

BY-LAW

OF

MICS HEALTHCARE FOUNDATION

September 18, 2023

TABLE OF CONTENTS

| | | |
|------------|---|----|
| ARTICLE 1. | DEFINITIONS AND INTERPRETATION | 1 |
| 1.01 | Definitions..... | 1 |
| 1.02 | Interpretation..... | 4 |
| ARTICLE 2. | MEMBERSHIP IN THE CORPORATION | 5 |
| 2.01 | Members | 5 |
| 2.02 | Withdrawal..... | 6 |
| 2.03 | Termination of Membership | 6 |
| ARTICLE 3. | ANNUAL AND SPECIAL MEETINGS OF THE MEMBERS OF THE CORPORATION | 7 |
| 3.01 | Annual Meeting of the Members of the Corporation..... | 7 |
| 3.02 | Special Meetings of the Members of the Corporation | 7 |
| 3.03 | Notice..... | 7 |
| 3.04 | Quorum | 8 |
| 3.05 | Chair of the Meeting | 8 |
| 3.06 | Business at Annual Meetings..... | 8 |
| 3.07 | Adjourned Meeting | 9 |
| 3.08 | Written Resolutions and By-Law..... | 9 |
| ARTICLE 4. | BOARD OF DIRECTORS | 9 |
| 4.01 | Board Composition | 9 |
| 4.02 | Nominations to Board | 10 |
| 4.03 | Terms of Office..... | 10 |
| 4.04 | Qualification of Directors | 10 |
| 4.05 | Guidelines for the Selection of Directors..... | 11 |
| 4.06 | Term of Office Restrictions | 13 |
| 4.07 | Vacancy and Termination of Office | 13 |
| 4.08 | Conflict of Interest | 14 |
| 4.09 | Confidentiality | 16 |
| 4.10 | Responsibilities of the Board | 16 |
| 4.11 | Responsibilities of Individual Directors | 18 |
| 4.12 | Principles of Governance..... | 18 |
| 4.13 | Standards of Care..... | 19 |
| ARTICLE 5. | OFFICERS OF THE BOARD AND OF THE CORPORATION | 19 |
| 5.01 | Officers | 19 |
| 5.02 | Duties of Chair..... | 20 |
| 5.03 | Duties of Vice-Chair..... | 21 |
| 5.04 | Duties of Executive Director | 21 |
| 5.05 | Duties of Secretary..... | 21 |
| 5.06 | Indemnification and Insurance..... | 23 |
| ARTICLE 6. | REGULAR AND SPECIAL MEETINGS OF THE BOARD..... | 24 |
| 6.01 | Regular Meetings | 24 |
| 6.02 | Special Meetings..... | 24 |
| 6.03 | Procedures for Board Meetings | 24 |

| | | |
|------------|--|----|
| 6.04 | Quorum | 24 |
| 6.05 | Rules | 25 |
| ARTICLE 7. | STANDING COMMITTEES OF THE BOARD | 25 |
| 7.01 | Establishment of Committees | 25 |
| 7.02 | Terms of Reference..... | 25 |
| 7.03 | Audit Committee..... | 26 |
| 7.04 | Governance Committee | 26 |
| ARTICLE 8. | FINANCIAL | 27 |
| 8.01 | Financial Year End | 27 |
| 8.02 | Signing Officers | 27 |
| 8.03 | Banking and Borrowing..... | 27 |
| 8.04 | Seal..... | 28 |
| 8.05 | Investments | 28 |
| 8.06 | Endowment Benefits..... | 28 |
| 8.07 | Auditor | 29 |
| 8.08 | Disbursements..... | 29 |
| 8.09 | Fundraising | 29 |
| ARTICLE 9. | AMENDMENT OF BY-LAW | 29 |
| 9.01 | Amendments to By-Law | 29 |

MICS HEALTHCARE FOUNDATION

BY-LAW

PREAMBLE

WHEREAS the purposes of the Corporation are:

To establish, receive, hold and maintain a fund or funds and to apply or donate all or part of the principal and income therefrom, from time to time, to any one of the following organizations: Anson General Hospital, Bingham Memorial Hospital and Lady Minto Hospital or other related charitable organizations who provide services and/or support to aforementioned organizations.

NOW THEREFORE be it enacted and it is hereby enacted that all by-laws of the Corporation heretofore enacted be cancelled and revoked and that the following by-law be substituted in lieu thereof.

ARTICLE 1. DEFINITIONS AND INTERPRETATION

1.01 Definitions

In this By-Law, the following words and phrases shall have the following meanings, respectively:

- (a) “Act” means the *Not-for-Profit Corporations Act* (Ontario) and where the context requires, includes the regulations made under it;
- (b) “Articles” means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement, articles of dissolution, articles of revival or letters patent of the Corporation and includes any amendments thereto;
- (c) “Associates” in relation to an individual means the individual’s parents, siblings, spouse or common law partner, and includes any organization, agency, company, or individual (such as a business partner) with a formal relationship to the individual;

- (d) “Board” means the board of directors of the Corporation;
- (e) “By-Law” means any by-law of the Corporation from time to time in effect;
- (f) “Charter” means a document relating to the governance and/or management of the Corporation which requires the Board and Members approval to enact or amend;
- (g) “Committee” means any committee established by the Board or pursuant to this By-Law;
- (h) “Conflict of Interest” includes, without limitation, the following three areas that may give rise to a conflict of interest for the Directors of the Corporation, namely:
 - (i) Pecuniary or financial interest – a Director is said to have a pecuniary or financial interest in a decision when the Director (or his Associates) stands to gain by that decision, either in the form of money, gifts, favours, gratuities or other special considerations;
 - (ii) Undue influence – participation or influence in Board decisions that selectively and disproportionately benefits particular agencies, companies, organizations, municipal or professional groups, or Patients from a particular demographic, geographic, political, socio-economic or cultural group is a violation of the Director’s entrusted responsibility to the community at large;
 - (iii) Adverse interest – a Director is said to have an adverse interest to the Corporation when he is a party to a claim, application or proceeding against the Corporation; and
 - (iv) Personal Relationship – a Director has or may be perceived to have personal interests that are inconsistent with those of the Corporation, creating conflicting loyalties;
- (i) “Corporation” means the MICs Healthcare Foundation;
- (j) “Director” means a member of the Board;
- (k) “Excluded Person” means:
 - (i) any employee of the Corporation or one of the Hospitals other than the Hospitals’ Chief Executive Officer;
 - (ii) any person who lives in the same household as an employee of the Corporation or the Hospital; and

