

**SOUTH HURON HOSPITAL
BY-LAW NO. 2024-1**

Approved by the Board of Directors: June 25, 2024

Approved by the Members of the Corporation: June 27, 2024

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SCHEDULE A RESPONSIBILITIES OF THE BOARD

SOUTH HURON HOSPITAL

BY-LAW 2024-1

ADMINISTRATIVE BY-LAW

1. INTERPRETATION

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

- (a) all terms which are contained in this By-Law and which are defined in the Ontario *Not-for-Profit Corporations Act*, the *Public Hospitals Act (Ontario)*, the *Excellent Care for All Act* or the regulations made thereunder, shall have the meanings given to such terms in the Ontario *Not-for-Profit Corporations Act*, the *Public Hospitals Act*, the *Excellent Care for All Act* or the regulations made thereunder. If there is a conflict between the Act as defined below and any other legislation applicable to the Corporation, the provisions of such other legislation shall prevail;
- (b) the use of the singular number shall include the plural and vice versa, the use of gender shall include the masculine, feminine and neuter genders, and the word “person” shall include an individual, a trust, a partnership, a body corporate or public, an association or other incorporated or unincorporated entity;
- (c) the headings 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; and
- (d) any references herein to any law, by-law, rule, regulation, order or act of any 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. DEFINITIONS

- (a) “**Act**” means the *Not-for-Profit Corporations Act, 2010*, S.O. 2010, c.15 and the regulations thereunder, as amended from time to time;
- (b) “**Annual Meeting**” means an Annual Meeting of Members as provided in section 4;
- (c) “**AMGH**” means the Alexandra Marine and General Hospital;
- (d) “**Associates**” includes the parents, siblings, spouse or common-law partner, grandchildren, grandparents and/or members of the household of a Director as well as any organization, agency, company, or individual (such as a business partner) with a formal relationship to a Director;
- (e) “**Board**” means the governing body of the South Huron Hospital;
- (f) “**By-Law**” or “**By-Laws**” means this by-law, and all other by-laws of the Corporation from time to time in force and effect;

- (g) **“Chief of Department”** means the physician appointed by the Board to be in charge of a specialized services of the Professional Staff of South Huron Hospital;
- (h) **“Chief of Staff”** means the physician appointed by the Board to be the Chief of the Professional Staff;
- (i) **“Chief Executive Officer”** means in addition to ‘administrator’ as defined in the *Public Hospitals Act*, the Chief Executive Officer of the Corporation;
- (j) **“Chief Nursing Executive”** means the senior nurse employed by the Hospital who reports directly to the Chief Executive Officer and is responsible for nursing services provided in the Hospital;
- (k) **“Conflict of Interest”** includes without limitation, the following three (3) areas that may give rise to a Conflict of Interest for the Directors or Officers, namely:
 - (i) *pecuniary or financial interest* – a Director or Officer is said to have a pecuniary interest in a decision when the Director or Officer (or his Associates) stands to gain by that decision, either in the form of money, gifts, favours, gratuities, or other special considerations. In such cases, the declaration of any pecuniary interest held by a Director or Officer (or his Associates) is essential;
 - (ii) *undue influence* – a Director or Officer is said to have engaged in undue influence and to have violated his entrusted responsibility to the Corporation when he participates or influences Board decisions that selectively and disproportionately benefit particular agencies, companies, organizations, professional groups, or patients from a particular demographic, geographic, political, socio-economic, or cultural group; and
 - (iii) *adverse interest* – a Director or Officer is said to have an adverse interest to the Corporation when he is in opposition to a claim, application or proceeding against the Corporation;
- (l) **“Corporation”** or **“Hospital”** means the South Huron Hospital with the Head Office at 24 Huron St. W., Exeter, Ontario;
- (m) **“Dentist”** means a dental practitioner in good standing with the Royal College of Dental Surgeons of Ontario;
- (n) **“Department”** or **“department”** means an organizational unit of the Professional Staff to which members with a similar field of practice have been assigned;
- (o) **“Director”** means a member of the Board;
- (p) **“Ex officio”** means membership “by virtue of the office”;
- (q) **“Ineligible Individual”** has the meaning in section 149.1 of the *Income Tax Act* (Canada), as amended from time to time;
- (r) **“in camera”** means a meeting that is restricted to Directors/voting members of such meeting and such invitees as determined by the chair of the meeting;

