

WOODSTOCK HOSPITAL

BY-LAWS

Approved and Ratified June 25, 2024

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ARTICLE 1. DEFINITIONS

1.01 Definitions

In this By-law, unless the context otherwise requires:

- (a) “Act” means the *Not-for-Profit Corporations Act* (Ontario) and, where the context requires, includes the regulations made under it;
- (b) “Articles” means any instrument that incorporates the Corporation or modifies its incorporating instrument, including the articles of amendment and any subsequent articles of amendment, amalgamation, continuance, reorganization, arrangement, restated articles or revival of the Corporation from time to time in force and effect, as well as any letters patent or supplementary letters patent under the *Corporations Act* (Ontario);
- (c) “Associates” in relation to an individual means the individual’s parents, children, 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) “Auditor” means a person permitted to conduct an audit under the *Public Accounting Act, 2004* (Ontario);
- (e) “Board” means the board of directors of the Corporation;
- (f) “Board Exclusive Responsibility” means each specific decision identified by section 36(2) of the *Act* that cannot be delegated by the Board to a committee or to management, being:
 - (i) to submit to the Members any question or matter requiring the approval of the Members;
 - (ii) to fill a vacancy among the Directors or in the position of Auditor;
 - (iii) to appoint additional Directors;

- (iv) to issue debt obligations except as authorized by the Board;
 - (v) to approve any financial statements under section 83 of the *Act*;
 - (vi) to adopt, amend or repeal by-laws; and
 - (vii) to establish contributions to be made, or dues to be paid, by Members under section 86 of the *Act*;
- (g) “By-law(s)”, unless otherwise specified, means the by-laws of the Corporation;
- (h) “Chair of the Board” means the Director elected as such as required by the *Act*;
- (i) “Chief Executive Officer” means, in addition to “administrator” as defined in section 1 of the *Public Hospitals Act*, the employee of the Corporation who has been duly appointed by the Board as Chief Executive Officer of the Corporation;
- (j) “Chief of Staff” means the member of the Medical Staff appointed by the Board to be responsible for the professional standards of the Professional Staff and the quality of professional care rendered at the Hospital;
- (k) “College” means, as the case may be, the College of Physicians and Surgeons of Ontario, the Royal College of Dental Surgeons of Ontario, the College of Midwives of Ontario and/or the College of Nurses of Ontario;
- (l) “Committee” means any Committee created by the Board or pursuant to the By-laws;
- (m) “Conflict of Interest” includes, without limitation, the following areas that may give rise to a conflict of interest for the Directors, namely:
- (i) Pecuniary or financial interest – a Director is said to have a pecuniary or financial interest in a decision when the Director stands to gain by that decision, either in the form

of money, gifts, favours, gratuities or other special consideration;

- (ii) Undue influence – a Director’s 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 the Director is a party to a claim, application or proceeding against the Corporation; or
 - (iv) Material interest – pursuant to the *Act*, a Director has a material interest if they are a director or officer of, or have a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation;
- (n) “Corporation” means Woodstock Hospital;
 - (o) “Dental Staff” means the Dentists to whom the Board has granted Privileges to treat patients of the Hospital;
 - (p) “Dentist” means a member in good standing of the Royal College of Dental Surgeons of Ontario, to whom Privileges have been granted;
 - (q) “Director” means a member of the Board;
 - (r) “Excluded Person” means:
 - (i) any member of the Professional Staff other than the members of the Medical Staff appointed to the Board pursuant to the *Public Hospitals Act*;
 - (ii) any employee of the Corporation other than the Chief Executive Officer and the Chief Nursing Officer; and

- (iii) any individual whose spouse, child, parent, brother or sister is a member of the Professional Staff or an employee of the Corporation;
- (s) “ex officio” means membership, election or appointment by virtue of the office and includes all rights, responsibilities and power to vote except where otherwise specifically provided;
- (t) “Extended Class Nurse” means a member of the College of Nurses of Ontario who is a registered nurse and who holds an extended certificate of registration under the *Nursing Act, 1991*;
- (u) "Extended Class Nursing Staff" means those Registered Nurses in the Extended Class in the Hospital:
 - (i) who are employed by the Hospital and are authorized to diagnose, prescribe for or treat out-patients in the Hospital, and
 - (ii) who are not employed by the Hospital and to whom the Board has granted privileges to diagnose, prescribe for or treat out-patients in the Hospital;
- (v) “Hospital” means Woodstock Hospital;
- (w) “Medical Advisory Committee” means the Medical Advisory Committee appointed by the Board and constituted in accordance with the *Public Hospitals Act*;
- (x) “Medical Staff” means the Physicians to whom the Board has granted Privileges to treat patients in the Hospital;
- (y) “Member” means a member of the Corporation;
- (z) “Midwife” means a member in good standing of the College of Midwives of Ontario to whom Privileges have been granted;
- (aa) “Midwifery Staff” means the Midwives to whom the Board has granted Privileges of assessing, monitoring, prescribing for or treating patients in the Hospital;
- (bb) “Officer” means those officers of the Corporation set out in section 6.01;

- (cc) “Physician” means a member in good standing of the College of Physicians and Surgeons of Ontario, to whom Privileges have been granted;
- (dd) “Privileges” means those rights or entitlements conferred upon a Physician, Dentist, Midwife or Extended Class Nurse at the time of appointment or re-appointment;
- (ee) “Professional Staff” means those Physicians, Dentists, Midwives and Extended Class Nurses who are appointed by the Board and who are granted specific Privileges to practice medicine, dentistry, midwifery or extended class nursing, respectively, in the Hospital;
- (ff) “*Public Hospitals Act*” means the *Public Hospitals Act* (Ontario) and, where the context requires, includes the regulations made under it;
- (gg) “Special Resolution” means a resolution that is submitted to a special meeting of the Members duly called for the purpose of considering the resolution and passed at the meeting, with or without amendment by at least two thirds (2/3) of the votes cast, or consented to by each Member entitled to vote at a meeting of the Members. A complete list of Special Resolutions required by the *Act* is set out at Appendix A; and
- (hh) “Vice-Chair of the Board” means the Director elected as such.

1.02 Procedures

- (a) **Board and Committee Meetings – Electronic Participation.** A Board meeting may be held entirely by one or more telephonic or electronic means or by any combination of in-person attendance and by one or more telephonic or electronic means. A Board meeting held entirely or in part by telephonic or electronic means must provide that all persons attending the meeting are able to communicate with each other simultaneously and instantaneously. Any person who attends through telephonic or electronic means is deemed to be present in person at the meeting. These same procedures apply to meetings of Committees.

