize any duly authorized officer to appoint one or more officers or assistant officers. The offices of Chief Executive Officer and President may be held by the same person, and the offices of Secretary and Treasurer may be held by the same person.

**4.2 Election and Term of Office.** The officers of the corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is practicable. Each officer shall hold office until his or her successor shall have been duly elected or until his or her prior death, resignation or removal.

**4.3 Removal.** The Board of Directors may remove any officer and, unless restricted by the Board of Directors or these bylaws, an officer may remove any officer or assistant officer appointed by that officer, at any time, with or without cause and notwithstanding the contract rights, if any, of the officer removed. The appointment of an officer does not of itself create contract rights.

**4.4 Resignation.** An officer may resign at any time by delivering notice to the corporation. The resignation shall be effective when the notice is delivered, unless the notice specifies a later effective date and the corporation accepts the later effective date.

**4.5 Vacancies.** A vacancy in any principal office because of death, resignation, removal, disqualification or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term. If a resignation of an officer is effective at a later date as contemplated by Section 4.4 hereof, the Board of Directors may fill the pending vacancy before the effective date if the Board provides that the successor may not take office until the effective date.

**4.6 Chief Executive Officer.** The Chief Executive Officer shall act as the principal executive officer of the corporation and shall be responsible for the management of the corporation. The Chief Executive Officer shall have general charge of the business and affairs of the corporation and shall direct all other officers, agents and employees. Except as provided in these bylaws or by resolution of the Board of Directors, the Chief Executive Officer shall appoint all other officers, agents and employees of the corporation. The Chief Executive Officer shall organize the functions of the corporation through appropriate departmentalization and delegation, establishing formal means of staff evaluation and accountability. The Chief Executive Officer shall keep the Board of Directors informed about the management and financial status of the corporation through regular reports. The Chief Executive Officer; shall serve on all standing and special committees of the Board, created in accordance with Section 3.13 hereof, as an ex-officio member with a vote.

**4.7 President.** The President shall, in general, supervise and control the day-to-day operations of the corporation. The President shall have authority, subject to such rules as may be prescribed by the Board of Directors and Chief Executive Officer, to appoint such agents and employees of the corporation as he or she shall deem necessary, to prescribe their powers, duties and compensation, and to delegate authority to them. Such agents and employees shall hold office at the discretion of the President. He or she shall have authority to sign, execute and acknowledge, on behalf of the corporation, all deeds, mortgages, bonds, stock certificates, contracts, leases, reports and all other documents or instruments necessary or proper to be executed in the course of the corporation's regular business, or which shall be authorized by resolution of the Board of Directors; and, except as otherwise provided by law or the Board of Directors or the Chief Executive Officer, he or she may authorize any Vice President or other

officer or agent of the corporation to sign, execute and acknowledge such documents or instruments in his or her place and stead. In general, he or she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors and Chief Executive Officer from time to time.

**4.8 Vice Presidents.** In the absence of the President or in the event of the President's death, inability or refusal to act, or in the event for any reason it shall be impracticable for the President to act personally, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign, with the Secretary or Assistant Secretary, certificates for shares of the corporation; and shall perform such other duties and have such authority as from time to time may be delegated or assigned to him or her by the Chief Executive Officer or the President or by the Board of Directors. The execution of any instrument of the corporation by any Vice President shall be conclusive evidence, as to third parties, of his or her authority to act in the stead of the President.

**4.9 Secretary.** The Secretary shall: (a) keep minutes of the meetings of the shareholders and of the Board of Directors (and of committees thereof) in one or more books provided for that purpose (including records of actions taken by the shareholders or the Board of Directors (or committees thereof) without a meeting); (b) see that all notices are duly given in accordance with the provisions of these bylaws; (c) be custodian of the corporate records and of the seal of the corporation, if any, and see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation is duly authorized; (d) maintain a record of the shareholders of the corporation, in a form that permits preparation of a list of the names and addresses of all shareholders, by class or series of shares and showing the number and class or series of shares held by each shareholder; (e) sign with the Chief Executive Officer, the President, or a Vice President, certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the corporation; and (g) in general, perform all duties incident to the office of Secretary and have such other duties and exercise such authority as from time to time may be delegated or assigned by the Chief Executive Officer, the President or the Board of Directors.

