

Avera Health

The organization has two classes of members, Sponsorship Members and System Members. Sponsorship Members shall consist collectively of:

- (i) those persons serving from time to time as the President and Council of the Presentation Sisters of the Blessed Virgin Mary of Aberdeen, South Dakota; and
- (ii) those persons serving from time to time as the Prioress and Council of the Benedictine Convent of the Sacred Heart (Yankton, S.D.).

System Members shall consist of six Sisters - three Presentation Sisters appointed by the Presentation Sponsorship Members and three Benedictine Sisters appointed by the Benedictine Sponsorship Members.

The System Members have the power to appoint the Board of Directors of Avera Health and to suspend or remove a Director at any time, with or without cause. They also have the power to appoint Benedictine or Presentation Sisters to the Boards of Directors of any sponsored work or ministry of Avera Health.

The following powers shall be reserved to and exercised exclusively by the Sponsorship Members and none of the following actions shall be taken by Avera Health without action of the Sponsorship Members:

- (a) To approve the adoption, amendment or repeal of the statements of philosophy, mission, Guiding Principles and values of Avera Health;
- (b) To initiate the adoption, amendment or repeal of any provision of the Articles of Incorporation or Bylaws of Avera Health, and to give final approval of any such action with respect thereto;
- (c) To establish policies regarding the alienation of real property and precious artifacts associated with the healthcare ministry which are under the canonical stewardship of the Presentation Sisters or the Benedictine Sisters;
- (d) To approve any plan of merger, consolidation or dissolution of Avera Health, or the divestiture of any sponsored work or ministry associated with Avera Health;
- (e) To change the composition of the Sponsorship Members, including the addition of other individuals, parties or entities to be Sponsorship Members; and
- (f) To approve the creation of new sponsored works or ministries to be conducted by or under the authority of Avera Health.

The following powers shall be reserved to and exercised exclusively by the System Members and none of the following actions shall be taken by Avera Health without action of the System Members:

- (a) To appoint the Board of Directors of Avera Health and to suspend or remove a Director at any time, with or without cause;
- (b) To appoint Benedictine or Presentation Sisters to the Boards of Directors of any sponsored work or ministry of Avera Health;
- (c) To appoint the Chair and Vice Chair of the Board of Directors;
- (d) To appoint, evaluate, suspend or remove the President and Chief Executive Officer
- (e) To review and approve the operating and capital budgets, including expenditures outside of budget, and the strategic plan, of Avera Health;
- (f) To adopt procedures for assuring that corporate actions are consistent with the philosophy, mission, Guiding Principles and values of Avera Health;
- (g) To provide recommendations to the Sponsorship Members on matters requiring Sponsorship Members' approval or action;
- (h) To adopt policies designed to effectuate the powers reserved to the System Members; and
- (i) To exercise oversight of the Guiding Principles and such authorities which may be assigned or delegated by the Sponsorship Members.

Sanford

Sanford is governed by a Board of Trustees (BOT) that has ultimate strategic and decision making authority. The BOT delegates certain activities and responsibilities to Boards of each of Sanford's primary operating subsidiaries.

The unique nature and complexity of the subsidiaries requires each to have a delegated Board with a singular entity focus. Such bodies, referred to as Boards of Directors and Boards of Governors, address matters such as credentialing, accreditation standards, developing budgets, programs and facilities on an entity-specific basis, and generally consist of individuals distinct from the BOT. These Boards function much like committees in a traditional corporate structure. The BOT then act as a holding company Board, synthesizing and reconciling each entity's programs and budgets into a system-wide strategic plan.

This structure of governance produces a significant number of trustees, governors and directors. Subsidiaries included within this group tax return consist of:

- Sanford Health
- Sanford North
- Sanford Medical Center
- Sanford Medical Center Fargo
- Sanford Clinic
- Sanford Clinic North
- Sanford Health Network
- Sanford Health Network North
- Sanford Medical Center Thief River Falls
- Sanford Medical Center Mayville
- Sanford Medical Center Wheaton
- Sanford Home Health
- Sanford Research
- Sanford World Clinics
- Sanford Hillsboro
- Sanford Health of Northern Minnesota
- Baker Park, Inc.
- Sanford West
- Sanford Bismarck
- Sanford Living Centers

The Board of Trustees of Sanford is also the Board of Trustees for Sanford Health, Sanford North and Sanford West, and Sanford is the sole corporate member of these entities. These entities, in turn, are the sole corporate members of the subsidiaries. The actions approved by a subsidiary's Board of Directors are then approved by the Sanford Board of Trustees.