- (b) **Members' Meetings – Electronic Participation.** Any meeting of the Members may be held entirely by one or more telephonic or electronic means or by any combination of in-person attendance and by one or more telephonic or electronic means. A meeting of the Members held entirely or in part by telephonic or electronic means must enable all persons entitled to attend the meeting to reasonably participate. Any person who attends through telephonic or electronic means is deemed to be present in person at the meeting.
- (c) **Voting.** Business arising at any meeting of the Members, the Board or any Committee established pursuant to this By-law 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 1 vote at any meeting of the Members, Board or Committee, respectively;
 - (ii) in accordance with the *Public Hospitals Act*, no Member shall be entitled to vote by proxy at a meeting of the Members;
 - (iii) votes shall be taken in the usual way, by show of hands or other clear indication of assent or dissent, among all Members, Directors and Committee members present, except any Member entitled to vote at a meeting of the Members may demand a ballot either before or after the vote is held;
 - (iv) meetings held in whole or in part through telephonic or electronic means will have votes taken in a way that the method of voting and the result of the voting is clearly communicated to all participants;
 - (v) in the event of a tie, the motion is lost, subject to clause (v) below with respect to a meeting of the Members;
 - (vi) the chair shall have an initial vote. In case of a tie vote, either upon a show of hands or other clear indication of assent or dissent, the chair of a meeting of the Members,

the Board or any Committee may cast an additional or casting vote;;

- (vii) an abstention shall not be considered a vote cast;
- (viii) unless a ballot is demanded, an entry in the minutes of a meeting to the effect that the chair of the meeting declared a resolution to be carried or defeated is, in the absence of evidence to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- (d) **Written Resolutions.** A by-law or resolution in writing signed by all the Members or Directors entitled to vote on that by-law or resolution at a meeting of Members or Directors, respectively, is as valid as if it had been passed at a meeting of Members or Directors, respectively.
- (e) **Minutes.** Minutes shall be kept for all meetings of the Members, the Board or any Committee, and shall be approved at the next meeting of the Members, the Board or the Committee, as the case may be.
- (f) **Rules of Procedure.** Any questions of procedure at or for any meetings of the Members, of the Board, or of any Committee, which have not been provided for in this By-law or by the *Act* or by the *Public Hospitals Act*, shall be determined by the chair of the meeting in accordance with Kerr and King's "Procedures for Meetings and Organizations" or such other rules of procedure adopted by resolution of the Board.

1.03 Interpretation

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

- (a) Words importing the singular number include the plural and vice versa; words importing the masculine gender include the feminine and vice versa; and words importing persons include individuals, corporations, partnerships, trusts and unincorporated organizations.

- (b) 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.
- (c) Any references in this By-law 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.

1.04 Repeal and Replacement of By-laws

All previous by-laws relating to the administration of the affairs of the Corporation are hereby repealed and replaced with this By-law.

ARTICLE 2. PURPOSES OF THE CORPORATION

2.01 Purposes

The purposes for which the Corporation is incorporated, as stated in the Corporation's Articles, are reproduced here as a reference for the Members and the Board:

- (a) To establish, equip, maintain, operate and manage a public hospital with teaching and research facilities.
- (b) To provide programs of patient care and community health, both on site and in home and community settings.
- (c) To encourage, promote, support and carry on medical and health care research.
- (d) To collaborate with other health service providers to participate in integrated activities and delivery of care carried on to promote and improve the general health of the patients in the community.
- (e) To operate laboratories, diagnostic imaging services, therapeutic and rehabilitation facilities, pharmacies, dispensaries and/or any other services incidental to a public hospital.

ARTICLE 3. MEMBERS OF THE CORPORATION

3.01 Membership

Membership in the Corporation shall be limited to the Directors from time to time, for so long as they serve as Directors.

ARTICLE 4. ANNUAL AND SPECIAL MEETINGS OF THE CORPORATION

4.01 Time and Place of Meetings

- (a) The annual meeting of the Members shall be held on such day in each year between April 1 and July 31 and at such place in Ontario as the Board may determine.
- (b) Special meetings of the Members shall be held at such time and place in Ontario as the Board may determine.
- (c) Alternatively, any meeting of Members may be held entirely by one or more telephonic or electronic means or by any combination of in-person attendance and by one or more telephonic or electronic means. A meeting of the Members held entirely or in part by telephonic or electronic means must enable all persons entitled to attend the meeting to reasonably participate. Any person who attends through telephonic or electronic means is deemed to be present in person at the meeting.

4.02 Notice of Meetings

- (a) Notice of the time and place of the annual and special meetings of the Members shall be given to each Member and to the Auditor not less than ten (10) days and not more than fifty (50) days in advance of the meeting, by one of the following methods:
 - (i) by prepaid mail by sending it to the last address shown on the records of the Corporation; or

- (ii) by electronic communication by sending it to the last electronic communication address on record.
- (b) The notice of an annual meeting of the Members shall contain sufficient information concerning any special business (see section 6.03(b)) to permit the Member to form a reasoned judgement on the decision to be taken as well as the text of any Special Resolution to be submitted to the meeting.
- (c) The notice of meeting shall specify the time and place of the annual meeting. The notice need not specify a place of meeting if the meeting is to be held entirely by one or more telephonic or electronic means. If the Member may attend a meeting by telephonic or electronic means, the notice of meeting must include instructions for attending and participating in the meeting.

4.03 Quorum for Meetings

A quorum for a meeting of the Members shall be a majority of the Members entitled to vote. If a quorum is present at the opening of a meeting of the Members, the Members present may proceed with the business of the meeting, even if a quorum is not present throughout the meeting.

4.04 Business at Annual Meeting

- (a) The business transacted at the annual meeting of the Members shall include:
 - (i) approval of minutes of the previous annual meeting;
 - (ii) matters arising from the minutes of the previous meeting;
 - (iii) report of the Chair of the Board;
 - (iv) report of the Chief Executive Officer;
 - (v) report of the Auditor and presentation of the annual financial statements;
 - (vi) appointment of the incumbent Auditor; and
 - (vii) election of Directors.

- (b) Special business transacted at an annual meeting requires specific advance notice and includes any business not included in paragraph (a) above, including
 - (i) approval of By-law amendments;
 - (ii) Special Resolutions; or
 - (iii) appointment of a new Auditor.

4.05 Calling Special Meetings

- (a) The Board may call a special meeting of the Members.
- (b) Members who hold at least 10% of the votes that may be cast at a meeting of the Members may, in writing, requisition the Board to call a special meeting of the Members for the purposes stated in the requisition.
- (c) The requisition must state the business to be transacted at the meeting and must be sent to each Director and to the registered office of the Corporation.
- (d) The Board shall call and hold a meeting of the Members within twenty-one (21) days from receiving the requisition.
- (e) Notice of a special meeting shall be given in the same manner as provided in section 4.02.
- (f) The notice of a special meeting shall specify the purpose or purposes for which it is called.

4.06 Adjourned Meetings of the Members

- (a) If within ½ hour after the time appointed for a meeting of the Members, a quorum is not present, the meeting shall stand adjourned until a day within 2 weeks to be determined by the Board.
- (b) At least 3 days' notice of the re-scheduled meeting following an adjournment shall be given by any manner of notice permitted by section 4.02.

4.07 Chair

The meetings of the Members shall be chaired by:

- (a) the Chair;
- (b) the Vice-Chair if the Chair is absent; or
- (c) a Member elected by the Members present if the Chair and Vice-Chair are both absent.

4.08 Guests

- (a) The Auditor is entitled to notice of and to attend meetings of the Members.
- (b) Other guests may attend a meeting of the Members at the invitation of the Board.

4.09 Fiscal Year of the Corporation

The fiscal year of the Corporation shall end with the 31st day of March in each year.

ARTICLE 5. BOARD

5.01 Board Composition

- (a) The affairs of the Corporation shall be governed by a Board of between 13 and 23 Directors as set out in the Articles. The Board size shall be fixed at 20 Directors until changed by Special Resolution. The 20 Directors shall consist of the following individuals:
 - (i) 12 Directors shall be elected by the Members for a 3-year term, and the Board shall ensure that 4 Directors retire from office each year as required by the *Public Hospitals Act* (provided that the retiring Directors are eligible for re-election), subject to Section 5.04; and
 - (ii) 3 ex officio Directors with the right to vote:

- (A) one Director elected or appointed by the Board from those candidates proposed by the City of Woodstock;
 - (B) one Director elected or appointed by the Board from those candidates proposed by the County of Oxford; and
 - (C) the co-chair of the Hospital's Patient and Family Advisory Council who is not the Chief Nursing Officer; and [Note: the Terms of Reference of PFAC should be updated to provide that 1. the co-chair is subject to Board approval; and 2. the term of the co-chair shall not exceed 3 years. This 3-year term limit is also addressed below at section 5.04(a)(iv).]
- (iii) 5 ex officio Directors without the right to vote:
- (A) the Chief Executive Officer;
 - (B) the Chief of Staff;
 - (C) the President of the Medical Staff;
 - (D) the Vice-President of the Medical Staff; and
 - (E) the Chief Nursing Officer.
- (b) When the ex officio Directors identified in section 5.01(a)(ii)(A) and 5.01(a)(ii)(B) currently in office as of the annual meeting of Members in 2024 eventually retire from the Board, their ex officio positions shall be deemed removed from section 5.01(a)(ii) and the fixed number of Directors in section 5.01(a) shall be reduced from 20 to 18.

