

**MIDDLESEX HOSPITAL ALLIANCE BY-LAWS**

**FOUR COUNTIES HEALTH SERVICES CORPORATION  
STRATHROY MIDDLESEX GENERAL HOSPITAL**

BY-LAW NO. 1

**Approved by:**

**Four Counties Health Services Corporation as of April 1, 2004  
Strathroy Middlesex General Hospital as of April 1, 2004**

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## MIDDLESEX HOSPITAL ALLIANCE BY-LAWS

### FOUR COUNTIES HEALTH SERVICES CORPORATION STRATHROY MIDDLESEX GENERAL HOSPITAL

#### ARTICLE 1. PREAMBLE

##### 1.01 Objects

- (a) The Letters Patent provide that the objects of FCHS are:
  - “(a) To establish and maintain a hospital for the care of persons suffering from any illnesses or disabilities which require that the patients receive hospital care in the said Counties of Middlesex, Lambton, Kent and Elgin;
  - (b) To carry on any educational activities relating to rendering care to the sick and injured or the promotion of health which may be justified by the facilities, personnel, funds or other requirements that are or can be made available;
  - (c) To promote and carry on scientific research relating to the care of the sick and injured insofar as such research can be carried on in or in connection with the hospital; and
  - (d) To participate so far as circumstances may warrant in any activity designed and carried on to promote the general health of the community.”
- (b) The Incorporating Act provides that the objects and powers of SMGH are to:
  - “(a) Operate, maintain and manage the hospital;
  - (b) Acquire such real and personal property as is necessary for the operation of the hospital;
  - (c) Borrow money on the credit of the Corporation;
  - (d) Subject to the limitation by any specific trust, invest in such securities as are authorized for investments by trustees under the *Trustee Act*, and
  - (e) Establish charges for hospital services.

## 1.02 **Mission**

The mission of the Middlesex Hospital Alliance is as follows:

***“To provide the healthcare we would expect for our own families.”***

## 1.03 **Vision and Principles**

(a) The vision of Middlesex Hospital Alliance is as follows:

***“Exceptional Care by Exceptional People”***

(b) The Middlesex Hospital Alliance is guided by our principles:

“We believe:

**Safety for our patients, staff and visitors**

**Excellence in our performance**

**Respect for everyone all the time**

**Value in all that we do**

**Enthusiasm as our way of life**

## 1.04 **Mandate of the Middlesex Hospital Alliance (MHA)**

Pursuant to the Memorandum of Understanding, the Hospitals have entered into an alliance called the Middlesex Hospital Alliance, setting out the purposes of the Alliance and the values of the Hospitals.

(a) Purposes

“The parties hereby acknowledge that they are entering into this Agreement to assist them to meet the following shared objectives:

- i. Comprehensive and seamless patient care leading to improved health in West Middlesex communities and those in adjacent counties of Elgin, Kent and Lambton;
- ii. Integrated planning and delivery systems in Middlesex County;
- iii. Evidence-based decision-making established on, but not limited to, quality care, community need, risk assessments and patient care outcomes, volume of care and cost of care;
- iv. Sharing of administrative and support services;

- v. Development of a common credentialing process; and
  - vi. Maintenance of local identity and cultures as Middlesex communities.”
- (b) Values of the Hospitals
- “In fulfilling its mandate under this Agreement, the Board shall be guided by the values that have been agreed to and supported by both Hospitals, as follows:
- i. The Hospitals have, as their prime reason for existence, the provision of appropriate and patient-focused care and service to their communities;
  - ii. The Hospitals respect and honour their individual and shared roots, relationships and communities;
  - iii. The Hospitals believe that a mutually acceptable working agreement between partners will enhance patient care in West Middlesex and the adjacent counties of Elgin, Kent and Lambton;
  - iv. The Hospitals believe that words and actions demonstrate that people and organizations are worthy of trust and that it is important to be open, truthful, fair and inclusive; and
  - v. The Hospitals believe in, and will nurture, quality, innovation and creativity.”

## ARTICLE 2. DEFINITIONS & INTERPRETATION

### 2.01 Definitions

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

- (a) “**Act**” means the *Corporations Act* (Ontario) and, where the context requires, includes the regulations made under it;
- (b) “**Admitting Privileges**” means the privileges granted to members of the MHA Medical Staff related to the admission of in-patients, registration of out-patients, and emergency patients and the diagnosis, assessment and treatment of in-patients, out-patients and emergency patients in the Hospital;
- (c) “**Associates**” in relation to an individual means the individual’s parents, dependent 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) **“Board”** means the board of directors of each Corporation, which boards have identical composition;
- (e) **“By-Law(s)”**, unless otherwise specified, means the By-Laws of each Corporation;
- (f) **“Certification”** means the holding of a certificate in a medical or surgical specialty issued by any professional body recognized by the Board after consultation with the Medical Advisory Committee;
- (g) **“Chair of the Board”** means the Director elected as such as required by the *Act*;
- (h) **“Chief Executive Officer”** means, in addition to “Chief Executive Officer” 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 and who shall serve as the President of the Corporation;
- (i) **“Chief Financial Officer”** means the senior employee, responsible to the Chief Executive Officer for the treasury and controllership functions at the Hospitals;
- (j) **“Chief Operating Officer”** means the senior employee responsible to the Chief Executive Officer for the operating functions at the Hospitals;
- (k) **“Chief of Staff”** means the Chief of the Professional Staff for MHA. The Chief of Staff provides a leadership role and is directly responsible and accountable for the efficient and effective operation and organization of the medical staff of MHA. The position also supports the Deputy chief of Staff and the Chiefs of the Departments of Medicine, Surgery and Rural Medicine.
- (l) **“Deputy Chief of Staff”** means the Deputy Chief of the Professional Staff for MHA. The Deputy Chief of Staff provides a leadership role for the physicians at the Four Counties Health Services site and is responsible to assist the Chief of Staff with his or her duties as requested and is primarily accountable to the Chief of Staff for the quality of care provided in the rural Medicine Department.
- (m) **“Committee”** means any committee created by the Board or pursuant to the By-Laws;
- (n) **“Community Representative”** means a person, who is not a Director, who has been appointed to a Committee in accordance with section 7.07;
- (o) **“Conflict of Interest”** includes, without limitation, the following three (3) 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 (or his Associates) 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; or
  - (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 either Corporation;
- (p) “**Corporation**” means FCHS or SMGH;
  - (q) “**Dental Staff**” means the Dentists to whom the Board has granted privileges to treat patients of one or both Hospitals;
  - (r) “**Dentist**” means a member in good standing of the Royal College of Dental Surgeons of Ontario, to whom privileges have been granted;
  - (s) “**Director**” means a member of the Board;
  - (t) “**Excluded Person**” means:
    - (i) any member of the Professional Staff other than the members of both Hospitals’ Medical Staffs appointed to the Board pursuant to the *Public Hospitals Act*;
    - (ii) any employee of either Corporation, other than the Chief Executive Officer; or
    - (iii) any spouse, dependent child, or parent of a member of the Professional Staffs or an employee; or
  - (u) “**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;
  - (v) “**Fellowship**” means a fellowship in a professional medical college recognized by the Board after consultation with the Medical Advisory Committee;
  - (w) “**FCHS**” means Four Counties Health Services Corporation, which carries on operations as Four Counties Health Services;

