

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): October 26, 2022

**Computer Programs and Systems, Inc.**  
(Exact Name of Registrant as Specified in Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**000-49796**  
(Commission File  
Number)

**74-3032373**  
(IRS Employer  
Identification No.)

**54 St. Emanuel Street,  
Mobile, Alabama**  
(Address of Principal Executive Offices)

**36602**  
(Zip Code)

**(251) 639-8100**  
(Registrant's telephone number, including area code)

**N/A**  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each Class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.001 per share	CPSI	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition.**

On November 1, 2022, Computer Programs and Systems, Inc. (the “Company”) issued a press release announcing financial information for its fiscal third quarter ended September 30, 2022. The press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is furnished to, but not filed with, the Securities and Exchange Commission.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers**

On October 28, 2022, the Company notified James B. Britain that he will no longer serve as Vice President – Finance and Controller of the Company effective upon the filing of the Company’s Annual Report on Form 10-K for the fiscal year ending December 31, 2022. Mr. Britain’s departure is not the result of any disagreement with the Company on any matter related to the Company’s operations, financial disclosures or accounting policies or practices.

**Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year**

On October 26, 2022, the Board of Directors (the “Board”) of the Company adopted Amended and Restated Bylaws of the Company (as amended, the “Bylaws”), effective on such date. Capitalized terms used but not defined in this Current Report on Form 8-K shall have the meanings ascribed to them in the Bylaws. The changes to the Bylaws include the following:

- *Article I, Section 1.1 (Meetings of Stockholders – Place of Meetings)*. This section has been revised to explicitly authorize holding any meeting of stockholders by means of remote communication, as permitted under the Delaware General Corporation Law (the “DGCL”).
  - *Article I, Section 1.4 (Meetings of Stockholders – Notice of Meetings)*. This section has been revised to clarify that only notices of special stockholders’ meetings are required to set forth the purpose or purposes of the meeting.
  - *Article I, Section 1.7 (Meetings of Stockholders – Adjournment)*. This section has been revised to reflect the concept of a virtual meeting being adjourned and reflects updated Section 222(c) of the DGCL, which expands the circumstances under which an adjourned meeting can be reconvened without the Company having to send out a new meeting notice.
  - *Article I, Section 1.8 (Meetings of Stockholders – Organization and Order of Business)*. This section has been revised to clarify that, in addition to the Chairman, the Board may adopt procedural rules and regulations for meetings. This section also clarifies that only the Board may choose a chairperson in the Chairman’s absence, and that the chairperson may take all actions appropriate for the proper conduct of a meeting.
  - *Article I, Section 1.10 (Meetings of Stockholders – Proxies)*. This section has been revised to reflect updated Section 116 of the DGCL, which includes a safe harbor for the execution and delivery by electronic transmission of documents relating to a stockholder’s authorization of another person to act for the stockholder by proxy.
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- *Article I, Section 1.12 (Meetings of Stockholders – Stockholder List)*. This section has been revised to reflect updated Section 219(a) of the DGCL, which no longer requires the Company to make the stockholder list available for inspection during the stockholders’ meeting.
- *Article I, Section 1.13 (Meetings of Stockholders – Proper Business at Annual Meetings)*. This section has been revised to add the requirement that, in order to properly bring business before a meeting, a Record Stockholder must include in its notice to the Secretary all information that is required to be disclosed in a proxy statement on Schedule 14A.
- *Article II, Section 2.2 (Board of Directors – Nomination Procedures)*. Section 2.2(a) has been revised to clarify that a director nominee must consent to being named in any proxy statement in accordance with Rule 14a-19 under the Securities Exchange Act of 1934, as amended (the “Universal Proxy Rules”). This section further requires the nominee to represent that they will not become a party to certain Voting Commitments, as detailed in the Bylaws. In addition, Section 2.2(a) adds the requirement that a Nominating Record Stockholder must (i) notify the Company if it intends to solicit proxies in accordance with the Universal Proxy Rules and (ii) provide all information that is required to be disclosed in a proxy statement on Schedule 14A.

Section 2.2(b) has been revised to add that if a Nominating Record Stockholder intends to solicit proxies in accordance with the Universal Proxy Rules but subsequently fails to comply with such rules, proxies voted for such nominee(s) will be disregarded. Section 2.2(b) further provides that the Company may request confirmation prior to the applicable meeting that the Nominating Record Stockholder has met the requirements of the Universal Proxy Rules.

- *Article II, Section 2.7 (Board of Directors – Actions Without Meetings)*. This section has been revised to provide that actions by written consent of the members of the Board may be documented, signed, delivered and filed with the proceedings of the Board in any manner permitted by Section 116 of the DGCL or otherwise in accordance with applicable law.
  - *Article II, Section 2.8 (Board of Directors – Committees of the Board)*. This section has been revised in order to reflect that the Board has elected for the Company to be governed by Section 141(c)(2) of the DGCL. This section has also been revised to provide that actions by written consent of committee members may be documented, signed, delivered and filed with the proceedings of the committees in any manner permitted by Section 116 of the DGCL or otherwise in accordance with applicable law.
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- *Article II, Section 2.10 (Board of Directors – Resignations)*. This section has been revised to clarify that a director’s notice of resignation may be delivered in writing or by electronic transmission.
- *Article III, Section 3.8 (Officers – Assistant Secretary)*. This section has been removed to eliminate the requirement that an Assistant Secretary be appointed.
- *Article VI, Section 6.1 (Capital Stock – Shares)*. This section has been revised to clarify that any two authorized officers of the Company may sign a certificate representing shares of stock in the Company, and to provide that, if any signatory of a stock certificate ceases to be an officer before the certificate is issued, the certificate’s validity is not affected. This section also removes the storage requirements for the stock transfer books, which are now contained in a general “Books and Records” provision.
- *Article VII, Section 7.8 (Miscellaneous – Conflict with Applicable Law or Certificate of Incorporation)*. This section has been added to clarify that where the Bylaws of the Company conflict with any applicable law or the Company’s Certificate of Incorporation, the conflict will be resolved in favor of such law or the Certificate of Incorporation.
- *Article VII, Section 7.9 (Miscellaneous – Books and Records)*. This section has been added to update the electronic storage requirements for all of the Company’s books and records in compliance with Section 224 of the DCGL.

In addition, certain non-substantive language and conforming changes and other technical edits and updates were made to the Bylaws. The preceding discussion of the amendments to the Company’s Bylaws is qualified in its entirety by reference to the Bylaws, which are filed as Exhibit 3.1 to this Current Report on Form 8-K and incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit Number</u>	<u>Exhibit</u>
<a href="#">3.1</a>	<a href="#">Amended and Restated Bylaws of Computer Programs and Systems, Inc.</a>
<a href="#">99.1</a>	<a href="#">Press Release dated November 1, 2022.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**COMPUTER PROGRAMS AND SYSTEMS, INC.**

By: /s/ Matt J. Chambless

Matt J. Chambless

Chief Financial Officer, Secretary and Treasurer

Dated: November 1, 2022

**AMENDED AND RESTATED  
BYLAWS**

**OF**

**COMPUTER PROGRAMS AND SYSTEMS, INC.**

*As amended October 26, 2022*

**ARTICLE I  
MEETINGS OF STOCKHOLDERS**

**Section 1.1.**            *Place of Meetings.*

Except as otherwise provided in the Certificate of Incorporation, as may be amended from time to time (the "Certificate"), of Computer Programs and Systems, Inc. (the "Corporation"), all meetings of the stockholders of the Corporation shall be held at such place, either within or without the State of Delaware, as may from time to time be fixed by the Board of Directors of the Corporation (the "Board"). The Board may, in its sole discretion, determine that a meeting of the stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a) (2) of the General Corporation Law of the State of Delaware (the "DGCL").

**Section 1.2.**            *Annual Meetings.*

The annual meeting of the stockholders of the Corporation for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held in each year on such date as may be fixed by the Board, at such time as may be specified in the notice thereof.

**Section 1.3.**            *Special Meetings.*

Special meetings of the stockholders of the Corporation, for any purpose or purposes, may be called at any time by the Board or an authorized committee of the Board. Except as otherwise provided herein, only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting.

**Section 1.4.**            *Notice of Meetings.*

Except as otherwise provided herein or as required by law or the Certificate, notice stating the place, if any, date and time of any meeting of stockholders, the means of remote communication, if any, by which the stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, and the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, shall be given in writing or by electronic transmission in the manner provided by law (including without limitation, as set forth in Section 7.3 of these Bylaws) to each stockholder entitled to vote thereat as of the record date for determining the stockholders entitled to notice of the meeting, not less than ten (10) nor more than sixty (60) days before the date of the meeting. Notice of a stockholders' meeting to act on a plan of merger or share exchange, a proposed sale of all or substantially all of the Corporation's assets, otherwise than in the usual and regular course of business, or the dissolution of the Corporation shall be given not less than twenty (20) nor more than sixty (60) days before the date of the meeting and shall be accompanied, as appropriate, by a copy of the plan of merger or share exchange or sale agreement.

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**Section 1.5. Quorum.**

At each meeting of stockholders, the holders of a majority of the voting power of all of the outstanding shares of the Corporation entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business, except as otherwise required by law (including the rules of any stock exchange applicable to the Corporation), by the Certificate or by these Bylaws. Where a separate vote by a class or classes or series or series is required, the holders of a majority of the voting power of all of the shares of such class or classes or series or series entitled to vote at the meeting and present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter. In determining whether a quorum is present or represented at a meeting, shares held by another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, and treasury shares shall not be counted. In the absence of a quorum at any such meeting or any adjournment or adjournments thereof, the chairperson of the meeting or the holders of shares representing a majority of the votes cast on the matter of adjournment, either in person or by proxy, may adjourn such meeting from time to time until a quorum is obtained, but until a quorum is secured no other business may be transacted. The stockholders present at a duly organized meeting at which a quorum is present may continue to transact business until an adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

**Section 1.6. Voting Requirements.**

Unless a different vote is required by the Certificate, these Bylaws (including without limitation Section 2.1(c) of these Bylaws), the rules or regulations of any stock exchange applicable to the Corporation, or as otherwise required by law, if a quorum exists at any duly held meeting of stockholders, all matters shall be determined by a majority of the votes cast affirmatively or negatively.