5.02 Qualifications of Directors

- (a) No Excluded Person shall be eligible to serve on the Board.
- (b) No person may be elected or appointed a Director before reaching 18 years of age.
- (c) No person with the status of bankrupt may become or serve as a Director.

- (d) No person who has been found under the *Substitute Decisions Act, 1992* or under the *Mental Health Act* to be incapable of managing property; or who has been found to be incapable by any court in Canada or elsewhere, may become or serve as a Director.
- (e) No “ineligible individual”, as defined in the *Income Tax Act* (Canada), may become or serve as a Director.
- (f) Each candidate for Director must provide, at their cost, a copy of a Canadian Police Information Centre criminal record check conducted within the past 6 months, satisfactory to the Board.
- (g) No person who has publicly indicated their intention to run for provincial or federal political office (e.g., has sought a political party’s nomination, has been nominated, and/or is campaigning) or who has been elected to such office shall be permitted to serve as a Director.
- (h) All Directors shall maintain the qualifications set out in this Section throughout their term.
- (i) Every Director, when first elected to the Board, shall sign and submit to the Secretary a form of consent to act as Director within ten (10) days of being elected, which form must be maintained within the Corporation’s registers.

5.03 Nominations for Election of Directors

Nominations for election as Director at the annual general meeting of the Members 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 will receive and review all nominations and will prepare a list of recommended nominees to the Board for consideration and nomination.

5.04 Term

- (a) No person may serve as a Director for more terms than will constitute 12 consecutive years of service, except:
 - (i) the Chief Executive Officer, the President of the Medical Staff, the Chief of Staff, and the Chief Nursing Officer;
 - (ii) the Past Chair, who may serve an additional 3-year term to serve in the office of Past Chair;
 - (iii) by resolution of 2/3 of the Directors present at a meeting at which the matter is considered; or
 - (iv) the individual who serves as the co-chair of the Patient and Family Advisory Council, who shall not serve for more than 3 consecutive years on the Board.
- (b) Following a break in the continuous service of at least 1 year, a person who has reached the term limit under paragraph (a) may be re-elected or reappointed as a Director.

5.05 Vacancy and Termination of Office

- (a) The office of an elected or ex officio Director shall automatically be vacated:
 - (i) if the Director becomes bankrupt or suspends payment of debts generally or compounds with creditors or makes an assignment in bankruptcy or is declared insolvent;
 - (ii) if the Director is found to be a mentally incompetent person or becomes of unsound mind;
 - (iii) if the Director, by notice in writing to the Secretary of 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
 - (iv) if the Director dies.

- (b) At a special meeting of the Members, the Members may vote, by at least a majority of the votes cast, to remove a Director before the expiration of the Director's term of office.
- (c) If a vacancy occurs at any time among the Directors of the Corporation either by a resignation, by death or by removal by the Directors in accordance this section, or by any other cause, such vacancy may be filled by:
 - (i) where the vacancy is caused by an elected Director, by the Board; or
 - (ii) where the vacancy is caused by an ex officio Director, by the body that appointed the Director,and the replacement Director shall hold office for the remainder of the unexpired portion of the term of the vacating Director.
- (d) If there is not a quorum of Directors or there has been a failure to elect the minimum number of Directors set out in the Articles, the Directors in office shall, without delay, call a special meeting of the Members to fill the vacancy or vacancies and, if they fail to call such a meeting or if there are no Directors in office, the meeting may be called by any Member.

5.06 Responsibilities of the Board

- (a) The Board shall be responsible for governing and overseeing the management of the affairs of the Corporation.
- (b) The Board shall be responsible, without limitation, for the following:
 - (i) to establish, review and adhere to the Hospital's mission, vision and values;
 - (ii) to establish and regularly review the Hospital's strategic plan and goals and objectives to ensure that the mission and vision are fulfilled and the values upheld in relation to the provision, within available resources, of appropriate programs and services in order to meet the needs of the community;

- (iii) to ensure that the Hospital operates within, and monitors the efficient and effective use of, its resources;
- (iv) to establish procedures for monitoring compliance with the requirements of the *Public Hospitals Act*, the By-laws of the Hospital and other applicable legislation;
- (v) to establish a Quality Committee and to establish procedures for monitoring compliance with other requirements of the *Excellent Care for All Act, 2010* (Ontario);
- (vi) to establish specific policies that will provide the general framework within which the Chief Executive Officer, the Medical Advisory Committee, the Professional Staff and the Hospital staff will establish procedures for the day-to-day processes within the Hospital;
- (vii) to ensure mechanisms and policies are in place to provide a high quality of care for patients, and education and research;
- (viii) to establish a Patient and Family Advisory Council that reports to the Board;
- (ix) to establish the selection process for the engagement of a competent Chief Executive Officer and to hire the Chief Executive Officer in accordance with the process;
- (x) annually to conduct the Chief Executive Officer's formal performance evaluation and review, approve their compensation, and set their goals and objectives for the coming years;
- (xi) to delegate responsibility and concomitant authority to the Chief Executive Officer for the management and operation of the Hospital, and require accountability to the Board;
- (xii) at any time to revoke or suspend the appointment of the Chief Executive Officer;

- (xiii) establish the selection process for the appointment of a competent Chief of Staff and appoint the Chief of Staff in accordance with the process;
- (xiv) annually to conduct the Chief of Staff's formal performance evaluation and review, approve their compensation and set their goals and objectives for the coming year;
- (xv) to delegate responsibility and concomitant authority to the Chief of Staff for the supervision of the practice of medicine, dentistry, midwifery and extended class nursing in the Hospital and require accountability to the Board;
- (xvi) at any time to revoke or suspend the appointment of the Chief of Staff;
- (xvii) to appoint and reappoint Physicians, Dentists, Midwives and Extended Class Nurses to the Professional Staff and delineate the respective privileges after considering the recommendations of the Medical Advisory Committee, the Hospital's resources, and whether there is a need for their services in the community, in accordance with legislative and By-law requirements;
- (xviii) to ascertain that each member of the Professional Staff meets their responsibility to the patient and to the Hospital concomitant with the privileges and duties of the appointment and with the By-laws of the Hospital;
- (xix) to ensure that the services that are provided have properly qualified staff and appropriate facilities;
- (xx) to ensure that quality assurance, risk management and utilization review methods are established for the regular evaluation of the quality of care, and that all Hospital services are regularly evaluated in relation to generally accepted standards and require accountability on a regular basis;
- (xxi) to regularly review the functioning of the Hospital in relation to the objects of the Corporation as stated in the Articles

and the By-laws, and demonstrate accountability for its responsibility to the annual meeting of the Members;

- (xxii) to recruit Directors who are knowledgeable, skilled, committed and representative of the community served;
- (xxiii) to be committed to an effective Board orientation program and the continuing education of the Directors;
- (xxiv) to act honestly, in good faith and in the best interest of the Hospital;
- (xxv) to ensure an environment within the Board that encourages open and frank discussion and respect for the expression of different viewpoints;
- (xxvi) to hold open meetings and establish clear processes in order that the public and community are aware of the values, policies, programs, and services of the Hospital;
- (xxvii) to establish, on an annual basis, Board goals and objectives (separate from the corporate goals and objectives) to ensure the effective and efficient governance of the Hospital;
- (xxviii) to evaluate its own performance in relation to its responsibilities and periodically review and revise governance policies, processes and structures as appropriate;
- (xxix) provide for:
 - (A) the participation of the Chief Nursing Officer, nurses who are managers and staff nurses in decision-making related to administrative, financial, operational and planning matters in the hospital, and
 - (B) the participation at the committee level of the Chief Nursing Officer and of staff nurses and nurses who are managers, including the election by staff nurses of representatives to committees and the election or

appointment to committees of nurses who are managers; and

(xxx) to ensure that an occupational health and safety program, a health surveillance program, and an environmental program are established, and to ensure that policies are in place to encourage and facilitate organ procurement and donation.

