

ARTICLES OF RESTATEMENT

OF

WAKEMED

WHEREAS, the articles of incorporation of WakeMed were originally filed on September 9, 1965, as thereafter amended from time to time, restated on March 6, 1997, further amended in part on February 23, 1998, and amended and restated on May 8, 2019 (as so amended and restated, the “Original Articles”); and

WHEREAS, the WakeMed Board of Directors has determined that it is in WakeMed’s best interest to amend and restate the Original Articles; and

WHEREAS, the WakeMed Board of Directors and the Board of Commissioners for the County of Wake, North Carolina have approved the amendment and restatement of the Original Articles.

NOW, THEREFORE, pursuant to Section 55A-10-06 of the General Statutes of North Carolina, the undersigned does hereby submit these Articles of Restatement for the purpose of amending and restating its Original Articles, and to that end does hereby set forth:

- (1) The name of the corporation is WakeMed.
- (2) Attached hereto as Exhibit A is the text of the Amended and Restated Articles of Incorporation of the corporation.
- (3) The Amended and Restated Articles of Incorporation contain amendments to the Original Articles of the corporation. The amendments were approved by the Board of Directors of the corporation in accordance with §55A-10-02(b) of the General Statutes of North Carolina and Article VII of the Original Articles on _____, 202_. At the time of adoption of these Amended and Restated Articles of Incorporation, the corporation had no members and, as such, no member approval of these Amended and Restated Articles of Incorporation is required. The amendments to the Original Articles of the corporation were also approved by The Board of Commissioners for the County of Wake, North Carolina in accordance with §55A-10-30 of the General Statutes of North Carolina and Article VII of the Original Articles on _____, 202_.
- (4) These articles will be effective as of _____, 202_.

This the ____ day of _____, 202_.

WAKEMED

By: _____
Donald R. Gintzig, President & CEO

EXHIBIT A

TEXT OF AMENDED AND RESTATED ARTICLES OF INCORPORATION OF WAKEMED

ARTICLE I

The name of the corporation is WakeMed.

ARTICLE II

The duration of the corporation shall be perpetual.

ARTICLE III

The corporation is a “charitable or religious corporation” as defined in Section 55A-1-40(4) of the General Statutes of North Carolina.

ARTICLE IV

The purposes for which the corporation is organized are to operate exclusively for charitable, educational, and scientific purposes within the meaning of Section 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1986 (as amended, the “Code”) or the corresponding provisions of any future federal tax code and, subject to the foregoing, to:

(a) lease, establish, maintain, own and operate hospitals, including community general hospitals, clinics, nursing homes, and other health-related facilities and programs to provide for the care and treatment of persons who require health care; and

(b) engage in any and all lawful acts or activities for which corporations may be organized under Chapter 55A of the North Carolina General Statutes as it currently exists or as it may hereafter be amended.

ARTICLE V

The corporation shall have one member, which shall be Atrium Health, Inc. (the “Member”). The Member shall have the rights and privileges accorded to voting members by the North Carolina Nonprofit Corporation Act and as set forth in the bylaws of the corporation. The corporation shall not have or issue capital stock.

ARTICLE VI

All corporate powers of the corporation shall be managed under the direction of the directors (the “Directors”) of the corporation acting as a board of directors (the “Board of Directors”), except such powers as are reserved to the Member by law or by these Articles of Incorporation or the bylaws of the corporation.

(a) Number; Manner of Appointment and Qualifications. The Board of Directors shall consist of fourteen (14) voting Directors, determined and selected as follows:

(i) Eight (8) voting Directors (the “Community Directors”) shall be appointed by the Wake County Board of Commissioners, with such appointments not to be unreasonably withheld,

conditioned or delayed, from nominees nominated by the Board of Directors of the corporation with the approval of at least two-thirds of the voting Directors in office at the time of such approval. To assure the appointment of a balanced Board and one that reflects the necessary governance expertise for a health system, the Board of Directors, the Member and the Wake County Board of Commissioners shall consult with respect to such nominations and use best efforts to ensure diverse and adequate Board representation.

(ii) Six (6) voting Directors (the “Member-Appointed Directors”) shall be appointed by the Member.