**Section 1.7. Adjournment.**

The chairperson of any meeting of the stockholders, or the holders of shares representing a majority of the votes cast on the matter of adjournment, may adjourn the meeting from time to time. At any reconvened meeting of such adjourned meeting at which a quorum is present, any business may be transacted at the meeting that could have been transacted at the meeting as originally notified. If a meeting is adjourned to a different date, time or place, if any, notice need not be given of such adjourned meeting if the new date, time or place, if any, is (i) announced at the meeting at which the adjournment is taken, (ii) displayed, during the time scheduled for the meeting, on the same electronic network used to enable stockholders and proxy holders to participate in the meeting by means of remote communication, or (iii) set forth in the notice of the meeting; however, if a new record date for the adjourned meeting is or must be fixed in accordance with the DGCL, notice of the adjourned meeting must be given to persons who are stockholders as of the new record date.

**Section 1.8. Organization and Order of Business.**

The Board may adopt by resolution such rules and regulations for the conduct of any meeting of the stockholders as it shall deem appropriate. At all meetings of the stockholders, the Chairman of the Board or, in the Chairman's absence or inability to act, such director of the Corporation as designated in writing by the Chairman of the Board, or, in their absence or inability to act, the officer or director whom the Board shall appoint, shall act as chairperson of the meeting. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the chairperson of a meeting of the stockholders shall have the right and authority to prescribe such rules, regulations, and procedures and to do all such acts as, in the judgment of such chairperson, are appropriate for the proper conduct of the meeting. The Secretary of the Corporation, if present, shall act as secretary at all meetings of the stockholders. In the absence or inability to act of the Secretary, the chairperson may appoint any person to act as secretary of the meeting.

**Section 1.9.                    *Voting Rights.***

Unless otherwise provided by law or the Certificate, and subject to the provisions of these Bylaws, at each meeting of the stockholders, each stockholder shall be entitled to one vote in person or by proxy for each share of stock held by such stockholder. The vote for directors and, upon the demand of any stockholder or at the direction of the chairperson of the meeting, the vote upon any other question properly before the meeting shall be by ballot, and if authorized by the Board, the ballot may be submitted by electronic transmission in the manner provided by law. On a vote by ballot, each ballot shall be signed by the stockholder voting or his proxy, and it shall show the number of shares voted.

**Section 1.10.                  *Proxies.***

Each stockholder, or such stockholder's duly authorized attorney-in-fact, entitled to vote at a meeting of the stockholders may authorize another person or persons to act for him by proxy, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. A stockholder, or such stockholder's duly authorized attorney-in-fact, may document, sign and deliver an authorization of a person or persons to act for him as proxy in accordance with Section 116 of the DGCL, provided that such authorization either sets forth or is submitted with information enabling the Corporation to determine the identity of the stockholder, or such stockholder's duly authorized attorney-in-fact, granting such authorization.

**Section 1.11.                  *Record Date.***

In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board may, except as otherwise required by law, fix, in advance, a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, then the record date shall be as provided by law. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting (and which the Board must do if the meeting is adjourned more than one hundred twenty (120) days after the date fixed for the original meeting), and in such case the Board shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this Section 1.11 at the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or, except as otherwise provided by these Bylaws, for the purpose of any other lawful action, the Board may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which shall not be more than sixty (60) days prior to such action. If no record date is fixed by the Board, then the record date shall be as provided by law.

**Section 1.12.                    *Stockholder List.***

The Corporation shall prepare and make, at least ten (10) days before each meeting of the stockholders, a complete list of the stockholders entitled to vote at such meeting, arranged by any applicable voting groups and in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of such stockholder; provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth (10th) day before the meeting date. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of ten (10) days prior to the meeting, either (a) on a reasonably accessible electronic network as permitted by law (provided that the information required to gain access to the list is provided with the notice of the meeting) or (b) during ordinary business hours at the principal place of business of the Corporation. Nothing contained in this Section 1.12 or in Section 219 of the DGCL shall require the Corporation to include electronic mail addresses or other electronic contact information on such list.

**Section 1.13                    *Proper Business at Annual Meetings.***

(a) At any annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before such meeting. To be properly brought before an annual meeting, business must be (i) specified in the notice of meeting or proxy materials accompanying such notice (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (iii) otherwise properly brought before the meeting by a stockholder of record at the time of the delivery of the notice required by this Section 1.13 (the "Record Stockholder"). For the avoidance of doubt, the foregoing clause (iii) shall be the exclusive means for a stockholder to propose business (other than business included in the Corporation's proxy materials pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (as so amended, and inclusive of rules and regulations adopted thereunder, the "Exchange Act"), or nominations properly made in accordance with Section 2.2 of these Bylaws) at an annual meeting of stockholders. For business to be properly brought before an annual meeting by a Record Stockholder (other than the nomination of a person for election as a director, which is governed by Section 2.2 of these Bylaws), (a) the Record Stockholder must have given timely notice thereof in writing to the Secretary of the Corporation in compliance with the notice procedures set forth in this Section 1.13, must be a stockholder of record of the Corporation at the time of the delivery of said notice and at the time of the meeting and must be entitled to vote at the meeting, (b) any such business must be a proper matter for stockholder action under Delaware law, and (c) the Record Stockholder and any stockholder associated person (as defined below) must have acted in accordance with the representations set forth in the Solicitation Statement required by these Bylaws. To be timely, a Record Stockholder's notice must be received at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day, nor earlier than the close of business on the one hundred twentieth (120th) day, prior to the first anniversary of the preceding year's annual meeting; (provided, however, that subject to the immediately following sentence, in the event that the annual meeting is convened more than thirty (30) days before or more than seventy (70) days after such anniversary date, or if no annual meeting was held in the preceding year, notice by the Record Stockholder must be so received not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation). In no event shall the adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a Record Stockholder's notice as described above.

A Record Stockholder's notice to the Secretary shall set forth as to each matter the Record Stockholder proposes to bring before the meeting (i) a brief description of the business desired to be brought before the meeting, including the complete text of any resolutions to be presented at the meeting with respect to such business (and in the event that such business includes a proposal to amend the Bylaws of the Corporation, the language of the proposed amendment), and the reasons for conducting such business at the meeting, (ii) the name and address of record of the Record Stockholder and any stockholder associated person, (iii) the class, series and number of shares of the Corporation which are owned beneficially or of record, directly or indirectly, by the Record Stockholder and any stockholder associated person (and such notice shall include documentary evidence of such stockholder's or any stockholder associated person's record and beneficial ownership of such stock), (iv) any material interest including, but not limited to, any direct or indirect financial interest, of the Record Stockholder and any stockholder associated person in such business, (v) any agreement(s) that the Record Stockholder or any stockholder associated person has with any other person in connection with such proposed business, (vi) a description of any derivative positions, hedged positions, synthetic or temporary ownership techniques, swaps, securities loans, timed purchases and other economic and voting interests or similar positions held or beneficially held by the Record Stockholder and any stockholder associated person or to which the Record Stockholder and any stockholder associated person is a party with respect to any share of stock of the Corporation, and whether and the extent to which any other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any short positions or any borrowing or lending of shares of stock) has been made, the effect or intent of which is to mitigate loss to or manage risk of stock price changes for, or to increase the voting power of, such Record Stockholder or any stockholder associated person with respect to any share of stock of the Corporation, (vii) a representation that the Record Stockholder is a holder of record of shares of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business, (viii) a representation whether the Record Stockholder or any stockholder associated person intends or is part of a group which intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the voting power of the Corporation's outstanding capital stock required under applicable law to approve or adopt the proposal (such representation in this clause (viii), a "Solicitation Statement"), and (ix) any other information relating to the Record Stockholder or any stockholder associated person that is required to be disclosed in a proxy statement on Schedule 14A for solicitation of proxies under the Exchange Act and pursuant to any other applicable laws or rules or regulations of any governmental authority or of any national securities exchange or similar body overseeing any trading market on which shares of the Corporation are traded (which information set forth in clauses (i) through (ix) of this second paragraph of Section 1.13(a) shall be supplemented by such Record Stockholder and/or such stockholder associated person, as the case may be, not later than ten (10) days after the record date for determining the stockholders entitled to vote at the meeting; provided, that if such date is after the date of the meeting, not later than the day prior to the meeting). The chairperson of an annual meeting shall have the power to determine and declare to the meeting whether or not business was properly brought before the meeting in accordance with these provisions, and if he should determine that business was not properly brought before the meeting, to declare that such business shall not be transacted.

(b) Notwithstanding the foregoing provisions of this Section 1.13, unless otherwise required by law or determined by the Board of Directors in its sole discretion, if the Record Stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting of stockholders of the Corporation to present proposed business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 1.13, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(c) For purposes of these Bylaws, a “stockholder associated person” shall mean (1) any person controlling, directly or indirectly, or acting in concert with a Record Stockholder (including, for the avoidance of doubt, the beneficial owner, if any, on whose behalf the proposal is made) or (2) any person controlling, controlled by or under common control, or acting in concert, with such stockholder associated person.

(d) This Section 1.13 is expressly intended to apply to any business proposed to be brought before an annual meeting of stockholders other than any proposal brought properly under and in compliance with Rule 14a-8 under the Exchange Act or any nomination of any person for election to the Board of Directors (which such nomination shall be governed by Section 2.2). In addition to the requirements of this Section 1.13 with respect to any business proposed to be brought before an annual meeting, a stockholder shall comply with all applicable requirements of the Exchange Act with respect to any such business. Nothing in this Section 1.13 shall be deemed to affect the rights of stockholders to request inclusion in the Corporation’s proxy statement of proposals pursuant to Rule 14a-8 under the Exchange Act.

## ARTICLE II BOARD OF DIRECTORS

### **Section 2.1.                    *General Powers, Number and Election.***

(a) The property, business and affairs of the Corporation shall be managed under the direction of the Board as from time to time constituted.

(b) The number of directors which shall constitute the Board shall be fixed from time to time by resolution adopted by the affirmative vote of a majority of the total number of directors then in office, provided that no decrease in the number of directors shall shorten or terminate the term of any incumbent director. Directors need not be stockholders of the Corporation.