**4.10 Treasurer.** The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) maintain appropriate accounting records; (c) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Section 5.4; and (d) in general perform all of the duties incident to the office of Treasurer and have such other duties and exercise such other authority as from time to time may be delegated or assigned by the Chief Executive Officer, the President or the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

**4.11 Assistant Secretaries and Assistant Treasurers.** There shall be such number of Assistant Secretaries and Assistant Treasurers as the Board of Directors may from time to time authorize. The Assistant Secretaries may sign with the Chief Executive Officer, the President or a Vice President, certificates for shares of the corporation, the issuance of which shall have been authorized by a resolution of the Board of Directors. The Assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties and have such authority as shall from time to time be delegated or assigned to them by the Secretary or the Treasurer, respectively, or by the Chief Executive Officer, the President or the Board of Directors.

**4.12 Other Assistants and Acting Officers.** The Board of Directors shall have the power to appoint, or to authorize any duly appointed officer of the corporation to appoint, any person to act as assistant to any officer, or as agent for the corporation in his or her stead, or to perform the duties of such officer whenever for any reason it is impracticable for such officer to act personally, and such assistant or acting officer or other agent so appointed by the Board of Directors or an authorized officer shall have the power to perform all the duties of the office to which he or she is so appointed to be an assistant, or as to which he or she is so appointed to act, except as such power may be otherwise defined or restricted by the Board of Directors or the appointing officer.

**4.13 Salaries.** The salaries of the Chief Executive Officer, the President, the Vice Presidents, the Secretary and the Treasurer shall be fixed from time to time by the Board of Directors or by a duly authorized committee thereof.

## **ARTICLE 5. CONTRACTS, LOANS, CHECKS AND DEPOSITS; SPECIAL CORPORATE ACTS**

**5.1 Contracts.** The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instrument in the name of and on behalf of the corporation, and such authorization may be general or confined to specific instances. In the absence of other designation, all deeds, mortgages and instruments of assignment or pledge made by the corporation shall be executed in the name of the corporation by the Chief Executive Officer, the President or one of the Vice Presidents and by the Secretary, an Assistant Secretary, the Treasurer or an Assistant Treasurer; the Secretary or an Assistant Secretary, when necessary or required, shall affix the corporate seal, if any, thereto; and when so executed, no other party to such instrument or any third party shall be required to make inquiry into the authority of the signing officer or officers.

**5.2 Loans.** No indebtedness or borrowed money shall be contracted on behalf of the corporation and no evidences of such indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors. Such authorization may be general or confined to specific instances.

**5.3 Checks, Drafts, etc.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be

signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by or under the authority of a resolution of the Board of Directors.

**5.4 Deposits.** All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such bank, trust companies or other depositories as may be selected by or under the authority of a resolution of the Board of Directors.

**5.5 Voting of Securities Owned by this Corporation.** Subject always to the specific directions of the Board of Directors, (a) any shares or other securities issued by any other corporation and owned or controlled by this corporation may be voted at any meeting of security holders of such other corporation by the Chief Executive Officer or the President of this corporation if he or she be present, or in his or her absence by any Vice President of this corporation who may be present, and (b) whenever, in the judgment of the Chief Executive Officer or the President, or in his or her absence, of any Vice President, it is desirable for this corporation to execute a proxy or written consent in respect to any shares or other securities issued by any other corporation and owned by this corporation, such proxy or consent shall be executed in the name of this corporation by the Chief Executive Officer or the President or one of the Vice Presidents of this corporation, without necessity of any authorization by the Board of Directors, affixation of corporate seal, if any, or countersignature or attestation by another officer. Any person or persons designated in the manner above stated as the proxy or proxies of this corporation shall have full right, power and authority to vote the shares or other securities issued by such other corporation and owned by this corporation the same as such shares or other securities might be voted by this corporation.

## **ARTICLE 6. CERTIFICATES FOR SHARES; TRANSFER OF SHARES**

**6.1 Certificates for Shares.** Certificates representing shares of the corporation shall be in such form as shall be determined by the Board of Directors. Such certificates shall be signed by the Chief Executive Officer or the President or a Vice President and by the Secretary or an Assistant Secretary. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except as provided in Section 6.6.