- (s) “**Medical Staff**” means those Physicians who are appointed by the Board and who are granted Privileges to practice medicine in the Hospital;
- (t) “**Member**” means an individual who is a Member as provided in section 3(a);
- (u) “**Nurse**” means a holder of a current certificate of competence issued in Ontario as a registered nurse;
- (v) “**Physician**” means a medical practitioner in good standing with the College of Physicians and Surgeons of Ontario;
- (w) “**Privileges**” or “privileges” means the right to admit in-patients, register out-patients and/or provide the clinical services which the Board has granted to a member of the Professional Staff;
- (x) “**Professional Staff**” means the Board-appointed professional/credentialed staff of the Hospital;
- (y) “**Public Hospitals Act**” means R.S.O. 1990, c.P.40, and, where the context requires, includes the regulations made under it, all as may be amended from time to time;
- (z) “**Special Meeting**” means a meeting of the Members called pursuant to section 6; and
- (aa) “**Special Resolution**” means a resolution submitted to a Special Meeting duly called for the purpose of considering the resolution and passed at the meeting, with or without amendment, by at least two-thirds (2/3rds) of the votes cast, or consented to in writing by each Member of the Corporation entitled to vote at a meeting of the Members.

3. MEMBERS OF THE CORPORATION

(a) Membership

There shall be one (1) class of Members in the Corporation, consisting of:

- (i) those persons who are from time to time the Directors of the Corporation, each of whom shall automatically become a Member upon becoming a Director without further action or formality, and shall cease to be a Member immediately upon ceasing to be a Director, without further action or formality.

(b) Transfer of Membership

Membership in the Corporation is not transferable.

(c) Revocation of Membership

- (i) The Members may remove a Member by resolution passed by at least two-thirds (2/3rds) of the votes cast by the Members entitled to vote at a Special Meeting duly called for that purpose.

- (ii) Any disciplinary action or termination of Membership must be done in good faith and in a fair and reasonable manner.
- (iii) Any Member being considered for removal shall be given fifteen (15) days notice of a disciplinary action or termination with reasons and given an opportunity to be heard orally or in writing not less than five (5) days before the disciplinary action or termination of Membership becomes effective, by the person with authority to impose or revoke the disciplinary action or termination.

(d) Termination of Membership

Membership in the Corporation automatically terminates upon the happening of any of the following events:

- (i) if a Member, in writing, resigns as a Member of the Corporation;
- (ii) if the person ceases to be a Director of the Corporation;
- (iii) the death of a Member;
- (iv) the expulsion of a Member pursuant to section 3(c); or
- (v) the liquidation or dissolution of the Corporation.

4. ANNUAL MEETING OF THE MEMBERS

- (a) Notice of the Annual Meeting of the Members of the Corporation shall be given to each Member, each Director and the Auditor by prepaid mail, e-mail or other electronic means not less than ten (10) days and not more than fifty (50) days before the meeting by sending it to the last address as shown on the records of the Corporation.
- (b) No error or omission in giving notice of a meeting of Members of the Corporation may invalidate resolutions passed or proceedings taken at the meeting. Any Member may at any time waive notice of such meeting and may ratify, approve and confirm any or all resolutions passed or proceedings taken at the meeting.
- (c) The Annual Meeting will be held between April 1 and July 31 (on a day to be fixed by the Board) and not more than 15 months after the holding of the last preceding Annual Meeting.

5. BUSINESS

- (a) The business transacted at the Annual Meeting of the Corporation shall include:
 - (i) the presentation of:
 - (A) minutes of the previous meeting;
 - (B) report of the Board including the audited financial statements and committee reports;

- (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 Chief of Staff;
- (G) report of the Chair;
- (ii) election of Directors; and
- (iii) the appointment of an Auditor to hold office until the next Annual Meeting.