- (iii) any person (other than a physician) with an existing affiliation (employee, director, officer) to a publicly funded health service provider that provides services to clients within the Hospitals' catchment area;
- (iv) any person who is not an individual;
- (v) any person who is under 18 years old;
- (vi) any person who has been found under the Substitute Decisions Act, 1992 or under the Mental Health Act to be incapable of managing property;
- (vii) any person who has been found to be incapable by any court in Canada or elsewhere;
- (viii) any person who has the status of bankrupt; and
- (ix) any person who has been convicted of an indictable offence;
- (l) "ex-officio" means membership "by virtue of the office" and includes all rights, responsibilities and power to vote unless otherwise specified;
- (m) "Executive Director" means the senior employee of the Corporation appointed by the Board to manage and administer the day-to-day affairs of the Corporation;
- (n) "Head Office" means 241 Eight Street, Cochrane, Ontario, P0L 1C0;
- (o) "Hospitals" means Anson General Hospital, Bingham Memorial Hospital and Lady Minto Hospital;
- (p) "Letters Patent" means the letters patent incorporating the Corporation and any supplementary letters patent modifying same;
- (q) "Member" means a member of the Corporation;
- (r) "*Not-for-Profit Corporations Act, 2010* (Ontario)" or "*NFPCA*" and, where the context requires, includes the regulations respectively made thereunder;
- (s) "Officer" means the Chair, Vice-Chair, or Secretary;
- (t) "Patient or Client" means, unless otherwise specified, any in-patient, out-patient or other patient or client of the Hospitals; and
- (u) "Policies" means a document relating to the governance and/or management of the Corporation which requires the Board approval to enact or amend.

1.02 Interpretation

This By-Law shall be interpreted in accordance with the following unless the context otherwise specifies or requires:

- (a) Any Director, Officer, employee or member of the public, as the context requires and as is permitted by the By-Law or rules and Policies of the Corporation, may participate in a meeting of the Board or of a Committee of the Board by means of telephone conference or electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a person participating in such a meeting by such means is deemed for the purposes of the *Act* and this By-Law to be present at the meeting.
- (b) Any Director, Member, Officer or employee, as the context requires and as is permitted by the By-Law or Rules and Regulations of the Corporation, may participate in a meeting of the Board or of a Committee of the Board by means of telephone conference, or electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other, and a person participating in such a meeting by such means is deemed, for the purposes of the *NFPCA* and this By-Law, to be present at the meeting. It is recognized that participating by telephone conference, electronic or other communication facilities is the exception, and every effort must be made to attend and participate in meetings in person.
- (c) Subject to paragraph 1.02(a) above, business arising at any meeting of the Corporation, the Board or any Committee, shall be decided by a majority of votes unless otherwise required by statute, provided that:
 - (i) except as provided in this By-Law, each Member, each Director and each Committee member shall be entitled to one (1) vote at any meeting of the Corporation, Board or Committee, respectively;
 - (ii) votes shall be taken in the usual way, by show of hands, or verbal consent among all Members, Directors and Committee members present and, in the event of a tie, the motion is lost;
 - (iii) the Chair shall have an initial vote; however, in case of an equality of votes, either upon a show of hands or upon a poll, only the Chair of a meeting of the Corporation shall be entitled to an additional or casting vote;
 - (iv) whenever a vote has been taken on a question, a declaration by the Chair of the meeting that a resolution, vote or motion has been carried and an entry to that effect in the minutes shall be admissible in evidence as *prima*

facie proof of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution, vote or motion;

- (v) a Member shall not be entitled to cast a negative vote in respect of a motion to elect a Director or Board officer;
 - (vi) a motion to elect the Directors and Board officers by acclamation shall require a mover and seconder and one (1) vote cast by the chair of the meeting; and
 - (vii) notwithstanding any other provisions of this By-Law, any member of the Board may at any time require that vote be recorded.
- (d) Any questions of procedure at or for any meetings of the Corporation, of the Board or of any Committee, which have not been provided for in this By-Law or by the *Act* shall be determined by the Chair of the meeting in accordance with the rules of procedure adopted by resolution of the Board.
 - (e) Minutes shall be kept for all meetings of the Corporation, the Board or any Committee.
 - (f) Words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and vice versa.
 - (g) The headings used in this By-Law are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.
 - (h) Any references herein to any law, By-Law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

ARTICLE 2. MEMBERSHIP IN THE CORPORATION

2.01 Members

The Members of the Corporation shall be divided into the following two (2) classes:

- (a) ex-officio, the voting directors of the Hospitals; and
- (b) ex-officio, the Directors of the Corporation.

[NTD: the classes of membership must be set out in the Articles of Amendment]

2.02 **Withdrawal**

A Member may withdraw from the Corporation by delivering a written resignation to the Secretary.

2.03 **Termination of Membership**

- (a) The interest of a Member in the Corporation is not transferable and lapses and ceases to exist:
 - (i) upon death or resignation of the Member; or
 - (ii) when the person ceases to be a director of one of the Hospitals or a Director of the Corporation.
 - (iii) violating any provision of the Articles, By-law, Charters or Policies of the Corporation;
 - (iv) carrying out any conduct which may be detrimental to the Corporation or for any other reason as determined by the Board in its sole and absolute discretion;
 - (v) in the event that the Member ceases to meet the qualifications set out for membership in this By-Law, such determination to be made in the absolute sole discretion of the Board; or
 - (vi) if an ex-officio member, when the person ceases to be a Director of the Corporation.