(iii) In addition, the President of the corporation shall serve as an ex officio, non-voting Director on the Board of Directors.

(iv) Each Community Director shall meet the following Director eligibility qualifications (the “Director Eligibility Qualifications”). Each Community Director shall: (A) reside in Wake County; (B) possess independence of judgment and a clear understanding of Director fiduciary duties, including the duty of care, the duty of loyalty, and the duty of good faith to the corporation and its mission, (C) maintain strict confidentiality regarding all non-public, organizational information, including competitive strategic plans, proprietary strategies, and other sensitive materials that are intended to be confidential and not disclosed outside of the corporation; (D) meet any additional competency-based criteria required for a Director and established by the Board of Directors, the County and the Member from time to time, including any particular expertise necessary to address Board needs; and (E) be subject to the conflict of interest policies and procedures adopted by the Board pursuant to the corporation’s Bylaws, including timely disclosure of any actual or potential conflicts, and not have any personal, professional, financial or other conflict of interest, generally or as to a particular matter, that reasonably may be viewed as (1) compromising the Director’s fiduciary duties to the corporation, (2) impeding the Director’s ability to act in a manner that furthers the charitable purposes of the corporation or (3) creating a material risk of harm to the reputation of, or liability for, the corporation. The Director Eligibility Qualifications shall not be amended or modified without the approval of the Wake County Board of Commissioners.

(b) Terms of Office.

(i) The Community Directors and the Member-Appointed Directors appointed and approved as of the time of effectiveness of these Articles of Incorporation will serve initial terms as follows:

(A) Two (2) Community Directors and two (2) Member-Appointed Director will each serve until December 31, 2027;

(B) Three (3) Community Directors and two (2) Member-Appointed Director will each serve until December 31, 2028; and

(C) Three (3) Community Directors and two (2) Member-Appointed Director will each serve until December 31, 2029.

(ii) Following such initial terms, all Community Directors and Member-Appointed Directors shall serve three (3) year terms, and such Community Directors and Member-Appointed Directors may be nominated, approved and appointed for successive three (3) year terms without any term limits; provided, however, that any Director shall remain in office beyond the end of such Director’s then-current term until such time as such Director’s replacement has been nominated, approved and appointed.

(c) Vacancies; Resignations; Removals.

(i) The unexpired term of any Community Director who resigns, is removed or otherwise ceases to be a Director prior to the end of such Director's full regular term shall be filled by an individual nominated, approved and appointed using the process described in Article VI, Section (a)(i) of these Articles of Incorporation. The unexpired term of any Member-Appointed Director who resigns, is removed or otherwise ceases to be a Director prior to the end of such Director's full regular term shall be filled by the Member.

(ii) Any Director may resign at any time by giving written notice to the secretary of the corporation. Such resignation will take effect at the time specified therein or, if no time is specified, then upon receipt of the resignation and, unless otherwise specified therein, acceptance of such resignation will not be necessary to make it effective.

(iii) Any Member-Appointed Director may be removed from office, with or without Cause, by the Member. Any Community Director may be removed from office with Cause by the Member. Any Community Director may be removed from office, with or without Cause, by the affirmative vote of at least two-thirds of the Community Directors then in office at a regular or special meeting; provided that a Notice of Intent to Remove has been delivered to the affected Director and to the Wake County Board of Commissioners at least thirty (30) days prior to the meeting by hand delivery or certified mail, return receipt requested.