- (x) **“Hospital”** means FCHS or SMGH;
- (y) **“Hospitals”** means FCHS and SMGH;
- (z) **“Incorporating Act”** means *An Act respecting Strathroy Middlesex General Hospital* (c. Pr10, S.O. 1989) incorporating SMGH dated February 27, 1989;
- (aa) **“Letters Patent”** means the letters patent and supplementary letters patent of FCHS dated September 14, 1960 and November 12, 1997, respectively;
- (bb) **“Medical Advisory Committee”** means the Medical Advisory Committee of the MHA appointed by the Board and constituted in accordance with the *Public Hospitals Act*;
- (cc) **“Medical Staff”** means the Physicians to whom the Board has granted privileges to treat Patients in one or both Hospitals;
- (dd) **“Member”** means a member of the respective Corporation;
- (ee) **“Memorandum of Understanding”** means the agreement between the Hospitals dated April 1, 2004, continuing the Alliance, as amended from time to time;
- (ff) **“MHA”** means the Middlesex Hospital Alliance pursuant to the Memorandum of Understanding.
- (gg) **“Nurse”** means a holder of a current certificate of competence issued in Ontario as a registered nurse;
- (hh) **“Officer”** means each of the Chair, Vice-Chair, Secretary and Director at Large;
- (ii) **“Patient”** means an in-patient, an out-patient or an emergency patient except where the context otherwise requires;
- (jj) **“Physician”** means a member in good standing of the College of Physicians and Surgeons of Ontario, to whom privileges have been granted;
- (kk) **“Professional Staff”** means the Physicians, Dentists, Extended Class Nurses and Midwives who are appointed by the Board and who are granted specific privileges to practice medicine or dentistry, respectively, in one or both of the Hospitals;
- (ll) **“Public Hospitals Act”** means the *Public Hospitals Act* (Ontario) and, where the context requires, includes the regulations made under it;
- (mm) **“SMGH”** means Strathroy Middlesex General Hospital;

- (nn) “**Special Resolution**” means a resolution passed by the Directors and confirmed by at least two thirds (2/3) of the votes cast at a general meeting of the Members duly called for that purpose;
- (oo) “**Supervisor**” means a Physician or Dentist who is assigned the responsibility to oversee the work of another Physician or Dentist, respectively; and
- (pp) “**Vice-Chair of the Board**” means the Director elected as such.

## **2.02 Interpretation**

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

- (a) Any Director, Member, Officer, Committee member or employee, as the context requires, and unless expressly prohibited by the By-Laws 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) Subject to subsection (a) above, business arising at any meeting of either Corporation, 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 one (1) vote at any meeting of the Corporation, Board or Committee, respectively;
  - (ii) in accordance with the Corporations Act amendment 2017, meetings of members may be held by “telephonic or electronic means” and a member who, through those means, votes at the meeting or establishes a communications link to the meeting is deemed for the purposes of the Act to be present at the meeting.
  - (iii) in accordance with the *Public Hospitals Act*, no Member shall be entitled to vote by proxy at a meeting of the Corporation; all Members must attend annual and/or special meetings of the Corporation in person in order to be eligible to vote;

- (iv) votes shall be taken in the usual way, by show of hands, among all Members, Directors and Committee members present and, in the event of a tie, the motion is lost, subject to clause (iv) below;
  - (v) the chair shall have an initial vote. In case of an equality of votes, either upon a show of hands or upon a poll, the chair of a meeting of the Corporation shall be entitled to an additional or casting vote; however, at a meeting of the Board or any Committee established pursuant to this By-Law, the chair of such meeting shall not be entitled to an additional or casting vote;
  - (vi) after a show of hands has been taken on any question, the chair of the meeting may require, or any person entitled to vote on the question may request, a poll thereon. A poll so required or requested shall be taken in such manner as the chair of the meeting shall direct. A requirement for a poll may be withdrawn at any time prior to the taking of the poll. Upon a poll, each individual present in person and entitled to vote at such meeting shall have one (1) vote and the result of the poll shall be the decision of the Members, the Board or the Committee, as the case may be;
  - (vii) an abstention shall be permitted only where a Conflict of Interest prevents a vote from being cast, in accordance with this By-Law, and such abstention shall not be considered a vote cast;
  - (viii) whenever a vote by show of hands shall have been taken on a question, unless a poll is required or demanded, 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; and
  - (ix) despite any other provisions of this By-Law, any Director may at any time require that a vote be recorded. The request for a recorded vote does not require a motion and is not debatable or amendable.
- (c) 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.
  - (d) Minutes shall be kept for all meetings of the Corporation, the Board or any Committee, and shall be approved at the next meeting of the Corporation, the Board or the Committee, as the case may be.
  - (e) 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* or by the *Public Hospitals Act*, shall be determined by the chair of the meeting in accordance with King and Kerr's "Procedures for Meetings and Organizations" or such other rules of procedure adopted by resolution of the Board.

- (f) 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.
- (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 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.

### **2.03 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 3. MEMBERS OF THE CORPORATION**

### **3.01 MEMBERS OF THE CORPORATION**

The Members of the Corporation shall be, *ex officio*, the elected Directors of the Corporation.

