



AGENDA

GOVERNANCE COMMITTEE OF THE EL CAMINO HOSPITAL BOARD OF DIRECTORS

Tuesday, June 3, 2025 – **5:30 pm**

El Camino Hospital | 2500 Grant Road Mountain View, CA 94040 | Sobrato Boardroom 2

THE PUBLIC IS INVITED TO JOIN THE OPEN SESSION PORTION OF THE MEETING LIVE AT THE ADDRESS ABOVE OR VIA TELECONFERENCE AT:

1-669-900-9128, MEETING CODE: **947 1286 4129#**. No participant code. Just press #.

To watch the meeting, please visit: [GC Meeting Link](#)

NOTE: In the event that there are technical problems or disruptions that prevent remote public participation, the Chair has the discretion to continue the meeting without remote public participation options, provided that no Board member is participating in the meeting via teleconference.

A copy of the agenda for the Committee Meeting will be posted and distributed at least seventy-two (72) hours prior to the meeting. In compliance the Americans with Disabilities Act, please notify us at **(650) 988-8254** prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

	AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
1	CALL TO ORDER/ROLL CALL	Lanhee Chen, Chair		5:30 pm
2	CONSIDER AB 2449 REQUESTS	Lanhee Chen, Chair	Possible Motion	5:30
3	POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Lanhee Chen, Chair	Information	5:30
	PUBLIC COMMUNICATION			5:30
	a. Oral Comments <i>This opportunity is provided for persons to address the Board on any matter within the subject matter jurisdiction of the Board that is not on this agenda. Speakers are limited to three (3) minutes each.</i>			
4	b. Written Public Comments <i>Comments may be submitted by mail to the El Camino Hospital Governance Committee at 2500 Grant Avenue, Mountain View, CA 94040. Written comments will be distributed to the Board as quickly as possible. Please note it may take up to 24 hours for documents to be posted on the agenda.</i>	Lanhee Chen, Chair	Information	
5	<u>FY26 BOARD ASSESSMENT PLAN</u>	Anne Yang, Executive Director, Governance Services	Discussion	5:30 – 5:50
6	<u>REVIEW REVISIONS TO COMMITTEE GOVERNANCE POLICY</u>	Anne Yang, Executive Director, Governance Services	Motion Required	5:50 – 6:00
7	<u>EI CAMINO HOSPITAL BYLAWS UPDATE</u>	Don Watters, Julia Miller, ECHB Bylaws Review Ad Hoc Committee Theresa Fuentes, CLO	Discussion	6:00 – 6:30
	FY26 BOARD AND ADVISORY COMMITTEES PLANNING ITEMS	Anne Yang, Executive Director, Governance Services	Motion Required	6:30 – 6:40
8	a. <u>Proposed FY26 Advisory Committee Goals and Pacing Plans</u> b. <u>Proposed FY26 Advisory Committee and Liaison Appointments</u>			
9	<u>REVIEW REVISIONS TO ADVISORY COMMITTEE CHARTERS</u>	Anne Yang, Executive Director, Governance Services	Motion Required	6:40 – 6:45

Governance Committee Meeting Agenda
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	AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
10	CONSENT CALENDAR ITEMS: a. Approve Minutes of the Open Session of the Governance Committee Meeting (03/17/25) b. Approve Minutes of the Closed Session of the Governance Committee Meeting (03/17/25) c. Receive FY25 Pacing Plan d. Receive Report on Progress on FY25 Committee Goals e. Receive FY26 Final Meeting Dates	Lanhee Chen, Chair	Motion Required	6:45 – 6:50
11	COMMITTEE ANNOUNCEMENTS	Lanhee Chen, Chair	Information	6:50 – 6:55
12	ADJOURNMENT APPENDIX	Lanhee Chen, Chair	Motion Required	6:55

Upcoming Meetings: September 15, 2025, November 4, 2025, March 3, 2026, June 2, 2026



EL CAMINO HOSPITAL BOARD OF DIRECTORS COMMITTEE MEETING MEMO

To: Governance Committee
From: Anne Yang, Executive Director, Governance Services
Date: June 3, 2025
Subject: Board and Committees Assessment Update

Purpose:

To provide an update on the evolving approach to Board and Committee self-assessment and to seek input on proposed changes to the assessment process.

Background:

The Governance Committee plays a critical role in supporting the Board's effectiveness and alignment with leading governance practices. Regular assessment of the Board and its Committees informs recommendations for development and ensures the Board operates at the highest standard.

Over the last three years, El Camino Health has partnered with Spencer Stuart to implement a structured, externally supported governance assessment cycle. The prior cycle is now complete, and we are evaluating the path forward.

At a recent planning meeting with Spencer Stuart, we reflected on the progress to date—including enhanced collegiality, fewer but more effective meetings, and synchronized CEO and board evaluation timelines. We also acknowledged the limitations of traditional quantitative surveys and the need to extract deeper insights from Director commentary and qualitative data.

Key Recommendations and Next Steps:

1. Biennial Assessment Cycle

Spencer Stuart recommends transitioning to a **biennial** board assessment frequency. This would allow for a more meaningful, less burdensome assessment process while maintaining oversight rigor. This would also enable assessments to focus on overall trends versus incremental year-over-year changes in quantitative scoring.

After FY26, the next comprehensive assessment would occur in FY28. During the off years, we may leverage use of no fee surveys, such as The Governance Institute's Biennial Survey of Hospitals and Healthcare Systems.

Governance Services has reviewed internal policies and charter language on annual board assessment requirements. The Governance Committee charter currently specifies annual board assessments. We are recommending revising this to "regular board assessments". Preliminary review indicates no legal requirement under California nonprofit law for annual assessments; however, annual conflict of interest disclosures and compensation reviews remain mandated.

Board and Committee Assessments
June 3, 2025

2. Possible Shift in Methodology

Option 1: The revised SpencerStuart process will focus on non-attributional one-on-one interviews and boardroom observations, eliminating the use of traditional numeric surveys. The rationale would be that enhanced qualitative analysis would yield more actionable insight into dynamics, effectiveness, and performance.

Option 2: The board assessment would continue to include the quantitative survey as well as the one-on-one interviews for both quantitative and qualitative feedback.

3. Assessment Scope

This year's assessment will include both the El Camino Hospital Board and the El Camino Medical Network Board, expanding the scope of governance oversight and feedback. The surveys will also include committee specific survey questions for the committee assessments.

4. Benchmarking and Transparency

The Governance Services team will continue to explore benchmarking tools and best practices from other high-performing boards.

5. Use of Technology

The team is exploring possible use of AI-enabled agents to gather quantitative and candid qualitative feedback in alternating years, supplementing the formal biennial process. This would be dependent on current and near-term AI capabilities of survey providers.

Attachments:

- SpencerStuart board assessment materials

EL CAMINO HEALTH 2025 BOARD EFFECTIVENESS ASSESSMENT TIMELINE

PROPOSED DRAFT

April/May	Conversations with El Camino and Spencer Stuart to clarify objectives, expected outcomes/approach
May	Governance Committee decides on key design of board review process, going forward
	Board Effectiveness Discussion Guide sent to El Camino
	Spencer Stuart reviews relevant board documents (committee charters, recent meeting agendas, the board's most recent self-assessments, and other materials as appropriate)
Aug?	Spencer Stuart interviews directors, medical network directors, and select management team members
Sept?	Spencer Stuart provides interim update, discussion of feedback and key themes at Board Meeting via video
	Draft Board Review Report sent to El Camino
Late Oct?	Discussions about Draft Board Review Report completed
	Final Board Review Report sent to El Camino to be included in Board Meeting materials
Nov?	Discuss Board Review Report at Board Meeting
Dec?	Conduct individual director feedback conversations
	6-month check-in, progress against recommendations/additional support (SpencerStuart with GC Chair/Board Chair)
	12-month check-in, progress against recommendations/additional support (SpencerStuart with GC Chair/Board Chair)

SAMPLE Board Effectiveness Discussion Guide

For the El Camino Health Board of Directors

Thank you for participating in the El Camino Health Board Effectiveness Review.

- Use of this guide: This discussion guide is designed to spark your thinking about the board and its performance. Our discussion will be conducted in the spirit of conversation (not interrogation). We cover all of the critical areas identified in bold, but not necessarily every question.
- Confidentiality: Our conversation will be on a non-attribution basis. While we use direct quotations in our report, no identifying information will be included.
- Thank you in advance for your participation and candor. We look forward to discussing the El Camino Board with you.

Overall Assessment

- Overall, how is this board performing? How effective has the board been?
- How well does the board fulfill its strategic and governance responsibilities?

Strategy and Risks

- What do you see as the key strategic priorities (opportunities and risks) facing the organization and the board in the next year or two? How well aligned are management and the board on this set of issues?

Board Composition and Succession Planning

- To what extent does the board have the right mix of skills and experience, based on the organization's size and strategy? What would you suggest be added?
- What is the board's plan for its future composition and leadership (the board succession plan)? Can you offer some comments on the board's nominating/recruiting process?
- What is the onboarding process for a new director? Would any changes to it be beneficial?
- What are the board's objectives for diversity, equity, and inclusion (DEI)? How satisfied are you with progress in this area?

Role of the Board

- To what extent do management and the board have a shared understanding of the role and responsibilities of the board? What changes would you like to see in the role the board is playing?
- How aligned do you feel with the organization's mission and values?

Board Culture and Working Dynamics

- How would you describe the style of the board as a group? Are there any significant issues that should be addressed? What are the opportunities to enhance the group's working dynamics?
- Please comment on the quality of dialogue in the boardroom. Do all board members actively participate? Are discussions candid, open, and on-topic? Does the board devote adequate time to discussing difficult or controversial issues?
- Do directors receive feedback about their effectiveness? From whom?

Board Leadership



- Please comment on how the role of the Board Chair is working. Do you have any feedback for improvement or examples of what is done particularly well?

Relationship to CEO and Management

- How productive is the working relationship between the board and CEO? Is there a healthy “balance of power” between the CEO and board? And with other key members of management?
- What are some of the mechanisms by which board feedback is communicated to management outside of direct dialogue?
- Please comment on the process by which the board provides the CEO with a meaningful performance evaluation. Are you satisfied with your own participation in this evaluation?

CEO and Leadership Succession Planning

- How effective is the board process for overseeing CEO succession, including your consideration of short/medium/long-term scenarios?
- Will you share some views on the board’s oversight of management development?

Understanding Stakeholder Perspectives

- How does the board develop a robust understanding of stakeholder perspectives on the company and its direction?
- How does the board oversee company initiatives and disclosures related ESG, including workforce diversity?

Board Meetings

- How effective are board meetings? Please comment on the following as appropriate: frequency, duration, balance of in-person and virtual meetings, materials, agendas, discussion versus presentations, executive sessions, informal time together, etc.
- How are meeting agendas set? Is there an opportunity to enhance them through setting expectations for each agenda item?

Committee Effectiveness

- Does the board have the right committee structure, given the organization’s strategy? Are there other committees that you believe are needed?
- Please comment on the overall effectiveness of each board committee and any opportunities to improve each committee.
- Does each committee have strong leadership? Are there “backups” for committee chairs?

Committee Specific Questions

- Is the committee’s structure appropriate for its responsibilities?
- Does the committee have a clear and well-defined mandate?
- Are the committee’s objectives aligned with the organization’s strategic goals?
- Does the committee have effective oversight of the topics and areas that are delegated to it from the Board?
- Does the committee provide valuable insights and recommendations to the board?
- Are meetings well-organized and productive?

- Does the committee receive adequate support from management?
- Are decisions made efficiently and based on thorough analysis?
- Compliance: How effectively does the committee oversee risk management and compliance?
- Finance: How effectively does the committee oversee risk management and financial stewardship?
- Quality: How effectively does the committee oversee quality, patient care and patient experience?
- Does the committee assess its own effectiveness and make improvements?
- Are there opportunities to streamline or restructure committees for better efficiency?

Personal Evaluation and Satisfaction

- How prepared are you for board and/or committee meetings?
- Do you actively contribute to discussions and decision-making?
- How well do you align with the organization's mission and values? How have you contributed to the organization's success?
- How well do you collaborate with fellow board members? How well do you foster a culture of trust and open communication?
- How well do you provide constructive feedback and help resolve conflicts?
- Are there ways the board could make better use of your skills and experiences?
- How long would you like to serve on the board?

Individual Director Assessment

Be prepared to answer regarding the other directors

- What are the most significant contributions she/he has made to the board/the organization?
- What areas of opportunity are there for her/him to be even more effective as a director?

Closing Question

- If one thing about the board could be made better as a result of this review process, what would you like that one thing to be?



EL CAMINO HOSPITAL BOARD OF DIRECTORS GOVERNANCE COMMITTEE MEMO

To: El Camino Hospital Board of Directors
From: Anne Yang, Executive Director, Governance Services
Date: June 3, 2025
Subject: Committee Governance Policy

Recommendation: To review and recommend Board approval of the revised El Camino Hospital Committee Governance Policy ("Committee Governance Policy"), and to sunset the existing Advisory Committee Member Nomination and Selection Policy ("Nomination and Selection Policy") and Advisory Committee Member Nomination and Selection Procedures ("Nomination and Selection Procedures").

Authority: The Board of Directors reviews and approves changes to the governance policies. The revised governance policies are reviewed by the Governance Committee prior to Board approval.

Summary: The current review reflects updates made to the Committee Governance Policy.

1. We have updated the Director Member Advisory Committee term to 1 year from 3 years. This allows for greater flexibility for Director Members to move to different assignments for a given year.
2. Community Member terms will remain 3 years. Both Director Member and Community Member terms are renewable.

We also took this opportunity to consolidate the Committee Governance Policy with the Nomination & Selection Policy and the Nomination & Selection Procedures. The revised Committee Governance Policy now captures all relevant points from the nomination and selection process. The remaining items in the Nomination and Selection procedures were not currently used in practice or no longer relevant/needed.

- Each Advisory Committee determines minimum qualifications and competencies for members
- Nominations may be received from any source
- A candidate shall submit an application stating reasons, qualifications, and disclosures
- Ad Hoc Committee will interview candidates and either select the final candidates for Committee interviews or recommend for Board appointment in accordance with the Bylaws
- Community Members may also be reassigned to another Committee at the recommendation of the CEO, Board Chair and the receiving Committee Chair. The appointment would be subject to Committee and Board approval in accordance with the Bylaws.

List of Attachments:

- Revised El Camino Hospital Board Committee Governance Policy (Redline)
- Advisory Committee Member Nomination and Selection Policy
- Advisory Committee Member Nomination and Selection Procedures



TITLE: El Camino Hospital Board Committee Governance Policy

CATEGORY: Administrative

FIRST APPROVAL: ECHB August 14, 2024

Coverage:

All Members of the El Camino Hospital Board of Directors ("Board") and Board Advisory Committees ("Committees"). The Governance Committee shall review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

Authority:

The Board has established the following standing Advisory Committees pursuant to [Article 7.6](#) of the El Camino Hospital Bylaws: Compliance and Audit Committee; Executive Compensation Committee; Finance Committee, Governance Committee, Investment Committee; and Quality, Patient Care, and Patient Experience Committee. The Committees have the authority granted to them per the Hospital Bylaws, the Committee Charter, and majority action of the Board. Committees may study, advise and make recommendations to the Board on matters within the committee's area of responsibility as stated in the Committee Charter. The authority of committees is limited to advisory recommendations except in responsibilities directly delegated by the Board. Committees may provide recommendations for the Board to consider, which recommendations may be considered, adopted, amended or rejected by the Board in the Board's sole discretion. Committees shall have no authority to take action or otherwise render decisions that are binding upon the Board or staff except as otherwise stated in the Bylaws, the Committee's Charter, or majority action of the Board. To the extent of any conflict with the Committee Charter, this policy controls.

Membership:

Each committee shall have the membership as stated in the Committee Charter but must be composed of at least two members of the Board ("Director Members"), as well as people who are not members of the Board ("Community Members"). Director membership on any single Committee shall not constitute a quorum of either Board or Healthcare District Board membership. The Chair of a committee is its presiding officer. In the absence of the Chair, the Vice-Chair (or if no Vice-Chair, any member of the Committee as determined by the Chair or the Board) shall perform the duties of the Chair.

Nomination and Selection of Community Members:

Each Advisory Committee shall determine minimum qualifications and competencies for its Members. Committees may fill Community Member vacancies through an open recruitment process coordinated by Governance Services. Candidates may be nominated by any source and must submit an application with reasons to serve, relevant qualifications, and disclosures. An Ad Hoc Committee appointed by the Committee Chair, in consultation with the Executive Sponsor and Governance Services, shall review applications, interview initial candidates, and may recommend finalists. The full Committee may choose to interview finalists or proceed based on the Ad Hoc Committee's report. Final appointments are made by the Committee and submitted to the Board for approval in accordance with the Bylaws.

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Reassignment of Existing Community Members:

In some cases, an existing Community Member may be reassigned from one Committee to another at the recommendation of the CEO, Board Chair, and the receiving Committee Chair. This reassignment shall be made in consultation with the Committee's Executive Sponsor, with notice to Governance

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TITLE: El Camino Hospital Board Committee Governance Policy

CATEGORY: Administrative

FIRST APPROVAL: ECHB August 14, 2024

[Services. The reassigned Community Member must be formally appointed to the new Committee by a majority vote of that Committee, and submitted for Board approval in accordance with the Bylaws.](#)

Appointment and Removal:

The Board Chair (or Board Chair-elect in Board officer election years) shall appoint the Director Members and Committee Chairs, subject to approval of the Board. Community Members shall be appointed by the Committee, subject to approval of the Board. All Board Chair appointments shall be reviewed by the Governance Committee before submission to the Board.

Committee Chairs may appoint and remove a Vice-Chair at the Committee Chair's discretion. However, if the Committee Chair is not a Director Member, a Vice Chair must be appointed who is a Director, in which case the Director Vice-Chair shall be appointed the same as any other Director Member.

The Board has the authority to remove Director Members and Community Members at any time either with or without the Committee's recommendation, in the Board's sole discretion.

Term:

~~Director Members and~~ Community Members serve a term of *three* full or partial fiscal years depending on date of appointment and eligibility to serve. ~~Director and~~ Community Members shall be divided into three appointment categories, as nearly equal in number as possible, as follows: (a) Class 1, the initial term of which shall expire June 30, 2025, and subsequent terms shall be three years each; (b) Class 2, the initial term of which shall expire June 30, 2026, and subsequent terms shall be three years each; (c) Class 3, the initial term of which shall expire June 30, 2027, and subsequent terms shall be three years each. Each class shall hold committee membership until successors are appointed.

[Director Members serve a term of one year or partial fiscal years depending on date of appointment and eligibility to serve. Director Member appointments shall be reviewed annually by the Board Chair \(or Chair Elect\).](#)

Committee Chair and Vice Chair appointments shall be reviewed annually by the Board Chair (or Chair-Elect). Chair and Vice Chair appointments may be changed at any time without effecting the term of that person's membership on the Committee.

Director Members, Community Members, Chairs, and Vice Chairs may serve consecutive terms.

If a community member wishes to vacate a position, the committee member shall submit a written resignation letter addressed to the Chair of the Committee and the Chair of the Board, with a copy to the CEO and Governance Services.

Attendance:



TITLE: El Camino Hospital Board Committee Governance Policy

CATEGORY: Administrative

FIRST APPROVAL: ECHB August 14, 2024

Committee members are expected to attend in person and meaningfully participate in all committee meetings absent extenuating circumstances. Remote virtual participation is generally only allowed for just cause or emergency situations such as physical or family medical emergency, childcare, illness, disability, or Board or Committee related travel. Remote virtual participation must comply with the requirements of the Ralph M. Brown Act. Committee members may be removed from the Committee for repeated failure to satisfy attendance requirements.

If a member is physically not present for more than two meetings in a calendar year, the Committee Chair shall contact that member and remind the member of this policy. If the member continues to be physically absent despite the warning, the Committee shall consider a recommendation to the Board for removal.

Meetings:

All Committees shall have a Committee Charter approved by the Board.

Committee meetings shall be open to the public except for items permitted to be discussed in closed session and held in accordance with the provisions of the Ralph M. Brown Act. At least 72 hours before a committee meeting, Governance Services shall post an agenda containing a brief, general description of each item of business to be discussed at the committee meeting. The posting shall be accessible to the public.

The minutes of each committee meeting, including any recommendation of a committee, shall include a summary of the information presented and the recommended actions. ECHB staff will prepare minutes for each meeting. Draft minutes will be provided to the committee at the next available committee meeting for committee member review and approval. Once approved, minutes will be made a part of the Board's permanent records.

A majority of the members of each committee shall constitute a quorum for the transaction of business.

Only members of the committee are entitled to make, second or vote on any motion or other action of the committee. Each committee member shall be entitled to one vote on all matters considered by the committee. A simple majority vote of the members of the Committee shall designate approval of a motion.

All committee communications must go through the designated committee Chair.

The specific committees and their respective responsibilities are as stated in the Charter for each Committee.



**EL CAMINO HOSPITAL
HOSPITAL BOARD ADVISORY COMMITTEE MEMBER NOMINATION AND
SELECTION POLICY**

**XX.XX HOSPITAL BOARD ADVISORY COMMITTEE COMMUNITY MEMBER
NOMINATION AND SELECTION POLICY**

A. Coverage:

El Camino Hospital Board Advisory Committees

B. Adopted:

June 12, 2013;

C. Policy:

It is the policy of ECH that appointment of Hospital Board Advisory Committee Community Members to vacant or newly created positions follow the procedure set forth in the attached Document entitled:

**Hospital Board Advisory Committee Community Member Nomination and Selection
Procedure**

1. Length of Service and Term Limits for Committee Members

As provided in the Committee Charters, Committee Community Members will serve a term of one (1) year, renewable annually.

D. Reviewed:

Governance Committee March 31, 2015; October 13, 2020
ECH Board Approved April 8, 2015, November 11, 2020



**EL CAMINO HOSPITAL
HOSPITAL BOARD ADVISORY COMMITTEE COMMUNITY MEMBER
NOMINATION AND SELECTION PROCEDURES**

Adopted February 12, 2014

Revised (Approved) April 8, 2015; November 11, 2020

**01.07 HOSPITAL BOARD ADVISORY COMMITTEE COMMUNITY MEMBER
NOMINATION AND SELECTION PROCEDURES**

- A. Coverage: El Camino Hospital Board Advisory Committees
- B. Adopted: 2/12/2014
- C. Procedure Summary:

The nomination and selection of each Hospital Board Advisory Committee (Advisory Committee) member (Member) shall follow the procedures below.

D. Procedure for Nominating and Appointing an Advisory Committee Community Member:

1. **Eligibility and Qualifications**

Each Advisory Committee shall determine minimum qualifications and competencies for its Members. In addition, the Governance Committee will periodically conduct a strategic assessment of the respective Advisory Committee's membership needs and ensure that it evolves with the Hospital's strategy.

2. **Nomination and Declaration**

- a. Nominations for Advisory Committee Community Membership may be received from any source.
- b. The Director, Governance Services will notify the Board, the Advisory Committee members, the Executive Leadership Team and the public of all vacancies for which new Advisory Committee Community Members are being recruited.
- c. A candidate shall submit an application to the Director, Governance Services that includes reason(s) the candidate wishes to serve, the candidate's relevant experience and qualifications, potential conflicts of interest including any personal or professional connections to ECH, a release to permit ECH Human Resources to conduct a background check, and specifies which Advisory Committees that the candidate wishes to be considered for.
- d. If the interested candidate is currently serving on another Advisory Committee at ECH, the candidate shall notify the Chair(s) of the Advisory Committee with a vacancy and the Advisory Committee on which they are serving. The interested candidate shall also notify the Director, Governance Services, provide all application materials, and be subject to all other requirements of this procedure.

Administration Policies & Procedures

Hospital Board Advisory Committee Nomination and Selection Procedures

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- e. All candidates will be considered in the candidate due diligence process.
- f. In the event that no qualified candidates can be found through the routine recruitment procedures of the Hospital, the Committee may, in its discretion, obtain the services of a recruiting firm to identify qualified candidates.

3. Review of Candidates and Selection of New Members.

- a. Any committee recruiting new members shall appoint an Ad Hoc Committee comprised of two members to recruit new members. The Committee Chair shall be given first right of refusal to serve as a member of the Ad hoc Committee,
- b. The Director, Governance Services will forward the names and resumes of all applicants to the Executive Sponsor and the members of the Ad hoc Committee for review.
- c. The Ad hoc Committee, in consultation with the Executive Sponsor, shall (1) select and interview first round candidates and (2) select finalists for interview by the full Committee.
- d. The Committee will interview finalists and recommend appointments to the Board for approval
- e. The Board shall appoint the Advisory Committee Members in accordance with the Hospital Bylaws.