- (b) In the event that the Board determines that a Member should be expelled or suspended from membership in the Corporation, the Chair, or such other officer as may be designated by the Board, shall provide fifteen (15) days notice of suspension or termination to the Member and shall provide reasons for the proposed suspension or expulsion. The Member may make written submissions to the Chair, or such other officer as may be designated by the Board, in response to the notice received, within such fifteen (15) day period. In the event that no written submissions are received by the Chair, the Chair or such other officer as may be designated by the Board, may proceed to notify the Member that the Member is suspended or expelled from membership in the Corporation. If written submissions are received in accordance with this section, the Board will consider such submissions in arriving at a final decision and shall notify the Member concerning such final decision within a further fifteen (15) days from the date of receipt of the submissions.

- (c) A Member of the Corporation who claims to be aggrieved because they were disciplined or because their membership was terminated may apply to the court for an order that the court thinks fit.

ARTICLE 3. ANNUAL AND SPECIAL MEETINGS OF THE MEMBERS OF THE CORPORATION

3.01 Annual Meeting of the Members of the Corporation

The annual meeting of Members shall be held at the Head Office of the Corporation or at any place in Ontario as the Board determines between April 1st and July 31st in each year on a date fixed by the Board.

3.02 Special Meetings of the Members of the Corporation

- (a) The Board or Chair may call a special meeting of the Corporation.
- (b)
 - (i) Not less than 1/10th of the Members of the Corporation entitled to vote at a meeting proposed to be held may, in writing, requisition the Directors to call a special meeting of the Members for any purpose connected with the affairs of the Corporation which are properly within the purview of the Members' role in the Corporation and which are not inconsistent with the *Act*.
 - (ii) The requisition shall be deposited at or delivered to the Head Office of the Corporation and may consist of several documents in like forms signed by one or more requisitioners.
- (c) Notice of a special meeting shall be given in the same manner as provided in section 3.03. If the Directors, acting in their sole discretion, determine that the requisition meets the qualifications set out in paragraph 3.02(b), the Directors shall call and hold such meeting within twenty-one (21) days from the date of the deposit of the requisition.
- (d) The notice of a special meeting shall specify the purpose or purposes for which it has been called.

3.03 Notice

- (a) Thirty (30) days' prior written notice of an annual meeting shall be given to each Member.
- (b) At least ten (10) days' prior written notice of a special meeting shall be given to each Member.

- (c) Notice of any meeting where special business will be transacted shall contain sufficient information to permit the Member to form a reasoned judgement on the decision to be taken.
- (d) Notice of a Members' meeting shall be given in the following manner:
 - (i) to each Member by prepaid mail to the last address as shown on the records of the Corporation; or
 - (ii) to each Member by electronic communication (including facsimile and e-mail) by sending it to the last electronic communication address provided by a Member who has consented to receiving notices in such a manner.

3.04 Quorum

A quorum for any meeting of the Members of the Corporation shall be a majority of its Members.

3.05 Chair of the Meeting

The chair of a meeting of the Corporation shall be:

- (a) the Chair of the Corporation; or
- (b) the Vice-Chair of the Corporation, if the Chair is absent or is unable to act; or
- (c) a chair elected by the Members present if the Chair and Vice-Chair are absent or are unable to act. The Secretary shall preside at the election of the chair, but if the Secretary is not present, the Directors, from those present, shall choose a Director to preside at the election.

3.06 Business at Annual Meetings

- (a) The business transacted at the annual meeting shall include:
 - (i) reading and/or the circulation and consideration of:
 - (1) minutes of the previous annual meeting;
 - (2) the report of the Chair of the Board;
 - (3) report of the auditor including a presentation of the audited financial statements;
 - (4) the report of the Executive Director;

- (ii) election of the Directors; and
 - (iii) appointment of the auditors.
- (b) No item of other business shall be considered at the annual meeting unless notice in writing of such item of other business has been given to the Secretary prior to the giving of notice of the annual meeting so that such item of new business can be included in the notice of annual meeting. Such notice of new business shall be signed by at least four (4) voting Members.

3.07 Adjourned Meeting

- (a) If, within one-half hour after the time appointed for a meeting of the Corporation, a quorum is not present, the meeting shall stand adjourned until a day within two (2) weeks to be determined by the Chair.
- (b) At least three (3) days' notice of the adjourned meeting shall be given in accordance to the provisions of section 3.03 above.

3.08 Written Resolutions and By-Law

Any resolution or by-law passed at any time during the Corporation's existence may, in lieu of confirmation at a meeting, be confirmed in writing by all the Members entitled to vote at such meeting.

ARTICLE 4. BOARD OF DIRECTORS

4.01 Board Composition

- (a) (i) The affairs of the Corporation shall be governed by a Board consisting of a nine (9) Directors of whom five (5) shall be elected and four (4) shall be ex-officio.
- (ii) The number of Directors may be amended in the future from time to time by at least a two-thirds (2/3) vote of the Directors.

- (b) Elected Directors

The elected Directors shall be elected by the voting Members at a meeting of the Members.

- (c) Ex-Officio Directors

The persons holding the following offices shall be ex-officio voting Directors and shall hold office until their successors are appointed:

- (i) the Chief Executive Officer;
- (ii) the Anson General Hospital Board Chair;
- (iii) the Bingham Memorial Hospital Board Chair; and
- (iv) the Lady Minto Hospital Board Chair.

4.02 Nominations to Board

Nominations for election as Director pursuant to section 4.01 at the annual general meeting of the Corporation may be made only in accordance with the following process:

- (a) The Governance Committee shall, throughout the year, identify potential candidates for Directors and determine the willingness of such candidates to serve.
- (b) The Governance Committee shall ensure that each nominee has signed a written declaration that if elected, he/she will serve as a Director in accordance with the By-Law.
- (c) The Governance Committee will receive and review all nominations made by the Governance Committee and by the Members and, taking into consideration and applying the Guidelines for the Selection of Directors in section 4.05, will prepare a list of recommended nominees to the Board for consideration and implementation.
- (d) The Governance Committee will ensure that the Board's recommended nominees, together with any candidates nominated by the Members, together with their qualifications, are made available to the Members of the Corporation at least ten (10) days prior to the annual general meeting.

4.03 Terms of Office

- (a) The elected Directors shall be elected for one (1) year terms.
- (b) Notwithstanding the above, the intention is that Directors will be elected for at least three (3) consecutive one-year terms up to a maximum of nine (9) consecutive years.

4.04 Qualification of Directors

Excluded Persons are disqualified of being Directors of the Corporation.