5.07 Duties and Responsibilities of Every Director

Every Director shall:

- (a) be loyal to the Corporation;
- (b) exercise the powers and discharge the duties of the office honestly, in good faith and in the best interest of the Corporation; and
- (c) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

5.08 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 Hospital's mission, vision and values;
- (b) work positively, co-operatively and respectfully as a member of the team with other Directors and with the Hospital's management and staff;
- (c) respect and abide by Board decisions;
- (d) serve on at least one standing Committee, if requested;
- (e) complete the necessary background preparation in order to participate effectively in meetings of the Board and its Committees;
- (f) keep informed about:
 - (i) matters relating to the Corporation;

- (ii) the community served; and
- (iii) other health care services provided in the region;
- (g) participate in the initial orientation as a new Director and in ongoing Board education;
- (h) participate in the annual evaluation of overall Board effectiveness; and
- (i) represent the Board, when requested.

5.09 Conflict of Interest

- (a) Every Director who, either directly or through one of their Associates, has or thinks they may potentially have a Conflict of Interest with respect to a 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 Conflict 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 their Associates, becomes interested in a 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 of Interest.
- (d) 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). The Secretary of the Corporation shall maintain a list of all ongoing matters that are the subject of a conflict of interest declaration, together with the identity of the conflicted Director(s). Such list shall be referred to by the Secretary (or designate) when preparing board or committee packages, and any materials relating to a matter that is the subject of a conflict of interest

declaration shall be omitted from the board or committee package of any conflicted Director.

- (e) 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 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 their involvement in the matter that is the subject of the declaration.
- (f) 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 they may realize from the contract, transaction, matter or decision.
- (g) If the Director fails to make a Declaration of their Conflict of Interest in a contract, transaction, matter or decision, as required by this By-law, this failure may be considered grounds for termination of their position as a Director.
- (h) 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 contract, transaction, matter or decision undertaken by the Board.
- (i) If a Director believes that any other Director is in a Conflict of Interest position with respect to any contract, transaction, matter or decision, the Director shall have their 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. Thereafter, at the request of the Director who recorded the initial concern, the Board, after the Director alleged to have a Conflict of Interest has absented themselves from the room, 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 themselves during any subsequent discussion or voting process relating to or pertaining

to the conflict. The question of whether or not a Director has a Conflict of Interest shall be determined by a simple majority of the Board and shall be final.

- (j) If the Board finds that the person is not in a Conflict of Interest, the Board will then vote on the contract, transaction, matter or decision and the votes of each Director shall be recorded.
- (k) Every declaration of a Conflict of Interest and the general nature thereof shall be recorded in the minutes by the Board.
- (l) Where the number of Directors who, by reason of this section are prohibited from participating in a meeting is such that at the 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.
- (m) This process shall also apply to any meeting of the Executive Committee.

5.10 Right of Dissent

- (a) A Director who is present at a meeting of the Board or of a Committee is deemed to have consented to any resolution passed or action taken at the meeting unless:
 - (i) the Director requests a dissent to be entered in the minutes of the meeting;
 - (ii) the Director sends a written dissent to the secretary of the meeting before the meeting is terminated; or
 - (iii) the Director submits to the Corporation a written dissent immediately after the meeting is terminated.
- (b) A Director who was not present at a meeting at which a resolution was passed or action taken is deemed to have consented to the resolution or action unless, within seven (7) days after becoming aware of the resolution or action, the Director:
 - (i) causes a dissent to be placed with the minutes of the meeting; or

- (ii) submits a written dissent to the Corporation.

5.11 Confidentiality and Public Relations

- (a) Every Director, Officer, member of the Professional Staff and employee of the Corporation shall respect the confidentiality of matters brought before the Board or before any Committee, subcommittee or task force, or any matter dealt with in the course of the employee's employment or of the Professional Staff member's activities in the Hospital.
- (b) The Chair of the Board is responsible for Board communications and may delegate authority to one or more Directors, Officers or employees of the Corporation to make statements to the news media or public about matters that the Chair determines appropriate for disclosure to the media.

5.12 Indemnification

- (a) Every Director, Officer, and Committee member, their heirs, executors, administrators and estate, respectively, shall from time to time and at all times be indemnified and saved harmless out of the funds of the Corporation from and 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 due to association with the Corporation.
- (b) The Corporation may advance money to a Director, Officer or other individual referred to in paragraph (a) for the costs, charges and expenses of an action or proceeding referred to in that section, but the individual shall repay the money if the individual does not fulfil the conditions set out in paragraph (c).
- (c) The indemnity provided for in this section shall be applicable only if the Director, Officer or Committee member acted honestly and in good faith with a view to the best interests of the Corporation and, in the case of criminal or administrative action or proceeding that is enforceable by a monetary penalty, had reasonable grounds for believing that their conduct was lawful.

- (d) The indemnity provided for in this section shall not apply to any liability that a Director or Officer of the Corporation may sustain or incur as the result of any act or omission as a member of the Medical Staff of the Corporation.

5.13 Insurance

The Board will cause to be purchased such insurance as it considers advisable and necessary to ensure that Directors, Officers, and members of Committees will be indemnified and saved harmless in accordance with this By-law; the premiums for such insurance coverage shall be paid from the funds of the Corporation.

ARTICLE 6. OFFICERS

6.01 The Officers of the Corporation

- (a) The following shall be Officers of the Corporation:
 - (i) the Chair, who shall be an elected Director;
 - (ii) the Vice-Chair, who shall be an elected Director;
 - (iii) the Chair of the Finance Committee; and
 - (iv) the Secretary.
- (b) The Directors shall appoint a Chief Executive Officer who shall be an ex officio member of the Board and who shall be eligible for election as President.
- (c) The Board shall elect or appoint a Chair, Vice-Chair, Chair of the Finance Committee and Secretary at the meeting immediately following each annual meeting of the Members.
- (d) The Officers of the Corporation shall be responsible for the duties set forth in the By-laws. However, they may delegate to others the performance of any or all such duties.
- (e) Any Officer of the Corporation shall cease to hold office upon resolution of the Board.

6.02 Term

No Director may serve as Chair, Vice-Chair, Chair of the Finance Committee, or Secretary for more than 3 consecutive years in one office; provided, however, that following a break in the continuous service of at least 1 year the same person may be re-elected or reappointed to any office.