4. Obtaining Approval to Increase the number of Community Members of an Advisory Committee

- a. If an Advisory Committee Chair proposes to increase the number of Community Members of such Chair's Advisory Committee, then the Advisory Committee Chair must submit a brief description of the need (e.g., gap in skill-set) for an increase in membership to the Governance Committee.
- b. Upon review of the request, the Governance Committee shall make a recommendation to the Board whether the Community membership of such Advisory Committee should be increased.



EL CAMINO HOSPITAL BOARD OF DIRECTORS GOVERNANCE COMMITTEE MEETING MEMO

To: El Camino Hospital Board Governance Committee
From: Theresa Fuentes, Chief Legal Officer
Date: June 3, 2025
Subject: Review of El Camino Hospital Bylaws

Purpose: To obtain the Committee's input on the revised El Camino Hospital Bylaws.

Summary:

The Governance Committee Charter tasks the Governance Committee with providing for regular review of the Hospital's Articles of Incorporation and Bylaws. The Bylaws were last amended in October 2018. The Articles of Incorporation were last amended in 2002. This memo pertains to the suggested revisions to the Bylaws. The Articles of Incorporation will be reviewed separately and brought back to a future meeting.

The El Camino Hospital Board appointed an ad hoc committee to review the Bylaws in conjunction with the chief legal officer. The ad hoc committee proposes for discussion the edits as indicated on the attached redline. In addition to general clean up, the following substantive changes are highlighted:

Article IV - Term Limits

The current Bylaws create ambiguity regarding director term limits. The plain language of the current Bylaws indicates that all ten directors on the hospital board, whether or not they are district board members, are subject to term limits on the hospital board. Without revision, some current district board members will be termed out of the hospital board, beginning in 2026. Because there are no term limits on the district board, the current structure could result in district board members being elected to the district board but not being able to serve on the hospital board due to the hospital board's term limits. (As an aside, the district board is also reviewing its bylaws and may discuss the separate concept of term limits for district board members, requiring voter approval).

Given the above, the proposed revision to the Bylaws creates two categories of directors. Category 1 applies to the district board directors who will have no term limits and can serve on the hospital board for as long as they are district board directors. Category 2 applies to all other hospital board directors who will continue with the term limits and structure currently in place, which is three four-year terms.

Article IV - Removal

The current Bylaws provide for removal of a board director with or without cause upon majority vote of the sole member (the district). The proposed revisions delete the ability to remove without cause and imposes a 4/5 vote for removal "for cause," for the reasons listed in section 4.9.

Triannual Review of El Camino Hospital Bylaws

June 3, 2025

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Article VIII - Officers

The current Bylaws require that the office of the Secretary and Treasurer be held by the same person. The proposed revisions remove this requirement and state that the Chief Financial Officer will be the Treasurer unless the Board appoints a separate individual to serve as Treasurer.

The proposed revisions also add the ability for the Board of Directors, by a majority vote, can extend the term of the Chairperson for one additional two-year term if the Board, in its good-faith business judgment, determines it to be in the best interests of the company.

The proposed revisions also requires a two-thirds vote instead of the existing majority vote to remove an officer.

Attachment(s):

1. DRAFT Redlined ECHB Bylaws

**AMENDED AND RESTATED BYLAWS
OF
EL CAMINO HOSPITAL
ADOPTED
DECEMBER 7, 2005
AS AMENDED AND RESTATED**

~~October 16,~~ _____, 2025

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ARTICLE I Corporate Offices

1.1 Principal Office. The principal office of El Camino Hospital, a nonprofit public benefit corporation (the “Corporation”), is located in Mountain View, California. The Corporation may have such other offices as the Board of Directors of Corporation (the “Board”) may determine from time to time.

1.2 Registered Office. The address of the registered office of the Corporation is 2500 Grant Road, Mountain View, California 94040.

ARTICLE II Purposes, Powers and Membership

2.1 Purposes. The purposes of the Corporation are set forth in its Articles of Incorporation (the “Articles”).

2.2 Powers. The Corporation may engage in any activity consistent with the Articles and these Bylaws.

2.3 Membership Corporation. The Corporation shall have one voting Member: El Camino Healthcare District, a political subdivision of the State of California (the “sole Member”). The Corporation shall have no other voting members.

2.4 Exempt Activities. Notwithstanding any other provision of these Bylaws, no director, officer, employee, or representative of the Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and regulations promulgated thereunder as they now exist or as they hereafter may be amended, or by an organization contributions to which are deductible under Section 170(c) of such Code and Regulations as they now exist or as they hereafter may be amended.

2.5 Termination of Membership. The membership of the sole Member shall terminate upon the resignation of the sole Member.

ARTICLE III Meetings of Sole Member

3.1 Place of Meetings. Meetings of the sole Member shall be held at any place within ~~or outside the boundaries of the El Camino Healthcare District’s jurisdiction State of California,~~ designated by the Board of Directors of the sole Member. In the absence of any such designation, meetings of the sole Member shall be held at the principal ~~executive~~ office of the Corporation.

~~3.3.2~~ Annual Meeting. The sole Member shall conduct meetings and exercise its membership rights through its own Board of Directors. ~~—There shall be at least an annual meeting of the sole Member held each year.~~ The Board of the sole Member shall provide for the time and

Commented [TF1]: Revisions necessary to reflect District’s compliance with Brown Act.

Commented [TF2]: To be consistent with term used in 1.1

Commented [TF3]: To clarify that the District acts through the District’s own board

Commented [TF4]: Minimum meeting requirement for sole member is annual, but District meets more frequently

place of holding the annual meeting ~~and notify the sole Member~~ as provided in Section 3.3. ~~At a meeting of the sole Member~~~~the annual meeting~~, directors shall be elected as required by these Bylaws, reports of the affairs of the Corporation shall be considered, and any other business may be transacted that is within the power of the sole Member.

Commented [TF5]: District Board sets its own meeting calendar

3.43.3 Notice of Annual Meeting. Written notice of each annual meeting shall be given to the sole Member entitled to vote, either personally, or by mail, or electronic communication, or by other means of written communication, with charges prepaid, addressed to the sole Member at the sole Member's address appearing on the books of the Corporation or given by the sole Member to the Corporation for the purpose of notice.

All such notices shall be given to the sole Member entitled to the notice by mail or other means of written communication not less than ten (10) days (or, if sent by mail other than first-class, registered, or certified mail, twenty (20) days) nor more than ninety (90) days before each annual meeting. Any such notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication. An affidavit of giving of any such notice in accordance with the foregoing provisions, executed by the Secretary or any transfer agent of the Corporation, shall be *prima facie* evidence of the giving of the notice.

The notice of the meeting shall specify:

- (a) the place, date, and hour of the meeting;
- (b) those matters which the Board, at the time the notice is given, intends to present for action by the sole Member;
- (c) if directors are to be elected, the names of all those who are nominees at the time the notice is given;
- (d) the general nature of a proposal, if any, to take action when approval of the sole Member is required with respect to (i) removal of directors without cause; (ii) the filling of vacancies on the Board; (iii) amendment of the Articles or these Bylaws; (iv) voluntary merger or dissolution of the Corporation; or (v) disposition of all or substantially all of the assets of the Corporation; and
- (e) such other matters, if any, as may be expressly required by law.

3.53.4 Special Meetings. A special meeting of the sole Member for any lawful purpose or purposes may be called at any time by: (a) the Chairperson of the Corporation's Board; (b) or by three members of the Corporation's Board; (c) the Chairperson of the sole Member; or (d) two members of the Board of Directors of the sole Member. ~~In addition, a special meeting of the sole Member for the purpose of removal of directors and election of their replacements may be called by the sole Member.~~

Commented [TF6]: To clarify that the District as well as the Hospital Board can call a special meeting for any reason, not just election and removal of board members.

3.63.5 Notice of Special Meetings. Upon request in writing that a special meeting of the sole Member be called, directed to the Chairperson, Vice Chairperson, or Secretary, by any person (other than the Board of Directors) entitled to call a special meeting of the sole Member, the officer

forthwith shall cause notice to be given to the sole Member that a meeting will be held at a time fixed by the Board, not less than thirty-five (35) nor more than ninety (90) days after the receipt of the request. If the notice is not given within twenty (20) days after the receipt of the request, the persons entitled to call the meeting may give the notice. Notice of any special meeting of the sole Member shall be given in the same manner as for annual meetings of the sole Member. In addition to the matters required by Section 3.3(a) and, if applicable, Section 3.3(c) of these Bylaws, notice of any special meeting shall specify the general nature of the business to be transacted, and the fact that no other business may be transacted at the meeting.

3.7.3.6 Quorum. The presence in person ~~or by proxy~~ of a majority of the Board of Directors of the sole Member shall constitute a quorum of the sole Member for the transaction of business. Any meeting of the sole Member may be adjourned from time to time by the sole Member.

Commented [TF7]: No proxy voting for Brown Act compliance

3.7 Adjourned Meeting and Notice. Except as provided below, when the sole Member's meeting, either regular or special is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business that might have been transacted at the original meeting. However, no meeting may be adjourned for more than forty-five (45) days. If after adjournment a new record date is fixed for notice or voting, notice of the adjourned meeting shall be given to the sole Member.

3.8 Voting.

- (a) Except as may be otherwise provided in the Articles or these Bylaws, the sole Member shall be entitled to one vote on each matter being considered.
- (b) Voting at a meeting of the sole Member may be by voice vote or by ballot.

3.9 Proxies. ~~There shall be no voting by proxy. The sole Member may authorize another person or persons to act by proxy with respect to such membership. "Proxy" means a written authorization signed by the sole Member giving another person or persons power to vote on behalf of the sole Member. "Signed" for the purpose of this section means the placing of the sole Member's name on the proxy (whether by manual signature, typewriting, telegraphic transmission, or otherwise) by the sole Member. Any proxy duly executed is not revoked and continues in full force and effect until (i) a written instrument revoking it is filed with the Secretary of the Corporation prior to the vote pursuant to the proxy, (ii) a subsequent proxy executed by the person executing the prior proxy is presented to the meeting, or (iii) the person executing the proxy attends the meeting and votes in person; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless otherwise provided in the proxy, except that the maximum term of any proxy shall be three (3) years from the date of execution. The dates contained on the forms of proxy presumptively determine the order of execution, regardless of the postmark dates on the envelopes in which they are mailed. No proxy may be irrevocable.~~

~~3.10.0 In any election of directors, any form of proxy in which the directors to be voted upon are named as candidates and which is marked by the sole Member~~

~~“which shall be deemed to be the meeting of the sole Member, and wherever held, are as valid as though the sole Member had a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy and the sole Member has complied with the Ralph M. Brown Act.”~~ Attendance of a person at a meeting shall constitute a waiver of notice of and presence at such meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required by these Bylaws or by the California Nonprofit Corporation Law to be included in the notice if such objection is expressly made at the meeting. Neither the business to be transacted at nor the purpose of any regular or special meeting of the sole Member need be specified in any written waiver of notice, consent to the holding of the meeting, or approval of the minutes of the meeting, unless otherwise provided in the Articles or these Bylaws, except the general nature of the proposals listed in Section 3.3(d) of these Bylaws must be specified, to the extent applicable, in any such waiver, consent, or approval.

Commented [TF8]: Removed proxy and clarified that the District meeting has to comply with Brown Act

3.423.11 **Action Without a Meeting.** ~~No action can be taken by the sole Member without a meeting. Any action required or permitted to be taken by the sole Member may be taken without a meeting, if the sole Member consents in writing to the action. The written consent shall be filed with the minutes of the proceedings of the sole Member. The action by written consent shall have the same force and effect as the vote of the sole Member.~~

Commented [TF9]: To comply with Brown Act

3.433.12 **Rights of the Member.** The sole Member shall have all rights granted to a member under the California Nonprofit Corporation Law. -Without limiting the generality of the foregoing, the sole Member shall have the right to approve the election of directors, to approve the disposition of all or substantially all of the assets of the Corporation or to approve a merger and dissolution of the Corporation and the other rights set forth in the articles of incorporation and bylaws. In addition to the foregoing, the sole Member shall have the right to require the Corporation to provide to sole Member any financial information requested by the sole Member and to approve the following actions authorized by the Board of Directors of the Corporation:

Commented [TF10]: For consistency throughout the bylaws, use of sole Member vs Member

1. To approve the selection of the Corporation's Chief Executive Officer;
2. To approve the annual budget of the Corporation;
3. To approve capital expenditures by the Corporation of more than \$25 million dollars in a single transaction;
4. To approve any expenditures or transfers by the Corporation in a single transaction apparent or a series of related transaction (in excess of 5% of the assets of the Corporation as determined based on last annual audit of the Corporation preceding the approval date of the proposed transaction);
5. To approve the overall strategy adopted by the Corporation.

ARTICLE IV Corporation's Board of Directors

- 4.1 Management by Board of Directors. The business and affairs of the Corporation

shall be managed by the Board of Directors of the Corporation ("Board"), except as otherwise provided by law, the Articles, these Bylaws or a Board resolution.

4.2 Number of Voting Directors. The number of voting directors ("Directors") of the Corporation shall not be less than five (5) nor more than ten (10) until changed by amendment of the Articles or by a bylaw amending this Section 4.2 duly adopted by the sole Member. The exact number of Directors shall be fixed from time to time, within the limit specified in the Articles or in this Section 4.2, by the sole Member.

4.3 Qualifications of Voting Directors.

- (a) Commitment. Directors must be committed to the furtherance of health care delivery in the communities served by the Corporation and must be willing to devote the necessary time and energy for self-education, corporate functions and other activities necessary to fulfill this commitment.
- (b) Fiduciary Duty. Directors shall have a fiduciary duty to the Corporation and shall make all decisions in a manner that is in the best interests of the Corporation and the communities served by the Corporation. Directors shall not advocate or act in the interests of any private person, group or entity unless such action is also in the best interests of the Corporation or the communities served by the Corporation.
- (c) Restriction on Interested Directors. ~~Not more than forty-nine percent (49%) of the persons serving on the Board of Directors at any time may be interested persons. An interested person is (i) any person being compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as a Director; and (ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. In addition, ~~2012 Directors and 2017~~~~ Directors shall not be or seek to become an employee of the Corporation or an independent contractor receiving compensation from the Corporation while serving as a Director, except in the circumstances when a Director who is also a director of the sole Member may so serve. However, any violation of the provisions of this section shall not affect the validity or enforceability of any transaction entered into by the Corporation. Restrictions in addition to those set forth above may be imposed by applicable law.
- (d) Financial Interest. Except as permitted by the California Nonprofit Corporation Law, the California Health and Safety Code and any other provisions of law, Directors shall not have a "financial interest" in any transactions or contracts of the Corporation.

4.4 Appointment and Selection of Directors. The El Camino Healthcare District (sole Member) appoints all Directors to the Corporation Board. All Directors shall be nominated and elected by the sole Member.

4.5 Term on the Corporation Board for Directors of the El Camino Healthcare District Board (Category 1).

Commented [TF11]: Removing the 2012 and 2017 director concept as no longer needed.. See edits to 4.5 and 4.6

- (b) Terms and Vacancies. Each Category 1 Director shall serve on the Corporation's Board until such Director's vacancy.
- (c) No Term Limits. Notwithstanding any other provision of these Bylaws, there shall be no limitation on the number of consecutive or cumulative terms that may be served by a Category 1 Director.
- (d) No Grandfathering of Term Limits. Notwithstanding any other provision of these Bylaws, any term limits that may have been applicable to Category 1 Directors that were in effect immediately prior to the current effective date of these Bylaws shall not apply to any Category 1 Director.
- (e) Applicability. This Section 4.5 applies solely to Category 1 Directors and does not affect term limits (grandfathered or otherwise) for any other class or category of Director.
- (f) Appointment Following Vacancy. Any Category 1 Director who has left the Board may be appointed to serve as a Category 2 Director after two (2) years from the date such Director left the Board.

~~Director first elected by the Member pursuant to Section 4.4 effective September 1, 2012 shall serve a staggered term ending June 30, 2013, June 30, 2014 or June 30, 2015 as designated by a resolution of the Board. Any Director who is later appointed to such position or who is later appointed to a new term for such a position after the initial term expires shall serve a term of three (3) years. The Directors described in this subparagraph (ii) are referred to in these Bylaws as "2012 Directors."~~

- ~~(-) A. Director first elected by the Member, as a result of the increase in the number of permitted directors to ten (10), effective [June 20, 2017] shall serve a staggered term ending June 30, 2020 or June 30, 2021 as designated by a resolution of the Member. Any Director who is later appointed to such position or who is later appointed to a new term for such a position after the initial term expires shall serve a term of three (3) years. The Directors described in this subparagraph (ii) are referred to in these Bylaws as "2017 Directors."~~

- (a) Category 2. Any Director who is not serving as a Director of the El Camino Healthcare District Board is a Category 2 Director.
- (b) Term. Category 2 Directors shall serve four (4) three (3) year terms as a Director on the Corporation Board, effective July 1 of the fiscal year following appointment.
- (c) Staggered Terms in Effect. Staggered term limits for the Corporation Board were implemented by the sole Member and the Corporation Board in 2012. As

of the effective date of these bylaws, the Corporation Board of Directors has five (5) Category 2 Directors serving the following terms. These staggered terms shall remain in effect, and future appointments shall continue the staggered rotation established herein.

- Two (2) Directors with current term of 2024-2027.
- Two (2) Directors with current term of 2026-2029.
- One (1) Director with current term of 2028-2031.

(d) Preservation of Existing Term Limits. All Category 2 Director term limits in effect as of the effective date of these bylaws shall remain unchanged. Nothing in these bylaws shall be construed to extend, shorten, reset, or otherwise modify the term limits of any director whose term commenced prior to the effective date. The intent of this provision is to preserve the continuity and staggered structure of the Board, and to honor all existing term limits for Category 2 Directors as originally established

~~New Members. Any 2012 Director or 2017 Director who first takes office during calendar year 2014, or any time thereafter, may only serve four (4) complete three (3) year terms as a Director.~~

~~(d) New Term Limits. Any Director elected, as described in Section 4.6(d), after his or her term has been limited shall be subject to Section 4.6(a) beginning on the first day of such new term.~~

(a) A vacancy in the Board of Directors shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any Director; (ii) the declaration by the Board of a vacancy in the office of a Director who has been declared of unsound mind by a final order of court, or has been convicted of a felony, or has been found by a final order or judgment of any court to have breached any duty under Sections 5230-38 of the California Corporations Code dealing with standards of conduct for directors; (iii) an increase in the authorized number of Directors; (iv) the application or other request by a ~~2012 Director or 2017~~ Director seeking employment with the Corporation or seeking to provide contract~~ed~~ services to the Corporation, except in circumstances when a Director who is also a director of the sole Member may so serve; (v) when a Director, who was appointed ~~or elected~~ as a Director while serving as a director of the sole Member, is no longer a director of the sole Member; (vi) the failure of the sole Member, at any annual or other regular meeting of Member at which any Director or Directors are ~~appointed, to appoint elected, to elect~~ the full authorized number of Directors to be voted for at that meeting; or (vii) the affirmative vote of the sole Member to remove a Director in accordance with ~~the voting requirements of Section 5222 of the California Corporations Code as provided in Section 4.9 below.~~

(b) Vacancies in the Board may be filled only by the sole Member. Each Director ~~appointed or~~ elected to fill a vacancy shall hold office until ~~a his or her~~ successor is ~~appointed~~ elected at an annual or other regular meeting of the sole Member.

4.134.8 Resignation. Any Director may resign at any time by giving written notice to the Chairperson or the Secretary. Such resignation, which may or may not be made contingent on formal acceptance, shall take effect on the date of receipt or at any later time specified in the resignation. If the resignation is effective at a future time, the successor may be ~~elected~~ appointed to take office when the resignation becomes effective. Unless the California Attorney General is first notified, no Director may resign when the Corporation would then be left without a duly ~~elected~~ appointed Director or Directors in charge of its affairs.

4.144.9 Removal. Any ~~elected~~ Director may be removed, ~~with or without for cause~~, at any time by a four-fifths vote of the -Directors of the sole Member at a duly called meeting of the Board of Directors of the sole Member. No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office. Each Director appointed ~~or elected~~ to fill a vacancy shall hold office until his or her successor is appointed ~~elected~~ by the sole Member. Prior to any vote on removal, the director shall be given reasonable written notice of the proposed removal and the grounds for it and shall have the opportunity to respond in writing or appear before the Board to be heard. For purposes of this section, "cause" shall include, but is not limited to:

Commented [TF12]: For discussion

- Repeated unexcused absences from Board meetings;
- Repeated and continuing conduct disruptive to the operations of the Board;
- Failure to meet Director qualifications;
- Breach of fiduciary duties, including the duty of care, loyalty, or obedience
- Conduct that is unlawful, unethical, or materially harmful to the reputation, operations, or mission of the Corporation;
- Violation of the Corporation's bylaws, code of conduct, or conflict of interest policy;
- Conviction of a felony or a crime involving dishonesty or moral turpitude;
- Inability or unwillingness to perform the duties of a Director;
- Or as authorized or permitted by applicable non-profit corporation law.

ARTICLE V

Corporation Director Appointment-Election Procedures

5.1 Procedures. The sole Member ~~shall appoint shall elect~~ the Directors using ~~nomination and appointment election~~ procedures recommended by the Board and approved by the sole Member, and such procedures shall allow application by any person.

ARTICLE VI

Board Meetings

6.1 Annual Meeting. An annual meeting of the Board shall be held each year, at which time officers of the Board shall be elected and such other business as is appropriate shall be transacted. Annual meetings shall be held at the location designated by the Board within the boundaries of the Corporation or at the principal office of the Corporation.

6.2 Regular Meetings. Meetings of the Board shall be held as directed by the Board, but at least quarterly at any place within the boundaries of the Corporation ~~or outside the State of California~~ that has been designated by the Board. In the absence of such designation, regular meetings shall be held at the principal office of the Corporation. ~~Regular meetings may be held without notice.~~

6.3 Special Meetings.

- (a) Authority to Call. Special meetings of the Board may be called for any purpose and at any time by the Chairperson, the Secretary, or any two (2) Directors.
- (b) Manner of Notice. Notice of the time and place of special meetings shall be given to each Director by one of the following methods: by personal delivery of written notice; by first-class mail, postage paid; by telephone or electronic communication, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director; by facsimile; or by telegram, charges prepaid. All such notices shall be addressed to or otherwise transmitted to the Director's address, facsimile number, or telephone number shown on the records of the Corporation. The notice shall specify the time and place of the meeting.
- (c) Timing of Notice. Notices sent by first-class mail shall be deposited into a United States mail box at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, facsimile or telegram shall be given at least forty-eight (48) hours before the time set for the meeting.

6.4 Meetings by Conference Telephone. Unless otherwise prohibited by law, aAny meeting, regular or special, may be held by conference telephone or other electronic or similar communication equipment, so long as all Directors participating in the meeting can hear one another. All such Directors shall be deemed to be present in person to establish a quorum at any such meeting.