4.05 Guidelines for the Selection of Directors

To ensure the membership of the Board reflects the breadth, depth and diversity of the Hospitals' catchment area, the following principles, qualities and skills will guide the Governance Committee when considering candidates for Board membership:

- (a) The Board shall be capable and experienced to lead the Corporation.
- (b) The Board should be seen as applying objective criteria in determining the appropriate candidates for election as a Director and shall require that an appropriate application for each of the candidates be completed which application shall be objectively considered by the Board prior to developing its recommendations for the membership. In doing so, the Governance Committee shall consider identified universal, collective and specifically identified competencies that candidates should have.
- (c) The Board shall ensure that all Directors have the following universal competencies:
 - (i) understanding of the distinction between the strategic and policy role of the Board and the day to day operational responsibilities of management;
 - (ii) capability to give leadership to the development of the Corporation;
 - (iii) commitment to the vision, mission and core values of the Corporation;
 - (iv) ability to work as a member of a team;
 - (v) respect for the views of others;
 - (vi) recognition of the time commitment and the willingness to devote the time and energy necessary to perform the role of directors;
 - (vii) enthusiasm and capacity for resolving challenging issues;
 - (viii) enthusiasm, interest and commitment to fundraising;
 - (ix) an understanding of the range of obligations and constraints imposed upon directors of corporations; and
 - (x) an understanding and respect of the cultural, linguistic, religious and ethnics characteristics of individuals and communities served.
- (d) The Board shall ensure that the following collective competencies are present:
 - (i) prior experience in governance;

- (ii) fundraising experience;
 - (iii) investment experience;
 - (iv) understanding of fiscal, financial and legal matters;
 - (v) knowledge and experience in government and public relations; and
 - (vi) knowledge and experience in marketing.
- (e) Current Board members whose terms are expiring are not entitled to automatically stand for re-election but must be considered in the same manner as all the other candidates, provided such consideration will also take into account the board member's performance during his term including consideration of the following factors:
- (i) Board meeting and Committee meeting attendance;
 - (ii) financial support commensurate with ability to give;
 - (iii) effective participation in identification of, engagement with, and/or solicitation of:
 - (1) prospective donors; and
 - (2) participants in fund raising activities;
 - (iv) commitment to continuing education;
 - (v) effective communication, including contributions at Board and Committee meetings and on behalf of the Board where requested;
 - (vi) preparation prior to Board and Committee meetings;
 - (vii) support of Board actions (regardless of how the Director voted);
 - (viii) ability to express a dissenting opinion in a constructive manner;
 - (ix) ability to integrate continuing education into Board deliberations;
 - (x) compliance with the governing legislation and By-Law, particularly the conflict of interest and confidentiality provisions; and
 - (xi) support of the Corporation's objects, vision, mission and core values.

The Board shall consider the above factors while balancing the need to ensure ongoing expertise on the Board and the need to plan for the succession of the Board Officer positions.

4.06 Term of Office Restrictions

- (a) No person may serve as an elected Director for more than nine (9) consecutive years of service.
- (b) A former Director restricted by paragraph 4.06(a) may serve again as a Director following a break in service of at least one (1) year.

4.07 Vacancy and Termination of Office

- (a) The office of an elected or ex-officio Director, shall automatically be vacated:
 - (i) if the Director becomes an Excluded Person;
 - (ii) if the Director, by notice in writing to the Corporation, resigns office, which resignation shall be effective at the time it is received by the Secretary of the Corporation or at the time specified in the notice, whichever is later; or
 - (iii) if the Director dies.
- (b) The office of an elected Director may be vacated at a special meeting of the Members, if a resolution is passed by at least two-thirds (2/3) of the votes cast by the Members removing a Director before the expiration of the Director's term of office, including without limitation because:
 - (i) the Director is absent for three (3) consecutive regular meetings of the Board, or if a Director is absent for four (4) or more of the regular meetings of the Board in any twelve (12) month period; or
 - (ii) the Director knowingly fails to comply with the *Act*, the Corporation's Letters Patent, By-Law, rules, regulations, Policies or procedures, including without limitation, the confidentiality, conflict of interest and standards of care requirements set out in this By-Law.
- (c) If a vacancy occurs at any time among the Directors either by a resignation, death or removal by the Members in accordance with paragraph 4.07(b) above, or by any other cause, such vacancy may be filled by a qualified person elected by the Members to serve until the next annual meeting or for the entire duration of the unexpired term, provided that the requirements of section 4.04 are complied with.

- (d) Subject to paragraph (c) above, at the next annual meeting in addition to the election of Directors to fill the vacancies caused by expiry of Directors' terms, the Members shall also elect an additional Director to fill the unexpired term created pursuant to the provisions of this section 4.07.

4.08 Conflict of Interest

- (a) Every Director who, either directly or indirectly through one of his or her Associates, has or thinks he or she may potentially have an actual or perceived Conflict of Interest with respect to a material proposed or current contract, transaction, matter or decision of the Corporation, shall disclose the nature and extent of the Conflict of Interest at a meeting of the Board.
- (b) The declaration of interest shall be disclosed at the meeting of the Board at which the contract, transaction, matter or decision is first raised.
- (c) If the Director, or his or her Associates, becomes interested in a material contract, transaction, matter or decision after the Board meeting at which it is first raised, the Director shall make a declaration at the next Board meeting following the Director's perception or apprehension of a conflict.
- (d) In the case of an existing material contract, transaction, matter or decision, the declaration shall be made at the first meeting of the Board after the individual becomes a Director or the interest comes into being.
- (e) All such declarations of interest (including the specific nature thereof) shall be recorded in the minutes of the meeting and in the minutes of every meeting at which the matter that is the subject of the declaration is addressed (either discussed or voted on).
- (f) After making such a declaration, no interested Director shall vote or be present at the vote or during the discussions, or otherwise attempt to influence the voting, on a material contract, transaction, matter or decision, nor shall the Director be counted in any required quorum with respect to the vote. The abstention of the conflicted Director from discussion and voting shall also be recorded in the minutes of each relevant meeting. The conflicted Director is not restricted from answering questions about or explaining his or her involvement in the matter that is the subject of the declaration.
- (g) If a Director has made a declaration of Conflict of Interest in compliance with this By-law, the Director is not accountable to the Corporation for any profits he or she may realize from the material contract, transaction, matter or decision.
- (h) If the Director fails to make a Declaration of his or her interest in a material contract, transaction, matter or decision, as required by this By-law, this failure

may be considered grounds for termination of his or her position as a Director, in addition to any other remedies available to the Corporation under statute, equity or common law. A Director's undeclared Conflict of Interest may, at the discretion of the Board, be brought before the members for approval and confirmation.