(c) Each director to be elected by stockholders at a meeting for the election of directors at which a quorum is present shall be elected by a majority of the votes cast with respect to the director, provided, however, that directors shall be elected by a plurality of the votes cast at any meeting of stockholders for which (i) the Secretary of the Corporation receives a notice that a Nominating Record Stockholder (as defined below) has nominated a person for election to the Board of Directors in compliance with the advance notice requirements for stockholder nominees for director set forth in Section 2.2 of these Bylaws and (ii) such nomination has not been withdrawn by such Nominating Record Stockholder on or prior to the date that is fourteen (14) days preceding the date that the Corporation first mails its notice of meeting for such meeting to the stockholders. If directors are to be elected by a plurality of the votes cast, stockholders shall not be permitted to vote against a nominee. For purposes of this Section 2.1(c), a majority of the votes cast means that the number of votes cast “for” a director’s election must exceed the number of votes cast “against” that director’s election (with “abstentions” not counted as a vote cast either “for” or “against” that director’s election).

**Section 2.2.                    *Nomination Procedures.***

(a) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors. Nominations of persons for election to the Board may be made at any meeting of stockholders called for the election of directors by (i) the Board or any committee designated by the Board or (ii) any stockholder of the Corporation entitled to vote for the election of directors at such meeting (a “Nominating Record Stockholder”) if the nomination by such stockholder is made in accordance with the procedures established by this Section 2.2.

For nominations to be properly brought before a meeting by a Nominating Record Stockholder, (a) the Nominating Record Stockholder must have given timely notice thereof in writing to the Secretary of the Corporation in compliance with the notice procedures set forth in this Section 2.2(a), must be a stockholder of the Corporation of record at the time of the delivery of said notice and at the time of the meeting and must be entitled to vote at the meeting for the election of directors and (b) the Nominating Record Stockholder and any nominating stockholder associated person (as defined below) must have acted in accordance with the representations set forth in the Nominating Solicitation Statement required by these Bylaws. For the avoidance of doubt, the foregoing sentence shall be the exclusive means for a stockholder to propose nominations at a meeting of stockholders. To be timely with respect to an annual meeting, a stockholder’s notice shall be received at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day, nor earlier than the close of business on the one hundred twentieth (120th) day, prior to the first anniversary of the preceding year’s annual meeting (provided, however, that subject to the next two sentences, in the event that the annual meeting is convened more than thirty (30) days before or more than seventy (70) days after such anniversary date, or if no annual meeting was held in the preceding year, notice by the Nominating Record Stockholder must be so received not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation). Notwithstanding anything in the preceding sentence to the contrary, in the event that the number of directors to be elected to the Board is increased and there has been no public announcement naming all of the nominees for director or indicating the increase in the size of the Board made by the Corporation at least ten (10) days before the last day that a Nominating Record Stockholder may deliver a notice of nomination in accordance with the preceding sentence, a Nominating Record Stockholder’s notice required by this Section 2.2(a) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by the Secretary not later than the close of business on the tenth (10<sup>th</sup>) day following the day on which such public announcement is first made by the Corporation. In no event shall the adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a Nominating Record Stockholder’s notice as described above.

A Nominating Record Stockholder's notice to the Secretary shall set forth or include, as the case may be, (Y) as to each person whom the Nominating Record Stockholder proposes to nominate for election or re-election as a director, (i) the name of the person, (ii) the age, business address and residence address of the person, (iii) the principal occupation or employment of such person, (iv) the class, series and number of shares of the Corporation which are beneficially owned or owned of record, directly or indirectly, by the person, (v) a description of all arrangements, understandings or relationships (including compensation and financial transactions) between the Nominating Record Stockholder and/or nominating stockholder associated person and each nominee, and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the Nominating Record Stockholder, (vi) a notarized affidavit executed by such person to the effect that, if elected as a member of the Board, he or she intends to serve for the full term for which such person is standing for election, that he or she is eligible for election as a member of the Board, and that he or she consents to being named in any proxy statement related to the Corporation's next meeting of stockholders at which directors are to be elected, (vii) a completed questionnaire regarding the potential nominee, which may be obtained from the Secretary of the Corporation, relating to the background and qualification of such nominee, (viii) a statement in which such person makes the following representations: (A) that the nominee has read and agrees to adhere to the Corporation's policies and guidelines applicable to directors, (B) that the nominee is not and will not become a party to any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a member of the Board, will act or vote on any nomination or other business proposal, issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a member of the Board, with such person's fiduciary duties under applicable law, and (C) that the nominee is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification that has not been disclosed to the Corporation in connection with such person's nomination for director or service as a director, (ix) a statement whether such person, if elected as a member of the Board, intends to tender, promptly following such person's election or re-election, an irrevocable resignation effective upon such person's failure to receive the required vote for re-election at the next meeting at which such person would face re-election and upon acceptance of such resignation by the Board, in accordance with the Corporation's Director Resignation Policy, and (x) any other information relating to such person that is required to be disclosed in a proxy statement on Schedule 14A for solicitation of proxies for election of directors under the Exchange Act and pursuant to any other applicable laws or rules or regulations of any governmental authority or of any national securities exchange or similar body overseeing any trading market on which shares of the Corporation are traded (which information set forth in this clause (Y) of Section 2.2(a) shall be supplemented by such Nominating Record Stockholder and/or such nominating stockholder associated person, as the case may be, not later than ten (10) days after the record date for determining the stockholders entitled to vote at the meeting; provided, that if such date is after the date of the meeting, not later than the day prior to the meeting), and (Z) as to the Nominating Record Stockholder (i) the name and address of record of the Nominating Record Stockholder and any nominating stockholder associated person, (ii) the class, series and number of shares of the Corporation which are owned beneficially or of record, directly or indirectly, by the Nominating Record Stockholder and any nominating stockholder associated person (and such notice shall include documentary evidence of such Nominating Record Stockholder's or any nominating stockholder associated person's record and beneficial ownership of such stock), (iii) a list of all stockholder proposals and director nominations made by the Nominating Record Stockholder and/or nominating stockholder associated person during the prior ten (10) years, (iv) a list of all litigation filed against the Nominating Record Stockholder and/or nominating stockholder associated person during the prior ten (10) years asserting a breach of fiduciary duty or a breach of loyalty, (v) a representation that the Nominating Record Stockholder is a holder of record of shares of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice, (vi) a description of any derivative positions, hedged positions, synthetic or temporary ownership techniques, swaps, securities loans, timed purchases and other economic and voting interests or similar positions held or beneficially held by the Nominating Record Stockholder and any nominating stockholder associated person or to which the Nominating Record Stockholder and any nominating stockholder associated person is a party with respect to any share of stock of the Corporation, and whether and the extent to which any other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any short positions or any borrowing or lending of shares of stock) has been made, the effect or intent of which is to mitigate loss to or manage risk of stock price changes for, or to increase the voting power of, such Nominating Record Stockholder or any nominating stockholder associated person with respect to any share of stock of the Corporation, (vii) a representation whether the Nominating Record Stockholder or any nominating stockholder associated person intends or is part of a group which intends (A) to deliver a proxy statement and/or form of proxy to holders of the voting power of at least the percentage of the Corporation's outstanding capital stock reasonably believed by the Nominating Record Stockholder or nominating stockholder associated person to be sufficient to elect the nominee proposed to be nominated by the Nominating Record Stockholder and (B) to solicit proxies or votes in support of such nominee proposed to be nominated by the Nominating Record Stockholder in accordance with Rule 14a-19 under the Exchange Act (such representation in this clause (vii), a "Nominating Solicitation Statement") and (viii) any other information relating to the Nominating Record Stockholder and/or nominating stockholder associated person that is required to be disclosed in a proxy statement on Schedule 14A for solicitation of proxies for election of directors under the Exchange Act and pursuant to any other applicable laws or rules or regulations of any governmental authority or of any national securities exchange or similar body overseeing any trading market on which shares of the Corporation are traded (which information set forth in this clause (Z) of Section 2.2(a) shall be supplemented by such Nominating Record Stockholder and/or such nominating stockholder associated person, as the case may be, not later than ten (10) days after the record date for determining the stockholders entitled to vote at the meeting; provided, that if such date is after the date of the meeting, not later than the day prior to the meeting). Any person nominated for election as director by the Board or any committee designated by the Board shall, upon the request of the Board or such Committee, furnish to the Secretary of the Corporation all such information pertaining to such person that is required to be set forth in a Nominating Record Stockholder's notice of nomination. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with this Section 2.2. The chairperson of the meeting shall have the power to determine and declare to the meeting whether or not a nomination was made in accordance with the foregoing procedures, and if he should determine that a nomination was not properly brought before the meeting, to declare that the defective nomination shall be disregarded.

In the event the Board or a committee of the Board calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any such stockholder entitled to vote in such election of such directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by the immediately preceding paragraph of this Section 2.2(a) shall be received by the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall the adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(b) Notwithstanding the foregoing provisions of this Section 2.2, unless otherwise required by law or determined by the Board in its sole discretion, if the Nominating Record Stockholder (or a qualified representative of such stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination, such nomination shall not be presented for election, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.2, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

Without limiting the other provisions and requirements of this Section 2.2, unless otherwise required by law or determined by the Board in its sole discretion, if the Nominating Record Stockholder (i) provides notice pursuant to Rule 14a-19(b) under the Exchange Act and (ii) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) and Rule 14a-19(a)(3) under the Exchange Act, then the Corporation shall disregard any proxies or votes solicited for such nominees. Upon request by the Corporation, if the Nominating Record Stockholder provides notice pursuant to Rule 14a-19(b) under the Exchange Act, the Nominating Record Stockholder shall deliver to the Corporation, no later than five (5) business days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) under the Exchange Act.

(c) For purposes of these Bylaws, a "nominating stockholder associated person" shall mean (1) any person controlling, directly or indirectly, or acting in concert with a Nominating Record Stockholder and (2) any person controlling, controlled by or under common control, or acting in concert, with such nominating stockholder associated person.

(d) Notwithstanding the foregoing provisions of this Section 2.2, a stockholder shall also comply with all applicable requirements of the Exchange Act, and the rules and regulations thereunder with respect to the matters set forth in this section.