6.5 Waiver of Notice. The transaction of business at any meeting of the Board,

Commented [TF13]: Brown Act allows this but would require posting of addresses at each location, each location open to the public, and quorum present in the district

however called and noticed or wherever held, shall be valid as though held at a meeting that was duly held after regular call and notice, but only if a quorum is present and if, either before or after the meeting, each of the Directors not present signs and files with the Secretary a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof, or such Director attends the meeting without protesting, prior to the meeting or at its commencement, the lack of notice to such Director, provided that no Director present at the meeting objected, prior to the transaction of any business, to the holding of the meeting because of a lack of prior notice. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

6.6 Unanimous Action Without Meeting. ~~No Any~~ action required or permitted to be taken by the Board under the Articles, these Bylaws or any provision of law may be taken by the Board without a meeting, ~~if the Directors unanimously consent in writing to such action. Such unanimous written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by unanimous written consent shall have the same force and effect as the unanimous vote of the Directors at a duly called and noticed meeting. Such unanimous written consent or consents may be signed in counterpart and may be submitted to the individual Directors, and returned to the Corporation by mail or by facsimile transmission. For purposes of this section only, "all members of the Board" does not include any "interested directors" as defined in Section 5233 of the California Corporations Code.~~

Commented [TF14]: Brown Act does not permit unanimous action without a meeting

6.7 Quorum. A majority of the number of existing Directors (excluding vacancies) shall constitute a quorum for the transaction of business, except to adjourn. A meeting at which a quorum is initially present may not continue to transact business, ~~except to adjourn, if Directors withdraw from the meeting resulting in less than a quorum present. , notwithstanding the withdrawal of Directors from the meeting, if any action taken is approved by at least a majority of the required quorum for that meeting, subject to any applicable requirements for approval by a greater number or a disinterested majority.~~

Commented [TF15]: For Brown Act compliance

6.8 Agenda for Meetings. The agenda for Board meetings shall be developed by the Chairperson with the Chief Executive Officer acting as staff to the Chairperson for this purpose. The Chairperson shall prepare a calendar of expected agenda items that will be communicated regularly at Board meetings. Any Director may ask that a matter be added to a future Board meeting agenda by written notification to the Chairperson and the Chief Executive Officer. The Chairperson will determine, considering all other matters to be addressed by the Board, whether and when to add the matter to a Board agenda. If the matter will not be added to the Board meeting agenda at the next meeting to be held more than fourteen (14) days after the date of the request, the Chief Executive Officer will notify the Director making the request of the Chairperson's decision; the person making the request may ask that the questions of whether such matter should be considered by the Board and the timing of such consideration be addressed during the discussion of the calendar of expected agenda items during the next meeting of the Board that occurs more than ten (10) days thereafter. Notwithstanding the foregoing, any request to add a matter to the Board agenda made by three (3) directors shall be added to the Board meeting agenda at the next meeting to be held more than fourteen (14) days after the date of the last request.

6.9 Board Action. Every act done or decision made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the

Board of Directors, unless a greater number, or the same number after disqualifying one or more Directors from voting, is required by the Articles, these Bylaws, or the California Nonprofit Corporation Law. Provided however, amendments to the Articles or these Bylaws and approval of certain transactions must be approved by the vote of a majority of the Directors in office, excluding interested directors as defined in Section 5233 of the California Corporations Code.

6.10 Adjournment. A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

6.11 Notice of Adjournment. ~~Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of the time and place shall be given before the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.~~

Commented [TF16]: For Brown Act compliance

ARTICLE VII Board Committees and Advisory Committees

7.1 Establishment of Board Committees. The Board of Directors may, by resolution adopted by a majority of the Directors then in office, provided that a quorum is present, designate one or more committees, each consisting of two (2) or more Directors but less than a quorum of either the Corporation's Board or the sole Member's Board, to serve at the pleasure of the Board. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. The provisions of Section 7.1 through 7.5 of these Bylaws do not apply to any ad hoc advisory committee established under Section 7.6. The appointment of members or alternate members of a committee requires the vote of a majority of the Directors then in office, provided that a quorum is present. The Chairperson of the Board may serve as chair or a member of any board advisory committee except as Chair of the Governance Committee. Any such committee, to the extent provided in the resolution of the Board of Directors or in these Bylaws, shall be advisory to the Board but shall have ~~all~~ the authority of the Board of Directors as stated in the resolution, except that no committee, regardless of Board resolution, may:

Commented [TF17]: For clarity, revising these provisions to reflect the existing Board Committees as opposed to ad hoc advisory committees addressed in 7.6

- (a) Approve any action that, under the California Nonprofit Corporation Law, also requires the affirmative vote of the members of a public benefit corporation.
- (b) Fill vacancies on the Board or in any committee that has the authority of the Board.
- (c) Fix compensation of the Directors for serving on the Board or on any committee.
- (d) Amend or repeal Bylaws or adopt new bylaws.
- (e) Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable.
- (f) Appoint any other committees of the Board or the members of such committees.

(g) Expend corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected.

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(h) Approve any transaction between the Corporation and one or more of its Directors in which the Director or Directors have a material financial interest, except as provided by Section 5233 of the California Corporations Code.

7.2 Special Committees. From time to time the Board may establish special committees. Special Board committees shall exist to perform specific tasks identified by the Board, and shall cease to exist upon completion of the task. The Board may by resolution establish special committees for such purposes as the Board deems appropriate. Members of such committees shall be appointed and removed at the Board's discretion, with or without cause.

7.3 Authority to Act. The committee may take action on behalf of the Corporation only if specifically authorized to take a Board action by resolution of the Board.

7.4 Appointment.— The Chairperson of the Board shall appoint committee chairperson(s) and the committee chairperson(s) shall appoint members of committee(s) subject to approval by the Board.

7.5 Meetings and Actions of Committees. Meetings and actions of all committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of these Bylaws, concerning meetings and actions of Directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board and its members, except that the time for regular meetings of committees may be determined either by majority action resolution of the Board or by majority action resolution of the committee. Special meetings of committees may also be called by majority action resolution of the Board or of the committee. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board may adopt rules not inconsistent with the provisions of these Bylaws for the governance of any committee.

7.6 Ad Hoc Advisory Committees. Notwithstanding any other provision of this Article VII or these Bylaws, the Board or a Board Committee Chair may by resolution establish ad hoc advisory committees to the Board or Board Committee. No ad hoc advisory committee shall have or exercise any of the authority of the Board or Board Committee but shall advise the Board of Directors or Board Committee on matters within the jurisdiction of the Board or Board Committee. advisory committee's charter as adopted by the Board.— An ad hoc advisory committee shall be composed of less than a quorum of the at least two members of the Board and persons who are not members of the Board or the Board Committee and may consult with advisors as appropriate. The Board or Board Committee, by resolution, shall adopt an advisory committee charter which shall establish the ad hoc committee, state whether the advisory committee is temporary (ad hoc) or standing, the total number of members of such committee, the number of Board members to be appointed to such committee, and the subject matter to be considered by such advisory committee. The time and place of meetings of the ad hoc advisory committee shall be determined by the ad hoc advisory committee chair. The charter shall designate the members

Commented [TF19]: To clarify these are the ad hoc committees as opposed to the existing standing board committees. Eliminates the extra work of preparing and executing a resolution for ad hoc committees

members, to change the scope of delegation, or to terminate the existence of the advisory committee.

ARTICLE VIII Officers of the Corporation ~~and Employees~~

8.1 Officers. The officers of the Corporation shall consist of the Chairperson, the Vice Chairperson, the Secretary, ~~and the Treasurer, the Chief Executive Officer,~~ and such other persons who are specifically designated as officers by the Board. ~~The offices of Secretary and Treasurer shall be held by the same person. The Chief Financial Officer of the Corporation shall be the Treasurer of the Corporation unless the Board of Directors appoints a separate individual to serve as Treasurer. No person may serve concurrently as the Chairperson of the Board and either the Secretary, the Treasurer, or the Chief Financial Officer.~~

Commented [TF20]: Removes requirement that Secretary and Treasurer be same person, and allows CFO to serve in Treasurer role unless Board appoints someone else.

8.2 Election of ~~Board~~ Officers. All officers shall be elected by a majority vote of the Corporation Board, such office to take effect on July 1 of each even-numbered fiscal year unless a vacancy occurs.

8.3 Term of ~~Board~~ Officers. Each officer shall hold office for a two (2) year term or until ~~a his or her~~ successor is elected and qualified, subject to any employment agreement; provided that a Director may not serve more than two (2) consecutive full or partial terms as Chairperson. In the event the Chairperson fills an unexpired term of a vacant Chairperson, the officer's partial term shall count toward the officer's term limit. Notwithstanding the above, the Board of Directors may, by resolution adopted by majority vote, extend the term of the Chairperson for one additional two-year term if the Board, in its good-faith business judgment, determines it to be in the best interests of the Corporation.

Commented [TF21]: New additions, for discussion

8.4 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the Chairperson or to the Secretary, without prejudice, however, to the rights, if any, of the Corporation under any contract to which such officer is a party. Such resignation, which may or may not be made contingent on formal acceptance, shall take effect on the date of receipt or at any later specified time.

8.5 Removal. Any officer may be removed at any time by a two-thirds majority vote of the Board.

8.6 Vacancies. Upon the removal, resignation, death, or incapacity of any officer, the Board may declare such office vacant and fill such vacancy by the majority vote of the Board.

8.7 Compensation. The salary and other compensation of the officers shall be fixed from time to time by resolution of, or in the manner determined by, the Board.

8.8 Duties and Qualifications of Officers. The officers shall have such duties, in addition to those set forth below, as the Board shall specify by resolution from time to time.

- (a) Chairperson. The Chairperson shall preside at all meetings of the Board. Except as provided in Section 13.1, the Chairperson shall have authority to

execute in the name of the Corporation all bonds, contracts, deeds, leases, and other written instruments to be executed by the Corporation, and shall perform such other powers and duties as may be from time to time assigned to him or her by the Board or set forth in these Bylaws.

- (b) Vice Chairperson. The Vice Chairperson shall assume and perform the duties of the Chairperson in the absence or disability of the Chairperson or whenever the office of Chairperson is vacant. The Vice Chairperson shall have such titles, perform such other duties, and have such other powers as the Board or the Chairperson shall designate from time to time.
- (c) Secretary. The Secretary shall record or cause to be recorded, and shall keep or cause to be kept, at the principal executive office and such other place as the Board may order, a book of minutes of actions taken at all meetings of Directors, committees, and sole Member, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such Directors, committees and sole Member meetings, and the proceedings of all such meetings.

The Secretary shall give, or cause to be given, notice of all the meetings of the members of the Board of Directors, and of the committees of this Corporation required by these Bylaws or by law to be given, shall keep the seal of the Corporation (if any) in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board, the Chairperson or by these Bylaws.

- (d) Treasurer, or Chief Financial Officer. The Treasurer shall ~~keep and maintain, or ensure that the Chief Financial Officer keeps and maintains cause to be kept and maintained,~~ adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements.

The Treasurer shall ~~ensure that the Chief Financial Officer~~ deposits all moneys and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board. The Treasurer ~~shall ensure that the Chief Financial Officer disburses~~ shall disburse the funds of the Corporation as may be ordered by the Board, shall render to the Chairperson and Directors, whenever they request it, an account of all of the Treasurer's transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board, the Chairperson or these Bylaws.

ARTICLE IX Chief Executive Officer

- 9.1 Selection, Authority and Term. The Board may select and employ a competent,

experienced Chief Executive Officer who shall be its direct executive representative in the management of the Hospital. This Chief Executive Officer shall be given the necessary authority and held responsible for the administration of the Hospital in all its activities and departments subject only to such policies as may be adopted, and such orders as may be issued by the Board or by any of its committees to which it has delegated power for such action. The Chief Executive Officer ~~He or she~~ shall act as the “duly authorized representative” of the Board in all matters in which the governing Board has not formally designated some other person for that specific purpose. However, nothing in this section is to be construed as depriving or delegating from the Board to the Chief Executive Officer any of the powers and duties imposed upon the Board by the Local Hospital District Law, Division 23, or Chapter 1 of the Health and Safety Code of the State of California, or related statutes. The Chief Executive Officer shall hold office ~~from the date of hire until the end of his or her term in office or sooner~~ at the sole discretion of the Board, subject to any employment agreement.

9.2 Performance Review. The Board shall continually review the performance of the Chief Executive Officer and provide counseling in areas where improvement is needed.

9.3 Authority and Duties. The authority and duties of the Chief Executive Officer shall be as follows:

- (a) To perfect and submit to the Board for approval a plan of organization of the personnel and others concerned with the operation of the Hospital; and also to establish methods of procedures concerning the internal operation of the Hospital.
- (b) To prepare an annual budget showing the expected receipts and expenditures of the Hospital as required by the Board of Directors.
- (c) To prepare and submit capital budget of the Hospital to the Board for approval.
- (d) To select, employ, and discharge all employees serving in positions as authorized by the Board of Directors.
- (e) To see that all physical properties are kept in good state of repair and operating condition.
- (f) To attend all meetings of the Board of Directors and participate in all Board discussions, including executive session, except where the Chief Executive Officer has a conflict of interest or is otherwise recused, ~~and except for executive sessions of the Board of Directors.~~
- (g) To supervise all business affairs, such as the records of financial transactions, collection of accounts and purchase and issuance of supplies, and to ensure that all funds are collected and expended to the best possible advantage.
- (h) To explore and develop strategic opportunities for the Hospital and propose such opportunities to the Board.

Commented [TF22]: Board typically asks the CEO to attend executive session, unless CEO's performance is being discussed

- (i) To exercise his or her professional abilities in such a manner that those concerned with the rendering of professional service at the Hospital cooperate to the end that the best possible care may be rendered to all patients.
- (j) To submit regularly to the Board or its authorized committees, periodic reports showing the professional service and financial activities of the Hospital and to prepare and submit such special reports as may be required by the Board and/or its functioning committees.
- (k) To serve as the liaison officer and channel of communications for all official communications between the Board of Directors or any of its committees, and its adjunct organizations.
- (l) To attend and support, or appoint a delegate to attend and support, et as an ex-officio member of all Board committees.
- (m) To support such volunteer services as are necessary to carry out the purpose of the Hospital.
- (n) To assist in providing an orientation program for new Board members.
- (o) To perform any other duty that may be necessary in the best interest of the Hospital.

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Commented [TF23]: Practice has been that CEO is not considered a member of the committee

ARTICLE X

Contracts and Financial Matters

10.1 Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

10.2 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depository as the Board may select.

10.3 Compensation of Directors and Committee Members. Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be determined by ~~resolution of~~ the Board to be just and reasonable; provided, however, that any such compensation must be commercially reasonable.

ARTICLE XI

Conflicts of Interest and Indemnification

11.1 Conflict of Interest. The Board shall adopt and adhere to a conflict of interest policy that incorporates the provisions of Section 5233 of the California Nonprofit Corporation Law, by resolution, a conflict of interest policy which shall be attached to these Bylaws.

Commented [TF24]: Board approves the policy but it hasn't been practice to require a resolution or attachment to the bylaws

11.2 Indemnification.

- (a) For the purposes of this article, “agent” means any person who is or was a Director, officer, employee, or other agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a Director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation; “proceeding” means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and “expenses” include without limitation attorneys’ fees and any expenses of establishing a right to indemnification under paragraph (d) or paragraph (e)(iii) of this Section 11.2.
- (b) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Corporations Code, or an action brought by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of the Corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person’s conduct was unlawful.
- (c) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the Corporation to procure a judgment in its favor, or brought under Section 5233, or brought by the Attorney General for breach of duty relating to assets held in charitable trust, by reason of the fact that such person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the Corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this paragraph (c):
- (i) In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person’s duty to the Corporation, unless and only to the extent that the court in

which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses that such court shall determine;

(ii) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(iii) Of expenses incurred in defending a threatened or pending action that is settled or otherwise disposed of without court approval unless it is settled with the approval of the Attorney General.

(d) To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in paragraph (b) or (c) or in defense of any claim, issue, or matter in the proceeding, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the proceeding.

(e) Except as provided in paragraph (d), any indemnification under this Section 11.2 shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in paragraph (b) or (c), by:

i. A majority vote of a quorum consisting of Directors who are not parties to such proceeding;

ii. Approval or ratification by the affirmative vote of a majority of the votes represented and voting at a duly held membership meeting at which a quorum is present (which affirmative votes also constitute a majority of the required quorum); for such purpose, any membership held by the person to be indemnified shall not be considered outstanding or entitled to vote on the matter; or

~~iii.~~ The court in which such proceeding is or was pending upon application made by the Corporation; the agent, or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by the Corporation.

(f) ~~(f)~~ Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Section 11.2.

(g) ~~(g)~~ Nothing contained in this article shall affect any right to indemnification to which persons other than Directors and officers of the Corporation or any

subsidiary of the Corporation may be entitled by contract or otherwise.

~~(b)~~ ~~(b)~~ No indemnification or advance shall be made under this article, except as provided in paragraph (d) or paragraph (e)(iii), in any circumstance when it appears:

~~(i)~~ ~~i.~~ That it would be inconsistent with a provision of the Articles, a resolution of the sole Member, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

~~ii.~~ ~~ii(iii)~~ That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

~~(i)~~ ~~(i)~~ Upon and in the event of a determination by the Board of Directors of the Corporation to purchase indemnity insurance, the Corporation shall purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Section 11.2; provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233.

ARTICLE XII Medical Staff

12.1 Organization. A medical staff organization has been created for the acute care hospitals ~~that is~~ owned by El Camino Hospital, and this medical staff is known as the El Camino Hospital Medical Staff (the "Medical Staff").

12.2 Membership. Membership in the Medical Staff shall be comprised of all physicians, dentists and podiatrists who are duly licensed, competent in their respective fields, worthy in character and in professional ethics and privileged to attend to patients in the Hospital. The term "physicians" shall include physicians licensed in the State of California, regardless of whether they hold an M.D. or D.O. degree. Membership in the Medical Staff shall be a prerequisite to the exercise of any clinical privileges except as otherwise expressly provided in the Medical Staff Bylaws.

12.3 Medical Staff Bylaws, Rules and Regulations.

~~(e)~~ ~~(b)~~ Procedure to Adopt or Amend.

(i) Preparation and Adoption. The Medical Staff shall have the initial responsibility to formulate, revise and adopt the Medical Staff Bylaws, rules and regulations.

(ii) Review and Approval. After the above action by the Medical Staff, such Medical Staff Bylaws, rules or regulations, or amendments thereto, shall be forwarded to the Corporation's Board of Directors for its review and approval, which approval shall not be unreasonably withheld.

(iii) Separate Action. If the Medical Staff fails to exercise its responsibility hereunder and in a reasonable, timely and responsible manner, and after written notice from the Board to such effect, including a reasonable period of time for response, the Board may formulate or amend the Medical Staff Bylaws, rules and regulations. Any Medical Staff recommendations and views shall be carefully considered during the Board's deliberations and actions.

12.4 Credentialing and Clinical Privileges.

- (a) Delegation to Medical Staff. The Board delegates to the Medical Staff responsibility and authority to investigate and evaluate all matters relating to Medical Staff membership and clinical privileges, including appointment, reappointment and corrective action.
- (b) Initial Decision. Initial action with respect to membership on the Medical Staff and clinical privileges shall be taken by the Medical Staff in accordance with the Medical Staff Bylaws, rules and regulations. Thereafter, a recommendation shall be made to the Board.
- (c) Review and Approval. The Board shall review and act upon recommendations of the Medical Staff, and shall give careful consideration to the Medical Staff's expertise in peer review matters.
- (d) Separate Action. If the Medical Staff fails to exercise its responsibility hereunder in a reasonable, timely and responsible manner, and after written notice from the Board to such effect, including a reasonable period of time for response, the Board may take actions regarding medical staff membership and clinical privileges. In so doing, the Board shall carefully consider any Medical Staff recommendations and views during its deliberations and actions. In situations involving corrective action, the Board shall not initiate such action unless the Medical Staff's failure to do so is contrary to the weight of the evidence under consideration.
- (e) Fair Hearing Procedure. The procedural rules to be followed by the Medical Staff and the Board in acting on matters of Medical Staff membership and clinical privileges, including such matters as appointment, reappointment and corrective action, shall be as more particularly specified in the Medical Staff Bylaws. The Medical Staff Bylaws shall provide for a procedure pursuant to which disagreements between the Medical Staff and the Board may be resolved.
- (f) Standards of Decision and Review. In taking the actions referred to in this Article XII, the relevant decision-making body shall consider the supporting information and the purposes, needs and capabilities of the hospital, the health and welfare of the community, and such relevant criteria as are set out in the Medical

Staff Bylaws, rules and regulations. In taking such action, no aspect of Medical Staff membership or privileging shall be limited or denied on the basis of sex, age, race, creed, color, or national origin, or on the basis of any other criterion unrelated to those set out in the preceding sentence.

- (g) Duration. Appointments to the Medical Staff shall be for a maximum term of two (2) years.
- (h) Terms and Conditions. The terms and conditions of Medical Staff membership and of the exercise of clinical privileges shall be as specified in the Medical Staff Bylaws, rules and regulations, or as more specifically defined in the notice of an individual appointment or privileges.

12.5 Allied Health Professionals. The categories of allied health professionals eligible to hold specific practice privileges to perform services within the scope of their licensure, certification or other legal authorization, and the corresponding privileges, prerogatives, terms and conditions for each such allied health professional category or practitioner shall be determined by the Board upon recommendations received from the Medical Staff executive committee. The Medical Staff shall have the responsibility and authority to investigate and evaluate each application by an allied health professional for satisfaction of relevant eligibility requirements in accordance with the Medical Staff Bylaws, rules and regulations.

12.6 Contract Physicians. A physician engaged as an independent contractor by the Corporation to provide medical-administrative services must obtain appropriate Medical Staff membership and privileges through the procedure outlined in the Medical Staff Bylaws, rules and regulations. Restriction or termination of such physician's Medical Staff membership or clinical privileges for reasons related to professional competence shall also be accomplished through the procedures contained in the Medical Staff Bylaws, rules and regulations. All other matters, including termination of Medical Staff membership or clinical privileges on grounds not related to professional competence, shall be governed by the terms of such physician's contracts or agreements with the Corporation.

12.7 Accountability. The Medical Staff shall be accountable to the Board for conducting activities that contribute to the preservation and improvement of the quality and efficiency of patient care provided at the Corporation. These activities shall include:

- (a) Standard of Care. Ensuring that a comparable standard of care, as determined by the Medical Staff, is provided to all patients with similar needs;
- (b) Monitor Quality. Ongoing monitoring and evaluation of patient care to solve problems and identify other opportunities to improve quality.
- (c) Clinical Privileges. Delineation of clinical privileges for members of the Medical Staff commensurate with individual credentials and demonstrated ability and judgment.
- (d) Continuing Education. Provision of continuing professional education, guided by the needs identified through the review and evaluation activities, as well

as other perceived needs and interests.

(e) Resource Allocation. Review of utilization of the Corporation's resources to provide for their allocation to patients in need of them.

(f) Medical Records. Ensuring the preparation and maintenance of adequate and accurate medical records for all patients; and

(g) Other Matters. Such other measures as the Board may, after considering the advice of the Medical Staff and the Corporation's administration, deem necessary for the preservation and improvement of the quality and efficiency of patient care.

ARTICLE XIII Execution of Corporate Instruments, and Voting of Stocks and Memberships Held by the Corporation

13.1 Execution of Corporate Instruments. The Board may, in its discretion, determine the method and designate the signatory officer or officers or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except when otherwise provided by law, and such execution or signature shall be binding upon the Corporation.

Unless otherwise specifically determined by the Board or otherwise required by law, formal contracts of the Corporation, promissory notes, deeds of trust, mortgages and other evidences of indebtedness of the Corporation, and other corporate instruments or documents, and certificates of shares of stock owned by the Corporation, shall be executed, signed, or endorsed by the Chairperson.

All checks and drafts drawn on banks or other depositories on funds to the credit of the Corporation, or in special accounts of the Corporation, shall be signed by such person or persons as the Board shall authorize to do so.

13.2 Ratification by Sole Member. The Board may, in its discretion, submit any contract or act for approval or ratification of the sole Member at any regular meeting of sole Member, or at any special meeting of the sole Member called for that purpose.

13.3 Voting of Stocks Owned by Corporation. All stock of other corporations or memberships in other corporations owned or held by the Corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect to such stock or memberships shall be executed, by the person authorized to do so by resolution of the Board of Directors, or in the absence of such authorization, by the Chairperson of the Board, or Vice Chairperson or by any other person authorized to do so by the Chairperson or the Vice Chairperson of the Board.

ARTICLE XIV Annual Report

— Except as provided below, the Corporation shall cause to be sent to its sole Member and Directors no later than 120 days after the close of its fiscal year, a report containing the following information in appropriate detail:

- ~~(b)~~(a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year.
- ~~(e)~~(b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- ~~(d)~~(c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year.
- ~~(e)~~(d) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.
- ~~(f)~~(e) Any information required by Section 6322 of the California Corporations Code.

The report shall be accompanied by any pertinent report of independent accountants, or, if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation.

This article does not apply to the Corporation when it receives less than twenty-five thousand dollars (\$25,000) in gross revenues or receipts during the fiscal year, with the exceptions that a report meeting the above requirements must be furnished annually to all Directors and to the sole Member who requests it in writing and that the information referred to in paragraph (e) above must be furnished to the sole Member and Directors within 120 days after the close of the Corporation's fiscal year.