- (i) The failure of any Director to comply with the Conflict of Interest provisions of this By-law does not, in or of itself, invalidate any material contract, transaction, matter or decision undertaken by the Board, although the material contract, transaction, matter or decision may be voidable at the discretion of the Board.
- (j) If a Director believes that any other Director is in a Conflict of Interest position with respect to any material contract, transaction, matter or decision, the Director shall have his or her concern recorded in the minutes, and the Director with the alleged Conflict of Interest shall have the right to address the Board with respect to the allegation, and shall then absent himself or herself from the room. Thereafter, at the request of the Director who recorded the initial concern, the Board shall vote on whether the Director alleged to have a Conflict of Interest is, in the opinion of the Board, in a Conflict of Interest. If the Board finds the person in a Conflict of Interest, that interested Director shall absent himself or herself during any subsequent discussion or voting process relating to or pertaining to the conflict. The question of whether a Director has a Conflict of Interest shall be determined by a simple majority of the Board and shall be final.
- (k) If the Board finds that the person is not in conflict, the Board will then vote on the material contract, transaction, matter or decision and the votes of each Director shall be recorded.
- (l) Where the number of Directors who, by reason of the provisions of this section, are prohibited from participating in a meeting is such that at that meeting the remaining Directors are not of sufficient number to constitute a quorum, then, notwithstanding any other provision in this By-law, the remaining number of Directors shall be deemed to constitute a quorum, provided such number is not less than three (3).
- (m) Where, in the circumstances mentioned in the preceding paragraph, the remaining number of Directors who are not prohibited from participating in the meeting is less than three (3), the Chair of the Board may apply to the Superior Court of Justice on an ex parte basis for an Order authorizing the Board to give consideration to, discuss and vote on the matter out of which the interest arises, or such other relief as the Court may consider appropriate.

4.09 Confidentiality

- (a) Every Director, Officer and employee of the Corporation shall respect the confidentiality of matters brought before the Board, keeping in mind that unauthorized statements could adversely affect the interests of the Corporation.
- (b) The Chair of the Board is responsible for Board communication and may delegate authority to one or more Directors, Officers or employees of the Corporation to make statements to the news media on matters concerning the public brought before the Board.

4.10 Responsibilities of the Board

- (a) The Board shall govern and oversee the management of the Corporation in accordance with the Letters Patent, the By-law, rules and Policies of the Corporation, and the terms and provisions of applicable legislation.
- (b) Provide for excellent leadership and management through the Executive Director.
 - (i) Select the Executive Director. In doing so, the Board shall satisfy itself as to the integrity of the Executive Director.
 - (ii) Establish a Board policy for the performance evaluation and compensation of the Executive Director.
 - (iii) Specify measurable performance expectations in cooperation with the Executive Director, appraise/assess performance and determine compensation.
 - (iv) Delegate responsibility and concomitant authority to the Executive Director and require accountability to the Board.
- (c) Ensure Succession Planning
 - (i) Provide for Executive Director succession.
- (d) Build Relationships
 - (i) Build and maintain good relationships with existing and prospective donors, volunteers, community and business leaders, government and political leaders, local health integration networks, and other key stakeholders, clients, and Hospital volunteers.
- (e) Establish Fundraising Goals
 - (i) Approve fundraising goals that support the Hospitals' goals and missions.

- (f) Ensure Financial Viability
 - (i) Establish key financial objectives that support the organization's goals and mission (including capital allocations and expenditures).
 - (ii) Ensure that optimal utilization of resources is a key focus and that the organization operates within its resource envelope.
 - (iii) Ensure that the organization undertakes the necessary financial planning activities so that resources are allocated effectively.
- (g) Ensure Board Effectiveness
 - (i) Monitor Board members' adherence to corporate governance principles and guidelines.
 - (ii) Measure the Board's own effectiveness and efficiency, including monitoring the effectiveness of individual Directors and Board officers and employing a process for Board renewal that embraces evaluation and continuous improvement.
 - (iii) Ensure ethical behaviour and compliance with laws and regulations, audit and accounting principles, Accreditation requirements and the By-Laws.
- (h) Ensure Effective Communication
 - (i) Ensure the Corporation has a policy to enable effective communication with its Stakeholders and the public generally.
- (i) Language and Culture
 - (i) respect the cultural, linguistic, religious, and ethnic characteristics of the communities served;
 - (ii) ensure services are provided in the predominate languages within the Community recognizing that the working language of the Hospitals is English and services of a translator may be used as required.
 - (iii) the Foundation recognizes and supports the principle of French-speaking clients accessing healthcare services in their own language, and, as such, its goal is to provide services in both English and French, through an interpreter if need be.

4.11 Responsibilities of Individual Directors

In contributing to the achievement of the responsibilities of the Board as a whole, each Director shall:

- (a) adhere to the principles of governance set out in section 4.12 and the Corporation's vision, mission and core values;
- (b) work positively, co-operatively and respectfully as a member of the team with other Directors and with the Corporation's management and staff;
- (c) respect and abide by Board decisions;
- (d) make a personally significant financial donation to the Foundation;
- (e) participate in activities leading to, and where appropriate including, solicitations for financial donations;
- (f) serve on at least one (1) standing Committee;
- (g) regularly attend Board and Committee meetings;
- (h) complete the necessary background preparation in order to participate effectively in meetings of the Board and its Committees;
- (i) keep informed about matters relating to the Corporation;
- (j) participate in initial orientation as a new Director and in on-going Board education;
- (k) participate in an annual evaluation of overall Board effectiveness;
- (l) participate in an annual self and peer evaluation of the Board and individual members;
- (m) advise the Chair of any circumstances which result in the Director no longer meeting the qualifications set out in section 4.04;
- (n) abide by the Conflict of Interest provisions contained in this By-Law; and
- (o) represent the Board, when requested.