6. SPECIAL MEETINGS OF THE MEMBERS

- (a) The Board or Chair may call a Special Meeting of the Members of the Corporation.
- (b) Not less than ten (10) per cent of the Members of the Corporation entitled to vote at a meeting proposed to be held may, in writing, requisition the Directors to call a Special Meeting of the Members for any purpose connected with the affairs of the Corporation which are property within the purview of the Members' role in the Corporation authority and that is not inconsistent with the Act.
- (c) The requisition shall state the business to be transacted at the meeting and must be sent to each Director and be deposited at the registered office of the Corporation and may consist of several documents in like forms signed by one or more requisitioners.
- (d) Notice of a Special Meeting shall be given in the same manner as provided in section 4(a).
- (e) The notice of a Special Meeting shall specify the nature of the business to be transacted at the Special Meeting in sufficient detail to permit a Member to form a reasoned judgement on the business and state the text of any Special Resolution to be submitted to the meeting.

7. MEETINGS OF THE CORPORATION

(a) Chair

The meetings of the Corporation shall be chaired by:

- (i) the Chair;
- (ii) the 1st Vice-Chair if the Chair is absent or is unable to act;
- (iii) the 2nd Vice-Chair if the Chair and 1st Vice-Chair are absent or unable to act; or
- (iv) a Director of the Corporation elected by the Members present if the Chair and Vice-Chairs are either absent or unable to act.

(b) Quorum

A majority of Members shall constitute a quorum at any meeting of the Corporation.

(c) Voting

- (i) The Members, Directors and the Auditor of the Corporation are entitled to receive notice of and attend at a meeting of the Corporation.
- (ii) At all meetings of the Corporation, questions shall be determined by a majority of affirmative votes cast by Members present at the meeting, unless otherwise required by statute or this By-Law. In case of an equality of votes at any meeting of the Corporation, the motion is lost. The Chair shall not be entitled to a second or casting vote.
- (iii) At all meetings of the Corporation, every question shall be decided by a show of hands unless a ballot thereon is demanded by any Member either before or after any vote. Every Member present shall have one (1) vote. A declaration by the Chair that the vote upon the question has been carried or carried by a particular majority or not carried, and an entry to that effect in the minutes of the proceedings of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question and the result of the vote so taken at the meeting shall be the decision of the Corporation upon the question.
- (iv) Voting at all meetings of the Members of the Corporation shall be in person and not by proxy.

(d) Electronic Meetings

If all the Members present at the meeting of the Corporation consent, a meeting of the Corporation may be held by conference telephone, electronic or other communication facilities as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and the Member participating in the meeting by those means is deemed to be present at the meeting.

(e) Adjourned Meeting

- (i) If a quorum is not present within one-half (1/2) hour after the time appointed for a meeting of the Corporation, the meeting shall stand adjourned until a day within two (2) weeks to be determined by the Board.
- (ii) At least three (3) days' notice of the re-scheduled meeting following an adjournment shall be given in such manner as the Board may determine.

8. FISCAL YEAR

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

9. BOARD OF DIRECTORS

(a) Board Composition

The Board shall consist of not less than fifteen (15) and not more than eighteen (18) Directors as set out below. The Members shall by Special Resolution fix the number of Directors of the Corporation from time to time, or by Special Resolution of the Members empower the Directors to fix the number, by resolution of the Directors.

ELECTED DIRECTORS

- (i) Not less than nine (9) and not more than twelve (12) elected Directors; and

NON-VOTING *EX OFFICIO* DIRECTORS

- (ii) The following non-voting *ex officio* directors:
 - (A) the Chief Executive Officer;
 - (B) the Chief Nursing Executive;
 - (C) the Chief of Staff of the Corporation;
 - (D) the Chief of Staff of AMGH;
 - (E) the President of the Medical Staff of the Corporation; and
 - (F) the President of the Medical Staff of AMGH.

(b) Qualifications

- (i) No member of the Professional Staff of the Hospital shall be eligible for election to the Board except as where otherwise provided in this By-Law.
- (ii) No employee of the Hospital shall be eligible for election to the Board except as where otherwise provided in this By-Law.
- (iii) No spouse, child, parent, brother or sister, grandchildren, grandparents and/or members of the household of any person included in (a) or (b) above, nor the spouse of any such child, parent, brother or sister, grandchildren, grandparents and/or members of the household shall be eligible for election to the Board.
- (iv) Each Director shall:
 - (A) automatically become upon election, and thereafter remain through the term of office, a Member of the Corporation who is qualified by the terms of this section 9(b) to hold office;
 - (B) be an individual who is at least eighteen (18) years of age;
 - (C) not have the status of a bankrupt;
 - (D) not be a person who has been found under the Substitute Decisions Act, 1992 or under the Mental Health Act to be incapable of managing property;

- (E) not be a person who has been declared incapable by any court in Canada or elsewhere; and
- (F) not be an Ineligible Individual who has made disclosure to the Board as required by section 9(b)iv(E).