### **Section 2.3.                    *Compensation.***

Each director, in consideration of such director's serving as such, shall be entitled to receive from the Corporation such amount per annum or such fees for attendance at Board and committee meetings, or both, in cash or other property, including securities of the Corporation, as the Board shall from time to time determine, together with reimbursements for the reasonable expenses incurred by such director in connection with the performance of such director's duties. Nothing contained herein shall preclude any director from serving the Corporation, or any subsidiary or affiliated corporation, in any other capacity and receiving proper compensation therefor. If the Board adopts a resolution to that effect, any director may elect to defer all or any part of the annual and other fees hereinabove referred to for such period and on such terms and conditions as shall be permitted by such resolution.

**Section 2.4.                    *Meetings.***

(a) The directors may hold their annual meeting for the purpose of organization and the transaction of business, if a quorum be present, immediately after the annual meeting of the stockholders; or the time and place of such meeting may be fixed by consent in writing of all the directors.

(b) Regular meetings of the directors may be held without notice at such places and times as shall be determined from time to time by the Board of Directors.

(c) Special meetings of the Board for any purpose or purposes may be called at any time, upon at least twelve (12) hours' personal notice to each director, by (i) the Chairman of the Board, (ii) the Chief Executive Officer of the Corporation or (iii) the Secretary of the Corporation at the request of any two or more directors. For purposes of this paragraph, personal notice of a special meeting shall be deemed given if notice of the special meeting is given by telephone to a director or is sent by confirmed facsimile transmission or by electronic mail to a director, at that director's telephone number, facsimile number or electronic mail address, as applicable, as it is then shown on the records of the Corporation as the preferred point of contact for such director. Such special meetings shall be held at such time and place as may be determined by the person calling the meeting, and such time and place shall be stated in the notice of the call of the meeting. A notice of special meeting need not state the purpose of such meeting, and, unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

(d) Unless otherwise restricted by the Certificate or these Bylaws, members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

**Section 2.5.                    *Quorums; Actions at a Meeting.***

At each meeting of the Board, the presence of a majority of the number of directors then in office shall be necessary to constitute a quorum. The act of a majority of the directors present at a meeting at which a quorum shall be present shall be the act of the Board, except as may be otherwise provided by law or by these Bylaws. Any meeting of the Board may be adjourned by a majority vote of the directors present at such meeting, including an adjourned meeting, whether or not a quorum is present. Notice of the adjourned meeting or of the business to be transacted thereat, other than by announcement, shall not be required. At any adjourned meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting as originally called.

**Section 2.6.                    *Waivers of Notice and Meetings.***

Notwithstanding anything in these Bylaws or in any resolution adopted by the Board to the contrary, notice of any meeting of the Board need not be given to any director if such notice shall be waived in writing signed by such director before, at or after the meeting, or if such director shall be present at the meeting. The waiver must be in writing, signed by the director entitled to notice and delivered to the Corporation for inclusion in its corporate records. Any meeting of the Board shall be a legal meeting without any notice having been given or regardless of the giving of any notice or the adoption of any resolution in reference thereto, if every member of the Board shall be present thereat. Except as otherwise provided by law or these Bylaws, waivers of notice of any meeting of the Board need not contain any statement of the purpose of the meeting.

**Section 2.7.                    *Actions Without Meetings.***

Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if, either before or after such action, all of the members of the Board consent thereto in writing or by electronic transmission and the consent may be documented, signed and delivered in any manner permitted by Section 116 of the DGCL. After an action is taken, the consent relating thereto shall be filed with the minutes of the proceedings of the Board in accordance with applicable law.

**Section 2.8.                    *Committees of the Board.***

To the extent permitted by law, the Board may from time to time by resolution adopted by a majority of the number of directors then in office create such committees of directors as the Board shall deem advisable, each comprised of at least two directors. To the extent provided in such resolution of the board, each committee shall have and may exercise all of the powers and authority of the Board, provided that no committee shall have the authority to (i) approve, adopt or recommend to the stockholders any action or matter which the DGCL requires to be approved by stockholders (other than the election or removal of directors) or (ii) adopt, amend or repeal these Bylaws. The Board shall have the power to change the members of any such committee at any time, to fill vacancies, and to discharge any such committee, either with or without cause, at any time. Each committee shall keep minutes of its proceedings and actions and shall report regularly to the Board.

A majority of the members of a committee of the Board shall constitute a quorum, and all matters shall be determined by the affirmative vote of a majority of the members present. Any action required or permitted to be taken at a meeting of a committee of the Board may be taken without a meeting if, either before or after such action, all of the members of the committee consent thereto in writing or by electronic transmission and the consent may be documented, signed and delivered in any manner permitted by Section 116 of the DGCL. After an action is taken, the consent relating thereto shall be filed with the minutes of the proceedings of the committee in accordance with applicable law.

**Section 2.9.                    *Newly Created Directorships, Vacancies and Removal.***

Newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board resulting from death, resignation, retirement, disqualification, removal from office or other cause shall, unless otherwise required by law or by resolution of the Board, be filled by a majority vote of the directors then in office, even if less than a quorum (and not by stockholders), or if all of the directors shall have been removed, by the affirmative vote of the holders of a majority of the voting power of the shares entitled to vote thereon, present in person or by proxy at a meeting of the stockholders, and directors so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of the class to which they have been elected expires and shall remain in office until such director's successor shall have been elected and qualified. No decrease in the number of directors constituting the Board shall shorten or terminate the term of any incumbent director.

If the office of any member of a committee or other officer becomes vacant, the Board may appoint any qualified person to fill such vacancy, who shall hold office for the unexpired term and until his successor shall be duly chosen.

Directors may be removed from office only for cause and only upon the affirmative vote of the holders of a majority of the voting power of the shares of the Corporation entitled to vote thereon.

**Section 2.10.            *Resignations.***

Any director of the Corporation may resign as such at any time by giving notice in writing or by electronic transmission of his resignation to the Board, the Chairman of the Board or the Secretary of the Corporation. Such notice shall specify whether it will be effective at a particular time, upon receipt thereof or at the pleasure of the Board. If no such specification is made, it shall be deemed effective at the pleasure of the Board.

**Section 2.11.            *Chairman of the Board of Directors.***

The Chairman of the Board shall, subject to the control of the Board, have full authority and responsibility for directing the conduct of the business, affairs and operations of the Corporation and, except as otherwise provided for in the Bylaws, shall preside at all meetings of the Board and of the stockholders. The Chairman of the Board shall also have such powers and perform such duties as may from time to time be assigned to him by these Bylaws or the Board.

**ARTICLE III  
OFFICERS**

**Section 3.1.            *Number, Term, Election.***

The officers of the Corporation shall be chosen by the Board and shall include a President, a Chief Executive Officer, a Chief Financial Officer and a Secretary. The Board may appoint such other officers and such assistant officers and agents with such powers and duties as the Board may find necessary or convenient to carry on the business of the Corporation. Such officers and assistant officers shall serve until their successors shall be elected and qualify, or as otherwise provided in these Bylaws. Any two or more offices may be held by the same person.

**Section 3.2            *Chief Executive Officer.***

The Chief Executive Officer shall be the principal executive officer of the Corporation, and shall, subject to the control of the Board and the Chairman of the Board, have general supervision of the business of the Corporation and shall see that all orders and resolutions of the Board are carried into effect. The Chief Executive Officer, except where by law the signature of the President is required, shall possess the same power as the President to sign all deeds, bonds, contracts, certificates and other instruments of the Corporation which may be authorized by the Board. During the absence or disability of the President, the Chief Executive Officer shall exercise all the powers and discharge all the duties of the President. The Chief Executive Officer shall also have such powers and perform such duties as may from time to time be assigned to him by these Bylaws or the Board.

**Section 3.3.                    *President.***

The President shall execute all deeds, bonds, contracts, certificates and other instruments of the Corporation, except where required or permitted by law to be otherwise signed and executed and except that the other officers of the Corporation may sign and execute documents when so authorized by these Bylaws, the Board or the President. The President shall also have such powers and perform such duties as may from time to time be assigned to him by these Bylaws, the Board, the Chairman of the Board or the Chief Executive Officer. If there be no Chief Executive Officer, the President shall have and shall execute all of the powers of the Chief Executive Officer. In the absence or disability of the Chairman of the Board and the Chief Executive Officer, the President shall preside at all meetings of the stockholders and of the Board.

**Section 3.4.                    *Vice Presidents.***

Each Vice President, if any, shall have such powers and perform such duties as may from time to time be assigned to him by these Bylaws, the Board, the Chairman of the Board, the Chief Executive Officer, the President or any officer to whom the Chairman of the Board, the Chief Executive Officer or the President may have delegated such authority. Any Vice President of the Corporation may sign and execute in the name of the Corporation deeds, bonds, contracts, certificates and other instruments, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Corporation or shall be required by law otherwise to be signed or executed.

**Section 3.5.                    *Chief Financial Officer.***

The Chief Financial Officer shall have such powers and perform such duties as may from time to time be assigned to him by these Bylaws, the Board, the Chairman of the Board, the Chief Executive Officer, the President or any officer to whom the Chairman of the Board, the Chief Executive Officer or the President may have delegated such authority. The Chief Financial Officer shall (i) receive and be responsible for all funds of, and securities owned or held by, the Corporation and, in connection therewith, among other things: keep or cause to be kept full and accurate records and accounts for the corporation; deposit or cause to be deposited to the credit of the Corporation all monies, funds and securities so received in such bank or other depository as the Board or an officer designated by the Board may from time to time establish; and disperse or supervise the disbursement of the funds of the Corporation as may be properly authorized, (ii) render to the Board at any meeting thereof, or from time to time whenever the Board or the Chief Executive Officer of the Corporation may require, financial and other appropriate reports on the condition of the Corporation, and (iii) in general, perform all the duties incident to the office of Chief Financial Officer and such other duties as from time to time may be assigned to him by the Board or by the Chief Executive Officer of the Corporation. To such extent as the Board shall deem proper, the duties of the Chief Financial Officer may be performed by one or more assistants, to be appointed by the Board.