### **3.02 Annual Meeting of the Corporation**

- (a) The annual meeting of the Members, for the purpose of receiving the financial reports and statements required by the *Act* to be placed before the annual meeting of Members, shall be held between April 1 and July 31 of each year.
- (b) The business transacted at the annual meeting shall include:
  - (i) review of the:
    - (A) minutes of the previous annual meeting;
    - (B) report from the Chair of the Board, including the audited financial statements;

- (C) report of the unfinished business from any previous meeting of the Corporation;
- (D) report of the Chief Executive Officer;
- (E) report of the auditor;
- (F) report of the Medical Advisory Committee;
- (G) reports of the auxiliary(ies);
- (ii) election of Directors; and
- (iii) appointment of the auditor for coming year.
- (c) No other item of business shall be considered at the annual meeting of the Corporation unless:
  - (i) added by resolution of the Board prior to the annual meeting so that such item of new business can be included in the notice of annual meeting; or
  - (ii) added by the Members in accordance with the following process: Notice in writing of such other item of business shall be given to the Secretary at least thirty (30) days prior to 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) Members and shall be business that is properly within the purview of the Members' role in the Corporation.

### **3.03 Special Meeting of the Corporation**

- (a) The Chair of the Board may call a special meeting of the Corporation.
- (b) Not less than one-tenth (1/10) of the Members entitled to vote at a meeting proposed to be held may, in writing, requisition the Directors to call a general meeting of the Members for any purpose connected with the affairs of the Corporation that is properly within the purview of the Members' role in the Corporation and that is not inconsistent with the *Act*.
- (c) The requisition shall be deposited at the head office of the Corporation and may consist of several documents in like forms signed by one (1) or more requisitioners.
- (d) If the Board, acting in its sole discretion, determines that the requisition meets the qualifications set out in this section, the Board shall call and hold such meeting within twenty-one (21) days from the date of the deposit of the requisition.

- (e) In the event the Board believes the requisition does not meet the qualifications set out in this section, the Board shall provide written notice of such finding to the requisitioners at their address as recorded in the Corporation's records.
- (f) Notice of a special meeting shall be given in the same manner as notice of a regular meeting and shall state the purpose for which it is called.

### **3.04 Location of Meeting of the Corporation**

Annual and special meetings of Members shall be held at the head office of the Corporation or such other location fixed by the Board within the Province of Ontario.

### **3.05 Notice of Meeting of the Corporation**

- (a) Notice of the annual meeting of the Corporation shall be given:
  - (i) to each Member by electronic communication (including facsimile and e-mail) at least ten (10) days in advance of the meeting by sending it to the last electronic communication address provided by a Member who has consented to receiving notices in such a manner; or
  - (ii) by prepaid mail at least ten (10) days in advance of the meeting by sending it to the last address as shown on the records of the Corporation.
- (b) A Member or any other person entitled to notice of a meeting of Members may waive notice of any meeting of Members. Attendance of any Member at a meeting of Members shall constitute a waiver of notice of the meeting, except where such Member attends such meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. Meetings of Members held without notice shall be deemed to be duly called and held if all of the Members waive notice of the meeting and consent to the transaction of such business as may have come before it, subject to a quorum being present at such meeting.
- (c) If, within one-half (1/2) 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. At least three (3) days' notice of the adjourned meeting shall be given.
- (d) Any Member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all resolutions passed or proceedings taken at the meeting.

### **3.06 Quorum of a Meeting of the Corporation**

Ten (10) Members present at an annual or special meeting of the Corporation shall constitute a quorum.

### **3.07 Chair of Meeting of the Corporation**

The chair of a meeting of the Corporation shall be:

- (a) the Chair of the Board; or
- (b) the Vice-Chair of the Board, if the Chair of the Board is absent; or
- (c) a chair elected by the Members present if the Chair of the Board and the Vice-Chair of the Board are absent.

## **ARTICLE 4. BOARD COMPOSITION AND RESPONSIBILITIES**

### **4.01 Nominations**

- (a) Nominations for election as Director at the annual meeting of the Corporation may be made only by:
  - (i) the Governance Committee of the Board, in accordance with the guidelines for the selection of Directors set out in subsection (d) below;
  - (ii) Members of the Corporation provided that each such nomination by Members:
    - (A) is in writing and signed by at least two (2) Members in good standing;
    - (B) is accompanied by a written declaration signed by the nominee that he will serve as a Director in accordance with this By-Law if elected;
    - (C) is submitted to and received by the Secretary at least thirty (30) days before the date of the annual meeting; and
    - (D) is subject, along with all nominations, to review by the Governance Committee in accordance with the guidelines for selection of Directors set out in subsection (d) below.
- (b) The Governance Committee:
  - (i) may advertise for potential Board members and for Community Representatives to serve on Committees, but not limit its search to

the advertisement process. The Committee shall not be required to advertise for candidates to fill a mid-term vacancy;

- (ii) shall, after receiving and reviewing all nominations, prepare a list of recommended candidates to fill the vacancies on the Board;
  - (iii) shall nominate Directors for consideration by the Board for appointment as Officers after canvassing the Executive Committee for recommendations;
  - (iv) shall nominate individuals to serve as Community Representatives to serve on Committees (excluding the Executive Committee), and
  - (v) shall provide each Director, at least thirty (30) days prior to the annual meeting of the Corporation, a list of the recommendations it is making under paragraphs (ii), (iii) and (iv) above, together with the qualifications of such recommended candidates.
- (c) In selecting persons as candidates for election to the Board, the Governance Committee shall require all candidates to complete an application form in the form approved by the Board. The Governance Committee shall consider the names of all persons who have completed the application form in accordance with this By-Law and may interview potential candidates in order to determine suitability.
- (d) The following “guidelines for the selection of Directors” will guide the Governance Committee when considering candidates for Board membership:
- (i) the Board should be seen as capable and experienced to lead the Corporation;
  - (ii) the membership of the Board shall reflect a wide range of interests and perspectives including:
    - (A) understanding health care needs of the community served;
    - (B) understanding the special needs of rural communities;
    - (C) community involvement; and
    - (D) perspective of patients and their families;
  - (iii) the membership of the Board must have regard for the demographic, linguistic, cultural, economic, geographic, ethnic, religious and social characteristics of the community served;