**6.2 Facsimile Signatures and Seal.** The seal of the corporation, if any, on any certificates for shares may be a facsimile. The signature of the Chief Executive Officer or the President or Vice President and the Secretary or Assistant Secretary upon a certificate may be facsimiles if the certificate is manually signed on behalf of a transfer agent, or a registrar, other than the corporation itself or an employee of the corporation.

**6.3 Signature by Former Officers.** The validity of a share certificate is not affected if a person who signed the certificate (either manually or in facsimile) no longer holds office when the certificate is issued.

**6.4 Transfer of Shares.** Shares of the corporation may not be transferred, including by sale, except as specifically approved by the Board of Directors. Prior to due presentment of a certificate for shares for registration or transfer, the corporation may treat the registered owner of such shares as the person exclusively entitled to vote, to receive notifications and otherwise to have and exercise all the rights and power of an owner. Where a certificate for shares is presented to the corporation with a request to register for transfer, the corporation shall not be liable to the owner or any other person suffering loss as a result of such registration of transfer if (a) there were on or with the certificate the necessary endorsements, and (b) the corporation had no duty to inquire into adverse claims or has discharged any such duty. The corporation may require reasonable assurance that such endorsements are genuine and effective and in compliance with such other regulations as may be prescribed by or under the authority of the Board of Directors.

**6.5 Restrictions on Transfer.** The face or reverse side of each certificate representing shares shall bear a conspicuous notation of any restriction imposed upon the transfer of such shares by the corporation or pursuant to the Stockholders Agreement between GHS, UHC and the corporation.

**6.6 Lost, Destroyed or Stolen Certificates.** Where the owner claims that certificates for shares have been lost, destroyed or wrongfully taken, a new certificate shall be issued in place thereof if the owner (a) so requests before the corporation has notice that such shares have been acquired by a bona fide purchaser, (b) files with the corporation a sufficient indemnity bond if required by the Board of Directors or any principal officer, and (c) satisfies such other reasonable requirements as may be prescribed by or under the authority of the Board of Directors.

**6.7 Consideration for Shares.** The Board of Directors may authorize shares to be issued for consideration consisting of any tangible or intangible property or benefit to the corporation, including cash, promissory notes, services performed, contracts for services to be performed or other securities of the corporation. Before the corporation issues shares, the Board of Directors shall determine that the consideration received or to be received for the shares to be issued is adequate. The determination of the Board of Directors is conclusive insofar as the adequacy of consideration for the issuance of shares relates to whether the shares are validly issued, fully paid and nonassessable. The corporation may place in escrow shares issued in whole or in part for a contract for future services or benefits, a promissory note, or other property to be issued in the future, or make other arrangements to restrict the transfer of the shares, and may credit distributions in respect of the shares against their purchase price, until the services are performed, the benefits or property are received or the promissory note is paid. If the services are not performed, the benefits or property are not received or the promissory note is not paid, the corporation may cancel, in whole or in part, the shares escrowed or restricted and the distributions credited.

**6.8 Stock Regulations.** The Board of Directors shall have the power and authority to make all such further rules and regulations not inconsistent with law as it may deem expedient concerning the issue, transfer and registration of shares of the corporation.



## ARTICLE 7. GENERAL

**7.1 Seal.** The Board of Directors may provide for a corporate seal for the corporation.

**7.2 Fiscal Year.** The fiscal year of the corporation shall begin on the first day of January and end on the last day of December each year.

## ARTICLE 8. INDEMNIFICATION

**8.1 General Provision of Indemnification.** Notwithstanding the specific provision of indemnification set forth in Section 8.2 of these bylaws, the Corporation shall, to the fullest extent permitted or required by Sections 180.0850 to 180.0859, inclusive, of the Wisconsin Business Corporation Law, including any amendments thereto (but in the case of any such amendment, only to the extent such amendment permits or requires the Corporation to provide broader indemnification rights than prior to such amendment), indemnify its Directors and Officers against any and all Liabilities, and advance any and all reasonable Expenses, incurred thereby in any Proceeding to which any such Director or Officer is a Party because he or she is or was a Director or Officer of the Corporation. All capitalized terms used in this Article 8 and not otherwise defined herein shall have the meaning set forth in Section 180.0850 of the Wisconsin Business Corporation Law.