If the Corporation solicits in writing contributions from five hundred (500) or more persons, it need not send the report described above to the sole Member, with the exception of the information referred to in paragraph (e) above, if it:

- (i) Includes with any written material used to solicit contributions a written statement that its latest annual report will be mailed upon request and that such request may be sent to the Corporation at a name and address which is set forth in the statement;
- (ii) Promptly mails a copy of its latest annual report to any person who requests a copy; and
- (iii) Causes its annual report to be published not later than 120 days after the close of its fiscal year in a newspaper of general circulation in the county in which its principal office is located.

ARTICLE XV Standard of Care

A Director shall perform the duties of a director, including duties as a member of any Board committee on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of this Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances, and shall comply with any standards of conduct adopted by the Corporation's Board of Directors.

— In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

~~(b)~~(a) one or more officers or employees of the Corporation whom the Director believes to be reliable and competent as to the matters presented;

~~(e)~~(b) counsel, independent accountants, or other persons as to matters which the Director believes to be within such person's professional or expert competence; or

~~(d)~~(c) a Board committee upon which the Director does not serve, as to matters within its designated authority, provided that the Director believes such committee merits confidence; so long as in any such case, the Director acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in Article XVI below, a person who performs the duties of a Director in accordance with this Article XV shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a Director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which a corporation, or assets held by it, are dedicated.

ARTICLE XVI Prohibited Transactions

16.1 Loans. Except as permitted by Section 5236 of the California Corporations Code, this Corporation shall not make any loan of money or property to, or guarantee the obligation of, any Director or officer; provided, however, that this Corporation may advance money to a Director or officer of this Corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such officer or Director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

16.2 Self-Dealing Transactions. Except as provided in Section 16.3 below, the Board of Directors shall not approve or permit the Corporation to engage in any self-dealing transaction. A self-dealing transaction is a transaction to which this Corporation is a party and in which one or more of its Directors has a material financial interest, unless the transaction is described in California Corporations Code Section 5233(b).

16.3 Approval. This Corporation may engage in a self-dealing transaction if the

transaction is approved by a court or by the Attorney General. This Corporation also may engage in a self-dealing transaction if the Board determines, before the transaction, that (1) this Corporation is entering into the transaction for its own benefit; (2) the transaction is fair and reasonable to this Corporation at the time; and (3) after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the interest of the Director or Directors in the transaction, and by a vote of a majority of the Directors then in office, without counting the vote of the interested Director or Directors.

ARTICLE XVII

Miscellaneous

17.1 Records and Reports.

- (a) Maintenance and Inspection of Articles and Bylaws. This Corporation shall keep at its principal office the original or a copy of its Articles and these Bylaws as amended from time to time which shall be open to inspection by the Directors and the sole Member at any reasonable time during business hours.
- (b) Maintenance and Inspection of Other Corporate Documents. The accounting books, records, and minutes of proceedings of the sole Member, the Board and any committee of the Board shall be kept at such place or places designated by the Board or, in the absence of such designation, at the principal office of the Corporation. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept either in written or typed form or in any other form capable of being converted into written, typed or printed form. The minutes and accounting books and records shall be open to inspection on the written demand of any sole Member, at any reasonable time during usual business hours for a purpose reasonably related to the sole Member's interests as a sole Member. Inspection may be made in person or by an agent or any attorney, and shall include the right to copy and make abstracts.
- (c) Inspection by Directors. Each Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Corporation. This inspection by a Director may be made in person or by the agent or attorney. The right of inspection includes the right to copy and make abstracts of documents.

17.2 Corporate Seal. The Board shall provide a suitable seal for the Corporation.

17.3 Construction and Definitions. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, singular numbers include the plural, plural numbers include the singular, and the term "person" includes both corporations and natural persons. The captions or headings in these Bylaws are for convenience only and are not intended to limit or define the scope or effect of any provision of

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these Bylaws.

ARTICLE XVIII Amendments

18.1 Amendments. The Articles or these Bylaws may be adopted, repealed, amended or restated or new Articles or Bylaws may be adopted upon a majority vote of the authorized number of Directors (excluding vacancies and Directors with a conflict of interest). No such adoption, repeal, amendment, restatement or new Articles or Bylaws shall be effective until approved by the sole Member. Moreover, the Articles and Bylaws may be adopted, repealed, amended or restated or new Bylaws adopted upon the vote of the sole Member.

I, the undersigned, certify that I am the currently elected and acting Secretary of El Camino Hospital, a California nonprofit public benefit corporation, and the above Amended and Restated Bylaws, consisting of 24-29 pages, are the Bylaws of this Corporation as adopted pursuant to the required affirmative vote of the Board, December 7, 2005 and the sole Member, the El Camino Healthcare District, on December 7, 2005 pursuant to the required affirmative vote of the District Board, as amended and restated pursuant to the required affirmative vote of the Board on August 10, 2011 and the sole Member, the El Camino Healthcare District, on August 10, 2011 pursuant to the required affirmative vote of the District Board, as further amended and restated by the sole Member, El Camino Healthcare District, on March 20, 2012 pursuant to the required affirmative vote of the District Board, as further amended and restated by the sole Member, El Camino Healthcare District, on May 12, 2012, May 1, 2013, June 18, 2013, and March 5, 2014 pursuant to the required affirmative vote of the District Board, as further amended and restated pursuant to the required affirmative vote of the Board on May 14, 2014 (Section 6.8) and May 14, 2014 (Article VII) and of the sole Member, the El Camino Healthcare District, on June 17, 2014, as further amended and restated pursuant to the required affirmative vote of the Board on October 8, 2014 (Section 7.6) and of the sole Member, the El Camino Healthcare District, on October 21, 2014, as further amended and restated pursuant to the required affirmative vote of the Board on May 11, 2016 and of the sole Member, the El Camino Healthcare District, on June 14, 2016 and as further amended and restated by the sole Member, El Camino Healthcare District, on June 28, 2017 pursuant to the required affirmative vote of the District Board, as further amended and restated pursuant to the required affirmative vote of the Board on May 9, 2018 and the sole Member, the El Camino Healthcare District, on May 15, 2018 pursuant to the required affirmative vote of the District Board and as further amended and restated by the sole Member, El Camino Healthcare District, on October 16, 2018 pursuant to the required affirmative vote of the District Board, and as further amended and restated pursuant to the required affirmative vote of the El Camino Healthcare District, on _____.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Secretary on _____, October 16, 2018.

John Zoglin
El Camino Hospital Secretary



EL CAMINO HOSPITAL BOARD OF DIRECTORS GOVERNANCE COMMITTEE MEMO

To: El Camino Hospital Board of Directors
From: Anne Yang, Executive Director, Governance Services
Date: June 3, 2025
Subject: Proposed FY26 Advisory Committee Goals and Pacing Plans

Recommendation: Review and recommend for Board approval the proposed FY26 Advisory Committee Goals and Pacing Plans.

Authority: The Board reviews and approves the FY26 Advisory Committee Goals and Pacing Plans at the June ECHB meeting, and prior to that, the Governance Committee provides review and recommendation for Board approval.

Summary: A few notes on the materials:

- The Executive Compensation Committee Proposed FY26 Committee Goals and Pacing Plan is one document as the goals are listed according to the quarter in which the topic is paced.
- All other Advisory Committees have a separate proposed goals and pacing plan documents.

List of Attachments:

1. Proposed FY26 [Governance Committee Goals](#) and [Pacing Plan](#)
2. Proposed FY26 [Finance Committee Goals](#) and [Pacing Plan](#)
3. Proposed FY26 [Quality Committee Goals](#) and [Pacing Plan](#)
4. Proposed FY26 [Compliance and Audit Committee Goals](#) and [Pacing Plan](#)
5. Proposed FY26 [Executive Compensation Committee Goals and Pacing Plan](#)
6. Proposed FY26 [Investment Committee Goals](#) and [Pacing Plan](#)



PROPOSED FY26 GOVERNANCE COMMITTEE GOALS AND PACING PLAN

The purpose of the Governance Committee (“Committee”) is to advise the El Camino Hospital (“Hospital”) Board of Directors (“Board”) in matters related to governance, board development, board effectiveness, and board composition for El Camino Hospital and the Hospital’s affiliated entities where the Hospital is the sole corporate member pursuant to the operating agreements and governance documents of those entities (“the Organization”). The Governance Committee ensures the Organization is functioning at the highest level of governance standards.

STAFF: **Theresa Fuentes**, Chief Legal Officer (Executive Sponsor)

GOALS	ACTIONS/METRICS	STATUS
1. Enhance board composition, development, and effectiveness	<ul style="list-style-type: none"> - In conjunction with the ECHD Re-Appointment and Recruitment Ad Hoc Committee, provide a method for regular competency and skills assessment of the Board. - Maintain resource section on Boardvantage of pertinent conferences, resources, newsletters, and professional organizations. - Implement regular and comprehensive board and committee assessments. - Develop Board Action plan - based on assessment results. - Develop onboarding mentorship program pairing experienced and new Board/Committee members. - Discuss and develop succession planning for Board members and officers. 	
2. Review and update governance documents and policies	<ul style="list-style-type: none"> - Ensure regular review of Bylaws and policies. - Develop communication and/or training as necessary for policy updates. 	-
3. Support board advisory committee alignment with organizational strategy and goals	<ul style="list-style-type: none"> - Ensure regular review of Advisory Committee goals and charters. - Hold joint education sessions, as needed, between Board, Advisory Committees, and organizational leadership to ensure alignment with organizational needs. 	-
4. Promote ethical behavior and ensuring that the organization is acting in accordance with its values and principles.	<ul style="list-style-type: none"> - Monitor the frequency of Code of Conduct revision to ensure it remains current with the organization's culture and external factors - Monitor the annual acknowledgement of Conflict of Interest policy. 	-

SUBMITTED BY: Chair: Lanhee Chen | **Executive Sponsor:** Theresa Fuentes



FY26 Governance Committee Pacing Plan

AGENDA ITEM	Q1			Q2			Q3			Q4		
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Minutes			✓		✓				✓			✓
Review Progress Against Goals			✓		✓				✓			✓
Board Action Plan Development			✓									
ECHD Reappointment Support			✓									
Board/Committee Onboarding Plan			✓									
ECHB Policy Review					✓							✓
Board Education					✓							
Board Assessment Plan Overview			✓									✓
Plan for Joint Education Session					✓							
Develop next FY GC Goals									✓			
Review Advisory Committees Next FY Goals and Pacing Plans												✓
Review Advisory Committee and Committee Chair Assignments												✓
Finalize Next FY Master Calendar					✓							
Succession Planning Discussion									✓			



FY2026 FINANCE COMMITTEE GOALS

PURPOSE:

The purpose of the Finance Committee (the “Committee”) is to provide oversight, information sharing, and financial reviews related to budgeting, capital budgeting, long-range financial planning and forecasting, and monthly financial reporting for the El Camino Hospital (ECH) Hospital Board of Directors (“Board”). In carrying out its review, advisory, and oversight responsibilities, the Finance Committee shall remain flexible in order to best define financial strategies that react to changing conditions.

STAFF: Carlos Bohorquez, Chief Financial Officer (Executive Sponsor)

The Chief Financial Officer shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair’s consideration. Additional members of the Executive Team may participate in the meetings upon the recommendation of the Executive Sponsor and at the discretion of the Committee Chair.

GOALS	TIMELINE	METRICS
1. Summary of Physician Financial Agreements	Q3	March 2026
2. Review Progress on Opportunities / Risks identified by Management for FY2026 and Managed Care Update	Q2, Q3	Progress on Opportunities / Risks (November 2025), Managed Care update (February 2026)
3. Review Strategy, Goals and Joint Ventures / Business Affiliates, and Impact of Strategic Initiatives on Market Share	Q1	Overview & Financial Performance JVs / Business Affiliates (August 2025)
	Q3	Foundation – Strategic Update (February 2026)
	Q3	Impact of Strategic Initiatives – Market Share Update (February 2026), Hospital Community Benefits Program (February 2026),
4. Progress on Implementation of 2027 Strategic Plan and Strategic Capital Plan Investments	Q1, Q2, Q3 and Q4	Progress on 2027 Strategic Plan / Strategic Capital Investments
5. Fiscal Year End Performance Review	Q1	FYE 2025 Review of Operating, Financial and Balance Sheet Performance and KPIs (August 2025)

SUBMITTED BY: Chair: Don Watters | **Executive Sponsor:** Carlos Bohorquez, Chief Financial Officer

FY2026 Finance Committee Pacing Plan													
AGENDA ITEM	Q1			Q2			Q3				Q4		
	JUL	8/25	SEPT	OCT	11/17	DEC	JAN	2/2	3/9	3/23	APR	5/26	JUN
STANDING AGENDA ITEMS													
Standing Consent Agenda Items		✓			✓			✓		✓		✓	
Minutes		✓			✓			✓		✓		✓	
Period Financials Report (Approval)		✓			✓			✓		✓		✓	
Board Actions		✓			✓			✓		✓		✓	
APPROVAL ITEMS													
Candidate Interviews & Recommendation to Appoint (If required to add/replace committee member)													
Financial Report Year-End Results		✓											
Next FY Committee Goals, Dates, Plan										✓		✓	
Next FY Org. Goals												✓	
Next FY Community Benefit Grant Program												✓	
Physician Contracts		✓			✓			✓		✓		✓	
DISCUSSION ITEMS													
Financial Report (Pre-Audit Year-End Results)		✓											
Financial Performance JVs/ Business Affiliates		✓											

FY2026 Finance Committee Pacing Plan													
AGENDA ITEM	Q1			Q2			Q3				Q4		
	JUL	8/25	SEPT	OCT	11/17	DEC	JAN	2/2	3/9	3/23	APR	5/26	JUN
Progress on Opportunities/ Risks					✓								
Medical Staff Development Plan (every 2 years) <i>Completed May 2025</i>													
Impact of Strategic Initiatives/Market Share Update								✓					
Progress Against Committee Goals & Pacing Plan (Quarterly)		✓			✓			✓		✓		✓	
Foundation Strategic Update								✓					
ECHMN Update								✓		✓			
Community Benefit Grant Application Process								✓		✓			
Progress Against 2027 Strategic Plan								✓				✓	
Managed Care Update								✓					
Long-Range Financial Forecast (Joint FC / IC Meeting)									✓				
Next FY Budget and Preliminary Assumptions Review										✓			
Review FY Operational / Capital Budget for Recommendation to Board										✓		✓	
Summary Physician Financial Arrangements										✓			
Post Implementation (as needed)													
Other Updates ¹ (as needed)													
1. Includes updates on special projects/joint ventures/real estate, ad-hoc updates													



PROPOSED
FY26 COMMITTEE GOALS
 Quality, Patient Care, and Patient Experience Committee

PURPOSE

The purpose of the Quality, Patient Care, and Patient Experience Committee (“Quality Committee” or the “Committee”) is to advise and assist the El Camino Hospital Board of Directors (“Board”) to monitor and support the quality and safety of care provided at El Camino Health (“ECH”). The Committee will utilize the Institute of Medicine’s framework for measuring and improving quality care in these five domains: **safe, timely, effective, efficient, equitable, and person-centered (STEEEP)**.

STAFF: Chief Quality Officer (Executive Sponsor)

The CQO and Senior Director of Quality shall serve as the primary staff to support the Committee and are responsible for drafting the Committee meeting agenda for the Committee Chair’s consideration. Additional clinical representatives and members of the Executive Team may participate in the meetings upon the recommendation of the Executive Sponsor and at the discretion of the Committee Chair. These may include: Chiefs/Vice Chiefs of the Medical Staff, physicians, nurses, and members from the community advisory councils, or the community at-large.

GOALS	TIMELINE	METRICS
1. Ensure the metrics included on the Quality Committee dashboards are in alignment with the El Camino Hospital Board strategic plan.	Q4FY25 review and update which measures to include on the FY26 Quality Dashboards.	Quality and experience performance measures aligned with the STEEEP domains of; safe, timely, effective, efficient, equitable, and person-centered.
2. Monitor Quality, Patient Care, and Patient Experience performance in accordance with the pacing plan to track progress towards achieving targets.	Q4FY25 review FY26 Incentive Goal recommendations for Quality, Safety, and Patient Experience pillars.	Performance measures on the Quality Dashboards. <ul style="list-style-type: none"> ▪ Monthly Quality Dashboard ▪ Quarterly Board Level Quality Dashboard
3. Identify and reduce health care disparities for ECH patients.	Biannual report to Quality Committee FY26.	Monitor the effectiveness of ECH activities to reduce healthcare disparities through review of the biannual “health equity report”.
4. Foster a culture of collaboration, transparency, and continuous improvement within the Quality Committee.	Fiscal Year 2026	<ul style="list-style-type: none"> • Attend a minimum of 6 meetings in person. • Actively participate in discussions at each meeting. • Review of annual committee self-assessment results
5. Committee members participate in ongoing training and development to deepen their knowledge of quality, patient care, and patient experience topics.	Fiscal Year 2026	Attend a conference and/or session with a subject matter expert. <ul style="list-style-type: none"> • Verbal/Written report of key learnings to the Quality Committee.

Chair: Carol Somersille, MD

Executive Sponsor: Shreyas Mallur, MD, Chief Quality Officer

PROPOSED
Quality, Patient Care, and Patient Experience Committee
FY26 Pacing Plan

AGENDA ITEM	Q1			Q2			Q3			Q4		
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
STANDING AGENDA ITEMS												
Consent Calendar ¹			✓		✓	✓		✓	✓		✓	✓
Verbal Committee Member Expertise Sharing or Chair's Report			✓		✓	✓		✓	✓		✓	✓
Patient Experience Story			✓		✓	✓		✓	✓		✓	✓
Serious Safety Event (as needed)			✓		✓	✓		✓	✓		✓	✓
Recommend Credentialing and Privileges Report			✓		✓	✓		✓	✓		✓	✓
Quality Council Minutes			✓		✓	✓		✓	✓		✓	✓
SPECIAL AGENDA ITEMS – OTHER REPORTS												
Quality & Safety Review of reportable events			✓		✓			✓			✓	
Quarterly Board Level Enterprise/ STEEP Dashboard Review			✓		✓			✓			✓	
El Camino Health Medical Network Report			✓		✓			✓			✓	
Committee Self-Assessment Results Review												✓
Annual Patient Safety Report			✓									
Annual Culture of Safety Survey Report			✓									
Patient Experience Report			✓						✓			
Health Equity Report						✓						✓
Recommend Safety Report for the Environment of Care					✓							
PSI Report						✓						
Value-Based Purchasing Report									✓			
Recommend Quality Improvement & Patient Safety Plan (QIPS)								✓				
Refresh Quality/Experience Dashboard measures for FY26												✓
Artificial Intelligence Report						✓						
COMMITTEE/ORGANIZATIONAL GOALS/CALENDAR												
Propose Committee Goals									✓			
Recommend Committee Goals											✓	
Propose FY Committee Meeting dates									✓			
Recommend FY Committee Meeting dates											✓	
Propose Organization Goals									✓			
Recommend Organization Goals											✓	
Propose Pacing Plan									✓			
Recommend Pacing Plan											✓	
Review & Revise Charter									✓			
Recommend Charter											✓	

1: Includes Approval of Minutes (Open & Closed), Progress Against FY Committee Goals (Quarterly), Current FY Pacing Plan (Quarterly), CDI Dashboard (November), Core Measures (Semi-Annual), Leapfrog (June)



FY26 COMMITTEE GOALS

Compliance and Audit Committee

PURPOSE

The purpose of the Compliance and Audit Committee (the “Committee”) is to advise and assist the El Camino Hospital (ECH) Hospital Board of Directors (“Board”) in its exercise of oversight of Corporate Compliance, Privacy, Internal Audits, Financial Audit, Enterprise Risk Management, and Cybersecurity. The Committee will accomplish this by monitoring the compliance policies, controls, and processes of the organization and the engagement, independence, and performance of the external financial auditor. The Committee assists the Board in oversight of any regulatory audit and in assuring the organizational integrity of ECH in a manner consistent with its mission and purpose.

STAFF: **Diane Wigglesworth**, Compliance/Privacy Officer (Executive Sponsor)

The VP, Compliance, shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair’s consideration. Additional members of the Executive Team or outside consultants may participate in the meetings upon the recommendation of the Executive Sponsor and at the discretion of the Committee Chair.

GOALS	TIMELINE	STATUS	METRICS
1. The Compliance and Audit Committee Members understand their oversight roles and governance responsibilities and how they are different from that of Management.	Q2 FY26	0%	Committee reviews the Compliance and Audit Committee Charter and Directors Code of Conduct and provides any recommendations to the CEO and Compliance Officer.
2. The Compliance and Audit Committee understands ECH’s near-term and long-term Strategic Plans and the associated risks.	Q3 FY26	0%	At least annually, VP of Strategy presents the near-term and long-term Strategic Plans to the Committee, which provides effective challenge of related activities that may impact strategic, compliance, or enterprise risk to the CEO and Compliance Officer.

SUBMITTED BY:

Chair: Lica Hartman

Executive Sponsor: Diane Wigglesworth



Compliance and Audit Committee FY26 Proposed Pacing Plan

AGENDA ITEM	Q1			Q2			Q3			Q4		
	JUL	AUG	SEP 9/29	OCT	NOV 11/5	DEC	JAN	FEB	MAR 3/4	APR	MAY	JUN 6/3
STANDING AGENDA ITEMS												
Results of Internal Audits			✓		✓				✓			✓
Cybersecurity Program					✓							✓
Enterprise Risk Management (ERM) Metrics					✓				✓			
Discussion Items/Committee Actions												
Review FY 25 Annual Enterprise Compliance Program Report			✓									
Review FY 25 Annual Patient Safety/Claims Report			✓									
Review Status of Current FY Compliance Work Plan Activity Completed and next FY work plan												✓
Receive FY 25 Financial Auditors Consolidated Financial Statements, 403(b) and Cash Balance Audit results			✓									
Review Summary Report of Physician Financial Agreements									✓			
Approve next FY Committee Goals and Meeting Dates									✓			
Review FY 26 Annual Financial Audit Plan with Financial Auditors									✓			
Review OIG Work Plan and Management's Response									✓			
Review Internal Audit Risk Assessment and next FY Internal Audit Work Plan									✓			
ADD: Review Business Continuity plan if Epic down for extended time.					✓							
COMMITTEE GOALS												
Committee reviews the Compliance and Audit Committee Charter and Directors Code of Conduct and provides any recommendations to the CEO and Compliance Officer.					✓							
At least annually, VP of Strategy presents the near-term and long-term Strategic Plans to the Committee.									✓			



FY26 COMMITTEE GOALS AND PACING PLAN

Executive Compensation Committee

The purpose of the Executive Compensation Committee (the “Committee”) is to assist the El Camino Hospital (ECH) Hospital Board of Directors (“Board”) in its responsibilities related to the Hospital’s executive compensation philosophy and policies. The Committee will advise the Board to meet all legal and regulatory requirements as it relates to executive compensation.

STAFF: **Deanna Dudley**, Chief Human Resources Officer (Executive Sponsor)

The CHRO shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair’s consideration and for developing and disseminating in a timely manner management’s recommendations to the Committee and appropriate supporting information to facilitate the Committee’s deliberations and exercise of its responsibilities. The CEO, and other staff members as appropriate, may serve as a non-voting liaison to the Committee and may participate at the discretion of the Committee Chair. These individuals shall be excused when the Committee is reviewing their individual compensation.

GOALS	TIMELINE	METRICS/PACING PLAN
1. Provide oversight and approvals for compensation-related decisions, including performance incentive goal-setting and plan design	Q1 September 25	<ul style="list-style-type: none"> - Review and approve FY25 executive base salaries - Review and recommend FY24 Organizational Incentive Score - Review and approve FY24 individual incentive scores - Review and approve FY24 executive payout amounts
	Q2 November 6	<ul style="list-style-type: none"> - Process Review: CEO Performance Management - Process Review: Executive Performance Management - Process Review: Succession and Development Planning
	Q3 March 5	<ul style="list-style-type: none"> - Recommend FY26 ECC Committee goals - Receive mid-year strategic plan update - Process Review: Executive Goal Setting
	Q4 June 10	<ul style="list-style-type: none"> - Review and recommend proposed FY26 organizational incentive goals - Review and approve FY26 individual executive goals - Review of CEO Performance Management Process
2. Evaluate the effectiveness of the independent compensation consultant	Q4 June 10	<ul style="list-style-type: none"> - Conduct annual evaluation of ECC consultant

SUBMITTED BY: Chair: Bob Miller | **Executive Sponsor:** Deanna Dudley



FY2026 COMMITTEE GOALS

Investment Committee

PURPOSE

The purpose of the Investment Committee is to develop and recommend to the El Camino Hospital (ECH) Board of Directors ("Board") the investment policies governing the Hospital's assets, maintain current knowledge of the management and investment funds of the Hospital, and provide oversight of the allocation of the investment assets.