Every Director or Officer who ceases to be qualified as provided in this section shall disclose such fact to the Board immediately upon learning that he or she has ceased to be qualified.

If a person ceases to be qualified as provided in this section 9(b), the person thereupon ceases to be a Director and the vacancy so created may be filled in the manner prescribed by section 9(f).

(c) Nominations for Election of Directors

Nominations for the position of Director of the Corporation for the purpose of electing those Directors described in Section 9(a)(ii) at the Annual Meeting of the Corporation shall be made by the Governance & Nominating Committee in accordance with a Nominating Policy established by the Board.

(d) Director Consent to Act

An individual who is elected or appointed to hold office as a Director shall, in writing, consent to the election or appointment before or within 10 days after the election or appointment, unless the Director has been elected or appointed where there is no break in the Director's terms of office. If an elected or appointed Director consents in writing after the 10-day period, the election or appointment is valid.

(e) Term

- (i) The term of office of each Director elected pursuant to **9Error! Reference source not found.** shall be three (3) years, to expire at the third Annual Meeting following election.
- (ii) Other than an *ex officio* Director, each Director is eligible for election for three (3) consecutive full terms, and afterwards is not eligible for re-election until a period of eleven (11) months has elapsed from the date such person ceases to be a Director.
- (iii) A Director may serve one additional three (3) year term, subject to the unanimous approval of the Board.
- (iv) Where a person has been elected to fill a vacancy and serve for the unexpired term of the Director's predecessor, the vacancy term will not be counted toward the three consecutive term total.

(f) Vacancy

- (i) If a vacancy occurs for any reason among the elected Directors, such vacancy may be filled by an eligible person elected by the Board to serve for the unexpired term of the Director's predecessor.

- (ii) If there is not a quorum of Directors or if there has been a failure to elect the number of Directors provided for in the Articles, the Directors then in office shall without delay call a Special Meeting of the Members to fill the vacancy and, if they fail to call a meeting or if there are no Directors then in office, the meeting may be called by any Member.
- (iii) The office of a Director shall be vacated if:
 - (A) a Director ceases to meet the requirements of section 9(b);
 - (B) a Director is removed as a Director pursuant to section 9(g); or
 - (C) a Director dies.
- (iv) The office of a Director may be vacated if:
 - (A) 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; or
 - (B) a Director fails to comply with this By-Law, including without limitation, the confidentiality requirements and conflict of interest requirements set out in this By-Law or the Corporation's policies, as determined by the Board.

(g) Removal of Directors

The Members may, by resolution passed by majority of the votes cast at a Special Meeting of which notice specifying the intention has been given, remove an elected Director before the expiration of his or her term of office and may, by a majority of the votes cast at that meeting, elect a person in the place and stead of the person removed for the remainder of the term of the removed Director.

10. BOARD MEETINGS

(a) Regular Meetings of the Board and Notice

- (i) The Board may appoint one or more days for regular Board meetings at a time and place named. A copy of any Board resolution fixing the time and place of regular Board meetings shall be given to each Director forthwith after being passed and, subject to these By-Laws, no other notice shall be required for any regular meeting.
- (ii) If the meeting is to be held at another time or day or at a place other than the Registered Office, the Secretary shall give notice of the meeting to the Directors. If notice is to be given it shall be delivered, telephoned or emailed to each Director at least twenty-four (24) hours in advance of the meeting or shall be mailed to each Director at least five (5) days in advance of the meeting.
- (iii) There shall be at least nine (9) regular meetings of the Board per annum.
- (iv) A meeting of the Board may be held without notice, immediately following the Annual Meeting of the Corporation.

(b) Special Meetings of the Board and Notice

- (i) The Chair may call Special Meetings of the Board.
- (ii) The Secretary shall call a Special Meeting of the Board if three (3) Directors so request in writing.
- (iii) Notice of a Special Meeting of the Board shall specify the purpose of the meeting, and may be given by telephone or by email, and shall be given at least twenty-four (24) hours in advance of the meeting.