### **8.2 Specific Provision of Indemnification.**

(a) Any person, or such person's estate or personal representative, made or threatened with being made a party to any action, suit, arbitration, or proceeding (civil, criminal, administrative, or investigative, whether formal or informal), which involves foreign, federal, state or local law, by reason of the fact that such person is or was a Director or Officer of this Corporation or of any Corporation or other enterprise for which he or she served at this Corporation's request as a director, officer, partner, trustee, member of any decision-making committee, employee, or agent, shall be indemnified by this Corporation for all reasonable expenses incurred in the Proceeding to the extent he or she has been successful on the merits or otherwise.

(b) In cases where a person described in subsection (a) is not successful on the merits or otherwise, this Corporation shall indemnify such person against Liability and reasonable Expenses incurred by him or her in any such Proceeding, unless Liability was incurred because the person breached or failed to perform a duty he or she owed to the Corporation and the breach or failure to perform constituted any of the following:

(i) A willful failure to deal fairly with the Corporation or its shareholders in connection with a matter in which the Director or Officer had a material conflict of interest;

(ii) A violation of criminal law, unless the Director or Officer had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful;

(iii) A transaction from which the Director or Officer derived an improper personal profit; or

(iv) Willful misconduct.

(c) The determination whether indemnification shall be required under subsection (b) shall be made, at the selection of the Director or Officer, according to one of the following methods:

(i) By a majority vote of a quorum of the Board of Directors consisting of Directors not at the time Parties to the same or related Proceedings. If a quorum of disinterested Directors cannot be obtained, by majority vote of a committee duly appointed by the Board of Directors and consisting solely of two or more Directors not at the time Parties to the same or related proceedings. Directors who are Parties to the same or related Proceedings may participate in the designation of members of the committee;

(ii) By independent legal counsel selected by a quorum of the Board of Directors or its committee in the manner prescribed in (i) above or, if unable to obtain such a quorum or committee, by a majority vote of the full Board of Directors, including Directors who are Parties to the same or related Proceedings; or

(iii) By the court conducting the Proceedings or another court of competent jurisdiction, either on application by the Director or Officer for an initial determination or on application for review of an adverse determination under (i) or (ii), above.

(d) The termination of a Proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the Director or Officer is not required.

(e) A Director or Officer who seeks indemnification under this section shall make a written request to the Corporation.

(f) Upon written request by a Director or Officer who is a Party to a Proceeding described in subsection (a), this Corporation may pay or reimburse his or her reasonable Expenses as incurred if the Director or Officer provides the Corporation with all of the following:

(i) A written affirmation of his or her good faith belief that he or she has not breached or failed to perform his or her duties to the Corporation; and

(ii) A written undertaking, executed personally or on his or her behalf, to repay the allowance, and reasonable interest thereon, to the extent that it is ultimately determined under subsections (c) (i) or (c) (ii), above, that indemnification is not required or to the extent that indemnification is not ordered by a court under subsection (c) (iii), above. The undertaking under this subsection shall be an unlimited general obligation of the Director or Officer, may be accepted without reference to his or her ability to repay the allowance, and may be secured or unsecured.

(g) This Section 8.2, subsections (a) - (f), shall also apply where a person, or such person's estate or personal representative, is made or threatened with being made a Party to any Proceeding described in subsection (a) by reason of the fact that such person is or was an employee of the Corporation, except that in addition to the categories of conduct set forth in subsection (b) in relation to which the Corporation has no duty to indemnify the employee against liability and reasonable Expenses incurred by him or her, the Corporation has no duty to indemnify the employee against liability and reasonable Expenses incurred by him or her in any such Proceeding if Liability was incurred because the person breached or failed to perform a duty he or she owed to the Corporation and the breach or failure to perform constituted material negligence or material misconduct in performance of the employee's duties to the Corporation.