STAFF: Carlos Bohorquez, Chief Financial Officer (Executive Sponsor)

The CFO shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair's consideration. Additional members of the Executive Team or hospital staff may participate in the meetings upon the recommendation of the CFO and at the discretion of the Committee Chair. The CEO is an ex-officio member of this Committee.

GOALS	TIMELINE	METRICS
1. Review performance Surplus Cash and Cash Balance Portfolios & Recommendations of Adjustments to Managers / Allocations	Each Quarter	Committee review / approval of recommendations by management / consultant (if needed)
2. Implementation of Updated Investment Policy	FY2026 Q1-Q4	August 2025 – May 2026: Alternative Investments
3. Review 403(b) Performance	FY2026 Q2	November 2025
4. Enterprise Risk Management Update	FY2026 Q3	February 2026
5. Investment Policy Review	FY2026 Q4	May 2026: Committee approval of updated policy (if needed)
6. Education Topics	FY2026 Q2 & Q4	November 2025: AI Impact on Investment Strategies May 2026: Legislative Impact on HC organizations and Investment Portfolios

SUBMITTED BY:

Chair: Brooks Nelson

Executive Sponsor: Carlos Bohorquez, CFO



FY2026 Investment Committee Pacing Plan

AGENDA ITEM	Q1			Q2			Q3			Q4		
	JUL	8/11	SEP	OCT	11/10	DEC	JAN	2/9	3/9	APR	5/11	JUN
STANDING AGENDA ITEMS												
Standing Consent Agenda Items		✓			✓			✓			✓	
Minutes		✓			✓			✓			✓	
CFO Report Out		✓			✓			✓			✓	
APPROVAL ITEMS												
Next FY Committee Goals, Dates, Plan								✓			✓	
Next FY Org. Goals											✓	
Progress Against Committee Goals					✓			✓			✓	
Review/Approval of Updated Investment Policy											✓	
DISCUSSION ITEMS												
Capital Markets Review & Portfolio Performance		✓			✓			✓			✓	
Tactical Asset Allocation Positioning & Market Outlook		✓			✓			✓			✓	
Long-Range Financial Forecast									✓			
Asset Allocation & Enterprise Risk Framework								✓				
403 (b) Investment Performance					✓							
Education Topic: <ul style="list-style-type: none"> AI Impact Investment Strategies Legislative Impact on HC organizations and Investment Portfolios 					✓						✓	



Proposed FY26 Advisory Committee and Liaison Appointments

COMMITTEE APPOINTMENTS							ECHMN BOARD OF MANAGERS (Informational Only, not subject to ECHB approval)
COMMITTEE	COMPLIANCE & AUDIT	EXEC COMPENSATION	FINANCE	GOVERNANCE	INVESTMENT	QUALITY	ECHMN
CHAIR	Lica Hartman	Wayne Doiguchi	Don Watters	Lanhee J. Chen	Brooks Nelson	Carol Somersille, MD	Bob Rebitzer
VICE CHAIR	Julia E. Miller	TBD*	Bill Hooper	TBD*	John Zoglin	TBD*	Lanhee J. Chen George O. Ting, MD John Zoglin
BOARD MEMBERS	Jack Po, MD	George O. Ting, MD	Wayne Doiguchi	Julia E. Miller	Peter C. Fung, MD	Jack Po, MD	
		Don Watters	Peter C. Fung, MD	Carol Somersille, MD		John Zoglin	
COMMUNITY MEMBERS	Sylvia Fong	Tom Asmar	Cynthia Stewart	Ken Alvares	Nicola Boone	Krutica Sharma	
	Sharon Anolik Shakked	Mary Hassett	Christina Lai**	Mike Kasperzak	John Conover	Pancho Chang	
	Christine Sublett	Estrella Parker			Robin Driscoll	RECRUIT (4 candidates)	
		Todd Shaw			Ken Frier		
MEDICAL STAFF OFFICERS & MEDICAL NETWORK BOARD MEMBERS						Steve Xanthopoulos, MD Shahram Gholami, MD Linday Huynh, MD Alternate Randy Liang, MD Alternate	Mark Adams Carlos Bohorquez Sharam Gholami, MD Peter Goll Shabnam Hussein, MD Dan Woods
LIAISON APPOINTMENTS				LEGEND: Hospital Board Members District Board Members Community & Staff Members			
COMMUNITY BENEFIT ADVISORY COUNCIL (CBAC) (Liaison)***			Carol Somersille, MD	ECH FOUNDATION BOARD OF DIRECTORS (Liaison)			Peter C. Fung, MD

*Bob Miller and Melora Simon to transition from Committee roles in June 2025. Vice Chair to be determined by Committee Chair.

**Christina Lai moving from Governance to Finance Committee, pending Finance Committee approval.

***CBAC Liaison is appointed by El Camino Healthcare District Board of Directors.

Yellow denotes new assignments.



EL CAMINO HOSPITAL BOARD OF DIRECTORS GOVERNANCE COMMITTEE MEMO

To: El Camino Hospital Board of Directors
From: Anne Yang, Executive Director, Governance Services
Date: June 3, 2025
Subject: Review and Recommend Board Approval of Advisory Committee Charters

Recommendation: To review and recommend Board approval of revised charters of the El Camino Hospital Board of Directors Finance Committee, Quality, Patient Care and Patient Experience Committee, Compliance and Audit Committee, Executive Compensation Committee, Governance Committee, and Investment Committee.

Authority: The Board of Directors reviews and approves changes to the committee charters. The revised Advisory Committee Charters are reviewed by the Governance Committee prior to Board approval.

Summary: The current review reflects all changes and revisions to Advisory Committee charters in FY25. The following is a recent history of Committee and Board reviews:

- June 11, 2024 to February 2025: The primary update to all the charters was to align the committee membership language with the Committee Governance Policy. These changes have not yet been approved by the full Board.
- March 12, 2025: The ECHB Board requested re-review of all Charters to include the annual organizational performance incentive goals setting process. This applies to the Finance Committee, Quality Committee, and Executive Compensation Committee Charters.

Below is a list of all updates made to each charter since the Governance Committee last reviewed in June 2024:

Finance Committee Charter

1. Added the annual organizational performance incentive goals setting process under the Specific Duties section (approved by FC 5/27/25)

Quality, Patient Care, and Patient Experience Committee Charter

1. Added the annual organizational performance incentive goals setting process under the Specific Duties section (approved by QC 5/5/25).

Compliance and Audit Committee Charter

1. Revised External Audit Functions section to delegate to the committee the role of reviewing and approving the external audit firm selection, retention, and, when necessary, replacement (approved by CAC 4/23/25).
2. Removed language regarding evaluation of audit fee to ensure fairness as this is considered a management responsibility (approved by CAC 4/23/25).
3. The Compliance and Audit Committee will continue to review and recommend for board approval the final external audit exam reports (approved by CAC 4/23/25).

Review and Approval of Committee Charters

June 3, 2025

Executive Compensation Committee Charter

1. Added the annual organizational performance incentive goals setting process under Specific Duties section (ECC to review on 6/5/25).

Governance Committee Charter

1. Revised the Board Evaluation frequency to regular basis from annual basis as the board assessment may transition to a biennial frequency.
2. Remove language on submission of Hospital Board's annual self-evaluation to the District Board as this has not been done in practice.

Investment Committee Charter

1. No changes in FY25

Attachments:

- Finance Committee Charter ([Marked](#) and [Clean](#))
- Quality, Patient Care and Patient Experience Committee Charter ([Marked](#) and [Clean](#))
- Compliance and Audit Committee Charter ([Marked](#) and [Clean](#))
- Executive Compensation Committee Charter ([Marked](#) and [Clean](#))
- Governance Committee Charter ([Marked](#) and [Clean](#))
- Investment Committee Charter ([Clean](#))



**Minutes of the Open Session of the
Governance Committee of the
El Camino Hospital Board of Directors
Monday, March 17, 2025**

Members Present

Ken Alvares
Lanhee Chen, Chair
Michael Kasperzak
Christina Lai
Julia Miller
Don Watters

Members Absent

None

Others Present

Dan Woods, CEO
Theresa Fuentes, CLO
Andreu Reall, VP, Strategy
Anne Yang, Executive Director, Governance Services
Tracy Fowler, Director, Governance Services

** via teleconference

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session of the regular meeting of the Governance Committee of El Camino Hospital (the " <u>Committee</u> ") was called to order at 5:30 pm by Chair Lanhee Chen. A verbal roll call was taken, and a quorum was present.	<i>Called to order at 5:30 p.m.</i>
2. CONSIDER APPROVAL FOR AB 2449 REQUESTS	Chair Chen announced that no requests to appear remotely for Just Cause or Emergency were received, so no motion was necessary.	
3. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Chen asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were noted.	
4. PUBLIC COMMUNICATION	Chair Chen invited the members of the public to address the Committee; no members of the public were in attendance, and no comments were provided.	
5. HOSPITAL COMMITTEE STREAMLINING	Ms. Fuentes gave an update on the progress towards streamlining the number of committee meetings. She also highlighted the intent to schedule all committee meetings earlier in the month and board meetings later in the month to ensure enough time for information to flow up to the board. So far, there has been a one meeting reduction in FY26 for Finance Committee, Compliance Committee, and Quality Committee. Investment Committee, Executive Compensation Committee, and Governance Committee are already on a quarterly schedule. Chair Chen asked whether there was resistance from the Committee members for the reduction in meetings. Mr. Woods noted that the Quality Committee had a lengthy discussion on the number of meetings particularly due to some metrics currently trending negatively. Director Miller inquired about ECC meetings scheduled for Thursdays. She also noted that the current schedule does not allow for intra month travel for directors.	<i>Action: Staff to review FY26 board dates.</i>
6. FY26 GOVERNANCE COMMITTEE PLANNING ITEMS	The Committee discussed the proposed Committee dates for FY26. Director Miller requested that the board dates be considered for earlier in the month.	<i>Actions: Staff to follow-up with Committee</i>

	<p>Motion: To approve the FY26 Governance Committee Dates, Goals and Pacing Plan with the addition of topic of succession planning added to the pacing plan.</p> <p>Movant: Alvares Second: Kasperzak Ayes: Alvares, Chen, Kasperzak, Lai, Miller, Watters Noes: None Abstentions: None Absent: None</p>	<p><i>members to confirm FY26 dates; Staff to review board dates.</i></p>
<p>7. FY26 BOARD ASSESSMENT PLAN</p>	<p>Chair Chen requested Anne Yang to proceed with the FY26 Board Assessment Plan update. Ms. Yang provided the Committee with a brief overview of this year's plan to include the board survey, similar to past years. In addition to the survey, this year's assessment will include individual director interviews conducted by Spencer Stuart. This year's assessment will also include the medical network board members, as well as committee specific questions. The Committee then discussed the purpose and timing of the assessment, as well as the value of the individual director interviews and feedback gathered through the process. Director Miller noted that the results of the assessment are produced after the committee appointments are made by the board. Ms. Fowler noted that Committee feedback is used to inform the following fiscal year Committee goals. Chair Chen noted the importance of looking at meaningful trends or dispersions in the survey data, versus looking too closely at incremental changes to an item's average rating. Chair Chen also recommended comparison data to be relative to peers vs national norms.</p>	<p>Actions: <i>At June meeting, Staff to provide board assessment timeline, survey samples, and specifics of the engagement with Spencer Stuart.</i></p>
<p>8. EL CAMINO HOSPITAL BYLAWS VERBAL UPDATE</p>	<p>Director Watters gave an update on the status of the ECHB Bylaws Review Ad Hoc Committee. Director Watters suggested that Ms. Fuentes take an initial review and redline the document and outline the proposed changes according to importance.</p>	<p>Actions: <i>Staff to provide initial redline to Ad hoc Bylaws Committee by mid-April.</i></p>
<p>9. RECESS TO CLOSED SESSION</p>	<p>Motion: To recess to closed session at 6:23 p.m.</p> <p>Movant: Miller Second: Watters Ayes: Alvares, Chen, Kasperzak, Lai, Miller, Watters Noes: None Abstentions: None Absent: None</p>	
<p>10. AGENDA ITEM 12: REPORT OUT FROM CLOSED SESSION</p>	<p>The open session was reconvened at 6:53 p.m. by Chair Chen. Agenda Item 10 was addressed in closed session.</p> <p>Ms. Fowler reported that during the closed session, no actions were taken by the Committee.</p>	

11. AGENDA ITEM 13: CONSENT CALENDAR	<p>Motion: To approve the Open Session consent calendar.</p> <p>For Approval: a) Minutes of the Open Session Governance Committee Meeting (12/02/2024)</p> <p>Received: b) FY25 Pacing Plan, c) Report on Progress on FY25 Committee Goals, d) Education Article: Board Strategies for Resilience</p> <p>Movant: Kasperzak Second: Miller Ayes: Alvares, Chen, Kasperzak, Lai, Miller, Watters Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Consent Calendar approved.</i></p>
12. AGENDA ITEM 14: COMMITTEE ANNOUNCEMENTS	<p>Chair Chen noted there were no committee announcements.</p>	
13. AGENDA ITEM 15: ADJOURNMENT	<p>Motion: To adjourn at 6:55 pm.</p> <p>Movant: Miller Second: Kasperzak Ayes: Alvares, Chen, Kasperzak, Lai, Miller, Watters Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Meeting Adjourned at 6:55 pm</i></p>

Attest as to the approval of the preceding minutes by the Governance Committee of El Camino Hospital:

 Anne Yang
 Executive Director, Governance Services

Prepared by: Anne Yang, Executive Director Governance Services
 Reviewed by: Theresa Fuentes, CLO,

[illegible]



FY25 GOVERNANCE COMMITTEE GOALS

COMMITTEE PURPOSE

The purpose of the Governance Committee (the "Committee") is to advise and assist the El Camino Hospital (ECH) Hospital Board of Directors ("Board") in matters related to governance, board development, board effectiveness, and board composition, *i.e.*, the nomination and appointment/reappointment process. The Governance Committee ensures the Board and Committees are function at the highest level of governance standards.

GOALS	ACTIONS/METRICS	STATUS
1. Enhance Board Composition, Development, and Effectiveness	<ul style="list-style-type: none"> - In conjunction with the ECHD Re-Appointment and Recruitment, provide a method for regular competency and skills assessment of the Board. - Organize education sessions on industry trends and best governance practices. - Maintain resource section on Boardvantage of pertinent conferences, resources, newsletters, and professional organizations. - Implement regular and comprehensive board and committee assessments. - Develop Board Action plan - based on assessment results. - Develop onboarding mentorship program pairing experienced and new Board/Committee members. 	<ul style="list-style-type: none"> - On track. Next year assessment will include interviews. On track.
2. Review and Update Governance Documents and Policies	<ul style="list-style-type: none"> - Schedule regular reviews of Bylaws and policies. - Develop communication and/or training as necessary for policy updates. 	<ul style="list-style-type: none"> - On track. Review on current agenda
3. Support Board Advisory Committee Alignment with Organizational Strategy and Goals	<ul style="list-style-type: none"> - Ensure regular review of Advisory Committee goals and charters. - Hold joint education sessions between Board, Advisory Committees, and organizational leadership to ensure alignment with organizational needs. 	<ul style="list-style-type: none"> - On track. - Strategy update being rolled out to Committees instead of one joint meeting.
4. Promote ethical behavior and ensuring that the organization is acting in accordance with its value and principles.	<ul style="list-style-type: none"> - Monitor the frequency of Code of Conduct revision to ensure it remains current with the organization's culture and external factors - Monitor the annual acknowledgement of Conflict of Interest policy. 	<ul style="list-style-type: none"> - Paced for June meeting



Governance Committee
FY2026 Meeting Dates

RECOMMENDED GC DATES	CORRESPONDING HOSPITAL BOARD DATE
Monday, September 15, 2025	Wednesday, September 17, 2025
Tuesday, November 4, 2025	Wednesday, November 12, 2025
Tuesday, March 3, 2026	Wednesday, March 18, 2026
Tuesday, June 2, 2026	Wednesday, June 17, 2026

A09a1. FC Charter Version (Approved by FC August 2024)_revised April 2025_May27FC REDLINE



El Camino Hospital Board of Directors Finance Committee Charter

Purpose

The purpose of the Finance Committee (the “Committee”) is to assist the El Camino Hospital (“Hospital”) Board of Directors (“Board”) to provide oversight, information sharing and financial reviews related to operating and capital budgeting, financial planning, financial reporting, capital structure, banking relationships and certain contractual agreements for El Camino Hospital and the Hospital’s affiliated entities where the Hospital is the sole corporate member pursuant to the operating agreements and governance documents of those entities (“the Organization”). In carrying out its review, advisory and oversight responsibilities, the Committee shall remain flexible in order to best define financial strategies that react to changing conditions.

Authority

The Committee is an Advisory Committee of the Board pursuant to Article VII of the Hospital Bylaws. All governing authority for the Organization resides with the Boards of each entity and, except as specifically provided in Sections E and F of “Specific Duties,” the Committee serves as an advisory body only. The Committee will report to the Board at the next scheduled meeting any recommendation made or action taken within the Committee’s authority. The Committee has the authority to select, engage, and supervise any consultant it deems necessary to advise the Committee on issues related to its responsibilities. In addition, the Committee, by resolution, may adopt a temporary advisory committee (ad hoc) of less than a quorum of the members of the Committee. The resolution shall state the total number of members, the number of board members to be appointed, and the specific task or assignment to be considered by the advisory committee.

Voting members of the Committee shall include the directors assigned to the Committee and external (non-director) members appointed to the Committee.

Membership

- The Committee shall be comprised of two (2) or more Hospital Board members.
- The Committee may also include 2-4 Community members¹ with expertise which is relevant to the Committee’s areas of responsibility, such as banking, financial management, planning and real estate development, etc.
- All Committee members, Chairs, and Vice Chairs shall be appointed and removed pursuant to the El Camino Hospital Board Committee Governance Policy.

Staff Support and Participation

The CFO shall serve as the primary staff support to the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair’s consideration. Additional

¹ Community Members are defined as Members of the Committee who are not El Camino Hospital Board Directors.



members of the executive team may participate in the Committee meetings as deemed necessary.

General Responsibilities

The Committee's primary role is to provide oversight and to advise the management team and the Board on matters brought to this Committee. With input from the Committee, the management team shall develop dashboard metrics that will be used to measure and track financial performance for the Committee's review. It is the management team's responsibility to develop and provide the Committee with reports, plans, assessments, and other pertinent materials to inform, educate, and update the Committee, thereby allowing Committee members to engage in meaningful, data-driven discussions. Upon careful review and discussion and with input from management, the Committee shall then make recommendations to the Board. The Committee is responsible for ensuring that performance metrics which are not being met to the Board's expectations are reported to the Board.

Specific Duties

The specific duties of the Committee are:

A. Budgeting

- Review the annual operating and capital budgets for alignment with the mission and vision of the Organization and make recommendations to the Board.
- Review any financial requests in excess of the CEO's signing authority and make recommendations to the Board.
- Review the Organization's long-range forecasts and financial plans and make recommendations to management regarding steps advisable to improve the Organization's financial strength.

B. Financial Reporting

- Review each accounting period's financial statements and ensure the Board is advised of any necessary corrective actions.
- Obtain a clear understanding of the Organization's financial reporting process by reviewing the hospital's dashboard items and periodic financial reports and advise management on how to improve its financial reporting in order to improve accountability and ease of reading and understanding.

C. Financial Planning and Forecasting

- Semi-annually receive an update on management's assessment of expected results as well as potential risks related to the payor contracts.
- Evaluate the financial implications of emerging payment processes and provide advice to management regarding associated risk management concerns.



- Evaluate financial planning and forecasting to help ensure it remains in alignment with the mission and strategic direction of the Organization.

D. Treasury, Pension Plans, and Contracting Concerns

- Review and make recommendations to the Board regarding all new debt issuances and derivative instruments in excess of \$1 million.
- Monitor compliance with debt covenants and evaluate the Organization's capital structure.
- Review and make recommendations to the Board regarding changes in banking relationships, including, without limitation, depository accounts, investment accounts and major credit facilities. The term "major credit facilities" does not include management-approved trade credit facilities offered in the ordinary course of business by vendors to the hospital. The Committee may recommend delegation of approval authority for specified changes to the CFO, but must maintain reporting and oversight of any such changes
- Review and make recommendations to the Board regarding proposed plan design or benefit design changes in excess of management authority limits to employee retirement plans, excluding changes to investments within those plans.
- Review and make recommendations to the Board regarding contractual agreements with persons considered to be "insiders" under IRS regulations, and those which are in excess of the CEO's signing authority

E. Capital and Program Analysis

- Review and make recommendations to the Board with respect to the business plans of all capital items or proposed business ventures in excess of the CEO's signing authority, and all variances to budget in excess of the CEO's signing authority on projects in process.
- Review retrospective analyses of all strategic business ventures and all strategic capital expenditures in excess of \$2.5 million, as presented by management or as per the review schedule set forth by the Committee, to assess the reasonableness of business plans that were developed at the time of original approval and to promote learning as a result of any identified issues or concerns.
- Review and recommend approval for the acquisition or disposition of capital which is in excess of \$5 million.
- Approve unbudgeted capital expenditures exceeding the CEO's signature authority but not in excess of \$5 million.
- Approve the annual ECH Community Benefit Plan including grants to outside organizations, sponsorships and placeholder funds, combined which shall not exceed \$5 million annually.

F. Physician Financial Arrangements



- Review and approve Physician Financial Arrangements in excess of 75% of fair market value and recommend for Board approval Physician Financial Arrangements in excess of 90% of fair market value in accordance with the Corporate Compliance: Physician Financial Arrangements Policy.
- Approve the Annual Summary Report of Physician Financial Arrangements.

G. Financial Policies

- Review and recommend approval of any Board-level financial policies, excluding any financial policies for which responsibility has been specifically assigned to another Board Committee.

H. Ongoing Education

- Endorse and encourage Committee education and dialogue relative to emerging healthcare issues that will impact the viability and strategic direction of the Organization,

I. Management Partnership

- Work in partnership with the CFO and other hospital executives to assist in the development of financial policies which will help ensure the Organization's success.
- Provide ongoing counsel to the CFO regarding areas of opportunity for either personal or organizational improvement.

J. Organizational Performance Incentive Goal Setting

- Work in partnership with the CFO and management to review and provide feedback in the development of finance related annual organizational performance incentive goals to support the Organization's vision and strategy.
- Recommend annual organizational performance incentive goals for board approval via Executive Compensation Committee. This is part of the Committee's annual budget review and recommendation for board approval.

Committee Effectiveness

The Committee is responsible for establishing its annual goals, objectives and work plan in alignment with the Board and Hospital's strategic goals. The Committee strives for continuous improvement with regard to its processes, procedures, materials, and meetings, and other functions to enhance its contribution to the full Board.

Meetings and Minutes

The Committee shall meet at least once per quarter. The Committee Chair shall determine the frequency of meetings based on the Committee's annual goals and work plan and the operational requirements of the organization. Minutes shall be kept by the assigned staff and



shall be delivered to all members of the Committee when the agenda for the subsequent meeting is delivered. The approved minutes shall be forwarded to the Board for information.

Meetings and actions of all committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of committees may also be called by resolution of the Board or the Committee Chair. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the Committee. Notice of any special meetings of the Committee requires a 24-hour notice.

A09a2. FC Charter Version (Approved by FC August 2024)_revised April 2025_May27FC CLEAN



El Camino Hospital Board of Directors Finance Committee Charter

Purpose

The purpose of the Finance Committee (the “Committee”) is to assist the El Camino Hospital (“Hospital”) Board of Directors (“Board”) to provide oversight, information sharing and financial reviews related to operating and capital budgeting, financial planning, financial reporting, capital structure, banking relationships and certain contractual agreements for El Camino Hospital and the Hospital’s affiliated entities where the Hospital is the sole corporate member pursuant to the operating agreements and governance documents of those entities (“the Organization”). In carrying out its review, advisory and oversight responsibilities, the Committee shall remain flexible in order to best define financial strategies that react to changing conditions.

Authority

The Committee is an Advisory Committee of the Board pursuant to Article VII of the Hospital Bylaws. All governing authority for the Organization resides with the Boards of each entity and, except as specifically provided in Sections E and F of “Specific Duties,” the Committee serves as an advisory body only. The Committee will report to the Board at the next scheduled meeting any recommendation made or action taken within the Committee’s authority. The Committee has the authority to select, engage, and supervise any consultant it deems necessary to advise the Committee on issues related to its responsibilities. In addition, the Committee, by resolution, may adopt a temporary advisory committee (ad hoc) of less than a quorum of the members of the Committee. The resolution shall state the total number of members, the number of board members to be appointed, and the specific task or assignment to be considered by the advisory committee.

