

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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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 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.

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 = $[\$15\text{MM} + (.25 \times [\$80\text{MM} + \$0\text{MM}])] / \$95\text{MM} = 36.84\%$