**Section 3.6.                    *Secretary.***

The Secretary shall keep the minutes of meetings of stockholders, of the Board, and, when requested, of committees of the Board, and shall attend to the giving and serving of notices of all meetings thereof. The Secretary shall keep or cause to be kept such stock transfer and other books, showing the names of the stockholders of the Corporation, and all other particulars regarding them, as may be required by law. The Secretary shall also have such other powers and perform such other duties as may from time to time be assigned to him by the Board, the Chairman of the Board, the Chief Executive Officer, the President or any officer to whom the Chairman of the Board, the Chief Executive Officer or the President may have delegated such authority. To such extent as the Board shall deem proper, the duties of the Secretary may be performed by one or more assistants, to be appointed by the Board.

**Section 3.7.                    *Compensation and Contract Rights.***

The Board shall have authority (i) to fix the compensation, whether in the form of salary, bonus, stock options or otherwise, of all officers and employees of the Corporation, either specifically or by formula applicable to particular classes of officers or employees, and (ii) to authorize officers of the Corporation to fix the compensation of subordinate employees. The Board shall have the authority to appoint a Compensation Committee and may delegate to such committee any or all of its authority relating to compensation. The appointment of an officer shall not of itself create contract rights.

**ARTICLE IV  
REMOVALS AND RESIGNATIONS**

**Section 4.1.                    *Removal of Officers.***

Any officer, assistant officer or agent of the Corporation may be removed at any time, either with or without cause, by the Board in its absolute discretion. Any officer or agent appointed otherwise than by the Board may be removed at any time, either with or without cause, by any officer having authority to appoint such an officer or agent, except as may be otherwise provided in these Bylaws. Any such removal shall be without prejudice to the recovery of damages for breach of the contract rights, if any, of the officer, assistant officer or agent removed. Election or appointment of an officer, assistant officer or agent shall not of itself create contract rights.

**Section 4.2.                    *Resignation.***

Any officer or assistant officer of the Corporation may resign as such at any time by giving written notice of his resignation to the Board, the Chairman of the Board or the Secretary of the Corporation. Such notice shall specify whether it will be effective at a particular time, upon receipt thereof or at the pleasure of the Board. If no such specification is made, it shall be deemed effective at the pleasure of the Board.

**Section 4.3.                    *Vacancies.***

Any vacancy in the office of any officer or assistant officer caused by death, resignation, removal or any other cause, may be filled by the Board for the unexpired portion of the term.

**ARTICLE V**  
**CONTRACTS, LOANS, CHECKS, DRAFTS, DEPOSITS, ETC.**

**Section 5.1.**            *Execution of Contracts.*

Except as otherwise provided by law or by these Bylaws, the Board (i) may authorize any officer, employee or agent of the Corporation to execute and deliver any deed, bond, contract, agreement or other instrument in writing in the name and on behalf of the Corporation, and (ii) may authorize any officer, employee or agent of the Corporation so authorized by the Board to delegate such authority by written instrument to other officers, employees or agents of the Corporation. Any such authorization by the Board may be general or specific and shall be subject to such limitations and restrictions as may be imposed by the Board. Any such delegation of authority by an officer, employee or agent may be general or specific, may authorize re-delegation, and shall be subject to such limitations and restrictions as may be imposed in the written instrument of delegation by the person making such delegation.

**Section 5.2.**            *Loans.*

No loans shall be contracted on behalf of the Corporation and no negotiable paper shall be issued in its name unless authorized by the Board. When authorized by the Board, any officer, employee or agent of the Corporation may effect loans and advances at any time for the Corporation from any bank, trust company or other institution, or from any firm, corporation or individual, and for such loans and advances may make, execute and deliver promissory notes, bonds or other certificates or evidences of indebtedness of the Corporation and when so authorized may pledge, hypothecate or transfer any securities or other property of the Corporation as security for any such loans or advances. Such authority may be general or confined to specific instances.

**Section 5.3.**            *Checks, Drafts, Etc.*

All checks, drafts and other orders for the payment of money out of the funds of the Corporation and all notes or other evidences of indebtedness of the Corporation shall be signed on behalf of the Corporation in such manner as shall from time to time be determined by the Board.

**Section 5.4.**            *Deposits.*

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select or as may be selected by the Chief Financial Officer or any other officer, employee or agent of the Corporation to whom such power may from time to time be delegated by the Board.

**Section 5.5.**            *Voting of Securities.*

Unless otherwise provided by the Board, the Chief Executive Officer or the President may from time to time appoint an attorney or attorneys or agent or agents of the Corporation, in the name and on behalf of the Corporation, to cast the votes that the Corporation may be entitled to cast as the holder of stock or other securities in any other corporation or other entity, any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporation or other entity, or to consent in writing, in the name of the Corporation as such holder, to any action by such other corporation or other entity, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal, or otherwise, all such written proxies or other instruments as such officer may deem necessary or proper in the premises.

**ARTICLE VI  
CAPITAL STOCK**

**Section 6.1.           *Shares.***

No shares of the Corporation shall be issued unless authorized by the Board. Such authorization shall include the maximum number of shares to be issued and the consideration to be received. Shares of the Corporation may, but need not be, represented by certificates.

When shares are represented by certificates, the Corporation shall issue such certificates in such form as shall be required by the DGCL and as determined by the Board, for the fully paid shares owned by such stockholder. Each certificate shall be signed by, or shall bear the facsimile signature of, any two authorized officers of the Corporation and may bear the corporate seal of the Corporation or its facsimile. In case any officer, transfer agent, or registrar who has signed such a certificate ceases to be an officer, transfer agent, or registrar before such certificate has been issued, it may nevertheless be issued by the Corporation with the same effect as if the signatory were still such at the date of its issue. All certificates for the Corporation's shares shall be consecutively numbered or otherwise identified.

**Section 6.2.           *Stock Transfer Books and Transfer of Shares.***

The Corporation, or its designated transfer agent or other agent, shall keep a book or set of books to be known as the stock transfer books of the Corporation, containing the name of each stockholder of record, together with such stockholder's address and the number and class or series of shares held by such stockholder. Shares of stock of the Corporation shall be transferable on the stock books of the Corporation by the holder in person or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary or the transfer agent, but, except as hereinafter provided in the case of loss, destruction or mutilation of certificates, no transfer of stock shall be entered until the previous certificate, if any, given for the same shall have been surrendered and canceled. Transfer of shares of the Corporation represented by certificates shall be made on the stock transfer books of the Corporation only upon surrender of the certificates for the shares sought to be transferred by the holder of record thereof or by such holder's duly authorized agent, transferee or legal representative, who shall furnish proper evidence of authority to transfer with the Secretary of the Corporation or its designated transfer agent or other agent. All certificates surrendered for transfer shall be canceled before new certificates for the transferred shares shall be issued. Except as otherwise provided by law, no transfer of shares shall be valid as against the Corporation, its stockholders or creditors, for any purpose, until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred.

**Section 6.3.           *Holder of Record.***

Except as otherwise required by law, the Corporation may treat the person in whose name shares of stock of the Corporation (whether or not represented by a certificate) stand of record on its books or the books of any transfer agent or other agent designated by the Board as the absolute owner of the shares and the person exclusively entitled to receive notification and distributions, to vote, and to otherwise exercise the rights, powers and privileges of ownership of such shares.

**Section 6.4.                    *Lost, Destroyed or Mutilated Certificates.***

In case of loss, destruction or mutilation of any certificate of stock, another may be issued in its place upon proof of such loss, destruction or mutilation and upon the giving of a bond of indemnity to the Corporation in such form and in such sum as the Board may direct; provided that a new certificate may be issued without requiring any bond when, in the judgment of the Board, it is proper so to do.

**Section 6.5.                    *Transfer Agent and Registrar; Regulations.***

The Corporation may, if and whenever the Board so determines, maintain in the State of Delaware or any other state of the United States, one or more transfer offices or agencies and also one or more registry offices which offices and agencies may establish rules and regulations for the issue, transfer and registration of certificates. No certificates for shares of stock of the Corporation in respect of which a transfer agent and registrar shall have been designated shall be valid unless countersigned by such transfer agent and registered by such registrar. The Board may also make such additional rules and regulations as it may deem expedient concerning the issue, transfer and registration of shares represented by certificates and shares without certificates.

**Section 6.5.                    *Fractional Shares.***

No fractional part of a share of stock shall ever be issued by the Corporation.

**ARTICLE VII  
MISCELLANEOUS**

**Section 7.1.                    *Seal.***

The Board may, by resolution, adopt a corporate seal. The corporate seal shall be a die and have inscribed thereon the name of the Corporation and the word "Delaware." The seal may be used by causing it or a facsimile thereof to be affixed or reproduced or otherwise. The seal may be altered from time to time by the Board.

**Section 7.2.                    *Fiscal Year.***

The fiscal year of the Corporation shall be determined by the Board.

**Section 7.3.                    *Notice and Waiver of Notice.***

Whenever any notice is required by these Bylaws to be given, personal notice is not meant unless expressly so stated, and any notice so required shall be deemed to be sufficient if given by depositing the same in the United States mail, postage prepaid, addressed to the person entitled thereto at his address as it appears on the records of the Corporation, and such notice shall be deemed to have been given on the date of such mailing. Stockholders not entitled to vote shall not be entitled to receive notice of any meetings except as otherwise required by law.

Any notice of a meeting required to be given under the provisions of any law, or under the provisions of the Certificate or these Bylaws, may be waived in writing, either before or after such meeting, and, to the extent permitted by law, will be waived by a person by his attendance thereat, in person or by proxy. Any person so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given. Neither the business nor the purpose of any meeting need be specified in such a waiver.

Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under any provision of the DGCL, the Certificate or these Bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Notice given pursuant to this [Section 7.3](#) shall be deemed given: (i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice; (ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (iii) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and (iv) if by any other form of electronic transmission, when directed to the stockholder.

An affidavit of the Secretary or an assistant Secretary or of the transfer agent or other agent of the Corporation that the notice has been given in writing or by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

**Section 7.4.                    *Time Periods.***

In applying any provision of these Bylaws which requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

**Section 7.5.                    *Facsimile Signatures.***

In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the Corporation may be used unless otherwise restricted by the Board.

**Section 7.6.                    *Exclusive Forum for Certain Actions.***

Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation or any director, officer or employee of the Corporation arising pursuant to any provision of the DGCL or the Corporation's Certificate of Incorporation or these Bylaws, (iv) any action to interpret, apply, enforce or determine the validity of the Corporation's Certificate of Incorporation or these Bylaws or (v) any action asserting a claim against the Corporation or any director, officer or employee of the Corporation governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another state court located within the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware), in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this [Section 7.6](#).