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Membership

- The Committee shall be comprised of two (2) or more Hospital Board members.
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- Review any financial requests in excess of the CEO's signing authority and make recommendations to the Board.
- Review the Organization's long-range forecasts and financial plans and make recommendations to management regarding steps advisable to improve the Organization's financial strength.

B. Financial Reporting

- Review each accounting period's financial statements and ensure the Board is advised of any necessary corrective actions.
- Obtain a clear understanding of the Organization's financial reporting process by reviewing the hospital's dashboard items and periodic financial reports and advise management on how to improve its financial reporting in order to improve accountability and ease of reading and understanding.

C. Financial Planning and Forecasting

- Semi-annually receive an update on management's assessment of expected results as well as potential risks related to the payor contracts.
- Evaluate the financial implications of emerging payment processes and provide advice to management regarding associated risk management concerns.



- Evaluate financial planning and forecasting to help ensure it remains in alignment with the mission and strategic direction of the Organization.

D. Treasury, Pension Plans, and Contracting Concerns

- Review and make recommendations to the Board regarding all new debt issuances and derivative instruments in excess of \$1 million.
- Monitor compliance with debt covenants and evaluate the Organization's capital structure.
- Review and make recommendations to the Board regarding changes in banking relationships, including, without limitation, depository accounts, investment accounts and major credit facilities. The term "major credit facilities" does not include management-approved trade credit facilities offered in the ordinary course of business by vendors to the hospital. The Committee may recommend delegation of approval authority for specified changes to the CFO, but must maintain reporting and oversight of any such changes
- Review and make recommendations to the Board regarding proposed plan design or benefit design changes in excess of management authority limits to employee retirement plans, excluding changes to investments within those plans.
- Review and make recommendations to the Board regarding contractual agreements with persons considered to be "insiders" under IRS regulations, and those which are in excess of the CEO's signing authority

E. Capital and Program Analysis

- Review and make recommendations to the Board with respect to the business plans of all capital items or proposed business ventures in excess of the CEO's signing authority, and all variances to budget in excess of the CEO's signing authority on projects in process.
- Review retrospective analyses of all strategic business ventures and all strategic capital expenditures in excess of \$2.5 million, as presented by management or as per the review schedule set forth by the Committee, to assess the reasonableness of business plans that were developed at the time of original approval and to promote learning as a result of any identified issues or concerns.
- Review and recommend approval for the acquisition or disposition of capital which is in excess of \$5 million.
- Approve unbudgeted capital expenditures exceeding the CEO's signature authority but not in excess of \$5 million.
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- Approve the Annual Summary Report of Physician Financial Arrangements.

G. Financial Policies

- Review and recommend approval of any Board-level financial policies, excluding any financial policies for which responsibility has been specifically assigned to another Board Committee.

H. Ongoing Education

- Endorse and encourage Committee education and dialogue relative to emerging healthcare issues that will impact the viability and strategic direction of the Organization,

I. Management Partnership

- Work in partnership with the CFO and other hospital executives to assist in the development of financial policies which will help ensure the Organization's success.
- Provide ongoing counsel to the CFO regarding areas of opportunity for either personal or organizational improvement.

J. Organizational Performance Incentive Goal Setting

- Work in partnership with the CFO and management to review and provide feedback in the development of finance related annual organizational performance incentive goals to support the Organization's vision and strategy.
- Recommend annual organizational performance incentive goals for board approval via Executive Compensation Committee. This is part of the Committee's annual budget review and recommendation for board approval.

Committee Effectiveness

The Committee is responsible for establishing its annual goals, objectives and work plan in alignment with the Board and Hospital's strategic goals. The Committee strives for continuous improvement with regard to its processes, procedures, materials, and meetings, and other functions to enhance its contribution to the full Board.

Meetings and Minutes

The Committee shall meet at least once per quarter. The Committee Chair shall determine the frequency of meetings based on the Committee's annual goals and work plan and the operational requirements of the organization. Minutes shall be kept by the assigned staff and



shall be delivered to all members of the Committee when the agenda for the subsequent meeting is delivered. The approved minutes shall be forwarded to the Board for information.

Meetings and actions of all committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of committees may also be called by resolution of the Board or the Committee Chair. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the Committee. Notice of any special meetings of the Committee requires a 24-hour notice.

A09b1. FY25 Quality Committee Charter _Approved by QC 2-2025_revised March 2025_May5 REDLINE



El Camino Hospital Board of Directors

Quality, Patient Care, and Patient Experience Committee Charter

Purpose

The purpose of the Quality, Patient Care and Patient Experience Committee (“Quality Committee” or the “Committee”) is to advise and assist the El Camino Hospital Board of Directors (“Board”) to monitor and support the quality and safety of care provided at El Camino Hospital (“Hospital”) per the Hospital Bylaws and through reporting by the El Camino Health Medical Network (ECHMN) per the operating agreement between the Hospital and Silicon Valley Medical Development (SVMD). For purposes of this policy, “Organization-wide” refers to Hospital and ECHMN/SVMD. For the Hospital, the Committee will utilize the Institute of Medicine’s framework for measuring and improving quality care in these five domains: **safe, timely, effective, efficient, equitable, and person-centered (STEEEP)**. ECHMN/SVMD reporting utilizes the merit-based incentive payment system (MIPS) established by the Centers for Medicare and Medicaid (CMS), the Healthcare Effectiveness Data and Information Set (HEDIS) quality measures established by the National Committee for Quality Assurance (NCQA), or such other reporting as recommended by ECHMN Board of Managers.

The Hospital and ECHMN/SVMD management will provide the Committee with standardized quality metrics with appropriate benchmarks, when available, so that the Committee can adequately assess the quality of care being provided. Hospital and ECHMN/SVMD Management and Quality Committee members will collaborate to identify and improve opportunities for quality improvement.

Authority

The Committee is an Advisory Committee of the Board pursuant to Article VII of the Hospital Bylaws. All governing authority for the Hospital resides with the Hospital Board except that which may be lawfully delegated to a specific Board committee. All governing authority for ECHMN/SVMD resides with the boards of those affiliated entities except that which may be lawfully delegated. Any reporting by ECHMN/SVMD or other affiliated entities to the Committee shall be consistent with the operating and governing documents of those affiliated entities.

The Committee will report to the Board at the next scheduled meeting any action or recommendation taken within the Committee’s authority. The Committee has the authority to select, recommend engagement, and supervise any consultant hired by the Board to advise the Board or Committee on issues related to clinical quality, safety, patient care and experience, risk prevention/risk management, and quality improvement. In addition, the Committee, by resolution, may adopt a temporary advisory committee (ad hoc) of less than a quorum of the members of the Committee. The resolution shall state the total number of members, the number of board members to be appointed, and the specific task or assignment to be considered by the advisory committee.

Voting members of the Committee shall include the directors assigned to the Committee, *ex-officio* members and alternates and external (non-director) members appointed to the Committee.

Membership



- The Committee shall be comprised of two (2) or more Hospital Board members who shall be appointed and removed pursuant to the El Camino Hospital Board Committee Governance Policy.
- The Committee shall also include as *ex officio* voting members of the Committee the following individuals: (1) the Enterprise Chief of the Medical Staff, (2) the Los Gatos Campus Chief of Staff voting members of the Committee. The Enterprise Vice Chief of Staff or the Los Gatos Vice Chief of Staff shall serve as alternate voting members of the Committee and replace, respectively the Enterprise Chief of Staff or the Los Gatos Chief of Staff if such person is absent from a Committee meeting.
- The Quality Committee may also include 1) no more than nine (9) Community members¹ with expertise in assessing quality indicators, quality processes, patient safety, care integration, payor industry issues, customer service issues, population health management, alignment of goals and incentives, or medical staff members, and members who have previously held executive positions in other hospital institutions (e.g., CNO, CMO, HR) as well as other areas as needed; and 2) no more than two (2) patient advocate members who have had significant exposure to the Organization as a patient and/or family member of a patient.
- All Committee members, Chairs and Vice Chairs shall be appointed and removed in accordance with the El Camino Hospital Board Committee Governance Policy.

Executive Support and Participation

The Chief Quality Officer (CQO) shall serve as the primary executive to support the Committee and is responsible for drafting the committee meeting agenda for the Committee Chair's consideration. Additional clinical representatives as well as members of the executive team may participate in the Committee meetings upon the recommendation of the CQO and subsequent approval from both the CEO and Committee Chair.

General Responsibilities

The Committee will collaborate with management to identify opportunities for quality and safety improvement. The Committee will support the implementation and monitoring of process improvement plans to address and close quality and safety gaps. Members of the Quality Committee will model behaviors, attitudes and actions consistent with the Organization's tenets of a High Reliable Organization, specifically, focusing on creating strong relationships between everyone on the team to engender a culture of psychological safety which promotes our Organization's mission to achieve zero patient harm. The management team shall develop dashboard metrics that will be used to measure and track quality, safety and patient experience performance for the Committee's review and subsequent approval by the Board. It is the management team's responsibility to develop and provide the Committee with reports, plans, assessments, and other pertinent materials to inform, educate, and update the Committee, thereby allowing Committee members to engage in meaningful, data-driven discussions. Upon careful review and discussion and with input from management, the Committee shall then make

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recommendations to the Board. The Committee is responsible for 1) ensuring performance metrics meet the Board's expectations; 2) aligning those metrics and associated process improvements to the quality plan, strategic plan, organizational goals; and 3) ensuring communication to the Board and external constituents is well executed.

Specific Duties

The Committee shall partner with management to support the following activities:

1. Quality Planning—Advocate for an enterprise strategy plan that is quality-centric.
2. Quality Control—Review quality processes and performance on a regular basis.
3. Quality Improvement—Review performance of major process improvement projects on a regular basis.

Specific duties of the Committee include the following:

- Review and approve which measures to include and track on the quarterly Board Quality Report (STEEP) "Quality Dashboard" for tracking purposes.
- Oversee management's development of the Organization's goals encompassing the measurement and improvement of quality, safety and patient experience as tracked on the Enterprise Quality, Patient Care and Patient Experience Dashboard
- Organizational Performance Incentive Goal Setting
 - Review any proposed quality and patient experience related annual organizational performance incentive metrics and goal setting methodologies and provide feedback to management prior to the goals being submitted to Executive Compensation Committee.
 - Review and recommend for board approval via Executive Compensation Committee any quality and patient experience related annual organizational performance incentive metrics and goal setting methodologies.
 - During the course of the fiscal year, receive actual quality and patient experience metric performance.
- Review reports related to Organization-wide quality and patient safety initiatives in order to monitor and oversee the quality of patient care and service provided. Reports will be provided in the following areas:
 - Organization-wide performance regarding the quality care initiatives and goals highlighted in the strategic plan.
 - Organization-wide patient safety goals and hospital performance relative to patient safety targets.
 - Organization-wide patient safety surveys (including the culture of safety survey), sentinel event and red alert reports, and risk management reports.
 - Organization-wide patient satisfaction and patient experience surveys.
 - Organization-wide provider satisfaction surveys.
- Ensure the organization demonstrates proficiency through full compliance with regulatory requirements including, but not limited to The Joint Commission (TJC), Department of



Health and Human Services (HHS), California Department of Public Health (CDPH), and Office of Civil Rights (OCR).

- In cooperation with the Compliance Committee, review results of regulatory and accrediting body reviews and monitor compliance and any relevant corrective actions with accreditation and licensing requirements.
- Review annual report on actions taken to improve patient safety as per the Safety Event Reporting policy that is maintained in policy and procedure management software.
- Oversee organizational quality and safety performance improvement for Hospital's medical staff activities.
- Review the Hospital Medical Executive Committee's monthly credentialing and privileging reports and make recommendations to the Board.

Committee Effectiveness

The Committee is responsible for establishing its annual goals, objectives and work plan in alignment with the Board and the Organization's strategic goals. The Committee shall be focused on continuous improvement with regard to its processes, procedures, materials, and meetings, and other functions to enhance its contribution to the full Board. Committee members shall be responsible for keeping themselves up to date with respect to drivers of change in healthcare and their impact on quality activities and plans.

Meetings and Minutes

The Committee shall meet at least once per quarter. The Committee Chair shall determine the frequency of meetings based on the Committee's annual goals and work plan. Minutes shall be kept by the assigned staff and shall be delivered to all members of the Committee when the agenda for the subsequent meeting is delivered. The approved minutes shall be shared with the Board for information.

Meetings and actions of all committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of committees may also be called by resolution of the Board or the Committee Chair. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the Committee. Notice of any special meetings of the Committee requires a 24-hour notice.

A09b2. FY25 Quality Committee Charter _Approved by QC 2-2025_revised March 2025_May5 CLEAN



El Camino Hospital Board of Directors Quality, Patient Care, and Patient Experience Committee Charter

Purpose

The purpose of the Quality, Patient Care and Patient Experience Committee (“Quality Committee” or the “Committee”) is to advise and assist the El Camino Hospital Board of Directors (“Board”) to monitor and support the quality and safety of care provided at El Camino Hospital (“Hospital”) per the Hospital Bylaws and through reporting by the El Camino Health Medical Network (ECHMN) per the operating agreement between the Hospital and Silicon Valley Medical Development (SVMD). For purposes of this policy, “Organization-wide” refers to Hospital and ECHMN/SVMD. For the Hospital, the Committee will utilize the Institute of Medicine’s framework for measuring and improving quality care in these five domains: **safe, timely, effective, efficient, equitable, and person-centered (STEEEP)**. ECHMN/SVMD reporting utilizes the merit-based incentive payment system (MIPS) established by the Centers for Medicare and Medicaid (CMS), the Healthcare Effectiveness Data and Information Set (HEDIS) quality measures established by the National Committee for Quality Assurance (NCQA), or such other reporting as recommended by ECHMN Board of Managers.

The Hospital and ECHMN/SVMD management will provide the Committee with standardized quality metrics with appropriate benchmarks, when available, so that the Committee can adequately assess the quality of care being provided. Hospital and ECHMN/SVMD Management and Quality Committee members will collaborate to identify and improve opportunities for quality improvement.

Authority

The Committee is an Advisory Committee of the Board pursuant to Article VII of the Hospital Bylaws. All governing authority for the Hospital resides with the Hospital Board except that which may be lawfully delegated to a specific Board committee. All governing authority for ECHMN/SVMD resides with the boards of those affiliated entities except that which may be lawfully delegated. Any reporting by ECHMN/SVMD or other affiliated entities to the Committee shall be consistent with the operating and governing documents of those affiliated entities.

The Committee will report to the Board at the next scheduled meeting any action or recommendation taken within the Committee’s authority. The Committee has the authority to select, recommend engagement, and supervise any consultant hired by the Board to advise the Board or Committee on issues related to clinical quality, safety, patient care and experience, risk prevention/risk management, and quality improvement. In addition, the Committee, by resolution, may adopt a temporary advisory committee (ad hoc) of less than a quorum of the members of the Committee. The resolution shall state the total number of members, the number of board members to be appointed, and the specific task or assignment to be considered by the advisory committee.

Voting members of the Committee shall include the directors assigned to the Committee, *ex-officio* members and alternates and external (non-director) members appointed to the Committee.

Membership



- The Committee shall be comprised of two (2) or more Hospital Board members who shall be appointed and removed pursuant to the El Camino Hospital Board Committee Governance Policy.
- The Committee shall also include as *ex officio* voting members of the Committee the following individuals: (1) the Enterprise Chief of the Medical Staff, (2) the Los Gatos Campus Chief of Staff voting members of the Committee. The Enterprise Vice Chief of Staff or the Los Gatos Vice Chief of Staff shall serve as alternate voting members of the Committee and replace, respectively the Enterprise Chief of Staff or the Los Gatos Chief of Staff if such person is absent from a Committee meeting.
- The Quality Committee may also include 1) no more than nine (9) Community members¹ with expertise in assessing quality indicators, quality processes, patient safety, care integration, payor industry issues, customer service issues, population health management, alignment of goals and incentives, or medical staff members, and members who have previously held executive positions in other hospital institutions (e.g., CNO, CMO, HR) as well as other areas as needed; and 2) no more than two (2) patient advocate members who have had significant exposure to the Organization as a patient and/or family member of a patient.
- All Committee members, Chairs and Vice Chairs shall be appointed and removed in accordance with the El Camino Hospital Board Committee Governance Policy.

Executive Support and Participation

The Chief Quality Officer (CQO) shall serve as the primary executive to support the Committee and is responsible for drafting the committee meeting agenda for the Committee Chair's consideration. Additional clinical representatives as well as members of the executive team may participate in the Committee meetings upon the recommendation of the CQO and subsequent approval from both the CEO and Committee Chair.

General Responsibilities

The Committee will collaborate with management to identify opportunities for quality and safety improvement. The Committee will support the implementation and monitoring of process improvement plans to address and close quality and safety gaps. Members of the Quality Committee will model behaviors, attitudes and actions consistent with the Organization's tenets of a High Reliable Organization, specifically, focusing on creating strong relationships between everyone on the team to engender a culture of psychological safety which promotes our Organization's mission to achieve zero patient harm. The management team shall develop dashboard metrics that will be used to measure and track quality, safety and patient experience performance for the Committee's review and subsequent approval by the Board. It is the management team's responsibility to develop and provide the Committee with reports, plans, assessments, and other pertinent materials to inform, educate, and update the Committee, thereby allowing Committee members to engage in meaningful, data-driven discussions. Upon careful review and discussion and with input from management, the Committee shall then make

¹ Community Members are defined as Members of the Committee who are not El Camino Hospital Board Directors or *ex-officio* members or alternates.



recommendations to the Board. The Committee is responsible for 1) ensuring performance metrics meet the Board's expectations; 2) aligning those metrics and associated process improvements to the quality plan, strategic plan, organizational goals; and 3) ensuring communication to the Board and external constituents is well executed.

Specific Duties

The Committee shall partner with management to support the following activities:

1. Quality Planning—Advocate for an enterprise strategy plan that is quality-centric.
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3. Quality Improvement—Review performance of major process improvement projects on a regular basis.

Specific duties of the Committee include the following:

- Review and approve which measures to include and track on the quarterly Board Quality Report (STEEP) "Quality Dashboard" for tracking purposes.
- Oversee management's development of the Organization's goals encompassing the measurement and improvement of quality, safety and patient experience as tracked on the Enterprise Quality, Patient Care and Patient Experience Dashboard
- Organizational Performance Incentive Goal Setting
 - Review any proposed quality and patient experience related annual organizational performance incentive metrics and goal setting methodologies and provide feedback to management prior to the goals being submitted to Executive Compensation Committee.
 - Review and recommend for board approval via Executive Compensation Committee any quality and patient experience related annual organizational performance incentive metrics and goal setting methodologies.
 - During the course of the fiscal year, receive actual quality and patient experience metric performance.
- Review reports related to Organization-wide quality and patient safety initiatives in order to monitor and oversee the quality of patient care and service provided. Reports will be provided in the following areas:
 - Organization-wide performance regarding the quality care initiatives and goals highlighted in the strategic plan.
 - Organization-wide patient safety goals and hospital performance relative to patient safety targets.
 - Organization-wide patient safety surveys (including the culture of safety survey), sentinel event and red alert reports, and risk management reports.
 - Organization-wide patient satisfaction and patient experience surveys.
- Organization-wide provider satisfaction surveys. Ensure the organization demonstrates proficiency through full compliance with regulatory requirements including, but not limited to The Joint Commission (TJC), Department of Health and Human Services (HHS), California Department of Public Health (CDPH), and Office of Civil Rights (OCR).



- In cooperation with the Compliance Committee, review results of regulatory and accrediting body reviews and monitor compliance and any relevant corrective actions with accreditation and licensing requirements.
- Review annual report on actions taken to improve patient safety as per the Safety Event Reporting policy that is maintained in policy and procedure management software.
- Oversee organizational quality and safety performance improvement for Hospital's medical staff activities.
- Review the Hospital Medical Executive Committee's monthly credentialing and privileging reports and make recommendations to the Board.

Committee Effectiveness

The Committee is responsible for establishing its annual goals, objectives and work plan in alignment with the Board and the Organization's strategic goals. The Committee shall be focused on continuous improvement with regard to its processes, procedures, materials, and meetings, and other functions to enhance its contribution to the full Board. Committee members shall be responsible for keeping themselves up to date with respect to drivers of change in healthcare and their impact on quality activities and plans.

Meetings and Minutes

The Committee shall meet at least once per quarter. The Committee Chair shall determine the frequency of meetings based on the Committee's annual goals and work plan. Minutes shall be kept by the assigned staff and shall be delivered to all members of the Committee when the agenda for the subsequent meeting is delivered. The approved minutes shall be shared with the Board for information.

Meetings and actions of all committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of committees may also be called by resolution of the Board or the Committee Chair. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the Committee. Notice of any special meetings of the Committee requires a 24-hour notice.

A09c1. CAC Charter Revisions approved by CAC September 2024_revision April 2025 v1 (approved by CAC version) REDLINE



El Camino Hospital Board of Directors Compliance and Audit Committee Charter

Purpose

The purpose of the Compliance and Audit Committee (the “Committee”) is to advise and assist the El Camino Hospital (“Hospital”) Board of Directors (“Board”) in its exercise of oversight of Corporate Compliance, Privacy, Internal and External Audit, Enterprise Risk Management, and Information Technology (IT) Security for El Camino Hospital per the Hospital Bylaws and the Hospital’s affiliated entities where ECH is the sole corporate member pursuant to the operating agreements and governance documents of those entities (“the Organization”). The Committee will accomplish this by monitoring the compliance policies, controls, and processes of the Organization and the engagement, independence, and performance of the internal auditor and external auditor. The Committee assists the Board in oversight of any regulatory audit and in assuring the organizational integrity in a manner consistent with the Organization’s mission and purpose.

Authority

The Committee is an Advisory Committee of the Board pursuant to Article VII of the Hospital Bylaws. All governing authority for the Hospital resides with the Hospital Board except that which may be lawfully delegated to a specific Board committee. All governing authority for the Hospital’s affiliated entities resides with the boards of those entities except that which may be lawfully delegated. Any reporting by affiliated entities to the Committee shall be consistent with the operating and governing documents of those affiliated entities.

The Committee will report to the full Board at the next scheduled meeting any action or recommendation taken within the Committee’s authority. The Committee has the authority to select, recommend engagement, and supervise any consultant hired by the Board to advise the Board or Committee on compliance, privacy, Information Technology (IT) and Cyber Security, including physical security (safeguards and access control), enterprise risk management, or audit related issues. In addition, the Committee, by resolution, may adopt a temporary advisory committee (ad hoc) of less than a quorum of the members of the Committee. The resolution shall state the total number of members, the number of board members to be appointed, and the specific task or assignment to be considered by the advisory committee.

Voting members of the Committee shall include the directors assigned to the Committee and external (non-director) members appointed to the Committee.

Membership

- The Committee shall be comprised of two (2) or more Hospital Board members who shall be appointed and removed pursuant to the El Camino Hospital Board Committee Governance Policy.



- The Committee may also include two to four (2-4) Community members¹ with expertise in compliance, privacy, enterprise risk, Information Technology (IT) and Cyber Security, audit, and/or financial management expertise.
- All Committee members, Chairs and Vice Chairs shall be appointed and removed in accordance with the El Camino Hospital Board Committee Governance Policy.

Conflict of Interest

Members of the Committee shall be independent (as defined in Appendix) as to conflicts of interest with the Organization pursuant to the Conflict of Interest Policy. Should there be a potential conflict, the determination regarding independence shall follow the criteria approved by the Board (see appendix).

Any member of a Board or Board committee who has a conflict of interest with respect to a proposed contract, transaction, relationship, arrangement, or activity shall refrain from the deliberations and vote on any matter related to the contract, transaction, or arrangement. Such members, however, may be present to answer questions and provide information needed by the Board or Board Committee for its deliberations. The Board Chair may appoint one or more qualified individuals to take the place of any affected member of a Board or Board Committee with regard to the matter or interest being considered. Any such reconstituted Committee shall be considered to have all rights, authority, and obligations of the Committee.

Staff Support and Participation

The Sr. Director of Corporate Compliance (“Corporate Compliance Officer”) shall serve as the primary staff support to the Committee and is responsible for drafting the committee meeting agenda for the Committee Chair’s consideration. Additional members of the executive team may participate in the Committee meetings upon the recommendation of the Corporate Compliance Officer and subsequent approval from both the CEO and Committee Chair.