- (iv) the Governance Committee will look to the Hospital auxiliary(ies) and foundation(s) for qualified candidates with an interest in serving on the Board;
- (v) the successful candidates shall have the following generic capabilities:
  - (A) understanding of the distinction between the strategic and policy role of the Board and the day-to-day operational responsibilities of management;
  - (B) capability to give leadership to the development of the Corporation;
  - (C) commitment to the vision, mission and core values of the Corporation;
  - (D) ability to work as a member of a team;
  - (E) respect for the views of others;
  - (F) recognition of the time commitment and the willingness to devote the time and energy necessary to perform the role of Director; and
  - (G) enthusiasm and capacity for resolving challenging issues; and
- (vi) the Board shall consider, in light of the opportunities and risks facing the Corporation, what competencies, skills and personal qualities it should seek in new Board members in order to add value to the Corporation (i.e., in order to develop a “knowledge-based” Board), and as such the successful candidates shall collectively have the following general qualities that would strengthen the Board:
  - (A) prior experience in governance;
  - (B) strategic planning experience;
  - (C) experience in the management and restructuring of complex organizations;
  - (D) understanding of health policies and system needs, issues and trends;
  - (E) understanding of the diverse needs of the region;
  - (F) previous experience in the health field;
  - (G) awareness of provincial health care trends;

- (H) knowledge and experience in medical research;
  - (I) knowledge and experience in business and management;
  - (J) understanding of fiscal, financial and legal matters;
  - (K) knowledge and experience in health professional education;
  - (L) knowledge and experience in human resource management;
  - (M) knowledge and experience in communications and information technology;
  - (N) knowledge and experience in government and public relations; and
  - (O) such other competencies, skills, experiences and perspectives identified by the Board from time to time.
- (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) 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 MHA's vision and mission.

The Governance Committee shall consider the above factors while balancing the needs of (i) ensuring ongoing expertise on the Board and (ii) planning for the succession of the Board and Officer positions.

#### **4.02 Board of Directors**

- (a) The Board of Directors shall be identical for the Corporations and shall be composed of seventeen (17) Directors, being eleven (11) elected Directors and six (6) *ex officio* Directors.
- (b) The Board shall have any change in the size of the Board approved by a Special Resolution and shall update this By-Law to reflect the changing size of the Board.

#### **4.03 Elected Directors**

The eleven (11) elected Directors shall be elected and shall retire in rotation so as to ensure that at least three (3) elected Directors' terms expire each year. Accordingly, at each annual meeting of Members, Directors shall be elected to fill the positions of those Directors whose term of office has expired, and each Director so elected shall hold office for a term of three (3) years or until the third annual meeting of Members (whichever first occurs).

#### **4.04 Ex officio Directors**

The *ex officio* Directors shall be:

- (a) the Deputy Chief of Staff of MHA;
- (b) the Chief of Staff of MHA;
- (c) the President of the Medical Staff;
- (d) the Chief Executive Officer of the Hospitals;
- (e) the Chief Nursing Officer of the Hospitals;
- (f) the Chief Financial Officer of the Hospitals.

#### **4.05 Qualifications of Directors**

- (a) No Excluded Person is eligible for election to the Board.
- (b) Both elected and *ex officio* Directors shall meet the following qualifications:
  - (i) Directors must be eighteen (18) years of age or more and mentally sound.
  - (ii) No undischarged bankrupt is eligible for election or appointment to the Board.

- (iii) Directors must have the generic capabilities identified in Section 4.01(d)(v) and must possess one or more of the general qualities identified in Section 4.01(d)(vi).

#### **4.06 Term Limits**

- (a) No person may be elected as a Director for more terms than will constitute nine (9) consecutive years of service; provided, however, that following a break in the continuous service of at least one (1) year the same person may be re-elected as a Director.
- (b) No Director may serve as Chair of the Board, Vice-Chair of the Board or Director at Large for more than two (2) consecutive annual terms in one (1) office; provided, however, that following a break in the continuous service of at least one (1) annual term, the same person may be re-elected or reappointed to any office.
- (c) A Director elected to the position of Past Chair of the Board, Chair of the Board or Vice-Chair of the Board shall be exempted from the term limits in subsection (a) above in order to complete his respective term in office.
- (d) The Board may, by a majority (2/3) vote, extend the term of any Officer, notwithstanding paragraph (b).

#### **4.07 Vacancy on the Board**

- (a) The office of an elected or *ex officio* Director shall automatically be vacated:
  - (i) if the Director ceases to meet the qualifications for Directors set out in section 4.05;
  - (ii) 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
  - (iii) if the Director dies.
- (b) The office of an elected Director may be vacated by a resolution of the Board if:
  - (i) a Director is absent for three (3) consecutive meetings of the Board or if a Director is absent for one-third (1/3) or more of the meetings of the Board in any twelve (12) month period;
  - (ii) a Director fails to comply with the *Public Hospitals Act*, the *Act*, or the Corporation's By-Laws, rules, regulations, policies or procedures

including, without limitation, the confidentiality, Conflict of Interest and standard of care provisions contained in these By-Laws; or

- (iii) at a special meeting of the Board, a resolution is passed by at least two-thirds (2/3) of the votes cast by the Directors removing 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 the Board until the next annual meeting of the Corporation.

#### **4.08 Conflict of Interest**

- (a) Every Director who, either directly or through one of his Associates, has or thinks he may potentially have a Conflict of Interest with respect to a proposed or current contract, transaction, matter or decision of either 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. If the Director, or his 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.
- (c) 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.
- (d) 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 his involvement in the matter that is the subject of the declaration.

- (e) 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 may realize from the contract, transaction, matter or decision.
- (f) If the Director fails to make a Declaration of his 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 his position as a Director.
- (g) 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.
- (h) 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 his 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 himself 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 himself 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.
- (i) 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.
- (j) Every declaration of a Conflict of Interest and the general nature thereof shall be recorded in the minutes by the Board.
- (k) 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).
- (l) 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, Professional Staff member, employee of the Corporation and every member of a Committee shall respect the confidentiality of matters brought before the Board or any such Committee or coming to his attention in the course of his duties, keeping in mind that unauthorized statements may adversely affect the interests of the Corporations.
- (b) All materials and information distributed to the Board at or in advance of a Board meeting shall be deemed confidential unless:
  - (i) otherwise expressly indicated on the material or information; or
  - (ii) the Board determines otherwise.
- (c) No statements respecting such matters shall be made to the public or the press by any such Director, Officer, Professional Staff member, Committee member, or employee except as authorized by the Board.
- (d) Persons permitted to attend any meeting of the Board or any meeting of a Committee as a guest or observer shall be advised that they are required to respect the confidentiality of all matters coming to their attention during any such meeting and shall undertake accordingly.