**Section 7.7.                    *Severability.***

If any provision or provisions of these Bylaws shall be held to be invalid, illegal, or unenforceable for any reason whatsoever, then, to the fullest extent permitted by law: (a) the validity, legality, and enforceability of the remaining provisions of these Bylaws (including, without limitation, each portion of any section of these Bylaws containing any such provision held to be invalid, illegal, or unenforceable, that is not itself invalid, illegal, or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of these Bylaws; and (c) to the fullest extent possible, the provisions of these Bylaws (including, without limitation, each portion of any section of these Bylaws containing any such provision held to be invalid, illegal, or unenforceable, that is not itself invalid, illegal, or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

**Section 7.8.                    *Conflict with Applicable Law or Certificate of Incorporation.***

These Bylaws are adopted subject to any applicable law and the Certificate. Whenever these Bylaws conflict with any applicable law or the Certificate, such conflict shall be resolved in favor of such law or the Certificate.

**Section 7.9.                    *Books and Records.***

Any records administered by or on behalf of the Corporation in the regular course of its business, including its stock transfer books, books of account, and minute books, may be maintained on any information storage device, method, or one or more electronic networks or databases (including one or more distributed electronic networks or databases); provided that the records so kept can be converted into clearly legible paper form within a reasonable time, and, with respect to the stock transfer books, the records so kept comply with Section 224 of the DGCL. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect such records pursuant to applicable law.

# CPSI Announces Third Quarter 2022 Results

## Highlights for Third Quarter 2022:

- Revenues of \$82.8 million;
- GAAP net income of \$2.2 million and non-GAAP net income of \$8.2 million;
- GAAP earnings per diluted share of \$0.15 and non-GAAP earnings per diluted share of \$0.57;
- Adjusted EBITDA of \$13.3 million;
- Bookings of \$20.5 million;
- Cash provided by operations of \$11.1 million; and
- Net debt of \$124.8 million.

MOBILE, Ala.--(BUSINESS WIRE)--November 1, 2022--CPSI (NASDAQ: CPSI), a healthcare solutions company, today announced results for the third quarter and nine months ended September 30, 2022.

Total revenues for the third quarter ended September 30, 2022, were \$82.8 million, compared with total revenues of \$70.1 million for the prior-year quarter. GAAP net income for the quarter ended September 30, 2022, was \$2.2 million, or \$0.15 per diluted share, compared with \$2.7 million, or \$0.19 per diluted share, for the quarter ended September 30, 2021. Cash provided by operations for the third quarter of 2022 was \$11.1 million, compared with \$1.3 million for the prior-year quarter. Net debt at September 30, 2022, was \$124.8 million compared to \$98.1 million at September 30, 2021.

Total revenues for the nine months ended September 30, 2022, were \$243.4 million, compared with total revenues of \$206.6 million for the prior-year period. GAAP net income for the nine months ended September 30, 2022, was \$13.4 million, or \$0.91 per diluted share, compared with \$13.0 million, or \$0.89 per diluted share, for the nine months ended September 30, 2021. Cash provided by operations for the first nine months of 2022 was \$30.2 million, compared with \$34.5 million for the prior-year period.

Matt Chambless, chief financial officer of CPSI, commented, “We were pleased to deliver 18% revenue growth year-over-year, which was driven largely by the contribution from Healthcare Resource Group, Inc., which we acquired in March. Our TruBridge segment once again saw outstanding cross-selling traction, as we increased TruBridge sales to the CPSI customer base by 30% sequentially and tripled our pipeline over the prior-year period. We are also thrilled to appoint new leaders of our business units who will propel CPSI toward its next chapter. This new alignment of our leadership team will more effectively support our core EHR base with value-added tools for revenue cycle management and patient engagement that will help our customers thrive in an uncertain and evolving healthcare environment.”

CPSI will hold a live webcast to discuss third quarter 2022 results today, Tuesday, November 1, 2022, at 4:30 p.m. Eastern time. A 30-day online replay will be available approximately one hour following the conclusion of the live webcast. To listen to the live webcast or access the replay, visit the Company’s website, [www.cpsi.com](http://www.cpsi.com).

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## About CPSI

CPSI is a leading provider of healthcare solutions and services. Founded in 1979, CPSI is the parent of six companies – Evident, LLC, American HealthTech, Inc., TruBridge, LLC, iNetXperts, Corp. d/b/a Get Real Health, TruCode LLC, and Healthcare Resource Group, Inc. Our combined companies are focused on helping improve the health of the communities we serve, connecting communities for a better patient care experience, and improving the financial operations of our customers. Evident provides comprehensive EHR solutions for community hospitals and their affiliated clinics. American HealthTech is one of the nation's largest providers of EHR solutions and services for post-acute care facilities. TruBridge focuses on providing business, consulting and managed IT services, along with its complete RCM solution, for all care settings. Get Real Health focuses on solutions aimed at improving patient engagement for individuals and healthcare providers. TruCode provides medical coding software that enables complete and accurate code assignment for optimal reimbursement. HRG provides specialized RCM solutions for facilities of all sizes. For more information, visit [www.cpsi.com](http://www.cpsi.com).

## Forward-Looking Statements

*This press release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified generally by the use of forward-looking terminology and words such as "expects," "anticipates," "estimates," "believes," "predicts," "intends," "plans," "potential," "may," "continue," "should," "will" and words of comparable meaning. Without limiting the generality of the preceding statement, all statements in this press release relating to the Company's future financial and operational results are forward-looking statements. We caution investors that any such forward-looking statements are only predictions and are not guarantees of future performance.*

*Certain risks, uncertainties and other factors may cause actual results to differ materially from those projected in the forward-looking statements. Such factors may include: the impact of the ongoing COVID-19 pandemic and related economic disruptions which have materially affected CPSI's revenue and could materially affect CPSI's gross margin and income, as well as CPSI's financial position and/or liquidity; federal, state and local government actions to address and contain the impact of COVID-19 and their impact on us and our hospital clients; operational disruptions and heightened cybersecurity risks due to a significant percentage of our workforce working remotely; saturation of our target market and hospital consolidations; unfavorable economic or market conditions that may cause a decline in spending for information technology and services; significant legislative and regulatory uncertainty in the healthcare industry; exposure to liability for failure to comply with regulatory requirements; competition with companies that have greater financial, technical and marketing resources than we have; potential future acquisitions that may be expensive, time consuming, and subject to other inherent risks; our ability to attract and retain qualified client service and support personnel; disruption from periodic restructuring of our sales force; potential inability to properly manage growth in new markets we may enter; exposure to numerous and often conflicting laws, regulations, policies, standards or other requirements through our international business activities; potential litigation against us; our reliance on an international workforce which exposes us to various business disruptions; potential failure to develop new products or enhance current products that keep pace with market demands; failure to develop new technology and products in response to market demands; failure of our products to function properly resulting in claims for medical and other losses; breaches of security and viruses in our systems resulting in customer claims against us and harm to our reputation; failure to maintain customer satisfaction through new product releases free of undetected errors or problems; failure to convince customers to migrate to current or future releases of our products; failure to maintain our margins and service rates; increase in the percentage of total revenues represented by service revenues, which have lower gross margins; exposure to liability in the event we provide inaccurate claims data to payors; exposure to liability claims arising out of the licensing of our software and provision of services; dependence on licenses of rights, products and services from third parties; misappropriation of our intellectual property rights and potential intellectual property claims and litigation against us; interruptions in our power supply and/or telecommunications capabilities, including those caused by natural disaster; general economic conditions, including changes in the financial and credit markets that may affect the availability and cost of credit to us or our customers; potential inability to secure additional financing on favorable terms to meet our future capital needs; our substantial indebtedness, and our ability to incur additional indebtedness in the future; pressures on cash flow to service our outstanding debt; restrictive terms of our credit agreement on our current and future operations; changes in and interpretations of financial accounting matters that govern the measurement of our performance; significant charges to earnings if our goodwill or intangible assets become impaired; fluctuations in quarterly financial performance due to, among other factors, timing of customer installations; volatility in our stock price; failure to maintain effective internal control over financial reporting; lack of employment or non-competition agreement with most of our key personnel; inherent limitations in our internal control over financial reporting; vulnerability to significant damage from natural disasters; market risks related to interest rate changes; and other risk factors described from time to time in our public releases and reports filed with the Securities and Exchange Commission, including, but not limited to, our most recent Annual Report on Form 10-K. Relative to our dividend policy, the payment of cash dividends is subject to the discretion of our Board of Directors and will be determined in light of then-current conditions, including our earnings, our leverage, our operations, our financial conditions, our capital requirements and other factors deemed relevant by our Board of Directors. In the future, our Board of Directors may change our dividend policy, including the frequency or amount of any dividend, in light of then-existing conditions. We also caution investors that the forward-looking information described herein represents our outlook only as of this date, and we undertake no obligation to update or revise any forward-looking statements to reflect events or developments after the date of this press release.*

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Computer Programs and Systems, Inc.  
Condensed Consolidated Statements of Income  
(In '000s, except per share data)  
(Unaudited)