General Responsibilities

The Committee’s primary role is to provide oversight and to advise the management team and the Board on matters pertaining to this Committee. With input from the Committee, the management team shall develop dashboard metrics that will be used to measure and track corporate compliance, privacy, audit, Information Technology (IT) and Cyber Security, and enterprise risk management for the Committee’s review and subsequent approval by the Board. It is the management team’s responsibility to develop and provide the Committee with reports, plans, assessments, and other pertinent materials to inform, educate, and update the Committee, thereby allowing Committee members to engage in meaningful, data-driven discussions. Upon careful review and discussion and with input from management, the Committee shall then make recommendations to the Board. The Committee is responsible for monitoring that performance metrics are being met to the Board’s expectations and requiring explanation of any deficiencies and reporting to the Board such deficiencies.

Specific Duties

¹ Community Members are defined as Members of the Committee who are not El Camino Hospital Board Directors.



The specific duties of the Committee include the following:

A. Corporate Compliance, Privacy, Information Technology (IT) and Cyber Security, and Enterprise Risk Management Functions

- Oversee the activities of the Corporate Compliance program and all subcommittees providing support relative to corporate compliance.
- Oversee the activities of the Privacy program, including, but not limited to HIPAA/patient privacy, administrative, technical, and physical security safeguards.
- Oversee the Information Technology (IT) and Cyber Security risk assessment process and review the mitigation plan to reduce vulnerabilities. Review at least annually the overall status of the Information Technology (IT) and Cyber Security program.
- Oversee efforts to develop, implement, and maintain an effective Information Technology (IT) and Cyber Security program and advise the Board on risk tolerance levels.
- Advise the Organization on Enterprise Risk Management structure and provide oversight of Enterprise Risk reporting metrics and measurements to help monitor the Organization's risks.
- Advise the Organization on corporate compliance implementation strategies. Review strategies for improving the corporate compliance program(s) and recommend for approval by the Board.
- Review with management the assessment of physician relationship risk as it relates to Stark laws, anti-kickback statutes, and other compliance rules and regulations.
- Encourage continuous improvement of policies and procedures for corporate accountability, integrity, and privacy. Review the Organization's policy oversight guidelines and oversee the process being systematic and robust.

B. Internal Audit Functions

- Provide direction related to findings and recommendations of internal audits performed.
- Provide direction for issues relating to internal audit responses by management.
- Review [and approve](#) the annual internal audit priorities for the Organization.
- Serve as the ad hoc governance team regarding non-routine investigations or action taken by external agencies and authorities against the Organization.
- Recommend policies and processes for approval by the Board relating to systems of internal controls for finance.
- Oversee the work of independent compliance, audit, and privacy staff.
- Provide escalation vehicle from any source to identify and address relevant issues.



C. External Audit Functions

- Make recommendations ~~to the for~~ Board approval regarding any changes in the external financial audit firm selection, retention, and, when necessary, replacement as recommended by management.
- ~~Review the expected fee for the audit and assure that the fee is fair to the Organization and is compatible with a full, complete, and professional audit. Make recommendations to the Board.~~
- Review the scope and approach of the annual audit, including the identification of business and financial risks and exposures, ~~with the external auditor~~.
- Meet with the auditor and management, as needed, to resolve issues regarding financial reporting, and make recommendations ~~to the Board~~ for discussion and action.
- Any services provided by the external auditors, outside the scope of the annual audit of financial statements must be presented to the Committee for review and discussion of the proposed scope of work in advance of executing an agreement with the auditors.
- Review the annual external auditor reports and financial statements before presentation to the Board. Make recommendations ~~to the for~~ Board approval.
- At the completion of the annual audit examination, review the following with management and the external auditors:
 - The Organization's annual financial statements and related footnotes.
 - The external auditor's audit of the financial statements and the auditor's report thereon.
 - Judgments about the quality, not just the acceptability of accounting principles and the clarity of the financial disclosure practices used or proposed to be used, and particularly the degree of aggressiveness or conservatism of accounting principles and underlying estimates.
 - Any significant changes in scope are required in the external auditor's plan.
 - Any serious difficulties or disputes with management encountered during the course of the audit.
- Conduct an executive session if necessary to allow the Committee to meet privately with the auditor.
- Review all significant financial communications to external parties (e.g., public, press, lenders, creditors and regulators), ensuring they are prepared in accordance with generally accepted accounting principles and fairly represent the financial condition of the Organization.
- Review and recommend for approval by the Board the audit firm's annual engagement proposal and review the independent auditor's performance.

Independence of the External Auditor



It is the Committee's responsibility to confirm the independence of the external auditor on an annual basis through a written statement. The statement shall confirm their independence and address services or relationships that may impact independence. The lead and concurring partner on the audit engagement team may not serve for more than five years unless special circumstances exist and with the approval of the Board. Members of the external audit team are prohibited from employment with the Organization in a financial role within one year of leaving the external audit firm.

Committee Effectiveness

The Committee is responsible for establishing its annual goals, objectives and work plan in alignment with the Board and the Organization's strategic goals. The Committee shall be focused on continuous improvement with regard to its processes, procedures, materials, and meetings, and other functions to enhance its contribution to the full Board.

Meetings and Minutes

The Committee shall meet at least once per quarter. The Committee Chair shall determine the frequency of meetings based on the Committee's annual goals and work plan. Minutes shall be kept by the assigned staff and shall be delivered to all members of the Committee when the agenda for the subsequent meeting is delivered. The approved minutes shall be forwarded to the Board for information.

Meetings and actions of all committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of committees may also be called by resolution of the Board. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the Committee. Notice of any special meetings of the Committee requires a 24-hour notice.



Appendix

Definition of Independent Director – Compliance and Audit Committee

1. An independent director is a more limited and narrow classification of director than otherwise required by law and is not meant to expand or limit the definition of interested director for purposes of the El Camino Hospital Conflict of Interest Policy or to expand or reduce the scope of any legal duty or otherwise applicable legal obligation of a director. The Board of Directors, by separate resolution, may determine to limit membership on committees to independent directors to avoid even the appearance of a conflict of interest.
2. A member of the Board of Directors of El Camino Hospital shall be deemed to be an independent director so long as such director (and any spouse, sibling, parent, son or daughter, son- or daughter-in-law or grandparent or descendant of the director):
 - i. has not, within the preceding twelve (12) months, received payments from El Camino Hospital, a subsidiary or affiliate of El Camino Hospital in excess of Ten Thousand Dollars (\$10,000), excluding reimbursement of expenses or other permitted payments to a director related to service as a director.
 - ii. does not own an interest in an entity or serve as a Board member or executive of an entity, that is a direct competitor of El Camino Hospital (or an entity controlling, controlled by or under common control with El Camino Hospital) for patients or services, located within ten (10) miles of El Camino Hospital (or an entity controlling, controlled by or under common control with El Camino Hospital). An entity is not a direct competitor if it provides competing services in the above area that do not exceed ten percent (10%) of such entity's revenues.
3. If a director is an owner of an entity, then the amount received from El Camino Hospital during any period shall be determined by multiplying the percentage ownership interest of the director in such entity by the total amount paid by El Camino Hospital to such entity during such period.
4. Each director appointed to the Compensation Committee and the Compliance and Internal Audit Committee shall be, at the time of appointment and while a member of such Committee, an independent director as defined above.
5. **Note:** Other laws may prohibit certain contracts or interests in their entirety and this definition is not intended to narrow or otherwise limit the application of any such law.

A09c2. CAC Charter Revisions approved by CAC September 2024_revision April 2025 v1 (approved by CAC version) CLEAN



El Camino Hospital Board of Directors Compliance and Audit Committee Charter

Purpose

The purpose of the Compliance and Audit Committee (the “Committee”) is to advise and assist the El Camino Hospital (“Hospital”) Board of Directors (“Board”) in its exercise of oversight of Corporate Compliance, Privacy, Internal and External Audit, Enterprise Risk Management, and Information Technology (IT) Security for El Camino Hospital per the Hospital Bylaws and the Hospital’s affiliated entities where ECH is the sole corporate member pursuant to the operating agreements and governance documents of those entities (“the Organization”). The Committee will accomplish this by monitoring the compliance policies, controls, and processes of the Organization and the engagement, independence, and performance of the internal auditor and external auditor. The Committee assists the Board in oversight of any regulatory audit and in assuring the organizational integrity in a manner consistent with the Organization’s mission and purpose.

Authority

The Committee is an Advisory Committee of the Board pursuant to Article VII of the Hospital Bylaws. All governing authority for the Hospital resides with the Hospital Board except that which may be lawfully delegated to a specific Board committee. All governing authority for the Hospital’s affiliated entities resides with the boards of those entities except that which may be lawfully delegated. Any reporting by affiliated entities to the Committee shall be consistent with the operating and governing documents of those affiliated entities.

The Committee will report to the full Board at the next scheduled meeting any action or recommendation taken within the Committee’s authority. The Committee has the authority to select, recommend engagement, and supervise any consultant hired by the Board to advise the Board or Committee on compliance, privacy, Information Technology (IT) and Cyber Security, including physical security (safeguards and access control), enterprise risk management, or audit related issues. In addition, the Committee, by resolution, may adopt a temporary advisory committee (ad hoc) of less than a quorum of the members of the Committee. The resolution shall state the total number of members, the number of board members to be appointed, and the specific task or assignment to be considered by the advisory committee.

Voting members of the Committee shall include the directors assigned to the Committee and external (non-director) members appointed to the Committee.

Membership

- The Committee shall be comprised of two (2) or more Hospital Board members who shall be appointed and removed pursuant to the El Camino Hospital Board Committee Governance Policy.



- The Committee may also include two to four (2-4) Community members¹ with expertise in compliance, privacy, enterprise risk, Information Technology (IT) and Cyber Security, audit, and/or financial management expertise.
- All Committee members, Chairs and Vice Chairs shall be appointed and removed in accordance with the El Camino Hospital Board Committee Governance Policy.

Conflict of Interest

Members of the Committee shall be independent (as defined in Appendix) as to conflicts of interest with the Organization pursuant to the Conflict of Interest Policy. Should there be a potential conflict, the determination regarding independence shall follow the criteria approved by the Board (see appendix).

Any member of a Board or Board committee who has a conflict of interest with respect to a proposed contract, transaction, relationship, arrangement, or activity shall refrain from the deliberations and vote on any matter related to the contract, transaction, or arrangement. Such members, however, may be present to answer questions and provide information needed by the Board or Board Committee for its deliberations. The Board Chair may appoint one or more qualified individuals to take the place of any affected member of a Board or Board Committee with regard to the matter or interest being considered. Any such reconstituted Committee shall be considered to have all rights, authority, and obligations of the Committee.

Staff Support and Participation

The Sr. Director of Corporate Compliance ("Corporate Compliance Officer") shall serve as the primary staff support to the Committee and is responsible for drafting the committee meeting agenda for the Committee Chair's consideration. Additional members of the executive team may participate in the Committee meetings upon the recommendation of the Corporate Compliance Officer and subsequent approval from both the CEO and Committee Chair.

General Responsibilities

The Committee's primary role is to provide oversight and to advise the management team and the Board on matters pertaining to this Committee. With input from the Committee, the management team shall develop dashboard metrics that will be used to measure and track corporate compliance, privacy, audit, Information Technology (IT) and Cyber Security, and enterprise risk management for the Committee's review and subsequent approval by the Board. It is the management team's responsibility to develop and provide the Committee with reports, plans, assessments, and other pertinent materials to inform, educate, and update the Committee, thereby allowing Committee members to engage in meaningful, data-driven discussions. Upon careful review and discussion and with input from management, the Committee shall then make recommendations to the Board. The Committee is responsible for monitoring that performance metrics are being met to the Board's expectations and requiring explanation of any deficiencies and reporting to the Board such deficiencies.

Specific Duties

¹ Community Members are defined as Members of the Committee who are not El Camino Hospital Board Directors.



The specific duties of the Committee include the following:

A. Corporate Compliance, Privacy, Information Technology (IT) and Cyber Security, and Enterprise Risk Management Functions

- Oversee the activities of the Corporate Compliance program and all subcommittees providing support relative to corporate compliance.
- Oversee the activities of the Privacy program, including, but not limited to HIPAA/patient privacy, administrative, technical, and physical security safeguards.
- Oversee the Information Technology (IT) and Cyber Security risk assessment process and review the mitigation plan to reduce vulnerabilities. Review at least annually the overall status of the Information Technology (IT) and Cyber Security program.
- Oversee efforts to develop, implement, and maintain an effective Information Technology (IT) and Cyber Security program and advise the Board on risk tolerance levels.
- Advise the Organization on Enterprise Risk Management structure and provide oversight of Enterprise Risk reporting metrics and measurements to help monitor the Organization's risks.
- Advise the Organization on corporate compliance implementation strategies. Review strategies for improving the corporate compliance program(s) and recommend for approval by the Board.
- Review with management the assessment of physician relationship risk as it relates to Stark laws, anti-kickback statutes, and other compliance rules and regulations.
- Encourage continuous improvement of policies and procedures for corporate accountability, integrity, and privacy. Review the Organization's policy oversight guidelines and oversee the process being systematic and robust.

B. Internal Audit Functions

- Provide direction related to findings and recommendations of internal audits performed.
- Provide direction for issues relating to internal audit responses by management.
- Review and approve the annual internal audit priorities for the Organization.
- Serve as the ad hoc governance team regarding non-routine investigations or action taken by external agencies and authorities against the Organization.
- Recommend policies and processes for approval by the Board relating to systems of internal controls for finance.
- Oversee the work of independent compliance, audit, and privacy staff.
- Provide escalation vehicle from any source to identify and address relevant issues.



C. External Audit Functions

- Make recommendations for Board approval regarding any changes in the external financial audit firm selection, retention, and, when necessary, replacement as recommended by management.
- Review the scope and approach of the annual audit, including the identification of business and financial risks and exposures.
- Meet with the auditor and management, as needed, to resolve issues regarding financial reporting, and make recommendations for discussion and action.
- Any services provided by the external auditors, outside the scope of the annual audit of financial statements must be presented to the Committee for review and discussion of the proposed scope of work in advance of executing an agreement with the auditors.
- Review the annual external auditor reports and financial statements before presentation to the Board. Make recommendations for Board approval.
- At the completion of the annual audit examination, review the following with management and the external auditors:
 - The Organization's annual financial statements and related footnotes.
 - The external auditor's audit of the financial statements and the auditor's report thereon.
 - Judgments about the quality, not just the acceptability of accounting principles and the clarity of the financial disclosure practices used or proposed to be used, and particularly the degree of aggressiveness or conservatism of accounting principles and underlying estimates.
 - Any significant changes in scope are required in the external auditor's plan.
 - Any serious difficulties or disputes with management encountered during the course of the audit.
- Conduct an executive session if necessary to allow the Committee to meet privately with the auditor.
- Review all significant financial communications to external parties (e.g., public, press, lenders, creditors and regulators), ensuring they are prepared in accordance with generally accepted accounting principles and fairly represent the financial condition of the Organization.
- Review and recommend for approval by the Board the audit firm's annual engagement proposal and review the independent auditor's performance.

Independence of the External Auditor

It is the Committee's responsibility to confirm the independence of the external auditor on an annual basis through a written statement. The statement shall confirm their independence and address services or relationships that may impact independence. The lead and concurring partner on the audit engagement team may not serve for more than five years unless special circumstances exist and with the approval of the Board. Members of the external audit team are



prohibited from employment with the Organization in a financial role within one year of leaving the external audit firm.

Committee Effectiveness

The Committee is responsible for establishing its annual goals, objectives and work plan in alignment with the Board and the Organization's strategic goals. The Committee shall be focused on continuous improvement with regard to its processes, procedures, materials, and meetings, and other functions to enhance its contribution to the full Board.

Meetings and Minutes

The Committee shall meet at least once per quarter. The Committee Chair shall determine the frequency of meetings based on the Committee's annual goals and work plan. Minutes shall be kept by the assigned staff and shall be delivered to all members of the Committee when the agenda for the subsequent meeting is delivered. The approved minutes shall be forwarded to the Board for information.

Meetings and actions of all committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of committees may also be called by resolution of the Board. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the Committee. Notice of any special meetings of the Committee requires a 24-hour notice.



Appendix

Definition of Independent Director – Compliance and Audit Committee

1. An independent director is a more limited and narrow classification of director than otherwise required by law and is not meant to expand or limit the definition of interested director for purposes of the El Camino Hospital Conflict of Interest Policy or to expand or reduce the scope of any legal duty or otherwise applicable legal obligation of a director. The Board of Directors, by separate resolution, may determine to limit membership on committees to independent directors to avoid even the appearance of a conflict of interest.
2. A member of the Board of Directors of El Camino Hospital shall be deemed to be an independent director so long as such director (and any spouse, sibling, parent, son or daughter, son- or daughter-in-law or grandparent or descendant of the director):
 - i. has not, within the preceding twelve (12) months, received payments from El Camino Hospital, a subsidiary or affiliate of El Camino Hospital in excess of Ten Thousand Dollars (\$10,000), excluding reimbursement of expenses or other permitted payments to a director related to service as a director.
 - ii. does not own an interest in an entity or serve as a Board member or executive of an entity, that is a direct competitor of El Camino Hospital (or an entity controlling, controlled by or under common control with El Camino Hospital) for patients or services, located within ten (10) miles of El Camino Hospital (or an entity controlling, controlled by or under common control with El Camino Hospital). An entity is not a direct competitor if it provides competing services in the above area that do not exceed ten percent (10%) of such entity's revenues.
3. If a director is an owner of an entity, then the amount received from El Camino Hospital during any period shall be determined by multiplying the percentage ownership interest of the director in such entity by the total amount paid by El Camino Hospital to such entity during such period.
4. Each director appointed to the Compensation Committee and the Compliance and Internal Audit Committee shall be, at the time of appointment and while a member of such Committee, an independent director as defined above.
5. **Note:** Other laws may prohibit certain contracts or interests in their entirety and this definition is not intended to narrow or otherwise limit the application of any such law.

Separator Page

A09d1. ECC Charter_ Draft for 6-6-24 Meeting (Redline)_March 2025 Revisions (Marked)_JuneECC



El Camino Hospital Board of Directors Executive Compensation Committee Charter

Purpose

The purpose of the Executive Compensation Committee ("Committee") is to assist the El Camino Hospital ("Hospital") Board of Directors ("Board") in its responsibilities related to the Hospital's executive compensation philosophy and policies. The Committee shall advise the Board to meet all applicable legal and regulatory requirements as it relates to executive compensation.

Authority

The Committee is an Advisory Committee of the Board pursuant to ~~Article VII, Sec. 7.6 of~~ the Hospital Bylaws. All governing authority for the Hospital resides with the Hospital Board except that which may be lawfully delegated to a specific Board committee. The Committee will report to the full Board at the next scheduled meeting any action or recommendation taken within the Committee's authority. The Committee has the authority to select, engage and supervise a consultant to advise the Board and the Committee on executive compensation issues. In addition, the Committee, by resolution, may adopt a temporary advisory committee (ad hoc) of less than a quorum of the members of the Committee. The resolution shall state the total number of members, the number of board members to be appointed, and the specific task or assignment to be considered by the advisory committee.

Membership

- The Executive Compensation Committee shall be comprised of two (2) or more Hospital Board members. The Committee may also include 2-5 Community¹ members with knowledge of executive compensation practices, executive leadership and/or corporate human resource management.
- Executive compensation consultants will be retained as appropriate and participate as directed.
- The Chair of the Committee shall be appointed and removed pursuant to the El Camino Hospital Board Committee Governance Policy.
- All Committee members, Chairs, and Vice Chairs shall be appointed and removed in accordance with the El Camino Hospital Board Committee Governance Policy.
- All members of the Committee must be independent with no conflict of interest regarding compensation or benefits for the executives whose compensation is reviewed and recommended by the Committee. Should there be a potential conflict, the determination regarding independence shall follow the criteria approved by the Board and as per the Conflict of Interest Policy.

¹ Community Members are defined as Members of the Committee who are not El Camino Hospital Board Directors.



Staff Support and Participation

The Chief Human Resources Officer shall serve as the primary staff support to the Committee and is responsible for drafting the committee meeting agenda for the Committee Chair's consideration. The CEO, and other staff members, as appropriate, may serve as a non-voting liaison to the Committee and may attend meetings at the discretion of the Committee Chair. These individuals shall be excused when the Committee is reviewing their individual compensation.

General Responsibilities

The Committee is responsible for recommending to the full Board policies, processes and procedures related to executive compensation philosophy, operating performance against standards, executive development, and succession planning.

Specific Duties

The El Camino Hospital Board has adopted Resolution 2018-05, as may be subsequently revised by the Board, delegating certain decision-making authority to the Executive Compensation Committee. Resolution 2018-05 and any subsequent revisions controls in the case of any inconsistency between this Charter and the Resolution or attachments to the Resolution. The specific duties of the Executive Compensation Committee include the following:

A. Executive Compensation

- Develop a compensation philosophy that clearly explains the guiding principles on which executive pay decisions are based. Recommend the philosophy for approval by the Board.
- Develop executive compensation policies to be approved by the Board.
- Review and maintain an executive compensation and benefit program consistent with the executive compensation policies, which have been approved by the Board. Recommend any material changes in the program for approval by the Board.
- Review the CEO's total remuneration, and recommend to the Board any changes to the CEO's total remuneration package.
- Review the CEO's recommendations regarding salary and performance incentive payouts for the upcoming year for the executives whose compensation is subject to review by the Committee based on the CEO's evaluation of the executives' individual performance. Approve recommendations for any salary range or base salary changes and/or any performance incentive payouts within established guidelines based on the CEO's evaluation of the executives' individual performance. Recommend to the Board any salary changes and/or performance incentive payments that are outside established guidelines.
- Periodically evaluate the executive compensation program, including the charter, policies, and philosophy on which it is based, to assess its effectiveness in meeting the



Hospital's needs for recruiting, retaining, developing, and motivating qualified leaders to execute the Hospital's strategic and short term objectives.

- Review market analyses and recommendation of the Committee's independent executive compensation consultant.
- Approve salary ranges for each new executive and approve placement in the range for those executives eligible for the plan within established guidelines. Recommend a salary range to the Board for the CEO and or actions for other executives that are outside established guidelines.

B. Performance Goals Setting and Assessment

- Review and provide input into the CEO's recommendations regarding annual organization goals and measures used in the Executive Performance Incentive Plan.
- Recommend organizational performance incentive metrics and goal setting methodologies goals and measurements for approval by the Board, as recommended by the Finance and Quality Committees.
- Provide input into the process used to evaluate the CEO's performance.
- Provide input into establishing the executive team's annual performance incentive goals to execute the Hospital's strategic plan and approve the annual goals and measures.

C. Executive Succession and Development

- The Committee Chair will review annually the CEO's own succession plan, including a leadership and professional development plan based on the previous year's talent assessment.
- The Committee Chair will review annually the CEO's succession plan for the executive team members, which shall include the process by which potential executives are identified and developed.

Committee Effectiveness

The Committee is responsible for establishing its annual goals, objectives and workplan in alignment with the Board's and Hospital's strategic goals. The Committee shall be focused on continuous improvement with regard to its processes, procedures, materials, and meetings, and other functions to enhance its contribution to the full Board. In addition, the Committee shall provide counsel and advice to the Board as requested.

Meetings and Minutes

The Committee shall meet at least once per quarter. The Committee Chair shall determine the frequency of meetings based on the Committee's annual goals and work plan. Minutes shall be kept by the assigned staff and the draft of such minutes shall be delivered to all members of the Committee when the agenda for the subsequent meeting is delivered. The draft minutes shall



separately be delivered to the ECC Chair within one week of the meeting for future meeting planning purposes. The approved minutes shall be posted to the Board portal for information.

Meetings and actions of all advisory committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of advisory committees may also be called by resolution of the Board and the Committee Chair. Notice of any special meetings of the Committee requires a 24-hour notice.