#### **4.10 Responsibilities of the Board**

The Board shall govern and supervise the management of the affairs of the Corporations, and in so doing shall:

- (a) develop and review on a regular basis the mission, objectives and strategic plan of the Hospitals in relation to the provision, within available resources, of appropriate programs and services in order to meet the needs of the community;
- (b) work collaboratively with other community agencies and institutions in meeting the needs of the community;
- (c) establish procedures for monitoring compliance with the requirements of the *Public Hospitals Act*, the By-Laws and policies of the Hospitals, and other applicable legislation;
- (d) establish specific policies which will provide the general framework within which Committees, administration, the Professional Staffs, and the

Hospitals' staff will establish policies and procedures for the management of the day-to-day processes within the Hospitals;

- (e) appoint the Chief Executive Officer, ensure the ongoing evaluation of the Chief Executive Officer, and provide for Chief Executive Officer succession;
- (f) delegate responsibility and concomitant authority to the Chief Executive Officer for the management and operation of the Hospitals and require accountability to the Board;
- (g) appoint the Chief of Staff and Deputy Chief of Staff of the Hospitals in accordance with the provisions of this By-Law, ensure the ongoing evaluation of the Chief of Staff and Deputy Chief of Staff, and provide for Chief of Staff and Deputy Chief of Staff succession;
- (h) delegate responsibility and concomitant authority to the Chief of Staff and Deputy Chief of Staff for the supervision of the practice of medicine and dentistry in the respective Hospitals and require accountability to the Board;
- (i) appoint and re-appoint Physicians and Dentists to the Professional Staffs and delineate the respective privileges after considering the recommendations of the Medical Advisory Committee and conditions attached thereto, each Corporation's resources, and whether there is a need for their services in the respective community in accordance with legislative and By-Law requirements and taking into account the Hospitals' limited resources;
- (j) consider and, if deemed necessary or advisable, after consideration of the recommendations of the Medical Advisory Committee, effect the dismissal, suspension or restriction of privileges of any Professional Staff member in accordance with the By-Laws and/or Hospital policies;
- (k) through the Medical Advisory Committee, assess and monitor the acceptance by each member of the Medical and Dental Staff of his responsibility to the Patients and to the Hospitals concomitant with the privileges and duties of the appointment and with the By-Laws of the Hospitals;
- (l) ensure that staff and facilities are appropriate for the services provided;
- (m) 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; and
- (n) make, from time to time, rules and regulations not inconsistent with the provisions of the Hospitals' Letters Patent or Incorporating Act (as the case may be), the By-Laws, the *Public Hospitals Act*, or any other relevant

legislation in respect of any matter considered necessary or advisable, including with respect to:

- (i) the participation of nurses who are managers and staff nurses in decision-making related to administrative, financial, operational and planning matters in the Hospitals, and
  - (ii) the participation at the Committee level 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;
- (o) examine and consider, at least annually, the report of the auditors of the Corporations, the financial statements respecting the Corporations and review and consider on a continuing basis the financial status of the Corporations at all times;
- (p) ensure that auditors for each Corporation are appointed by the Members of the respective Corporation annually and that such auditors are licensed under the *Public Accountancy Act*;
- (q) appoint, from time to time, such Committees as it deems necessary or advisable and terminate any such Committee(s) so appointed when, in the opinion of the Board, such is considered advisable;
- (r) receive and review the reports of the activities of the Committees and review and evaluate the reports and activities of the Chief Executive Officer and Chief of Staff;
- (s) approve procedures to encourage the donation of organs and tissues, including:
- (i) procedures to identify potential donors; and
  - (ii) procedures to make potential donors and their families aware of the options of organ and tissue donation,
- and ensure that such procedures are implemented in the Hospitals;
- (t) keep the Members of the Corporations and the communities served by the Corporations informed about the changing functions of the Hospitals, including any expansion or restriction of the services provided;
- (u) cause a joint Occupational Health and Safety Committee to be appointed and function as required by the *Occupational Health and Safety Act* and the *Public Hospitals Act*;

- (v) ensure the establishment of a fiscal advisory committee in compliance with the *Public Hospitals Act*;
- (w) appoint annually a Joint Medical Advisory Committee in accordance with this By-Law;
- (x) assume responsibility for the identification of the principal risks of the Corporations' business and ensure the implementation of appropriate systems to manage those risks;
- (y) assume responsibility for succession planning, including appointing, training and monitoring senior management through the Chief Executive Officer and Professional Staffs through the Chief of Staff and Deputy Chief of Staff;
- (z) assume responsibility for the establishment of a communication policy for the Corporations;
- (aa) assume responsibility for the integrity of the Corporations' internal control and management information systems;
- (bb) establish a joint conference committee to support communications between administration, the Board and the Professional Staffs; and
- (cc) ensure that the Chief Executive Officer, Professional Staffs, and such other members of the Hospitals' staff as the Board sees fit develop plans to deal with:
  - (i) emergency situations that could place a greater than normal demand on the services provided by each Hospital or disrupt the normal Hospital routine; and
  - (ii) the failure to provide services by persons who ordinarily provide services in the Hospitals.

#### **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 MHA's vision, mission and core values;
- (b) work positively, co-operatively and respectfully as a member of the team with other Directors and with each Corporation's management and staff;
- (c) respect and abide by Board decisions;
- (d) serve, where requested, on Committees;

- (e) regularly attend Board and Committee meetings;
- (f) complete the necessary background preparation in order to participate effectively in meetings of the Board and its Committees;
- (g) keep informed about:
  - (i) matters relating to the Corporations;
  - (ii) the health needs of the communities served;
  - (iii) other health care services provided in the region; and
  - (iv) health protection and promotion programs;
- (h) participate in initial orientation as a new Director and in on-going Board education;
- (i) participate in an annual evaluation of overall Board effectiveness;
- (j) abide by the Conflict of Interest and confidentiality provisions contained in this By-Law; and
- (k) represent the Board, when requested.

#### **4.12 Fiduciary Duty and Standards of Care**

- (a) Every Director and Officer of the Corporations, in exercising his powers and discharging his duties, shall:
  - (i) fulfill his fiduciary duty, that is, act honestly and in good faith with a view to the best interests of each Corporation; and
  - (ii) meet the legally required standard of care, that is, exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- (b) In the event the Board identifies a conflict between the best interests of FCHS and the best interests of SMGH, the Directors shall act in the best interests of the Alliance, which shall supersede and be paramount to the best interests of either Hospital.