(c) Board Quorum

- (i) A quorum for any meeting of the Board shall be a majority of the Directors entitled to vote.
- (ii) If no quorum exists for the purpose of voting on a resolution to approve a contract or transaction only because a director is not permitted to be present at the meeting by reason of Conflict of Interest the remaining directors are deemed to constitute a quorum for the purposes of voting on the resolution.
- (iii) If all of the Directors are required to make disclosure of a Conflict of Interest, then except as otherwise provided in the Act, the contract or transaction may be approved only by the Members.

(d) Voting at Board Meetings

- (i) The method of voting at any meeting of the Board shall be determined by the chair of the meeting prior to any vote being taken. Unless this By-law states otherwise, each elected Director shall have one (1) vote on each question raised at any meeting of the Board, and all questions shall be determined by a majority of the votes cast. Votes shall be taken by written ballot if so demanded by any voting Director present. In the case of an equality of votes, the vote shall be deemed to have been lost.
- (ii) A written resolution, signed by all the Directors entitled to vote on that resolution at a meeting of Directors is as valid as if it had been passed at a meeting of Directors, constituted and held for that purpose.
- (iii) Unless a ballot is demanded, a declaration by the Chair 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 or against such resolution, vote or motion.

(e) Chair

Board meetings shall be chaired by:

- (i) the Chair,
- (ii) the 1st Vice-Chair if the Chair is absent or is unable to act,

- (iii) the 2nd Vice-Chair if the Chair and 1st Vice-Chair are absent or unable to act, or
- (iv) a Director elected by the Directors present if the Chair and Vice-Chairs are either absent or unable to act.

(f) Procedures for Board Meetings

- (i) The declaration of the 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.
- (ii) No error or omission in giving notice for 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.
- (iii) Meetings of the Board shall be open to the public. The Chair shall, in accordance with the Corporation's policy on in-camera meetings, have the discretion at any time to declare the meeting or any portion of any meeting to be in camera.
- (iv) Minutes shall be kept for all meetings of the Board.

(g) Electronic Meetings

If all the Directors present at the meeting consent, a meeting of Directors or a meeting of a committee of the Board may be held by conference telephone, electronic or other communication facilities as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and the Director or committee member participating in the meeting by those means is deemed to be present at the meeting.

11. RESPONSIBILITIES OF THE BOARD

The Board shall govern and manage the affairs of the Corporation consistent with the *Public Hospitals Act*, the Hospital Management regulations thereunder and other applicable legislation and in so doing shall assume responsibility for the matters described in Schedule A.

12. STANDARDS OF CARE

- (a) Every Director and Officer of the Corporation in exercising his or her powers and discharging his/her duties shall:
 - (i) act honestly and in good faith, loyal to the Corporation and with a view to the best interests of the Corporation;
 - (ii) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
 - (iii) adhere to the Hospital's mission, vision and values;

- (iv) respect and abide by decisions of the Board;
 - (v) keep informed about,
 - (A) matters relating to the Corporation,
 - (B) the community served,
 - (C) necessary information and background preparation so as to participate effectively in meetings of the Board and its committees, and
 - (D) other healthcare services provided in the region;
 - (vi) participate in the initial orientation as a new Director and in ongoing Board education;
 - (vii) participate in the annual evaluation of overall Board effectiveness; and
 - (viii) represent the Board, when requested.
- (b) A Director shall be knowledgeable of the stakeholders to whom the Corporation is accountable and shall appropriately take into account the interests of such stakeholders when making decisions as a Director but shall not prefer the interests of any one group if to do so would not be in the best interests of the Corporation.