6.03 Duties and Responsibilities of Every Officer

Every Officer shall:

- (a) be loyal to the Corporation;
- (b) exercise the powers and discharge the duties of the office honestly, in good faith and in the best interest of the Corporation; and
- (c) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

6.04 Duties of the Chair

The Chair shall:

- (a) preside at all meetings of the Board;
- (b) appoint from amongst the Directors the chairs and vice-chairs of all Committees of the Board, except where otherwise provided for in this By-law;
- (c) be responsible for the naming of Directors to Committees where membership is not otherwise provided for in this By-law;
- (d) report to each annual meeting of Members of the Corporation concerning the management and operations of the Hospital;
- (e) ensure that the actions of the Board are in accordance with the Hospital's goals and priorities and the Board's own goals;
- (f) report regularly and promptly to the Board issues that are relevant to their governance responsibilities;

- (g) ensure that the annual review of the Chief Executive Officer's performance and compensation is done in accordance with Board approved policy;
- (h) represent and speak on behalf of the Hospital;
- (i) be an ex officio member of all Committees of the Board;
- (j) be chair of the Executive Committee; and
- (k) perform all other duties as may from time to time be determined by the Board.

6.05 Duties of the Vice-Chair

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

6.06 Duties of the Chair of the Finance Committee

The Chair of the Finance Committee shall:

- (a) be appointed by, and report to, the Board;
- (b) oversee the management of the finances of the Hospital, and ensure that appropriate reporting mechanisms and control systems that are functional and adequate are in place and monitor such mechanisms and systems for compliance;
- (c) oversee the management of the investment policy as established by the Board, and ensure that the investment policy as established by the Board is in place, and monitor for compliance with the policy;
- (d) review financial reports and financial statements and submit same at meetings of the Board, indicating the financial position of the Hospital;
- (e) review and submit to the Board for the approval of the Board, a financial statement for the past year;

- (f) present to the Members of the Corporation at the annual general meeting, as part of the annual report, an audited financial statement of the financial position of the Hospital prepared by the Auditor prior to the Meeting;
- (g) ensure that the Auditor audits the financial accounts;
- (h) review the financial results and the budget submitted to the Finance Committee by management and submit and recommend to the Board any changes to the budget;
- (i) ensure that systems for control for the care and custody of the funds and other financial assets of the Hospital and for making payments for all approved expenses incurred by the Hospital are in place, are functional and adequate, and monitor for compliance with such systems;
- (j) ensure that systems for control as established by the Board for the maintenance of books of account and accounting records required by the *Act* are in place, are functional and adequate, and monitor for compliance with such resolutions and policies;
- (k) ensure that appropriate banking resolutions and signing authority policies as established by the Board are in place, and monitor for compliance with such resolutions and policies;
- (l) ensure that systems for control for regular review and revision as necessary of the banking resolutions and signing authority policies are in place, are adequate and functional, and monitor for compliance with such resolutions and policies;
- (m) ensure systems as established by the Board for the preparation and submission to the Board of compliance certificates confirming that wages and source deductions have been accomplished are in place, are functional and adequate, and monitor for compliance with such systems;
- (n) where there is concern with respect to any of the above, review the matter with the Chief Executive Officer and report to the Board the results of those deliberations; and
- (o) perform such other duties as determined by the Board.

6.07 Duties of the Secretary

The Secretary shall:

- (a) be appointed by, and shall report, to the Board;
- (b) attend meetings of the Directors, the Members and of the standing and special Committees of the Board, except when excused by the Chair, and shall enter or cause to be entered in books kept for that purpose minutes of all proceedings at such meetings, and shall circulate or cause to be circulated the minutes of all such meetings or standing or special Committees to the members of such Committees, as applicable;
- (c) give, or cause to be given, all notices as required by the By-law of the Hospital of all meetings of the Corporation, the Board and its Committees;
- (d) attend to correspondence of the Board;
- (e) prepare all reports required under any applicable act or regulation of the Province of Ontario;
- (f) be the custodian of all minute books, documents and registers of the Corporation required to be kept by the provisions of the *Act* and all minutes, documents and records of the Board;
- (g) keep copies of all testamentary documents and trust instruments by which benefits are given to the use of the Hospital;
- (h) maintain copies of all testamentary documents and trust instruments by which benefits are conferred upon the Corporation and provide information respecting same to the Office of the Public Guardian and Trustee as required by the *Charities Accounting Act* (Ontario);
- (i) be the custodian of the seal of the Corporation; and
- (j) perform such other duties as may from time to time be determined by the Board.

ARTICLE 7. CHIEF EXECUTIVE OFFICER

7.01 Appointment of the Chief Executive Officer

- (a) The Chief Executive Officer shall be appointed by the Board in accordance with its approved selection process.
- (b) The Board may at any time revoke or suspend the appointment of the Chief Executive Officer.

7.02 Duties of the Chief Executive Officer

The Chief Executive Officer shall:

- (a) be responsible to the Board for the organization and management of the Hospital in accordance with policies established by the Board and subject to direction of the Board;
- (b) ensure appropriate systems and structures are in place for the effective management and control of the Hospital and its resources including the employment, development, control, direction and discharge of all employees of the Hospital;
- (c) ensure structures and systems for the development, review and recommendation of new programs, program expansion or changes;
- (d) ensure effective human resources strategic planning and identify resource implications;
- (e) establish an organizational structure to ensure accountability of all departments and staff for fulfilling the mission, values, objectives and strategic plan of the Hospital;
- (f) provide leadership in support of the Board's responsibility to develop and periodically review the mission, values, objectives and strategic plan of the Hospital;
- (g) review, recommend and foster the values, culture and philosophy of the Hospital;
- (h) communicate with related health care agencies to promote coordination and/or planning of local health care services;

- (i) represent the Hospital externally to the community, government, media and other organizations and agencies;
- (j) be responsible for the payment by the Corporation of all salaries and amounts due from and owing by the Corporation that fall within the purview and scope of the approved annual budget or otherwise, as may be established from time to time by resolution of the Board;
- (k) forward a detailed report to the College of Physicians and Surgeons of Ontario where:
 - (i) the application of a Physician for appointment or reappointment to the Medical Staff is rejected by reason of their incompetence, negligence or misconduct;
 - (ii) the privileges of a Member of the Medical Staff are restricted or cancelled by reason of their incompetence, negligence or misconduct; or
 - (iii) a Physician voluntarily or involuntarily resigns from the Medical Staff during the course of an investigation into their competence, negligence or conduct;
- (l) notify the Chief of Staff, the Chief of Department and the Board, if necessary, of:
 - (i) any failure of any member of the Professional Staff to act in accordance with any law, statute or regulations thereunder, or the Hospital's By-laws and rules;
 - (ii) any belief that a member of the Professional Staff is unable to perform the person's professional duties with respect to a patient in the Hospital;
 - (iii) any patient who does not appear to be receiving the most appropriate treatment and care or who is not being visited frequently enough by the attending member of the Professional Staff; or
 - (iv) any other matter about which they should have knowledge;

- (m) report to the Board as necessary regarding the occupational health and safety program;
- (n) report to the Board as necessary in respect of the health surveillance program;
- (o) be responsible to the Board for taking such action as considered necessary to ensure compliance with the *Public Hospitals Act* and the *Excellent Care for All Act, 2010*, the By-laws of the Hospital, and all other statutory and regulatory requirements;
- (p) attend meetings of the Medical Advisory Committee without a vote; and
- (q) perform such other duties as may be directed from time to time by the Board.

ARTICLE 8. MEETINGS OF THE BOARD

8.01 Attendees

All Board meetings are closed to the public, unless the Board determines otherwise for any specific Board meeting or part thereof. Any guest must be invited to a Board meeting by the Chair or by a resolution of a majority of the Board.

8.02 Regular Meetings of the Board

- (a) There shall be at least 9 regular meetings of the Board per annum.
- (b) The Board shall meet at such day, time and place as the Board determines from time to time. At the September meeting of the Board, the Board shall set a schedule of regular Board meetings for the year.
- (c) The notice of any Board meeting shall specify any matter that constitutes a Board Exclusive Responsibility if any such matter is to be included on the meeting agenda.