#### **4.13 No Remuneration**

The Directors of the Corporation shall serve as such without remuneration, and no Director shall directly or indirectly receive any profit from his position as such, provided that a Director may be paid reasonable expenses incurred by him in the performance of his duties as a Director.

#### **4.14 Protection and Indemnification**

- (a) Except as otherwise provided in the *Act*, no Director, Officer or member of any Committee appointed or authorized by the Board shall be liable to the Corporation or to the Members for the acts, receipts, neglect or default of any other Director, Officer, employee or Committee member, or for joining in any receipt or other act for conformity, or for any loss, damage or expense suffered or incurred by the Corporation through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Corporation or for the insufficiency or deficiency of any security or upon which any of the monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever that shall occur in the execution of the duties of his office or in relation thereto unless the same is occasioned by his own wilful neglect or default or by his dishonest, fraudulent or criminal act.
- (b) Subject to section 4.12, every Director or Officer of the Hospital and every member of a Committee, and his heirs, executors and administrators, and estate and effects, respectively, shall from time to time and at all times be indemnified and saved harmless out of the funds of the Hospital, from and against:
  - (i) all costs, charges and expenses whatsoever which such Director, Officer or Committee member sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against him for or in respect of any act, deed, matter of thing whatsoever, made, done or permitted by him in or about the execution of the duties of his office; and
  - (ii) all other costs, charges and expenses that he sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his own willful neglect or default or by his dishonest, fraudulent or criminal act.
- (c) The Board will cause to be purchased such insurance as it considers advisable and necessary to ensure that Directors, Officers, and members of said 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 5.     BOARD MEETINGS**

### **5.01   Regular Meetings of the Board**

- (a)   The Board shall meet at such time, place and day as the Board may from time to time determine.
- (b)   There shall be at least eight (8) regular meetings per year.
- (c)   A meeting of the Board may be held without notice, immediately following the annual meeting of the Corporation.
- (d)   The Secretary of the Board shall give at least five (5) days' notice of regular meetings.

### **5.02   Special Meetings of the Board**

- (a)   The Chair of the Board may call special meetings of the Board.
- (b)   If three (3) Directors request in writing, the Secretary of the Board shall call a special meeting of the Board.
- (c)   Notice of a special meeting of the Board may be given by telephone and shall be given at least twenty-four (24) hours in advance of the meeting, specifying the purpose of such special meeting.

### **5.03   Chair of Meetings of the Board**

The Chair of a meeting of the Board shall be:

- (a)   the Chair of the Board;
- (b)   the Vice-Chair of the Board if the Chair of the Board is absent; or
- (c)   a Chair elected by the Directors present if the Chair of the Board and Vice-Chair of the Board are absent.

### **5.04   Guests and Observers**

Guests may attend meetings of the Board only upon:

- (a)   invitation by the Chair of the meeting; or
- (b)   resolution of the Board; or
- (c)   invitation by the Chief Executive Officer to persons deemed appropriate by the Chief Executive Officer for the purposes of supporting or facilitating the Board meeting.

### **5.05 Quorum for Meetings of the Board**

A quorum for a Board meeting shall consist of a majority of the Board present in person or by telephonic or electronic means, and those present must include at least six (6) elected Directors.

### **5.06 Procedures for Board Meetings**

- (a) If within one-half (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 if such day shall be a holiday, on the next day following such date. The Secretary shall send notice of such adjourned meeting to each of the Directors at least forty-eight (48) hours prior to the meeting.
- (b) The statutory declaration of the Secretary or the Chair of the Board that notice has been given pursuant to the By-Laws shall be sufficient and conclusive evidence of the giving of such notice.
- (c) No error or omission in giving notice for a meeting of the Board shall invalidate such meeting 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 and all proceedings taken or had thereat.

## **ARTICLE 6. OFFICERS OF THE BOARD**

### **6.01 Officers of the Board**

- (a) The Board shall elect the following Officers at a meeting immediately following the annual meeting:
  - (i) the Chair (where the office is vacant), to serve a two (2) year term;
  - (ii) the Vice-Chair;
  - (iii) the Past Chair;
  - (iv) the Secretary; and
  - (v) a Director at Large.
- (b) The Chief Executive Officer may be Secretary of the Board.
- (c) The Secretary shall be responsible for the duties set forth in the By-Laws. They are not necessarily required to perform such duties personally, but they may delegate to others the performance of any or all such duties.
- (d) No member of either Professional Staff shall be eligible for election or appointment as an Officer of the Corporation.

- (e) Any Officer of the Board shall cease to hold office upon resolution of the Board.

## **6.02 Duties of the Chair**

The Chair of the Board shall:

- (a) preside at all meetings of the Board and of the Corporations;
- (b) be Chair of the Executive Committee;
- (c) be responsible for the naming of Directors to Committees not otherwise provided for in the By-Laws of the Corporation;
- (d) report to each annual meeting of Members of the Corporations concerning the operations of the Hospital and at such other times as the Chair of the Board may consider advisable or necessary;
- (e) be an *ex officio* member of all Committees;
- (f) represent the Hospital at public and official functions;
- (g) be a member of the Board of Directors of the SMGH and FCHS Foundations or appoint a delegate; and
- (h) perform such other duties as may from time to time be determined by the Board.

## **6.03 Duties of the Vice-Chair**

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

## **6.04 Duties of the Chair of the Resources Committee**

The Chair of the Resources Committee shall:

- (a) be the custodian of the books of account and accounting records of the Corporations required to be kept by the provisions of the *Act*;
- (b) submit a financial report at each regular meeting of the Board indicating the financial position of the Hospitals at the close of the preceding month once removed;
- (c) submit an annual audited financial report to the Board and the Corporations of the financial operations of the Hospitals;
- (d) cause all the accounts of the Corporations to be audited;

- (e) submit quarterly certificates to the Board in respect of the previous quarter, which have been signed by the senior member of the Alliance administration responsible for business and finance, that all wages owing to employees and source deductions relating to the employees that the Corporations are required to deduct and remit to the proper authorities (including the *Income Tax Act*, Canada Pension Plan, the *Employment Insurance Act* and the *Employer Health Tax Act*) have been made and remitted to the proper authorities, and that all taxes collected pursuant to the *Excise Tax Act* (GST) and the *Retail Sales Tax Act* (Ontario) have been collected and remitted to the appropriate authorities; and
- (f) perform such other duties as may be established by resolution of the Board.