13. CONFLICT OF INTEREST

- (a) Every Director or Officer who, either directly or through one of his or her Associates, has, or thinks he or she may potentially have, a Conflict of Interest shall disclose the nature and extent of the interest at a meeting of the Board in accordance with Board policy on Conflicts of Interest, as set from time to time.
- (b) The declaration of actual or potential Conflict of Interest shall be disclosed at the meeting of the Board at which the contract, transaction, matter or decision is first raised. The disclosure shall be in writing or be requested by the Director or Officer to be entered into the minutes.
- (c) If a Director or Officer believes that any other Director or Officer is in a Conflict of Interest position with respect to any contract, transaction, matter or decision, the Director or Officer shall have the concern recorded in the minutes in accordance with Board policy on conflicts of interest, as set from time to time. Once a concern is raised, determination must be made as to whether there is a conflict and procedures for recusal shall be observed in accordance with the Board policy on Conflict of Interest.
- (d) Subject to the Act, a Director or Officer who has declared a Conflict of Interest or who has been determined by the Board to be in a Conflict of Interest, shall not attend any part of a meeting of the Directors or Officers during which the contract, transaction, matter or decision is discussed and shall not vote on any resolution in regard to the contract, transaction, matter or decision.

- (e) If a Director or Officer has made a declaration of Conflict of Interest in compliance with this By-Law the Director is not accountable to the Corporation for any profit he/she may realize from the contract, transaction, matter or decision.
- (f) If a Director or Officer fails to make a declaration of his/her interest in a contract, transaction, matter or decision as required by this By-Law, this shall be considered grounds for termination of his/her position as a Director or Officer of the Corporation.
- (g) The failure of any Director or Officer to comply with the Corporation's Conflict of Interest policy or the Conflict of Interest provisions in this By-Law does not, in or of itself, invalidate any contract, transaction, matter or decision undertaken by the Board of the Corporation.

14. CONFIDENTIALITY

Every Director, Officer, member of the Professional Staff, member of a committee of the Board, employee and agent of the Corporation shall respect the confidentiality of matters:

- (a) brought before the Board;
- (b) brought before any committee;
- (c) dealt with in the course of the employee's employment or agent's activities; or
- (d) dealt with in the course of the Professional Staff member's activities in connection with the Corporation.

15. COMMUNICATION

Responsibility for public communications shall rest with the Chair of the Board and the Chief Executive Officer and the Board may give authority to one or more Directors, Officers or employees of the Corporation to make statements to the news media or public about matters brought before the Board.

16. INDEMNIFICATION

- (a) Except as otherwise provided in any legislation or law, no Director or Officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or employee or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person including any person with whom or which any monies, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with monies, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of the Director's or Officer's respective office or trust or in relation thereto unless the same shall happen by or through the Director's or Officer's own failure to act honestly and in good faith with a view to the best interests of the Corporation and if the matter is a criminal or administrative proceeding that is enforced by a

monetary penalty, the individual did not have reasonable grounds for believing their conduct was lawful

- (b) Before giving approval to the indemnities provided in section 16(c), or purchasing insurance provided in section 16(d), the Board shall, in accordance with the *Charities Accounting Act*, consider:
 - (i) the degree of risk to which the Director or Officer is or may be exposed;
 - (ii) whether, in practice, the risk cannot be eliminated or significantly reduced by means other than the indemnity or insurance;
 - (iii) whether the amount or cost of the insurance is reasonable in relation to the risk;
 - (iv) whether the cost of the insurance is reasonable in relation to the revenue available; and
 - (v) whether it advances the administration and management of the property to give the indemnity or purchase the insurance.

- (c) Upon approval by the Board from time to time, every Director and Officer of the Corporation and every member of a committee, or any other person who has undertaken, or is about to undertake, any liability on behalf of the Corporation or any corporation controlled by it, and the person's respective heirs, executors and administrators, and estate and effects, successors and assigns, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the Corporation, from and against:
 - (i) all costs, charges and expenses whatsoever which such Director, Officer, committee member or other person sustains or incurs in or in relation to any action, suit or proceeding which is brought, commenced or prosecuted against the Director, Officer, committee member or other person, for or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by them, in or in relation to the execution of the duties of such office or in respect of any such liability; and
 - (ii) all other costs, charges and expenses which the Director, Officer, committee member or other person sustains or incurs in or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by their own failure to act honestly and in good faith in the performance of the duties of office, or by other wilful neglect or default.
 - (iii) The indemnity provided for in the preceding paragraph:
 - (A) shall not apply to any liability which a Director, Officer, committee member or any other person who has undertaken, or is about to undertake, any liability on behalf of the Corporation may sustain or incur as the result of any act or omission as a member of the Professional Staff of the Corporation; and
 - (B) shall be applicable only if the Director, Officer, committee member or any other person who has undertaken, or is about to undertake, any liability on behalf of the Corporation 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 his or her conduct was lawful.