- (d) A meeting of the Board may be held without notice, immediately following the annual meeting of the Members, provided a quorum is present and further provided the agenda does not include any matter that is a Board Exclusive Responsibility.
- (e) The notice of meeting need not specify a place of meeting if the meeting is to be held entirely by one or more telephonic or electronic means. If the Directors may attend a meeting by telephonic or electronic means, the notice of meeting must include instructions for attending and participating in the meeting.
- (f) The declaration of the Corporate Secretary or Chair that notice has been given pursuant to the By-law shall be sufficient and conclusive evidence of the giving of such notice.
- (g) No error or omission in giving notice of a meeting of Directors shall invalidate such meeting or invalidate or make void any proceedings taken or had 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 taken or had thereat.

8.03 Special Meetings of the Board

- (a) The Chair may call special meetings of the Board.
- (b) The Secretary shall call a special meeting of the Board if 3 Directors so request in writing.
- (c) Notice of a special meeting of the Board shall specify the purpose of the meeting, may be given to the Directors by telephone, and shall be given at least 24 hours in advance of the meeting.

8.04 Adjourned Board Meeting

If within 1/2 hour after the time appointed for a meeting of the Board, a quorum is not present, the meeting shall stand adjourned until the same day in the following week at the same hour and place, or such other day as determined by the Chair.

8.05 Chair

Board meetings shall be chaired by:

- (a) the Chair,
- (b) the Vice-Chair if the Chair is absent, or
- (c) a Director elected by the Directors present if the Chair and Vice-Chair are both absent.

8.06 Quorum

A quorum for any meeting of the Board shall be a majority of the voting Directors.

ARTICLE 9. COMMITTEES OF THE BOARD

9.01 Standing Committees of the Board

- (a) At the first meeting of the Board following the annual meeting of the Members, the Board shall establish the following Committees of the Board:
 - (i) the Executive Committee;
 - (ii) the Finance Committee;
 - (iii) the Audit Committee;
 - (iv) the Nominating Committee;
 - (v) the Governance Committee;
 - (vi) the Quality Committee; and
 - (vii) such other Committees set out in the Board Committee Policy as it determines are necessary for the execution of the Board's responsibilities. These Committees shall include the Fiscal Advisory Committee and the Medical Manpower Committee.
- (b) Subject to the provisions of this By-law, the Board shall appoint the chair of the Committees of the Board and appoint the members of the Committees of the Board.

- (c) The Board shall prescribe terms of reference for each Committee of the Board.
- (d) The Board may appoint additional members who are not Directors to all Committees of the Board, except the Executive Committee, and those persons shall be entitled to vote. Unless the Board determines otherwise, the number of non-Directors shall not exceed the number of Directors on a Committee of the Board.
- (e) Each year, the Board may invite an additional Director to attend meetings of the Executive Committee as a non-voting guest, for a 1-year term, for the purposes of becoming acquainted with the operations of the Executive Committee.

9.02 Special Committees of the Board

- (a) The Board may, at any meeting, appoint any special Committee and appoint the chair and the members of the special Committee.
- (b) The Board shall prescribe terms of reference for any special Committee.
- (c) The Board may by resolution dissolve any special Committee at any time.

9.03 Delegation of Decision-Making to Committees

The Board may delegate decision-making authority to a Committee on the following conditions:

- (a) the Board may not delegate any Board Exclusive Responsibility to a Committee; and
- (b) only Directors may be voting members of that Committee.

Note that this requirement does not apply to Committees tasked with making recommendations only to the Board.

9.04 Call

Meetings of Committees of the Board shall be held at the call of the Chair, the chair of the Committee of the Board or at the request of any 2 members of the Committee of the Board.

9.05 Quorum

A quorum for any meeting of a Committee of the Board, subcommittee or task force of the Board shall be a majority of the members of the Committee, subcommittee, or task force entitled to vote.

9.06 Executive Committee

(a) The Board shall elect from among themselves an Executive Committee consisting of not fewer than 3 and not more than 7 members. It is recommended that the Board elect the following persons to the Executive Committee:

- (i) the Chair;
- (ii) the Vice-Chair;
- (iii) the Chair of the Finance Committee;
- (iv) the Secretary (if a Director);
- (v) the Past Chair;
- (vi) the Chief of Staff (non-voting); and
- (vii) the Chief Executive Officer (non-voting).

(b) The Executive Committee shall:

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

(c) The Executive Committee shall also:

- (i) assess the impact of restructuring of the Hospital on job grades/classifications;
- (ii) review Hospital policy for compensation/administration of non-union employees;
- (iii) establish goals for negotiations of new collective agreements;
- (iv) make recommendations to the Board as necessary concerning:
 - (A) methods of interpreting Hospital policies and rules that will ensure that these are well understood by patients, visitors and the news media;
 - (B) the establishment and operation of programs and policies that will improve the image of the Hospital and earn for the Hospital public understanding, acceptance and financial support;
 - (C) the public relations methods and techniques to be employed by the Hospital; and
 - (D) the establishment and operation of effective lines of communication between the Hospital and the news media and between the Hospital and various levels of government; and
- (v) review and report to the Board as necessary on:
 - (A) public attitudes in relation to the Hospital;
 - (B) the complete public relations program; and
 - (C) the effectiveness of the public relations methods and techniques used at the Hospital.

9.07 Finance Committee

- (a) The Finance Committee shall consist of:
 - (i) a Director appointed by the Board, who shall be chair;

- (ii) the President of the Medical Staff;
 - (iii) at least 2 other Directors;
 - (iv) the Chair of the Board; and
 - (v) the Chief Executive Officer.
- (b) The Finance Committee is responsible to the Board for the presentation of reports, recommendations, advice and counsel concerning the financial position and operating results of the Corporation and shall consider any matters that the Finance Committee believes should be brought before the Directors or Members of the Corporation.
- (c) The Committee shall recommend and monitor the monthly, quarterly and annual financial statements and reports that are needed by the Board in the review of financial policies and as required to meet the standards of good corporate governance. To achieve this objective, the Committee shall:
- (i) examine the operating plan, including a detailed annual budget for capital and operating revenues and expenditures of the Corporation for each fiscal year as prepared by Hospital staff and ensure that it is consistent with the Hospital's strategic plan;
 - (ii) recommend the annual budget based on the above operating plan;
 - (iii) review quarterly, the financial results of operations examining variances from budgets;
 - (iv) recommend such changes as may be deemed necessary;
 - (v) recommend sources of revenue deemed appropriate to support the activities of the Corporation;
 - (vi) recommend methods of financing ad hoc or non-recurring activities not anticipated at the time of the preparation and approval of the annual budget;

- (vii) recommend to the Board appropriate investment policy for the management of the Corporation's funds, and monitor and report quarterly on the control and management of these investments;
- (viii) review the banking arrangements of the Corporation from time-to-time and recommend revisions to the banking resolution from time to time;
- (ix) undertake studies of finance related subjects as directed by the Board or deemed necessary by the Committee and make appropriate reports or recommendations;
- (x) annually review and recommend to the Board the types and amounts of insurance to be carried by the Corporation to ensure appropriate coverage;
- (xi) review reports from the Chief Financial Officer on all fiscal matters of the Corporation. The Chief Financial Officer shall be available to the committee and shall attend all meetings;
- (xii) advise the Board with regard to donations, bequests, endowments and investments;
- (xiii) inform and advise the Board on financial matters as requested; and
- (xiv) remain informed about the Corporation's cybersecurity plan in order to report to the Board on cybersecurity issues including any recommended changes.