#### **6.05 Duties of the Secretary**

The Secretary shall:

- (a) attend all meetings of the Corporations, the Board and Committees;
- (b) keep minutes of all Corporations, Board and Committee meetings and circulate the minutes as required;
- (c) attend to correspondence on behalf of the Board;
- (d) ensure all reports are prepared and filed as required by law or requested by the Board;
- (e) be the custodian of all minute books, documents and registers of the Corporations required to be kept by the provisions of the *Act* and all minutes, documents and records of the Board;
- (f) maintain copies of all testamentary documents and trust instruments by which benefits are conferred upon the Corporations and provide information respecting same to the Office of the Public Guardian and Trustee as required by the *Charities Accounting Act* (Ontario);
- (g) at least semi-annually provide an accounting to the Board with respect to all funds held in trust by the Corporations;
- (h) be the custodian of the seal of the Corporations;
- (i) give such notice as required by this By-Law or by law of all meetings of the Corporations, the Board and its Committees; and
- (j) perform such other duties as may from time to time be determined by the Board.

## **6.06 Chief Executive Officer**

- (a) The Chief Executive Officer shall be designated and appointed by the Board.
- (b) The duties of the Chief Executive Officer shall include:
  - (i) the exercise of the authority delegated to the Chief Executive Officer by the Board through Board policies for the organization and operation of the Hospital, and the Chief Executive Officer shall be accountable to the Board for the accomplishment of applicable Board policies and operation of the Hospital consonant with such Board policies;
  - (ii) the duties as set forth in the position description for the Alliance Chief Executive Officer, as amended by the Board from time to time; and
  - (iii) the performance of such other duties as may be determined from time to time by the Board.

## **ARTICLE 7. COMMITTEES OF THE BOARD**

### **7.01 Committees of the Board**

- (a) At the first meeting of the Board following the annual meetings of the Corporations, the Board shall establish the following Standing Committees of the Board:
  - (i) Executive Committee;
  - (ii) Governance Committee;
  - (iii) Resources Committee;
  - (iv) Quality, Patient Safety and Risk Management Committee;
  - (v) Medical Advisory Committee;
  - (vi) such other committees as outlined in the Board Committee Policy.
- (b) The Board may at any time establish such other Committees as may be necessary to comply with the requirements of the *Public Hospitals Act*, as amended from time to time, or as the Board may from time to time deem necessary for the operation of the Corporation. The Board shall prescribe terms of reference for any such committee and may dissolve any such committee by resolution at any time.
- (c) The Board shall appoint the Chairs of the Committees of the Board.

- (d) Subject to the approval and consent of the Chair of any such Committee, Hospital staff, as required and designated by the Chief Executive Officer, may attend any meeting of any of the said Committees in a non-voting capacity.
- (e) The Board, upon notice from the Chair of the Committee, may at any time remove a member from a Committee if the member of the Committee knowingly fails to comply with the *Public Hospitals Act*, the *Corporations Act*, the Letters Patent, By-Laws or rules, regulations, policies and procedures of the Corporations, including without limitation, the confidentiality, conflict of interest and, if applicable, standards of care requirements.
- (f) Except for the Executive Committee, the Board may appoint Community Representatives to a Committee of the Board as contemplated in section 7.07.
- (g) The Conflict of Interest and confidentiality provisions and procedures outlined in this By-Law apply equally, with necessary changes in detail, to all members of Committees (including Community Representatives) and to all Committee meetings.

## **7.02 Terms of Reference**

- (a) The terms of reference of the Executive Committee and the Local Advisory Committees are set out below.
- (b) The terms of reference of the Medical Advisory Committee are set out in the Medical Staff part of this By-Law.
- (c) The functions, duties, responsibilities, composition (including chair) and mandate of all other Committees shall be provided either in the Board Committee Policy 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.

## **7.03 Committee Recommendations**

Excluding decisions made by the Executive Committee in accordance with this By-Law, no decision of a Committee shall be binding on the Board until approved or ratified by the Board.

## **7.04 Procedures at Committee Meetings**

- (a) Committee meetings shall be held at the call of the Chair, the chair of the Committee or at the request of any two (2) members of the Committee.
- (b) Minutes shall be kept for all Committee meetings.

- (c) Guests may attend Committee meetings at the invitation of the chair.
- (d) Other procedures at Committee meetings shall be determined by the chair of each Committee, unless established by the Board by resolution or in the Board Committee Policy.

**7.05 Quorum for Committees**

Unless otherwise determined by the Board, a quorum for a Committee shall consist of a majority of the voting members of a Committee.

**7.06 Executive Committee**

- (a) The Board shall establish an Executive Committee consisting of:
  - (i) the Chair of the Board;
  - (ii) the Vice-Chair of the Board;
  - (iii) the Past Chair of the Board;
  - (iv) the Chief of Staff and Deputy Chief of Staff of MHA;
  - (v) Director at Large; and
  - (vi) the Chief Executive Officer.
- (b) The Executive Committee shall:
  - (i) exercise the full powers of the Board in all matters of administrative urgency between regular meetings of the Board, 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.

**7.07 Community Representatives**

- (a) Any Community Representatives appointed under this section by the Board, on the recommendation of the Governance Committee, shall have full voting rights on said Committees but are not eligible to serve as the Chair of any such Committee to which they are so appointed.
- (b) Community Representatives appointed under this section shall serve for one (1) year terms, which shall not preclude their future candidacy for nomination to the Board.
- (c) Participation by a Community Representatives is conditional on that individual signing an acknowledgement that:

- (i) he is a fiduciary of the Hospitals and must place the best interests of the Hospitals above his own best interests; and
- (ii) he has read and understood the Conflict of Interest and confidentiality requirements of this By-Law, which apply to all Committee members.