	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	2022	2021	2022	2021
<b>Sales revenues:</b>				
TruBridge	\$ 47,878	\$ 34,531	\$ 139,569	\$ 98,736
System sales and support	34,949	35,560	103,855	107,893
<b>Total sales revenues</b>	<b>82,827</b>	<b>70,091</b>	<b>243,424</b>	<b>206,629</b>
<b>Costs of sales:</b>				
TruBridge	26,190	17,377	73,863	50,349
System sales and support	18,619	17,425	52,278	52,250
<b>Total costs of sales</b>	<b>44,809</b>	<b>34,802</b>	<b>126,141</b>	<b>102,599</b>
<b>Gross profit</b>	<b>38,018</b>	<b>35,289</b>	<b>117,283</b>	<b>104,030</b>
<b>Operating expenses:</b>				
Product development	7,822	7,700	22,036	22,598
Sales and marketing	7,309	5,200	22,578	15,813
General and administrative	13,458	14,184	41,235	38,322
Amortization of acquisition-related intangibles	4,486	3,674	12,917	10,114
<b>Total operating expenses</b>	<b>33,075</b>	<b>30,758</b>	<b>98,766</b>	<b>86,847</b>
<b>Operating income</b>	<b>4,943</b>	<b>4,531</b>	<b>18,517</b>	<b>17,183</b>
<b>Other income (expense):</b>				
Other income	355	123	914	1,160
(Loss) gain on contingent consideration	(589)	-	992	-
Loss on extinguishment of debt	-	-	(125)	-
Interest expense	(1,771)	(825)	(4,044)	(2,249)
<b>Total other income (expense)</b>	<b>(2,005)</b>	<b>(702)</b>	<b>(2,263)</b>	<b>(1,089)</b>
<b>Income before taxes</b>	<b>2,938</b>	<b>3,829</b>	<b>16,254</b>	<b>16,094</b>
<b>Provision for income taxes</b>	<b>777</b>	<b>1,085</b>	<b>2,904</b>	<b>3,065</b>
<b>Net income</b>	<b>\$ 2,161</b>	<b>\$ 2,744</b>	<b>\$ 13,350</b>	<b>\$ 13,029</b>
<b>Net income per common share—basic</b>	<b>\$ 0.15</b>	<b>\$ 0.19</b>	<b>\$ 0.91</b>	<b>\$ 0.89</b>
<b>Net income per common share—diluted</b>	<b>\$ 0.15</b>	<b>\$ 0.19</b>	<b>\$ 0.91</b>	<b>\$ 0.89</b>
<b>Weighted average shares outstanding used in per common share computations:</b>				
Basic	14,365	14,334	14,405	14,276
Diluted	14,365	14,343	14,405	14,303

Computer Programs and Systems, Inc.  
Condensed Consolidated Balance Sheets  
(In '000s, except per share data)

	September 30, 2022 (unaudited)	Dec. 31, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 15,558	\$ 11,431
Accounts receivable, net of allowance for doubtful accounts of \$2,565 and \$1,826, respectively	45,627	34,431
Financing receivables, current portion, net	5,028	6,488
Inventories	1,754	855
Prepaid income taxes	955	4,599
Prepaid expenses and other	11,890	11,194
Total current assets	<u>80,812</u>	<u>68,998</u>
Property & equipment, net	10,301	11,590
Software development costs, net	23,955	11,644
Operating lease assets	7,999	7,097
Financing receivables, net of current portion	4,227	7,231
Other assets, net of current portion	5,631	3,874
Intangible assets, net	106,486	95,203
Goodwill	198,584	177,713
<b>Total assets</b>	<b><u>\$ 437,995</u></b>	<b><u>\$ 383,350</u></b>
<b>Liabilities &amp; Stockholders' Equity</b>		
Current liabilities		
Accounts payable	\$ 7,476	\$ 8,079
Current portion of long-term debt	3,141	4,394
Deferred revenue	12,255	11,529
Accrued vacation	6,350	5,262
Other accrued liabilities	16,181	17,163
Total current liabilities	<u>45,403</u>	<u>46,427</u>
Long-term debt, less current portion	137,174	94,966
Operating lease liabilities, net of current portion	6,088	5,505
Deferred tax liabilities	16,372	13,880
Total liabilities	<u>205,037</u>	<u>160,778</u>
Stockholders' Equity		
Common stock, \$0.001 par value; 30,000 shares authorized; 14,914 and 14,734 shares issued	15	15
Treasury stock, 354 and 89 shares	(10,824)	(2,576)
Additional paid-in capital	192,363	187,079
Retained earnings	51,404	38,054
Total stockholders' equity	<u>232,958</u>	<u>222,572</u>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 437,995</u></b>	<b><u>\$ 383,350</u></b>

Computer Programs and Systems, Inc.  
Condensed Consolidated Statements of Cash Flows  
(In '000s)  
(Unaudited)

	<i>Nine Months Ended September 30,</i>	
	2022	2021
<b>Operating activities:</b>		
Net income	\$ 13,350	\$ 13,029
Adjustments to net income:		
Provision for bad debt	1,202	2,080
Deferred taxes	(3,073)	2,306
Stock-based compensation	5,284	4,179
Depreciation	1,890	1,641
Loss on extinguishment of debt	125	-
Amortization of acquisition-related intangibles	12,917	10,114
Amortization of software development costs	2,283	527
Amortization of deferred finance costs	242	220
Gain on contingent consideration	(992)	-
Loss on disposal of PP&E	-	313
Changes in operating assets and liabilities:		
Accounts receivable	(6,877)	1,304
Financing receivables	4,598	5,962
Inventories	(899)	(67)
Prepaid expenses and other	(1,982)	(2,892)
Accounts payable	(988)	(2,723)
Deferred revenue	726	1,414
Other liabilities	(1,239)	(666)
Prepaid income taxes	3,644	(2,267)
Net cash provided by operating activities	30,211	34,474
<b>Investing activities:</b>		
Purchase of business, net of cash received	(43,696)	(59,634)
Investment in software development	(14,594)	(6,447)
Purchases of property and equipment	(134)	(915)
Net cash used in investing activities	(58,424)	(66,996)
<b>Financing activities:</b>		
Treasury stock purchases	(8,248)	(1,222)
Proceeds from long-term debt	575	-
Payments of long-term debt principal	(2,687)	(2,813)
Proceeds from revolving line of credit	48,000	61,000
Payments of revolving line of credit	(5,300)	(20,000)
Net cash provided by (used in) financing activities	32,340	36,965
Net increase in cash and cash equivalents	4,127	4,443
Cash and cash equivalents, beginning of period	11,431	12,671
Cash and cash equivalents, end of period	\$ 15,558	\$ 17,114

Computer Programs and Systems, Inc.  
Consolidated Bookings  
(In '000s)

<i>In '000s</i>	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
	9/30/2022	9/30/2021	9/30/2022	9/30/2021
TruBridge <sup>(1)</sup>	\$ 11,532	\$ 13,073	\$ 37,260	\$ 22,009
System sales and support <sup>(2)</sup>	9,006	16,249	27,474	32,641
<b>Total</b>	<b>\$ 20,538</b>	<b>\$ 29,322</b>	<b>\$ 64,734</b>	<b>\$ 54,650</b>

(1) Generally calculated as the total contract price (for non-recurring, project-related amounts) and annualized contract value (for recurring amounts)

(2) Generally calculated as the total contract price (for system sales) and annualized contract value (for support).

Computer Programs and Systems, Inc.  
Bookings Composition  
(In '000s, except per share data)  
(Unaudited)

	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
	9/30/2022	9/30/2021	9/30/2022	9/30/2021
<b>TruBridge</b>				
Net new <sup>(1)</sup>	\$ 897	\$ 4,794	\$ 9,657	\$ 6,278
Cross-sell <sup>(1)</sup>	10,059	2,824	21,872	8,398
Get Real Health	260	5,352	2,568	6,760
TruCode	316	103	3,163	573
<b>System sales and support</b>				
Non-subscription sales <sup>(2)</sup>	4,550	2,929	12,689	10,145
Subscription revenue <sup>(3)</sup>	3,053	12,437	11,507	19,029
Other	1,403	883	3,278	3,467
<b>Total</b>	<b>\$ 20,538</b>	<b>\$ 29,322</b>	<b>\$ 64,734</b>	<b>\$ 54,650</b>

(1) "Net new" represents bookings from outside the Company's core EHR client base, and "Cross-sell" represents bookings from existing EHR customers. In each case, generally comprised of recurring revenues to be recognized ratably over a one-year period and an average timeframe for commencement of bookings-to-revenue conversion of four to six months following contract execution.

(2) Represents nonrecurring revenues that generally exhibit a timeframe for bookings-to-revenue conversion of five to six months following contract execution.

(3) Represents recurring revenues to be recognized on a monthly basis over a weighted-average contract period of five years, with a start date in the next 12 months and an average timeframe for commencement of bookings-to-revenue conversion of five to six months following contract execution.

Computer Programs and Systems, Inc.  
Acute Care EHR Net New License Mix

	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
	9/30/2022	9/30/2021	9/30/2022	9/30/2021
SaaS <sup>(1)</sup>	6	2	16	8
Perpetual license <sup>(2)</sup>	-	3	-	7
<b>Total</b>	<b>6</b>	<b>5</b>	<b>16</b>	<b>15</b>

(1) Exhibit revenue attribution that is recurring in nature.

(2) Exhibit revenue attribution that is nonrecurring in nature.

Computer Programs and Systems, Inc.  
System Sales and Support Revenue Composition  
(In '000s)  
(Unaudited)

	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	2022	2021	2022	2021
<b>Recurring revenues - system sales and support</b>				
Acute Care EHR	\$ 27,237	\$ 26,775	\$ 81,333	\$ 80,792
Post-acute Care EHR	3,817	4,010	11,504	12,402
Total recurring revenues - system sales and support	31,054	30,785	92,837	93,194
<b>Nonrecurring revenues - system sales and support</b>				
Acute Care EHR	3,500	4,351	9,467	13,786
Post-acute Care EHR	395	424	1,551	913
Total nonrecurring revenues - system sales and support	3,895	4,775	11,018	14,699
<b>Total system sales and support revenues</b>	<b>\$ 34,949</b>	<b>\$ 35,560</b>	<b>\$ 103,855</b>	<b>\$ 107,893</b>

Computer Programs and Systems, Inc.  
Adjusted EBITDA - by Segment  
(In '000s)

<i>In '000s</i>	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
	9/30/2022	9/30/2021	9/30/2022	9/30/2021
TruBridge	\$ 8,060	\$ 6,840	\$ 27,609	\$ 20,216
Acute Care EHR	4,584	4,773	13,915	15,650
Post-acute Care EHR	705	624	1,147	2,487
<b>Total</b>	<b>\$ 13,349</b>	<b>\$ 12,237</b>	<b>\$ 42,671</b>	<b>\$ 38,353</b>

Computer Programs and Systems, Inc.  
Reconciliation of Non-GAAP Financial Measures  
(In '000s)  
(Unaudited)