9.08 Audit Committee

- (a) The Audit Committee shall consist of:
 - (i) the Chair of the Finance Committee, who shall serve as chair;
 - (ii) the Chair or Vice-Chair;

- (iii) two additional elected Directors who are not Officers¹; and
 - (iv) one non-Director member who is not an Excluded Person.
- (b) The Board shall strive to ensure that at least two (2) members of the Audit Committee are financially literate and at least one member should have accounting or related financial expertise.
- (c) The Auditor is entitled to attend Audit Committee meetings at the expense of the Corporation.
- (d) The Audit Committee shall:
- (i) oversee the effectiveness of processes for identifying principal financial risks and the adequacy of related disclosures;
 - (ii) oversee the effectiveness of processes for identifying principal strategic, leadership, partnership and reputation risks and the development of systems and strategies to address the identified risks.
 - (iii) review the Hospital's annual financial statements with Executive Management and with the Auditor, and, if appropriate, recommend presentation to the Board;
 - (iv) monitor the adequacy of accounting systems, methodologies and internal controls, including the observations and recommendations made by the Auditor, as well as Executive Management's responses thereto;
 - (v) review with the Auditor their audit plan, including scope, timetable, and fees;
 - (vi) review arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters, and ensure that arrangements are in place for appropriate and independent investigation and follow-up action;

¹ Note that the Act requires that a majority of the members of the Audit Committee cannot be either Officers or employees of the Corporation.

- (vii) establish the frequency of Auditor interaction with this Committee including protocols for in camera sessions. There shall be an opportunity at each meeting to exclude management;
 - (viii) select and recommend to the Board the appointment of the Auditor;
 - (ix) require the Auditor to disclose all work provided to the Hospital that has not been approved in advance by the Audit Committee;
 - (x) meet privately with management (without the Auditor being present) to ensure that management has no concerns about the conduct of the audit;
 - (xi) prepare and submit internal audit reports to the Board.
- (e) A quorum for any meeting of the Audit Committee shall be three (3) voting members, at least two (2) of whom must be Directors.
 - (f) There shall be a minimum of three (3) meetings per year. Additional meetings may be at the call of the chair or at the request of the Auditor.
 - (g) The Chief Executive Officer may attend meetings of the Audit Committee.

9.09 Nominating Committee

- (a) The Nominating Committee shall consist of at least:
 - (i) 2 Directors;
 - (ii) 1 individual who is not a Director; and
 - (iii) the Chief Executive Officer.
- (b) The Nominating Committee shall:
 - (i) nominate persons for election as Directors to the Board to fill any vacancies on the Board;

- (ii) nominate Directors for consideration by the Board for election or appointment as Officers of the Corporation; and
 - (iii) nominate Directors to serve as chair and members of the Standing Committees on the Board.
- (c) In selecting persons as nominees for election to the Board, the Committee shall:
 - (i) endeavour to provide for broad community representation after considering the list of elected and ex officio Directors;
 - (ii) consider the names of all persons submitted as nominees in accordance with this By-law; and
 - (iii) consider the potential contribution of any person nominated in relation to the function of the Hospital.
- (d) In selecting current Directors for nomination for re-election or reappointment as Directors or for election or appointment as Officers of the Corporation, the Committee shall review participation and attendance at previous Board and Committee meetings, including:
 - (i) Board meeting and Committee meeting attendance;
 - (ii) commitment to continuing education;
 - (iii) effective communication, including contributions at Board and Committee meetings and on behalf of the Board where requested;
 - (iv) preparation prior to Board and Committee meetings;
 - (v) support of Board actions (regardless of how Director voted);
 - (vi) ability to express a dissenting opinion in a constructive manner;
 - (vii) ability to integrate continuing education into Board deliberations;

- (viii) compliance with the governing legislation and By-laws, particularly the conflict of interest and confidentiality provisions; and
- (ix) support of the Corporation's vision and mission.

9.10 Governance Committee

- (a) The Governance Committee shall consist of at least:
 - (i) 2 Directors;
 - (ii) 1 individual who is not a Director; and
 - (iii) the Chief Executive Officer.
- (b) The Governance Committee shall ensure processes are established and monitored for:
 - (i) the establishment and review of the Hospital's mission, vision and values;
 - (ii) the establishment and review of the Hospital's strategic plan and goals and objectives;
 - (iii) ensuring that the Hospital operates within, and monitors the efficient and effective use of, its resources;
 - (iv) the evaluation of the Chief Executive Officer's performance and approval of their compensation, and setting of their goals and objectives;
 - (v) the evaluation of the Chief of Staff's performance and approval of their compensation, and setting of their goals and objectives;
 - (vi) the appointment and annual re-appointment of physicians to the medical staff, dentists to the dental staff, midwives to the midwifery staff, and registered nurses in the extended class to the extended class nursing staff of the Hospital;

- (vii) the recruitment of Directors who are knowledgeable, skilled, committed and representative of the community served;
- (viii) an effective Board orientation program and the continuing education of the Directors;
- (ix) the establishment, on an annual basis, of Board goals and objectives (separate from the corporate goals and objectives);
- (x) the evaluation of its own performance in relation to its responsibilities and periodic review and revision of governance policies, processes and structures as appropriate; and
- (xi) a regular review of the By-laws and governance structure of the Hospital.

9.11 Quality Committee

- (a) The Quality Committee, as required by the regulations under the *Excellent Care for All Act, 2010* (Ontario), shall consist of:
 - (i) at least 2 voting members of the Board, as selected by the Chair of the Board, one of whom shall serve as the Chair of the Committee, provided that the Board members compose at least one-third of the Committee membership;
 - (ii) 1 member of the Medical Advisory Committee, as selected by the Chief of Staff;
 - (iii) the Chief Nursing Executive
 - (iv) 1 person who works in the Hospital and who is not a physician or nurse, as selected by the Chief Executive Officer;
 - (v) the Chief Executive Officer; and
 - (vi) up to 2 other Hospital employees appointed by the Board.

- (b) The Quality Committee members listed above in paragraphs (ii), (iii), (iv) and (v) may appoint a delegate to be members in their place, provided the Board approves.
- (c) The Quality Committee shall carry out the following activities and report to the Board thereon:
 - (i) monitor and report to the Board on quality issues and on the overall quality of services provided in the Hospital, with reference to appropriate data;
 - (ii) consider and make recommendations to the Board regarding quality improvement initiatives and policies;
 - (iii) ensure that best practices information supported by available scientific evidence is translated into materials that are distributed to employees and persons providing services within the Hospital, and monitor the use of these materials by these people;
 - (iv) oversee the preparation of an annual quality improvement plan; and
 - (v) perform other responsibilities as required in the regulations under the *Excellent Care for All Act, 2010* (Ontario).
- (d) The Quality Committee shall meet on at least a quarterly basis.

9.12 Other Committee Terms of Reference

The Board shall set out the terms of reference for the other Committees created by the Board in a Board Committee Policy, as amended by the Board from time to time.

ARTICLE 10. RECORDS AND FINANCIALS

10.01 Retention of Written Statements

The Corporation is required to maintain a record of medical records destroyed in compliance with the *Public Hospitals Act*. The Chief

Executive Officer shall cause to be retained for at least 25 years all written statements that relate to destruction of such medical records.

10.02 Signing Officers

Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by:

- (a) the Chief Executive Officer or their designate, provided the expenditure contemplated by the document has been included within:
 - (i) the annual operating budget approved by the Board; or
 - (ii) the annual capital budget approved by the Board; or
- (b) for expenditures not approved by the Board as contemplated in paragraph (a), by:
 - (i) any 2 of the Chair, the Vice-Chair, the Chair of the Finance Committee, and the Chief Executive Officer, or
 - (ii) such other person(s) authorized by the Board, from time to time.