(h) Unless a Director or Officer of this Corporation has knowledge that makes reliance unwarranted, a Director or Officer, in discharging his or her duties to the Corporation, may rely on information, opinions, reports or statements, any of which may be written or oral, formal or informal, including financial statements and other financial data, if prepared or presented by any of the following:

(i) An Officer or employee of the Corporation whom the Director or Officer believes in good faith to be reliable and competent in the matters presented;

(ii) Legal counsel, public accountants or other persons as to matters the Director or Officer believes in good faith are within the person's professional or expert competence; or

(iii) In the case of reliance by a Director, a committee of the Board of Directors of which the Director is not a member if the Director believes in good faith that the committee merits confidence.

This subsection does not apply to the Liability of a Director for improper declaration of dividends, distribution of assets, corporate purchase of its own shares, or distribution of assets to shareholders during liquidation, or for corporate loans made to an Officer or Director, under Wisconsin Business Corporation Law Section 180.0832 (1), or the reliance of a Director on financial information represented as correct by corporate officers or independent or certified public accountants under Wisconsin Business Corporation Law Section 180.0826.

(i) In discharging his or her duties to the Corporation and in determining what he or she believes to be in the best interest of the Corporation, a Director or Officer may, in addition to considering the effects of any action on shareholders, consider the following:

(i) The effects of the action on employees, suppliers and customers of the Corporation;

(ii) The effects of the action on communities in which the Corporation operates; or

(iii) Any other factor the Director or Officer considers pertinent.

### **8.3 Limited Liability of Directors and Officers and Shareholders.**

(a) Except as provided in subsection (b) of this Section 8.3, a Director or Officer is not liable to this Corporation, its shareholders, or any person asserting rights on behalf of the Corporation or its shareholders, for damages, settlements, fees, fines, penalties or other monetary Liabilities arising from a breach of, or failure to perform, any duty resulting solely from his or her status as a Director, unless the person asserting Liability proves that the breach or failure to perform constitutes any of the following:

(i) A willful failure to deal with the Corporation or its shareholders in connection with a matter in which the Director had a material conflict of interest;

(ii) A violation of criminal law, unless the Director or Officer had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful;

(iii) A transaction from which the Director derived an improper personal profit; or

(iv) Willful misconduct.

(b) This Section 8.3 does not apply to the Liability of a Director or Officer for improper declaration of dividends, distribution of assets, corporate purchase of its own shares, or distribution of assets to shareholders during liquidation, or for corporate loans made to an Officer or Director, under Wisconsin Business Corporation Law Section 180.0832 (1).

## ARTICLE 9. AMENDMENTS

**9.1 By Shareholders.** These bylaws may be amended or repealed and new bylaws may be adopted by the shareholders at any annual or special meeting of the shareholders at which a quorum is in attendance.

**9.2 By Directors.** Except as otherwise provided by the articles of incorporation, these bylaws may also be amended or repealed and new bylaws may be adopted by the Board of Directors by affirmative vote of five (5) UHC Directors and GHS Directors; *provided, however*, that the shareholders in adopting, amending or repealing a particular bylaw may provide therein that the Board of Directors may not amend, repeal or readopt that bylaw.

## ARTICLE 10. STOCKHOLDERS AGREEMENT

**10.1 Stockholders Agreement Controls.** The provisions of these bylaws are intended to be consistent with the Stockholders Agreement between GHS, UHC and the corporation. In the event of an inconsistency between these bylaws and the Stockholders Agreement between GHS, UHC and the corporation, the Board of Directors and the stockholders shall take such steps to ensure that the Stockholders Agreement between GHS, UHC and the corporation controls. In the event that (i) the bylaws are silent on a matter that is addressed by the Stockholders Agreement between GHS, UHC and the corporation, and (ii) the Stockholders Agreement between GHS, UHC and the corporation is not consistent with the Wisconsin Business Corporation Law on such matter but the Wisconsin Business Corporation Law would otherwise allow the bylaws to control such matter, then these bylaws shall be deemed to contain provisions

consistent with the Stockholders Agreement between GHS, UHC and the corporation such that the Stockholders Agreement between GHS, UHC and the corporation will control over the default provisions of the Wisconsin Business Corporation Law.