4.12 Principles of Governance

- (a) For the purposes of this By-Law, governance is defined as the process of governing the Corporation through the direction and supervision of the business

and affairs of the Corporation, in accordance with its Letters Patent, its By-Law and all applicable legislation.

- (b) The Board is responsible for the governance of the Corporation.
- (c) The Board provides strategic leadership to the Corporation in the establishment of and commitment to the Corporation's vision, mission and core values.
- (d) The Board shall establish a culture of open debate, forthright examination of all issues, and, when considering conflicting issues, shall act at all times in the best interest of the Corporation, while having regard for the needs of the communities served.
- (e) The Board of Directors shall carry on its duties in accordance with the Corporation's Letters Patent, its By-Law and all applicable legislation.
- (f) The Board is accountable to:
 - (i) its donors for ensuring that any funds raised for a specific purpose or Hospital Corporation is only used for the intended purpose; and
 - (ii) the Hospitals for the coordination of fundraising events and the oversight of the funds raised.

4.13 Standards of Care

Every Director and Officer of the Corporation in exercising his powers and discharging his duties shall:

- (a) act honestly and in good faith with a view to the best interests of the Corporation; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- (c) comply with the *Act* and the Corporation's Articles and By-Laws.

ARTICLE 5. OFFICERS OF THE BOARD AND OF THE CORPORATION

5.01 Officers

- (a) The Board shall elect the following Officers at the special meeting immediately following the annual meeting:
 - (i) the Chair (if the position is vacant); and

- (ii) the Vice-Chair.
- (b) The Executive Director may be the Secretary of the Corporation and Secretary of the Board.
- (c) Ex-officio Directors are ineligible for election as Chair or Vice-Chair.
- (d) Subject to paragraph 5.01(e) below, no Director may serve as Chair or Vice-Chair of the Board for longer than two (2) consecutive years in any position; provided, however, that following a break in the continuous service of at least one (1) year the same person may be re-elected or re-appointed to any office.
- (e) The Directors of the Corporation may by a motion passed by at least two-thirds (2/3) of the votes cast extend the term of an Officer beyond the two (2) year term specified in paragraph 5.01(d) above.

5.02 Duties of Chair

The duties of the Chair of the Board shall include, without limitation, the following:

- (a) chair all meetings of the Board at which the Chair is present;
- (b) be an ex-officio member of all Committees of the Board but shall only count towards quorum if he or she is present;
- (c) be responsible for the naming of Directors to Committees where membership has not otherwise been provided for in the By-Law;
- (d) report to each annual meeting of Members of the Corporation concerning the operations of the Corporation;
- (e) represent the Corporation at public and official functions;
- (f) develop the agenda for Board meetings;
- (g) where possible, ensure that appropriate Board and Committee information and supporting materials are provided to Board and Committee members at least five (5) business days prior to their meetings;
- (h) ensure that the actions of the Board are in accordance with the Corporation's goals and priorities and the Board's own goals;
- (i) report regularly and promptly to the Board on issues that are relevant to its governance responsibilities;
- (j) set a high standard for Board and Board Committee conduct by modelling, articulating and upholding rules of conduct set out in the By-Law and Policies;

- (k) intervene when necessary in instances involving Conflict of Interest, confidentiality and other Board Policies;
- (l) be responsible for addressing issues associated with under performance of individual Directors and Committee members including, if applicable, coordinating their removal from the Board or, as the case may be, Committee;
- (m) ensure that the annual review of the Executive Director's performance and compensation is done in accordance with Board approved policy; and
- (n) perform such other duties as may from time to time be determined by the Board.

5.03 Duties of Vice-Chair

The Vice-Chair of the Board shall have all the powers and perform all the duties of the Chair in the absence or disability of the Chair, together with such other duties assigned by the Board.

5.04 Duties of Executive Director

- (a) The Executive Director may by resolution of the Board be Secretary of the Corporation and Secretary of the Board.
- (b) The duties of the Executive Director shall include the exercise of the authority delegated to the Executive Director by the Board through Board Policies for the organization and operation of the Corporation, and the Executive Director shall be accountable to the Board for the Corporation's accomplishment of applicable Board Policies and for the operation of the affairs of the Corporation consonant with the reasonable interpretation of Board Policies.
- (c) The Executive Director shall perform such other duties as may be determined from time to time by the Board.
- (d) In the absence or inability to act of the Executive Director, or for any other reason that the Board may deem sufficient, the Board shall delegate all or any of the powers of Executive Director to one or more persons.

5.05 Duties of Secretary

- (a) The Secretary shall:
 - (i) attend all meetings of the Board and of Committees of the Board;
 - (ii) keep a record of the minutes of all meetings;
 - (iii) keep a roll of names and addresses of the Directors;

- (iv) attend to correspondence;
- (v) give such notice as required by the By-Law of the Corporation relating to all meetings of the Corporation, the Board and its Committees;
- (vi) prepare all reports required under the *Act* or any applicable legislation of the Province of Ontario;
- (vii) be the custodian of all minute books, documents and registers of the Corporation required to be kept by the provisions of the *Act*;
- (viii) be the custodian of the seal of the Corporation;
- (ix) keep copies of all testamentary documents and trust instruments by which benefits are given to the use of the Corporation and provide copies of same to the Office of the Public Guardian and Trustee in accordance with the provisions of the *Charities Accounting Act* (Ontario);
- (x) keep a record of Board attendance;
- (xi) at least semi-annually, provide an accounting to the Board with respect to all funds held in trust by the Corporation;
- (xii) be the custodian of the books of account and accounting records of the Corporation required to be kept by the provisions of the *Act*;
- (xiii) have all the accounts audited on an annual basis;
- (xiv) submit quarterly certificates to the Board in respect of the previous quarter that all wages owing to employees and source deductions relating to the employees that the Corporation is required to deduct and remit to the proper authorities pursuant to all applicable legislation, including without limitation, the *Income Tax Act* (Canada), the *Canada Pension Plan* (Canada), the *Employment Insurance Act* (Canada) and *Employer Health Tax Act* (Ontario), have been made and remitted to the proper authorities, and that all federal and provincial taxes collected pursuant to the *Excise Tax Act* and the *Retail Sales Tax Act*, respectively, have been collected and remitted to the proper authorities;
- (xv) under the direction of the Board, control the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation;
- (xvi) at each regular meeting of the Board, submit a financial statement or report indicating the financial position of the Corporation at the close of the preceding month and submit to the Board, whenever required, an

account of all transactions as treasurer and a detailed report respecting the financial position of the Corporation; and

- (xvii) perform such other duties as may from time to time be determined by the Board.