<b>Adjusted EBITDA:</b>	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	2022	2021	2022	2021
<b>Net income, as reported</b>	<b>\$ 2,161</b>	<b>\$ 2,744</b>	<b>\$ 13,350</b>	<b>\$ 13,029</b>
Deferred revenue and other acquisition-related adjustments	-	388	109	546
Depreciation expense	622	525	1,890	1,641
Amortization of software development costs	1,024	262	2,283	527
Amortization of acquisition-related intangible assets	4,486	3,674	12,917	10,114
Stock-based compensation	1,864	1,700	5,284	4,178
Severance and other nonrecurring charges	410	1,157	1,671	4,164
Interest expense and other, net	1,416	702	3,255	1,089
Gain on contingent consideration	589	-	(992)	-
Provision for income taxes	777	1,085	2,904	3,065
<b>Adjusted EBITDA</b>	<b>\$ 13,349</b>	<b>\$ 12,237</b>	<b>\$ 42,671</b>	<b>\$ 38,353</b>

Computer Programs and Systems, Inc.  
Reconciliation of Non-GAAP Financial Measures  
(In '000s, except per share data)  
(Unaudited)

<b>Non-GAAP Net Income and Non-GAAP EPS:</b>	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	2022	2021	2022	2021
<b>Net income, as reported</b>	<b>\$ 2,161</b>	<b>\$ 2,744</b>	<b>\$ 13,350</b>	<b>\$ 13,029</b>
Pre-tax adjustments for Non-GAAP EPS:				
Deferred revenue and other acquisition-related adjustments	-	388	109	546
Amortization of acquisition-related intangible assets	4,486	3,674	12,917	10,114
Stock-based compensation	1,864	1,700	5,284	4,178
Severance and other nonrecurring charges	410	1,157	1,671	4,164
Non-operating loss from lease termination (non-cash)	-	313	-	313
Non-cash interest expense	90	73	242	220
Loss on extinguishment of debt	-	-	125	-
After-tax adjustments for Non-GAAP EPS:				
Tax-effect of pre-tax adjustments, at 21%	(1,439)	(1,534)	(4,273)	(4,102)
Tax shortfall (windfall) from stock-based compensation	-	-	(112)	(84)
Gain on contingent consideration	589	-	(992)	-
<b>Non-GAAP net income</b>	<b>\$ 8,161</b>	<b>\$ 8,515</b>	<b>\$ 28,321</b>	<b>\$ 28,378</b>
Weighted average shares outstanding, diluted	14,365	14,343	14,405	14,303
Non-GAAP EPS	\$ 0.57	\$ 0.59	\$ 1.97	\$ 1.98

**Explanation of Non-GAAP Financial Measures**

We report our financial results in accordance with accounting principles generally accepted in the United States of America, or “GAAP.” However, management believes that, in order to properly understand our short-term and long-term financial and operational trends, investors may wish to consider the impact of certain non-cash or non-recurring items, when used as a supplement to financial performance measures that are prepared in accordance with GAAP. These items result from facts and circumstances that vary in frequency and impact on continuing operations. Management uses these non-GAAP financial measures in order to evaluate the operating performance of the Company and compare it against past periods, make operating decisions, and serve as a basis for strategic planning. These non-GAAP financial measures provide management with additional means to understand and evaluate the operating results and trends in our ongoing business by eliminating certain non-cash expenses and other items that management believes might otherwise make comparisons of our ongoing business with prior periods more difficult, obscure trends in ongoing operations, or reduce management’s ability to make useful forecasts. In addition, management understands that some investors and financial analysts find these non-GAAP financial measures helpful in analyzing our financial and operational performance and comparing this performance to our peers and competitors.

As such, to supplement the GAAP information provided, we present in this press release and during the live webcast discussing our financial results the following non-GAAP financial measures: Adjusted EBITDA, Non-GAAP net income, and Non-GAAP earnings per share (“EPS”).

We calculate each of these non-GAAP financial measures as follows:

- **Adjusted EBITDA** – Adjusted EBITDA consists of GAAP net income as reported and adjusts for (i) deferred revenue purchase accounting adjustments arising from purchase allocation adjustments related to business acquisitions; (ii) depreciation expense; (iii) amortization of software development costs; (iv) amortization of acquisition-related intangible assets; (v) stock-based compensation; (vi) severance and other non-recurring charges; (vii) interest expense and other, net; (viii) gain on contingent consideration; and (ix) the provision for income taxes.
- **Non-GAAP net income** – Non-GAAP net income consists of GAAP net income as reported and adjusts for (i) deferred revenue purchase accounting adjustments arising from purchase allocation adjustments related to business acquisitions; (ii) amortization of acquisition-related intangible assets; (iii) stock-based compensation; (iv) severance and other non-recurring charges; (v) non-operating loss from lease termination (non-cash); (vi) non-cash interest expense; (vii) loss on extinguishment of debt and (viii) the total tax effect of items (i) through (vii). Adjustments to Non-GAAP net income also include the after-tax effect of the shortfall (windfall) from stock-based compensation and gain on contingent consideration.
- **Non-GAAP EPS** – Non-GAAP EPS consists of Non-GAAP net income, as defined above, divided by weighted average shares outstanding (diluted) in the applicable period.

Certain of the items excluded or adjusted to arrive at these non-GAAP financial measures are described below:

- Deferred revenue purchase accounting adjustments – Deferred revenue purchase accounting adjustments includes acquisition-related deferred revenue adjustments, which reflect the fair value adjustments to deferred revenues acquired in business acquisitions. The fair value of deferred revenue represents an amount equivalent to the estimated cost plus an appropriate profit margin, to perform services related to the acquiree’s software and product support, which assumes a legal obligation to do so, based on the deferred revenue balances as of the acquisition date. We add back deferred revenue and other adjustments for non-GAAP financial measures because we believe the inclusion of this amount directly correlates to the underlying performance of our operations.
  - Amortization of acquisition-related intangible assets – Acquisition-related amortization expense is a non-cash expense arising primarily from the acquisition of intangible assets in connection with acquisitions or investments. We exclude acquisition-related amortization expense from non-GAAP financial measures because we believe (i) the amount of such expenses in any specific period may not directly correlate to the underlying performance of our business operations and (ii) such expenses can vary significantly between periods as a result of new acquisitions and full amortization of previously acquired intangible assets. Investors should note that the use of these intangible assets contributed to revenue in the periods presented and will contribute to future revenue generation, and the related amortization expense will recur in future periods.
  - Stock-based compensation – Stock-based compensation expense is a non-cash expense arising from the grant of stock-based awards. We exclude stock-based compensation expense from non-GAAP financial measures because we believe (i) the amount of such expenses in any specific period may not directly correlate to the underlying performance of our business operations and (ii) such expenses can vary significantly between periods as a result of the timing and valuation of grants of new stock-based awards, including grants in connection with acquisitions. Investors should note that stock-based compensation is a key incentive offered to employees whose efforts contributed to the operating results in the periods presented and are expected to contribute to operating results in future periods, and such expense will recur in future periods.
  - Severance and other non-recurring charges – Non-recurring charges relate to certain severance and other charges incurred in connection with activities that are considered one-time. We exclude non-recurring expenses (primarily related to costs associated with our recent business transformation initiative and one-time lease terminations costs) and transaction-related costs from non-GAAP financial measures because we believe (i) the amount of such expenses in any specific period may not directly correlate to the underlying performance of our business operations and (ii) such expenses can vary significantly between periods.
  - Non-operating loss from lease termination (non-cash) – Non-operating loss from lease termination relates solely to the write-off of the remaining net book value of leasehold improvements and other property and equipment associated with operating leases terminated as a result of specific actions taken during the period. We exclude such non-operating lease termination losses from non-GAAP financial measures because we believe (i) the amount of such expenses in any specific period may not directly correlate to the underlying performance of our business operations and (ii) such expenses can vary significantly between periods.
  - Non-cash interest expense – Non-cash interest expense includes amortization of deferred debt issuance costs. We exclude non-cash interest expense from non-GAAP financial measures because we believe these non-cash amounts relate to specific transactions and, as such, may not directly correlate to the underlying performance of our business operations.
  - Tax shortfall (windfall) from stock-based compensation – ASU 2016-09, *Improvements to Employee Share-Based Payment Accounting*, became effective for the Company during the third quarter of 2017 and changes the treatment of tax shortfall and excess tax benefits arising from stock-based compensation arrangements. Prior to ASU 2016-09, these amounts were recorded as an increase (for excess benefits) or decrease (for shortfalls) to additional paid-in capital. With the adoption of ASU 2016-09, these amounts are now captured in the period’s income tax expense. We exclude this component of income tax expense from non-GAAP financial measures because we believe (i) the amount of such expenses or benefits in any specific period may not directly correlate to the underlying performance of our business operations; and (ii) such expenses or benefits can vary significantly between periods as a result of the valuation of grants of new stock-based awards, the timing of vesting of awards, and periodic movements in the fair value of our common stock.
  - Gain on contingent consideration – The purchase agreement for our acquisition of TruCode in 2021 contained contingent consideration, or “earnout,” provisions whereby the previous shareholders of TruCode would receive additional consideration at the conclusion of a one-year period beginning on the acquisition date and ending on the first anniversary of the acquisition date, depending on the achievement of certain profitability targets. After the initial measurement period, U.S. GAAP requires that any adjustments to the estimated fair value of this contingent liability, including upon final determination of amounts due, should be recorded in the relevant period’s earnings. We exclude gains on contingent consideration from non-GAAP financial measures because we believe (i) the amount of such gains in any specific period may not directly correlate to the underlying performance of our business operations and (ii) such gains can vary significantly between periods.
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Management considers these non-GAAP financial measures to be important indicators of our operational strength and performance of our business and a good measure of our historical operating trends, in particular the extent to which ongoing operations impact our overall financial performance. In addition, management may use Adjusted EBITDA, Non-GAAP net income and/or Non-GAAP EPS to measure the achievement of performance objectives under the Company's stock and cash incentive programs. Note, however, that these non-GAAP financial measures are performance measures only, and they do not provide any measure of cash flow or liquidity. Non-GAAP financial measures are not alternatives for measures of financial performance prepared in accordance with GAAP and may be different from similarly titled non-GAAP measures presented by other companies, limiting their usefulness as comparative measures. Non-GAAP financial measures have limitations in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with GAAP. Additionally, there is no certainty that we will not incur expenses in the future that are similar to those excluded in the calculations of the non-GAAP financial measures presented in this press release. Investors and potential investors are encouraged to review the "Unaudited Reconciliation of Non-GAAP Financial Measures" above.

## **Contacts**

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