10.03 Seal

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

10.04 Investments

The Board may invest in any investments that are authorized by the Corporation's investment policy.

10.05 Trust Funds

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).

10.06 Auditor

- (a) The Corporation shall, at the annual meeting of Members, appoint an Auditor to hold office until the next annual meeting of the Members. The Auditor shall be “independent” according to paragraph (b) below, and shall be duly licensed under the provisions of the *Public Accounting Act* (Ontario).
- (b) In order to be “independent” the Auditor cannot be:
 - (i) a Director, Officer or employee of the Corporation;
 - (ii) a lender to the Corporation; or
 - (iii) in business with or related to any such person in (i) or (ii).
- (c) Subject to the Articles, the Board shall fill any vacancy in the office of Auditor that occurs between annual meetings.
- (d) The Auditor shall have all the rights and privileges as set out in the *Act* and shall perform the audit function as prescribed therein.
- (e) The Auditor shall receive notice of the annual meeting in accordance with Section 4.02 of this By-law.

10.07 Banking

- (a) The Board shall by resolution, from time to time, designate the bank in which the monies, bonds or other securities of the Corporation shall be placed for safekeeping.
- (b) The Board shall by resolution, from time to time, designate the signing officers of the Corporation, and they are hereby authorized for and in the name of the Corporation:
 - (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 designated by the Board, and give receipts for same;

- (iii) subject to the approval of the Board, to assign and transfer to the bank all or any stocks, bonds or other securities;
- (iv) to transact with the said bank any business that 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;
- (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;
- (vii) to receive all paid cheques and vouchers; and
- (viii) to sign the bank's form of settlement of balance and release.

10.08 Borrowing

The Board may, from time to time:

- (a) borrow money from a bank on the credit of the Corporation;
- (b) subject to any provision in the *Public Hospitals Act*, issue, sell or pledge securities of the Corporation;
- (c) subject to any provision in the *Public Hospitals Act*, charge, mortgage, hypothecate or pledge all or any of the real or personal property of the Corporation, including book debts and rights, powers, franchises and undertakings, to secure any securities or any money borrowed, or other debt, or any other obligation or liability of the Corporation; and
- (d) authorize any Director, Officer or employee of the Corporation to make arrangements with reference to the monies borrowed or to be borrowed as aforesaid, and as to the terms and conditions of the loan thereof, and as to the securities to be given therefor, with power to vary or modify such arrangements, terms and conditions and to give such additional securities for any monies borrowed or remaining due by the Corporation as the Directors

may authorize, and generally to manage, transact and settle the borrowing of money by the Corporation.

10.09 Books and Records

- (a) All necessary books and records of the Corporation required by the *Act* shall be regularly and properly kept at the registered office or at another place determined by the Board. Without limiting the generality of the foregoing, the following records shall be prepared and regularly maintained:
 - (i) the Articles and By-laws, and amendments to them;
 - (ii) minutes of meetings of the Members, the Board, and any Committee;
 - (iii) resolutions of the Members, the Board, and any Committee;
 - (iv) register of Directors and their consents to serve as such;
 - (v) register of Officers;
 - (vi) register of Members; and
 - (vii) accounting records adequate to enable the Board to ascertain the financial position of the Corporation with reasonable accuracy on a quarterly basis.
- (b) A record of the Corporation's ownership interests in land, if any, shall be kept at the registered office and in accordance with section 92.1 of the *Act*.

ARTICLE 11. VOLUNTARY ASSOCIATIONS

11.01 Authorization

The Board may sponsor the formation of a voluntary association(s) as it deems advisable.

11.02 Purpose

Such associations shall be conducted with the advice of the Board for the general welfare and benefit of the Corporation and the patients treated in the Hospital.

11.03 Control

Each such association shall elect its own Officers and formulate its own by-laws, but at all times the by-laws, objects and activities of each such association shall be subject to review and approval by the Board.

11.04 Representation on Board

The Board may determine a mechanism to provide for representation by the voluntary associations) on the Board.

11.05 Auditor

- (a) Each unincorporated voluntary association shall have its financial affairs reviewed by an Auditor for purposes of assuring reasonable internal control.
- (b) The Auditor for the Hospital may be the Auditor for the voluntary associations under this section.

ARTICLE 12. AMENDMENTS

12.01 Amendments to By-laws

- (a) Subject to the Articles, the Board may, by resolution, make, amend or repeal any By-laws of that regulate the activities or affairs of the Corporation.
- (b) Subject to the *Act* (which requires a Special Resolution for changes to the transfer of a membership; changes to giving notice to Members entitled to vote at meetings of Members; and changes to the method of voting by Members not in attendance at meetings of Members), any such By-law, amendment or repeal shall be effective from the date of the resolution of the Board until the next meeting of the Members where it may be

confirmed, rejected or amended by the Members by Ordinary Resolution. If the By-law, amendment or repeal is confirmed or confirmed as amended by the Members it remains effective in the form in which it was confirmed. The By-law, amendment or repeal ceases to have effect if it is not submitted to the Members at the next meeting of the Members or if it is rejected by the Members at the meeting.

- (c) A By-law or an amendment to a By-law passed by the Board that requires only Board approval are effective once made by the Board until confirmed by the Members at the next meeting of Members.
- (d) A By-law or an amendment to a By-law that requires a Special Resolution of the Members is effective only when confirmed by Members.

WOODSTOCK HOSPITAL

ENACTED as By-law No. 1 this 25th day of August, 2020 and amended this 28th day of June, 2022, and further amended this 28th day of May 2024.

Chair Secretary

CONFIRMED by the Members this 25th day of August, 2020 and amended this 28th day of June, 2022, and further amended this 25th day of June, 2024.

Chair Secretary

APPENDIX A – LIST OF SPECIAL RESOLUTIONS REQUIRED BY THE ACT

The following decisions require the approval of the Board and then 2/3 of the votes cast by Members who attend a duly called meeting of the Members before taking effect (unless the authority is granted to the Board in the By-laws, which By-law has been approved by Special Resolution or consented to by each member entitled to vote at a meeting of the members:

- To change the municipality or geographic township in which its Registered Office is located to another place in Ontario – section 14(4)
- To set or change a fixed number of directors between the minimum and maximum number of directors in the Articles – section 22(2)
- to empower the Board to set a fixed number of directors between the minimum and maximum number of Directors in the Articles section 22(2)
- To confirm or approve a contract or transaction of a director or officer that is the subject of a conflict of interest - a director or officer, acting honestly and in good faith, is not accountable to the corporation or to its members for any profit or gain realized from any contract or transaction by reason only of their holding the office of director or officer, and the contract or transaction, if it was reasonable and fair to the corporation at the time it was approved, is not by reason only of the director's or officer's interest in it void or voidable if,
 - o the contract or transaction is confirmed or approved by special resolution at a meeting of the members duly called for that purpose; and
 - o the nature and extent of the director's or officer's interest in the contract or transaction are disclosed in reasonable detail in the notice calling the meeting – section 41(10)
- To make any amendment to the Articles – section 103(1)

- To approve an amalgamation agreement – section 111(5)
- To approve a continuance under this Act– section 115(2)
- To approve a continuance under the Co-operative Corporations Act – section 117(1)
- To approve the sale, lease or exchange of all or substantially all of the property of the corporation other than in the ordinary course of its activities – section 118(6)
- To approve an arrangement as defined in section 120
- To require the corporation to be wound up voluntarily under section 123
- To authorize an application to be made to the court to wind up the corporation – section 136
- To authorize the corporation to be dissolved – section 166