5.06 Indemnification and Insurance

- (a) The Corporation shall indemnify the Directors or Officers of the Corporation, the former Directors or Officers of the Corporation or an individual who acts or acted at the Corporation's request as a Director or Officer, or in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other action or proceeding in which the individual is involved because of that association with the Corporation or other entity.
- (b) The Corporation shall advance money to the Director, Officer or other individual referred to in paragraph 5.06(a) for the costs, charges and expenses of an action or proceeding referred to in that paragraph, but the individual shall repay the money if the individual does not fulfil the conditions set out in paragraph 6506(c).
- (c) The Corporation shall not indemnify an individual under paragraph 5.06(a) unless,
 - (i) the individual acted honestly and in good faith with a view to the best interests of the Corporation or other entity, as the case may be; and
 - (ii) if the matter is a criminal or administrative proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that his or her conduct was lawful.
- (d) The indemnity provided for in the preceding paragraph 5.06(a) shall not apply to any liability which a Director or Officer of the Hospitals may sustain or incur as the result of any act or omission as a member of the Professional Staff of the Hospitals.
- (e) The Corporation shall purchase and maintain insurance for the benefit of an individual referred to in paragraph 5.06(a) against any liability incurred by the individual,
 - (i) in the individual's capacity as a Director or Officer of the Corporation; or
 - (ii) in the individual's capacity as a Director or Officer, or a similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation's request.

ARTICLE 6. REGULAR AND SPECIAL MEETINGS OF THE BOARD

6.01 Regular Meetings

- (a) The Board shall meet at such time, day and place as the Board may from time to time determine. The Secretary shall provide not less than seven (7) days' written notice of a regularly scheduled Board meeting to each Director. The notice may be delivered, by mail or electronically.
- (b) There shall be at least nine (9) regular meetings per annum.

6.02 Special Meetings

- (a) The Chair or Vice-Chair of the Board may call special meetings of the Board.
- (b) The Secretary of the Board shall call a special meeting of the Board if four (4) Directors so request in writing.
- (c) Notice of a special meeting of the Board shall specify the purpose of the meeting, shall be delivered, faxed, e-mailed or telephoned to each Director at least forty-eight (48) hours in advance of the meeting or shall be mailed to each Director at least five (5) days in advance of the meeting.

6.03 Procedures for Board Meetings

- (a) The declaration of the Secretary or Chair that notice has been given pursuant to this By-Law shall be sufficient and conclusive evidence of the giving of such notice.
- (b) No error or omission in giving notice for a meeting of Directors shall invalidate such meeting or invalidate any proceedings at such meeting and any Director may at any time waive notice of any such meeting and may ratify and approve any or all proceedings.
- (c) Meetings of the Board shall be opened to the members of the public and employees of the Corporation by invitation only.
- (d) The Board shall ensure processes are in place for community and public communication and engagement.

6.04 Quorum

A quorum for any meeting of the Board shall be not less than fifty percent of the Directors. The Chair shall be included in the determination of a quorum.

6.05 Rules

The Board may, from time to time, make such rules as it may deem necessary or desirable for the better management, operation and maintenance of the Corporation; provided, however, that any such rule shall conform with the provisions of this By-Law.

ARTICLE 7. STANDING COMMITTEES OF THE BOARD

7.01 Establishment of Committees

- (a) At the first meeting of the Board following the annual meeting of the Corporation, the Board shall establish:
 - (i) the following standing Committees:
 - (1) Audit Committee;
 - (2) Governance Committee; and
 - (3) Fundraising, Finance and Investment Committee.
- (b) The Board shall approve the terms of reference of all standing Committees of the Board.
- (c) The Board may establish such other standing Committees, special Committees and advisory Committees as the Board may from time to time deem necessary for the operation of the Corporation.

7.02 Terms of Reference

- (a) The terms of reference of the Audit Committee and the Governance Committee's powers to act as an "Executive Committee" as that term is defined in the *Act* are set out in sections 7.03 and 7.04, respectively.
- (b) The functions, duties, responsibilities, composition and mandate of the Committees set out in paragraph 7.01(a) above that are not set out in this By-Law and of all other Committees shall be provided either in the Board Committee charter to be prepared and reviewed by the Board from time to time or in the resolution of the Board by which such Committee is established.
- (c) The terms of reference for all Committees shall be reviewed, evaluated and revised, as may be appropriate, on an annual basis. Any proposed amendments to the Governance Committee, the Board and, if applicable, Members for approval.
- (d) In addition to any specific terms of reference, the respective Committees shall have the following additional general duties and responsibilities:

- (i) performing such other functions and tasks as may be delegated by the Board; and
 - (ii) maintaining minutes or other records of meetings and activities of the Committee.
- (e) The Board may at any time combine the terms of reference of any two or more Committees.

7.03 Audit Committee

- (a) The Audit Committee shall be appointed by the Chair of the Board each year following the annual meeting and shall be composed of not fewer than three (3) elected Directors to hold office until the next annual meeting.
- (b) The Executive Director will be available as resources to the Committee as required.
- (c) The Audit Committee will meet as least three (3) times yearly.
- (d) The role of the Audit Committee is to:
 - (i) review and recommend to the Board for approval the Corporation's annual financial statements;
 - (ii) recommend independent auditors for appointment by the Board;
 - (iii) recommend for approval by the Board the compensation to be paid to the independent auditors;
 - (iv) meet with the auditors "in-camera" on an annual basis;
 - (v) review the independent auditor's management letter and ensure appropriate follow up; and
 - (vi) assume such other duties as may be assigned from time to time by the Board.