#### **7.08 Local Advisory Committees**

- (a) Each Hospital may create and maintain a Local Advisory Committee. The Local Advisory Committee shall provide input and education to the shared board on issues of importance to the community served by the Hospital including:
  - (i) providing advice and consultation in the development of the Alliance's mission, vision and values;
  - (ii) providing advice and consultation in the development of the Alliance's strategic plan, and attending at the annual strategic planning retreat with the Board;
  - (iii) providing advice and consultation on any Board decision to add or eliminate services and programs at the local Hospital facility;
  - (iv) providing advice and consultation on local community health and wellness issues;
  - (v) providing advice and consultation on strategies for recruiting and retaining Professional Staff resources in the local community;
  - (vi) providing advice and consultation and coordinating efforts in the local community among the Alliance and the local Hospital's auxiliary and foundation.
- (b) Each Local Advisory Committee shall comprise:
  - (i) the Chair or designated representative of the Hospital foundation;
  - (ii) the President or designated representative of the Hospital auxiliary;
  - (iii) between four (4) and six (6) other community members who are not on the Board; and
  - (iv) one (1) Director.
- (c) Each Local Advisory Committee shall ensure that no more than two (2) members retire from the Local Advisory Committee each year. The members will serve up to a maximum term of nine (9) consecutive one-year

terms. Following a break in the continuous service of at least one (1) year, the same person may return as a Community member on the Committee.

- (d) The initial Local Advisory Committee for each Hospital shall be chosen by the Board, and thereafter the membership of the Local Advisory Committee shall be recommended by the Local Advisory Committee and approved by the Board. The Board shall ensure that each Local Advisory Committee shall advertise annually in the local communities for interested persons to participate on the local advisory committee. Each Local Advisory Committee shall recommend to the Board individuals to fill any vacancies arising on the Local Advisory Committee, taking into account the skills, knowledge, experience and perspective of the candidates.
- (e) The Local Advisory Committee shall endeavour to reach consensus when making decisions, failing which a majority vote shall be determinative. The Local Advisory Committee shall not transact business unless a majority of the members is present.
- (f) Each Local Advisory Committee shall:
  - (i) meet at least quarterly;
  - (ii) be entitled to receive regular reports from the Board, in the form of briefs or executive summaries; and
  - (iii) provide written reports (in the form of briefs, minutes or summaries) to the Board a minimum of four (4) times per year or at the request of the Chair.
- (g) Participation by a person on a Local Advisory Committee is conditional on the person signing an acknowledgement that s/he:
  - (i) is a fiduciary of the Hospital that the Local Advisory Committee represents;
  - (ii) has read and understood the conflict of interest and confidentiality requirements of the Hospital's by-laws, which apply to all Local Advisory Committee members; and
  - (iii) agrees to participate, as requested, in the Alliance's Board orientation and continuing education programs.

## **ARTICLE 8. FINANCIAL**

### **8.01 Financial Year**

The financial year of the Hospital shall be from April 1 to March 31.

## **8.02 Bonding - Fidelity Insurance**

- (a) Directors, Officers, and employees, as the Board may designate shall secure from a guarantee company a bond of fidelity of an amount approved by the Board.
- (b) The requirements of subsection (a) may be met by an alternative form of employee fidelity insurance such as, but not limited to, a blanket position bond, a commercial blanket bond, or a comprehensive dishonesty, disappearance and destruction policy, at the discretion of the Board.
- (c) The Corporations shall pay the expenses of any fidelity bond secured under subsections (a) or (b).

## **8.03 Banking and Borrowing**

- (a) The Board shall by resolution, from time to time, designate the bank(s) in which the monies, bonds or other securities of the Corporations shall be placed for safekeeping.
- (b) One (1) of either the Chair or Vice-Chair of the Board, together with one (1) of the Director at Large or Chief Executive Officer, or such persons designated by resolution of the Board from time to time, 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 so 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) subject to the approval of the Board, from time to time, to borrow money from the bank and to charge, mortgage, or pledge all or any property of the Corporation to secure any money borrowed or any other debt, obligation or liability of the Corporation;
  - (v) to transact with the said bank any business that it may think fit;
  - (vi) 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;

- (vii) from time to time, to arrange, settle, balance and certify all books and accounts between the Corporation and the bank designated by the Board;
- (viii) to receive all paid cheques and vouchers; and
- (ix) to sign the bank's form of settlement of balance and release.

#### **8.04 Signing Authority**

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

- (a) the Chief Executive Officer or his 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;
- (b) for expenditures not approved by the Board as contemplated in subsection (a) above, by:
  - (i) one (1) of either the Chair or the Vice-Chair of the Board, together with one (1) of the Director at Large or Chief Executive Officer, or
  - (ii) such other person(s) authorized by the Board.

#### **8.05 Seal**

Each Corporation shall maintain a corporate seal.

#### **8.06 Investments**

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

#### **8.07 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).

#### **8.08 Auditor**

- (a) Each Corporation shall, at its annual meeting, appoint an auditor licensed under the *Public Accountancy Act* who shall not be a Director, Officer, or

employee of the Corporation, or a partner, employer, or employee of any such person. Such auditor shall 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 each Corporation, the auditor shall from time to time report to the Board on his work, making any recommendations he considers necessary.

## **ARTICLE 9. ANCILLARY ORGANIZATIONS**

### **9.01 Authorization**

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

### **9.02 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.

### **9.03 Control**

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

### **9.04 Board Liaison**

The Board may determine a mechanism to provide for communication at the Board levels between each association and the Board.

### **9.05 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 shall be the auditor for the voluntary association(s) under this section.

## **ARTICLE 10. AMENDMENTS**

### **10.01 Amendments to By-Laws**

- (a) The Board may pass or amend the By-Laws of the Corporations from time to time.
- (b) Where it is intended to pass or amend the By-Laws at a meeting of the Board, written notice of such intension shall be sent by the Secretary to

each Director not less than five (5) days before the meeting. Where the notice of intension required by this subsection is not provided, any proposed By-Laws or amendments to the By-Laws 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) Subject to paragraphs (d)(ii) and (d)(iii) below, a By-Law or an amendment to a By-Law passed by the Board has full force and effect:
  - (i) from the time the motion was passed; or
  - (ii) from such future time as may be specified in the motion.
- (d) 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 of the Corporation called for that purpose.
  - (i) 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 it, and if rejected it thereupon ceases to have effect and if amended it takes effect as amended; and
  - (iii) Any amendment to the By-Laws relating to an action requiring approval by special resolution, as defined by the *Act*, is not effective until it has been confirmed by at least two-thirds (2/3) of the votes cast at a general meeting of Members duly called for considering it. Such amendments include, but are not limited to, amendments to the borrowing powers of the Corporation or an increase or decrease of the Board size.
- (e) In any case of rejection, amendment, or refusal to approve a By-Law or part of a By-Law in force and effect in accordance with any part of this section, no act done or right acquired under any such By-Law is prejudicially affected by any such rejection, amendment or refusal to approve.