Appendix

Definition of Independent Member – Compensation Committee

1. An independent committee member is a more limited and narrow classification of member than otherwise required by law and is not meant to expand or limit the definition of interested member for purposes of the El Camino Hospital Conflict of Interest Policy or to expand or reduce the scope of any legal duty or otherwise applicable legal obligation of a director. The Board of Directors, by separate resolution, may determine to limit membership on particular committees to independent members to avoid even the appearance of a conflict of interest.
2. A member of the El Camino Hospital Advisory Committees shall be deemed to be an independent member so long as such member (and any spouse, sibling, parent, son or daughter, son- or daughter-in-law or grandparent or descendant of the member):
 - i. has not, within the preceding twelve (12) months, received payments from El Camino Hospital, a subsidiary or affiliate of El Camino Hospital in excess of Ten Thousand Dollars (\$10,000), excluding reimbursement of expenses or other permitted payments to a director related to service as a member;
 - ii. does not own an interest in an entity, or serve as a Board member or executive of an entity, that is a direct competitor of El Camino Hospital (or an entity controlling, controlled by or under common control with El Camino Hospital) for patients or services, located within ten (10) miles of El Camino Hospital (or an entity controlling, controlled by or under common control with El Camino Hospital). An entity is not a direct competitor if it provides competing services in the above area that do not exceed ten percent (10%) of such entity's revenues.
3. If a member is an owner of an entity, then the amount received from El Camino Hospital during any period shall be determined by multiplying the percentage ownership interest of the member in such entity by the total amount paid by El Camino Hospital to such entity during such period.
4. Each member appointed to the Compensation Committee and the Compliance and Internal Audit Committee shall be, at the time of appointment and while a member of such Committee, an independent member as defined above.
5. **Note:** Other laws may prohibit certain contracts or interests in their entirety and this definition is not intended to narrow or otherwise limit the application of any such law.

Separator Page

A09d2. ECC Charter_ Draft for 6-6-24 Meeting (Redline)_March 2025 Revisions (CLEAN)_JuneECC



El Camino Hospital Board of Directors Executive Compensation Committee Charter

Purpose

The purpose of the Executive Compensation Committee ("Committee") is to assist the El Camino Hospital ("Hospital") Board of Directors ("Board") in its responsibilities related to the Hospital's executive compensation philosophy and policies. The Committee shall advise the Board to meet all applicable legal and regulatory requirements as it relates to executive compensation.

Authority

The Committee is an Advisory Committee of the Board pursuant to the Hospital Bylaws. All governing authority for the Hospital resides with the Hospital Board except that which may be lawfully delegated to a specific Board committee. The Committee will report to the full Board at the next scheduled meeting any action or recommendation taken within the Committee's authority. The Committee has the authority to select, engage and supervise a consultant to advise the Board and the Committee on executive compensation issues. In addition, the Committee, by resolution, may adopt a temporary advisory committee (ad hoc) of less than a quorum of the members of the Committee. The resolution shall state the total number of members, the number of board members to be appointed, and the specific task or assignment to be considered by the advisory committee.

Membership

- The Executive Compensation Committee shall be comprised of two (2) or more Hospital Board members. The Committee may also include 2-5 Community¹ members with knowledge of executive compensation practices, executive leadership and/or corporate human resource management.
- Executive compensation consultants will be retained as appropriate and participate as directed.
- The Chair of the Committee shall be appointed and removed pursuant to the El Camino Hospital Board Committee Governance Policy.
- All Committee members, Chairs, and Vice Chairs shall be appointed and removed in accordance with the El Camino Hospital Board Committee Governance Policy.
- All members of the Committee must be independent with no conflict of interest regarding compensation or benefits for the executives whose compensation is reviewed and recommended by the Committee. Should there be a potential conflict, the determination regarding independence shall follow the criteria approved by the Board and as per the Conflict of Interest Policy.

¹ Community Members are defined as Members of the Committee who are not El Camino Hospital Board Directors.



Staff Support and Participation

The Chief Human Resources Officer shall serve as the primary staff support to the Committee and is responsible for drafting the committee meeting agenda for the Committee Chair's consideration. The CEO, and other staff members, as appropriate, may serve as a non-voting liaison to the Committee and may attend meetings at the discretion of the Committee Chair. These individuals shall be excused when the Committee is reviewing their individual compensation.

General Responsibilities

The Committee is responsible for recommending to the full Board policies, processes and procedures related to executive compensation philosophy, operating performance against standards, executive development, and succession planning.

Specific Duties

The El Camino Hospital Board has adopted Resolution 2018-05, as may be subsequently revised by the Board, delegating certain decision-making authority to the Executive Compensation Committee. Resolution 2018-05 and any subsequent revisions controls in the case of any inconsistency between this Charter and the Resolution or attachments to the Resolution. The specific duties of the Executive Compensation Committee include the following:

A. Executive Compensation

- Develop a compensation philosophy that clearly explains the guiding principles on which executive pay decisions are based. Recommend the philosophy for approval by the Board.
- Develop executive compensation policies to be approved by the Board.
- Review and maintain an executive compensation and benefit program consistent with the executive compensation policies, which have been approved by the Board. Recommend any material changes in the program for approval by the Board.
- Review the CEO's total remuneration, and recommend to the Board any changes to the CEO's total remuneration package.
- Review the CEO's recommendations regarding salary and performance incentive payouts for the upcoming year for the executives whose compensation is subject to review by the Committee based on the CEO's evaluation of the executives' individual performance. Approve recommendations for any salary range or base salary changes and/or any performance incentive payouts within established guidelines based on the CEO's evaluation of the executives' individual performance. Recommend to the Board any salary changes and/or performance incentive payments that are outside established guidelines.
- Periodically evaluate the executive compensation program, including the charter, policies, and philosophy on which it is based, to assess its effectiveness in meeting the



Hospital's needs for recruiting, retaining, developing, and motivating qualified leaders to execute the Hospital's strategic and short term objectives.

- Review market analyses and recommendation of the Committee's independent executive compensation consultant.
- Approve salary ranges for each new executive and approve placement in the range for those executives eligible for the plan within established guidelines. Recommend a salary range to the Board for the CEO and or actions for other executives that are outside established guidelines.

B. Performance Goals Setting and Assessment

- Review and provide input into the CEO's recommendations regarding annual organization goals and measures used in the Executive Performance Incentive Plan.
- Recommend organizational performance incentive metrics and goal setting methodologies for approval by the Board, as recommended by the Finance and Quality Committees.
- Provide input into the process used to evaluate the CEO's performance.
- Provide input into establishing the executive team's annual performance incentive goals to execute the Hospital's strategic plan and approve the annual goals and measures.

C. Executive Succession and Development

- The Committee Chair will review annually the CEO's own succession plan, including a leadership and professional development plan based on the previous year's talent assessment.
- The Committee Chair will review annually the CEO's succession plan for the executive team members, which shall include the process by which potential executives are identified and developed.

Committee Effectiveness

The Committee is responsible for establishing its annual goals, objectives and workplan in alignment with the Board's and Hospital's strategic goals. The Committee shall be focused on continuous improvement with regard to its processes, procedures, materials, and meetings, and other functions to enhance its contribution to the full Board. In addition, the Committee shall provide counsel and advice to the Board as requested.

Meetings and Minutes

The Committee shall meet at least once per quarter. The Committee Chair shall determine the frequency of meetings based on the Committee's annual goals and work plan. Minutes shall be kept by the assigned staff and the draft of such minutes shall be delivered to all members of the Committee when the agenda for the subsequent meeting is delivered. The draft minutes shall



separately be delivered to the ECC Chair within one week of the meeting for future meeting planning purposes. The approved minutes shall be posted to the Board portal for information.

Meetings and actions of all advisory committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of advisory committees may also be called by resolution of the Board and the Committee Chair. Notice of any special meetings of the Committee requires a 24-hour notice.



Appendix

Definition of Independent Member – Compensation Committee

1. An independent committee member is a more limited and narrow classification of member than otherwise required by law and is not meant to expand or limit the definition of interested member for purposes of the El Camino Hospital Conflict of Interest Policy or to expand or reduce the scope of any legal duty or otherwise applicable legal obligation of a director. The Board of Directors, by separate resolution, may determine to limit membership on particular committees to independent members to avoid even the appearance of a conflict of interest.
2. A member of the El Camino Hospital Advisory Committees shall be deemed to be an independent member so long as such member (and any spouse, sibling, parent, son or daughter, son- or daughter-in-law or grandparent or descendant of the member):
 - i. has not, within the preceding twelve (12) months, received payments from El Camino Hospital, a subsidiary or affiliate of El Camino Hospital in excess of Ten Thousand Dollars (\$10,000), excluding reimbursement of expenses or other permitted payments to a director related to service as a member;
 - ii. does not own an interest in an entity, or serve as a Board member or executive of an entity, that is a direct competitor of El Camino Hospital (or an entity controlling, controlled by or under common control with El Camino Hospital) for patients or services, located within ten (10) miles of El Camino Hospital (or an entity controlling, controlled by or under common control with El Camino Hospital). An entity is not a direct competitor if it provides competing services in the above area that do not exceed ten percent (10%) of such entity's revenues.
3. If a member is an owner of an entity, then the amount received from El Camino Hospital during any period shall be determined by multiplying the percentage ownership interest of the member in such entity by the total amount paid by El Camino Hospital to such entity during such period.
4. Each member appointed to the Compensation Committee and the Compliance and Internal Audit Committee shall be, at the time of appointment and while a member of such Committee, an independent member as defined above.
5. **Note:** Other laws may prohibit certain contracts or interests in their entirety and this definition is not intended to narrow or otherwise limit the application of any such law.

Separator Page

A09e1. GC Charter for GC Review 6.24 REDLINE



El Camino Hospital Board of Directors Governance Committee Charter

Purpose

The purpose of the Governance Committee ("Committee") is to advise the El Camino Hospital ("Hospital") Board of Directors ("Board") in matters related to governance, board development, board effectiveness, and board composition (*i.e.*, the nomination and appointment/reappointment process and succession planning for the Board) for El Camino Hospital and the Hospital's affiliated entities where the Hospital is the sole corporate member pursuant to the operating agreements and governance documents of those entities ("the Organization"). The Governance Committee ensures the Organization is functioning at the highest level of governance standards.

Authority

The Committee is an Advisory Committee of the Board pursuant to Article VII of the Hospital Bylaws. All governing authority for the Organization resides with the boards of each entity except that which may be lawfully delegated to a specific board committee. The Committee will report to the Board at the next scheduled meeting any action or recommendation taken within the Committee's authority. The Committee has the authority to select, recommend engagement, and supervise any consultant hired by the Board to advise the Board or Committee on governance-related issues. In addition, the Committee, by resolution, may adopt a temporary advisory committee (ad hoc) of less than a quorum of the members of the Committee. The resolution shall state the total number of members, the number of board members to be appointed, and the specific task or assignment to be considered by the advisory committee.

Membership

- The Governance Committee shall be comprised of two (2) or more Hospital Board members who shall be appointed and removed pursuant to the El Camino Hospital Board Committee Governance Policy.
- The Governance Committee may also include 2-4 Community members¹ with expertise in governance, organizational leadership or as a hospital or health system executive.
- All Committee members, Chairs, and Vice Chairs shall be appointed and removed in accordance with the El Camino Hospital Board Committee Governance Policy.
- All members of the Governance Committee shall be independent.

Staff Support and Participation

The CEO shall attend meetings and serve as the primary staff support to the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair's consideration.

¹ Community Members are defined as Members of the Committee who are not El Camino Hospital Board Directors.



Additional members of the executive team may participate in the Committee meetings upon the recommendation of the CEO and at the discretion of the Committee Chair.

General Responsibilities

The Committee is responsible for recommending to the Board policies, processes and procedures related to board development, board effectiveness, board composition and other governance matters for the Organization.

Specific Duties

The specific duties of the Governance Committee include the following:

- A. Board Composition, Development, and Effectiveness:** Ensure that the Board and the boards of the affiliated entities are committed to the discipline of doing the right things the right way.

Composition

- Define the necessary skill sets, diversity and other attributes required for Board members to support Hospital strategy, goals, community needs and current market conditions.
- Make recommendations to the Board regarding Board Composition.
- Review and make recommendations to the Board regarding the Board Chair's appointments of Advisory Committee Chairs and Advisory Committee members.

Orientation, Education and Development

- Adopt the orientation program for newly-appointed members to the Hospital Board of Directors and newly-appointed Board Committee members.
- Recommend a policy, budget and annual plan for Hospital Board and Committee member education, training and development.

Board Evaluation

- Recommend an evaluation instrument and process to be used by the Hospital Board for evaluation of Board governance.
- Ensure there is a board performance evaluation completed on an annual-regular basis, and as appropriate, evaluation of the individual directors, committees and their chairs, and the Board Chair.

- ~~Ensure submission of Hospital Board's annual self-evaluation to the El Camino Healthcare District Board of Directors.~~

Board Efficiency

- Monitor and recommend improvements or changes to the on-going governance process and procedures of the Hospital Board in order to enhance overall efficiency of the Board and Advisory Committee Structure.
- Ensure the Board develops a master Board meeting calendar to establish a cadence of information flow and dialogue, such that the Board has sufficient time to review the minutes



and recommendations of the committees. The cadence must accommodate a flow of approvals from Committee to the full Board.

B. Support of Board Advisory Committee Alignment with Organizational Strategy and Goals

Development of Process for Advisory Committee Review of Advisory Committee Goals and Charters

- Recommend process for the development of annual Board Advisory Committee goals which includes: 1) Linkage of committee goals to organizational goals and strategy, to the Board; and 2) the Board's review and approval.
- Ensure all Board Advisory committees conduct biennial review of Advisory committee charters and recommend any changes to the Board for approval.

Development of Board Advisory Committee Membership Succession Plan

- Ensure membership succession plan considers organizational strategy and goals.
- Develop process for Advisory committee use to identify a need for increase or change in membership to further alignment with organizational strategy and goals.

C. Articles of Incorporation, Bylaws, and Policies

- Provide for a review of the Hospital's Articles of Incorporation and Bylaws at least once every three years.
- Provide for a review of Articles of Incorporation and Bylaws of affiliated entities as needed
- Monitor legal and regulatory issues affecting governance of the Organization.
- Recommend updates to the Organization's governance policies where necessary and as required by legal and regulatory agencies.

Committee Effectiveness

The Committee is responsible for establishing its annual goals, objectives and pacing plan in alignment with the Board and the Organization's strategic goals. The Committee shall be focused on continuous improvement with regard to its processes, procedures, materials, and meetings, and other functions to enhance its contribution to the full Board.

Meetings and Minutes

The Committee shall meet at least once per quarter. The Committee Chair shall determine the frequency of meetings based on the Committee's annual goals and work plan. Minutes shall be kept by the assigned staff and shall be delivered to all members of the Committee when the agenda for the subsequent meeting is delivered. The approved minutes shall be forwarded to the Board for information.

Meetings and actions of all Advisory committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of Advisory committees may also be called by resolution of the Board and the Committee Chair. Notice of any special meetings of the Committee requires a 24-hour notice.

Separator Page

A09e2. GC Charter for GC Review 6.24 CLEAN



El Camino Hospital Board of Directors Governance Committee Charter

Purpose

The purpose of the Governance Committee ("Committee") is to advise the El Camino Hospital ("Hospital") Board of Directors ("Board") in matters related to governance, board development, board effectiveness, and board composition (*i.e.*, the nomination and appointment/reappointment process and succession planning for the Board) for El Camino Hospital and the Hospital's affiliated entities where the Hospital is the sole corporate member pursuant to the operating agreements and governance documents of those entities ("the Organization"). The Governance Committee ensures the Organization is functioning at the highest level of governance standards.

Authority

The Committee is an Advisory Committee of the Board pursuant to Article VII of the Hospital Bylaws. All governing authority for the Organization resides with the boards of each entity except that which may be lawfully delegated to a specific board committee. The Committee will report to the Board at the next scheduled meeting any action or recommendation taken within the Committee's authority. The Committee has the authority to select, recommend engagement, and supervise any consultant hired by the Board to advise the Board or Committee on governance-related issues. In addition, the Committee, by resolution, may adopt a temporary advisory committee (ad hoc) of less than a quorum of the members of the Committee. The resolution shall state the total number of members, the number of board members to be appointed, and the specific task or assignment to be considered by the advisory committee.

Membership

- The Governance Committee shall be comprised of two (2) or more Hospital Board members who shall be appointed and removed pursuant to the El Camino Hospital Board Committee Governance Policy.
- The Governance Committee may also include 2-4 Community members¹ with expertise in governance, organizational leadership or as a hospital or health system executive.
- All Committee members, Chairs, and Vice Chairs shall be appointed and removed in accordance with the El Camino Hospital Board Committee Governance Policy.
- All members of the Governance Committee shall be independent.

Staff Support and Participation

The CEO shall attend meetings and serve as the primary staff support to the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair's consideration.

¹ Community Members are defined as Members of the Committee who are not El Camino Hospital Board Directors.



Additional members of the executive team may participate in the Committee meetings upon the recommendation of the CEO and at the discretion of the Committee Chair.

General Responsibilities

The Committee is responsible for recommending to the Board policies, processes and procedures related to board development, board effectiveness, board composition and other governance matters for the Organization.

Specific Duties

The specific duties of the Governance Committee include the following:

- A. **Board Composition, Development, and Effectiveness:** Ensure that the Board and the boards of the affiliated entities are committed to the discipline of doing the right things the right way.

Composition

- Define the necessary skill sets, diversity and other attributes required for Board members to support Hospital strategy, goals, community needs and current market conditions.
- Make recommendations to the Board regarding Board Composition.
- Review and make recommendations to the Board regarding the Board Chair's appointments of Advisory Committee Chairs and Advisory Committee members.

Orientation, Education and Development

- Adopt the orientation program for newly-appointed members to the Hospital Board of Directors and newly-appointed Board Committee members.
- Recommend a policy, budget and annual plan for Hospital Board and Committee member education, training and development.

Board Evaluation

- Recommend an evaluation instrument and process to be used by the Hospital Board for evaluation of Board governance.
- Ensure there is a board performance evaluation completed on a regular basis, and as appropriate, evaluation of the individual directors, committees and their chairs, and the Board Chair.

Board Efficiency

- Monitor and recommend improvements or changes to the on-going governance process and procedures of the Hospital Board in order to enhance overall efficiency of the Board and Advisory Committee Structure.
- Ensure the Board develops a master Board meeting calendar to establish a cadence of information flow and dialogue, such that the Board has sufficient time to review the minutes and recommendations of the committees. The cadence must accommodate a flow of approvals from Committee to the full Board.



B. Support of Board Advisory Committee Alignment with Organizational Strategy and Goals

Development of Process for Advisory Committee Review of Advisory Committee Goals and Charters

- Recommend process for the development of annual Board Advisory Committee goals which includes: 1) Linkage of committee goals to organizational goals and strategy, to the Board; and 2) the Board's review and approval.
- Ensure all Board Advisory committees conduct biennial review of Advisory committee charters and recommend any changes to the Board for approval.

Development of Board Advisory Committee Membership Succession Plan

- Ensure membership succession plan considers organizational strategy and goals.
- Develop process for Advisory committee use to identify a need for increase or change in membership to further alignment with organizational strategy and goals.

C. Articles of Incorporation, Bylaws, and Policies

- Provide for a review of the Hospital's Articles of Incorporation and Bylaws at least once every three years.
- Provide for a review of Articles of Incorporation and Bylaws of affiliated entities as needed
- Monitor legal and regulatory issues affecting governance of the Organization.
- Recommend updates to the Organization's governance policies where necessary and as required by legal and regulatory agencies.

Committee Effectiveness

The Committee is responsible for establishing its annual goals, objectives and pacing plan in alignment with the Board and the Organization's strategic goals. The Committee shall be focused on continuous improvement with regard to its processes, procedures, materials, and meetings, and other functions to enhance its contribution to the full Board.

Meetings and Minutes

The Committee shall meet at least once per quarter. The Committee Chair shall determine the frequency of meetings based on the Committee's annual goals and work plan. Minutes shall be kept by the assigned staff and shall be delivered to all members of the Committee when the agenda for the subsequent meeting is delivered. The approved minutes shall be forwarded to the Board for information.

Meetings and actions of all Advisory committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of Advisory committees may also be called by resolution of the Board and the Committee Chair. Notice of any special meetings of the Committee requires a 24-hour notice.

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El Camino Hospital Board of Directors Investment Committee Charter

Purpose

The purpose of the Investment Committee (the “Committee”) is to develop and recommend to the El Camino Hospital (“Hospital”) Board of Directors (“Board”) the organization’s investment policies, maintain current knowledge of the management and investment of the invested funds of the Hospital and its pension plan(s), provide guidance to management in its investment management role, and provide oversight of the allocation of the investment assets for the Hospital and the Hospital’s affiliated entities where the Hospital is the sole corporate member pursuant to the operating agreements and governing documents of those entities (the “organization”).

Authority

All governing authority for the Hospital resides with the Hospital Board except that which may be lawfully delegated to a specific Board committee or subcommittee. All of the recommendations of the Committee flow to the El Camino Hospital Board for action. Reports of the Committee will be provided to the subsequently scheduled Board meeting. The Committee has the authority to recommend one or more investment managers for the hospital, monitor the performance of such investment managers, and monitor adherence to the investment policies of the hospital.

Voting members of the Committee shall include the directors assigned to the Committee and external (non-director) members appointed to the Committee.

The Committee, by resolution, may adopt a temporary advisory committee (ad hoc) of less than a quorum of the members of the Committee. The resolution shall state the total number of members, the number of board members to be appointed, and the specific task or assignment to be considered by the advisory committee.

Membership

- The Investment Committee shall be comprised of two (2) or more Hospital Board members.
- The Investment Committee may also include 2-5 Community Members with expertise in areas such as finance, banking, and investment management.
- All Committee members, Chairs, and Vice-Chairs shall be appointed and removed pursuant to the El Camino Hospital Board Committee Governance Policy.
- All members of the Committee must be independent with no conflicts of interest regarding hospital investments. Should there be a potential conflict, the determination regarding independence shall follow the criteria approved by the Board.

Staff Support and Participation



The CFO shall serve as the primary staff support to the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair's consideration. Additional members of the management team may participate in the Committee meetings as deemed necessary.

General Responsibilities

The Committee's primary role is to provide oversight and to advise the management team and the Board on matters pertaining to this Committee. With input from the Committee, the management team shall work with its investment advisor(s) to develop dashboard metrics that will be used to measure and track investment performance for the Committee's review and subsequent approval by the Board. It is the management team's responsibility to develop and provide the Committee with reports, plans, assessments, and other pertinent materials to inform, educate, and update the Committee, thereby allowing Committee members to engage in meaningful, data-driven discussions. The Committee is responsible for ensuring that performance metrics are being met to the Board's expectations and that the Board is apprised of any deviations therefrom.

Specific Duties

The specific duties of the Investment Committee include the following:

A. Investment

- Define the necessary skill sets, diversity and other attributes required for Board members to support Hospital strategy, goals, community needs and current market conditions.
- Review and recommend for approval by the Board the investment policies for corporate assets and Cash Balance Plan assets. Review and make recommendations to the Board regarding the selection of an independent investment advisor. The Board will appoint the investment advisor, and management, in consultation with the Committee, will appoint the investment managers.
- Monitor the performance of the investment managers through reports from the independent investment advisor and make recommendations for changes when appropriate.
- Monitor investment allocations and make recommendations to the Board if assets are managed inconsistently with approved investment policies.
- Monitor the financial stability and safety of the institutions which have custody of the Hospital's assets and make recommendations for changes when appropriate.
- Monitor the investment performance of the specific investment vehicles made available to employees through their 403(b) Retirement Plan.
- Review recommendations from the Retirement Plan Administrative Committee (RPAC) regarding the selection of an independent investment advisor for the employees' 403(b) Retirement Plan and make recommendations to the Board. The Board will appoint the investment advisor, and the RPAC will monitor, select, and replace the Core investment choices.

B. Ongoing Education

- Endorse and encourage Investment Committee education and dialogue relative to the work of the Committee.



Committee Effectiveness

The Committee is responsible for establishing its annual goals, objectives and pacing plan in alignment with the Board and Hospital's strategic goals. The Committee shall be focused on continuous improvement with regard to its processes, procedures, materials, and meetings, and other functions to enhance its contribution to the full Board.

Meetings and Minutes

The Committee shall meet at least once per quarter. The Committee Chair, in collaboration with hospital management, shall determine the frequency of meetings based on the Committee's annual goals and work plan and the operational needs of the organization. Minutes shall be kept by the assigned staff and shall be delivered to all members of the Committee when the agenda for the subsequent meeting is delivered. The approved minutes shall be forwarded to the Board for information.

Meetings and actions of all Advisory committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of Advisory committees may also be called by resolution of the Board or by the Committee Chair. Notice of any special meetings of the Committee requires a 24-hour notice.