(iv) For purposes of these Director removal provisions, "Cause", with respect to a Director, means the occurrence of any of the following events with respect to such Director: (A) such Director possessing an impermissible conflict of interest, or noncompliance with the conflict of interest policies and procedures adopted by the Board pursuant to the corporation's Bylaws, including, but not limited to, any personal, professional, financial or other conflict of interest, generally or as to a particular matter; (B) with respect to a Community Director, such Director failing to satisfy the Director Eligibility Qualifications; (C) such Director's (I) engagement in personal or professional conduct that is or could reasonably be expected to be detrimental to the reputation, mission or operations of, or cause economic harm to, the corporation, the Member or the Advocate Health, Inc. enterprise (the "Enterprise"); provided, that the prioritization of indigent care will not constitute economic harm for purposes of this provision, (II) failure to work reasonably, respectfully or collegially with other Board members or subordinates, (III) engagement in conduct that is disruptive to duly conducting the business of the corporation; or (IV) failure or inability, after written notice and reasonable opportunity to cure, to duly perform in any material respect such Director's duties or to comply, in all material respects, with the corporation's policies and procedures, including the corporation's commitments to community and indigent care; (D) such Director's commission of, the conviction of, the indictment for (or its procedural equivalent), or the entering of a guilty plea or plea of no contest with respect to a felony or other crime involving moral turpitude or any other act or omission by such Director involving misappropriation, dishonesty, unethical business conduct, disloyalty, fraud, or a breach of fiduciary duty owed to the corporation; (E) such Director committing any material violation of any applicable material law or regulation, in each case respecting the operations and affairs of the corporation, the Member or the Enterprise; or (F) such Director's commission of any act of discrimination or harassment of employees, independent contractors, customers, clients, patients or vendors of any WakeMed Entity or any act that violates any of the corporation's policies against such discrimination or harassment.

ARTICLE VII

No part of the net earnings of the corporation shall be distributable to or inure to the benefit of its officers or directors or any private person, except that the corporation shall be authorized to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its and its Member's exempt purposes. No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation (except to the extent permitted by Section 501(h) of the Code), and the corporation shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

Notwithstanding any other provision hereof, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, (b) by a corporation to which contributions are deductible under Section 170(c)(2) of the Code, or (c) by a nonprofit corporation formed under Chapter 55A of the General Statutes of North Carolina or any successor provision thereto.

ARTICLE VIII

In the event of termination, dissolution, or winding up of the affairs of the corporation, the directors of the corporation shall, after paying or making provision for payment of all liabilities of the corporation, distribute all of the remaining assets of the corporation to (a) the Member or (b) any corporate entity controlled by the Member that is then organized and operated for similar exempt purposes and qualified as an exempt organization under Section 501(c)(3) of the Code and to which contributions are then deductible under Section 170(c)(2) of the Code; provided that if the Member is not then in existence or its income is not then exempt from taxation, and no entity controlled by the Member described in clause (b) above is then in existence, then the directors of the corporation shall, after paying or making provision for payment of all liabilities of the corporation, distribute all of the remaining assets of the corporation in such amounts as the directors may determine among one or more organizations that are then organized and operated for similar exempt purposes and qualified as exempt organizations under Section 501(c)(3) of the Code and to which contributions are then deductible under Section 170(c)(2) of the Code or to Wake County.

ARTICLE IX

These Articles of Incorporation may be amended or restated solely with the approval of the Member; provided, however, that (a) any amendment or restatement that materially and adversely affects or materially and adversely impacts the rights or responsibilities of the Community Directors shall also require the approval of at least twelve (12) of the fourteen (14) voting Directors in office at the time of such approval (or a proportional percentage of the voting Directors then in office in the case of any vacancies at the time of such approval) and (b) any amendment that modifies Wake County's Director appointment or Director Eligibility Qualification approval rights in Article VI shall also require the approval of the Wake County Board of Commissioners.

ARTICLE X

The street address and county, and the mailing address and county, of the registered office of the corporation is: 160 Mine Lake Ct, Ste. 200, Raleigh, Wake County, NC 27615. The name of the registered agent of the corporation at such address is CT Corporation System.

ARTICLE XI

The street address, mailing address and county of the principal office of the corporation is: WakeMed, 3000 New Bern Avenue, Raleigh, Wake County, NC 27610.

ARTICLE XII

To the fullest extent from time to time permitted by law, no person who is serving or who has served as a director or officer of the corporation shall be personally liable for any action for monetary damages for breach of such person's duty as a director or officer, whether such action is brought by or in the right of the corporation or otherwise. Neither the amendment or repeal of this Article, nor the adoption of any provision of these Articles of Incorporation inconsistent with this Article, shall eliminate or reduce the protection afforded by this Article to a director or officer of the corporation with respect to any matter which occurred, or any cause of action, suit, or claim which but for this Article would have accrued or risen, prior to such amendment, repeal or adoption.

ARTICLE XIII

These Articles of Incorporation amend and restate and replace any previously filed articles of incorporation and any amendments thereto.