7.04 Governance Committee

The Governance Committee shall:

- (a) in between meetings of the Board, exercise the full powers of the Board in all matters of administrative urgency, reporting every action at the next meeting of the Board; and

- (b) study and advise or make recommendations to the Board on any matter as directed by the Board.

ARTICLE 8. FINANCIAL

8.01 Financial Year End

Unless otherwise ordered by the Board, the financial year of the Corporation shall end with the 31st day of March in each year.

8.02 Signing Officers

- (a) Subject to paragraph (b) below, either the Chair or Vice-Chair of the Board, together with either the Executive Director, or an Officer designated by the Board, shall sign on behalf of the Corporation and affix the corporate seal to all contracts, agreements, conveyances, mortgages and other documents, for which the Board approval is required.
- (b) Any of the two persons listed in paragraph (a) above shall be entitled to:
 - (i) sign contracts or agreements which can be terminated with less than thirty (30) days' notice or create binding obligations on the Corporation in excess of an amount to be determined from time to time by resolution of the Board; and
 - (ii) sign cheques in an amount to be determined from time to time by resolution of the Board.

8.03 Banking and Borrowing

- (a) The Board shall by approval of policy, from time to time, designate the manner in which bonds or other securities of the Corporation shall be invested or held for safekeeping.
- (b) The designated signing officers of the Corporation are hereby authorized:
 - (i) to draw, accept, sign and make all or any bills of exchange, promissory notes, cheques, and orders for payment of money;
 - (ii) to receive and deposit all Corporation monies in the bank;
 - (iii) from time to time, to borrow money from the bank;
 - (iv) to transact with the said bank any business which it may think fit;

- (v) to negotiate with, deposit with, endorse or transfer to the bank, but for the credit of the Corporation only, all or any bills of exchange, promissory notes, cheques or orders for the payment of money and other negotiable paper; and
- (vi) from time to time, to arrange, settle, balance and certify all books and accounts between the Corporation and the bank designated by the Board under paragraph 8.03(a) above.

8.04 Seal

The seal of the Corporation shall be in the form impressed hereon.

8.05 Investments

- (a) The Board may invest in any investments which are authorized by the Corporation's investment charter. The Corporation's investment policy shall be developed by the Board in consultation with an investment advisor.
- (b) The Board may not expend any of the capital of the Corporation's investments unless the Board, at a special meeting, has approved such expenditure by a resolution passed by at least two-thirds (2/3) of the votes cast by the members of the Board present at the special meeting.

8.06 Endowment Benefits

- (a) No benefit given in trust to, or for the use of, the Corporation for endowment purposes shall be hypothecated, transferred or assigned to obtain credit or to receive funds except as allowed by section 8.05.
- (b) The Secretary shall keep copies of all testamentary documents and trust instruments by which benefits are given, bequeathed or devised to, or for the use of, the Corporation.
- (c) The Secretary shall give notice to the Office of the Public Guardian and Trustee, in accordance with the terms of the *Charities Accounting Act* (Ontario), of the benefits referred to in paragraph 8.06(b) which come into the control or possession of the Corporation and the notice shall be accompanied by an attested or notarial copy of the testamentary or trust document. **[NTD: Michael to confirm whether Charities Accounting Act is still applicable]**
- (d) The Corporation shall apply any trust funds of the Corporation only to the designated purpose(s) for which such funds were intended. Under no circumstances shall the Corporation transfer any funds held in trust by the Corporation to any other individual or entity, unless such transfer complies with

all applicable law, including without limitation, the *Charities Accounting Act* (Ontario) and the *Trustee Act* (Ontario).

- (e) The Secretary shall at least semi-annually provide an accounting to the Board with respect to all funds held in trust by the Corporation.

8.07 Auditor

- (a) The Corporation shall at its annual meeting appoint an auditor who shall not be a member of the Board or an Officer or employee of the Corporation or a partner or employee of any such person, and who is duly licensed under the provisions of the *Public Accountancy Act* (Ontario), to hold office until the next annual meeting of the Corporation.
- (b) The auditor shall have all the rights and privileges as set out in the *Act* and shall perform the audit function as prescribed therein.
- (c) In addition to making the report at the annual meeting of the Corporation, the auditor shall from time to time report through the Audit Committee to the Board on the audit work with any necessary recommendations.

8.08 Disbursements

The Board may disburse funds in accordance with the Corporation's Disbursement Charter developed by the Board and approved by the Members.

8.09 Fundraising

The Board may raise funds in accordance with the Corporation's Fundraising Charter developed by the Board and approved by the Members.

ARTICLE 9. AMENDMENT OF BY-LAW

9.01 Amendments to By-Law

- (a) The Board may pass or amend the By-Law of the Corporation from time to time.
- (b)
 - (i) Where it is intended to pass or amend the By-Law at a meeting of the Board, written notice of such intention shall be sent by the Secretary to each Director of the Corporation not less than ten (10) days before the meeting.
 - (ii) Where the notice of intention required by clause (i) above is not provided, any proposed By-Law or amendments to the By-Law may nevertheless be moved at the meeting and discussion and voting thereon adjourned to the next meeting, for which no notice of intention need be given.

- (c) Notice of a Members' meeting shall be given in the following manner:
 - (i) to each Member by prepaid mail to the last address as shown on the records of the Corporation; or
 - (ii) to each Member by electronic communication (including facsimile and e-mail) by sending it to the last electronic communication address provided by a Member who has consented to receiving notices in such a manner.
- (d) A By-Law or an amendment to a By-Law passed by the Board has full force and effect when it is confirmed by the Members at the annual or special meeting of the Members.
- (e)
 - (i) A By-Law or an amendment to a By-Law passed by the Board shall be presented for confirmation at the next annual meeting or to a special general meeting of the Members called for that purpose. The notice of such annual meeting or special general meeting shall refer to the By-Law or amendment to be presented.
 - (ii) The Members at the annual meeting or at a special general meeting may confirm the By-Law as presented or reject or amend them, and if rejected they thereupon cease to have effect and if amended, they take effect as amended.

Chair, Bingham Memorial Hospital

Chair, Anson General Hospital

Chair, Lady Minto Hospital

SECRETARY, MICs C.E.O.