The Corporation shall also, upon approval by the Board from time to time, indemnify any such person in such other circumstances as any legislation or law permit or requires provided the individual acted honestly and in good faith with a view to the best interests of the Corporation and if the matter is a criminal or administrative proceeding that is enforced by a monetary penalty, the individual has reasonable grounds for believing their conduct was lawful. Nothing in this By-Law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this By-Law to the extent permitted by any legislation or law.

- (d) Upon approval by the Board from time to time, the Corporation shall purchase and maintain insurance for the benefit of any Director, Officer or other person acting on behalf of the Corporation against any liability incurred in that person's capacity as a Director, Officer or other person acting on behalf of the Corporation, except where the liability relates to that person's failure to act honestly and in good faith with a view to the best interests of the Corporation and if the matter is a criminal or administrative proceeding that is enforced by a monetary penalty, the individual has reasonable grounds for believing their conduct was lawful.

17. OFFICERS

- (a) The following shall be Officers of the Corporation:
 - (i) the Chair;
 - (ii) the 1st Vice-Chair;
 - (iii) the 2nd Vice-Chair;
 - (iv) the Secretary, who shall be the Chief Executive Officer; and
 - (v) the Treasurer,

Provided that one person may hold the office of Secretary and Treasurer simultaneously.

- (b) The Directors shall elect a Chair from among themselves at the meeting immediately following each Annual Meeting of the Corporation who shall preside as the Chair of the Board.
- (c) The Board shall appoint a 1st Vice-Chair, 2nd Vice-Chair, Treasurer and Secretary at the meeting immediately following each Annual Meeting of the Corporation.
- (d) Unless by a resolution of the Board, no Director may serve as Chair or Vice-Chair for more than two (2) consecutive years in one office, provided however that following a break in the continuous service of at least one (1) year the same person may be re-elected.
- (e) *Ex officio* Directors are ineligible for election as Chair or Vice-Chair.

- (f) The Chief Executive Officer may be appointed Secretary or Secretary-Treasurer of the Board.
- (g) The Officers of the Corporation shall be responsible for the duties set forth in this By-Law and they are not necessarily required to perform such duties personally, but they may delegate to others the performance of any or all such duties provided that the delegating Officer remains responsible for ensuring that such duties are carried out.
- (h) Any Officer of the Corporation shall cease to hold office upon resolution of the Board.

18. OFFICER DUTIES

(a) Duties of the Chair

The Chair shall:

- (i) chair all meetings of the Board;
- (ii) be responsible for the naming of Directors to committees not otherwise provided for in this By-Law;
- (iii) report to each Annual Meeting of Members of the Corporation concerning the management and operations of the Hospital;
- (iv) be an ex officio member of Committees of the Board;
- (v) represent the Corporation at public or official functions; and
- (vi) perform such other duties as may from time to time be determined by the Board.

(b) Duties of the 1st Vice-Chair

The 1st 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.

(c) Duties of the 2nd Vice-Chair

The 2nd Vice-Chair shall have all the powers and perform all the duties of the 1st Vice-Chair in the absence or disability of the 1st Vice-Chair and perform any other duties assigned by the Chair or the Board.

(d) Duties of the Treasurer

The Treasurer shall:

- (i) be the custodian of the books of account and accounting records of the Corporation required to be kept by the provisions of the Act or otherwise by law;
- (ii) submit a financial report at each regular meeting of the Board indicating the financial position of the Hospital on a timely basis;

- (iii) submit an annual audited financial report to the Board and the Corporation of the financial operations of the Hospital;
- (iv) submit quarterly certificates to the Board in respect of the previous quarter that all wages owing to employees and source deductions relating to the employees that the Corporation is required to deduct and remit to the proper authorities pursuant to all applicable legislation, including without limitation, the *Income Tax Act* (Canada), the Canada Pension Plan (Canada), the *Employment Insurance Act* (Canada), and *Employer Health Tax Act* (Ontario), have been made and remitted to the proper authorities, and that all taxes collected pursuant to the *Excise Tax Act* (Canada) and *Retail Sales Tax Act* (Ontario) have been collected and remitted to the proper authorities; and
- (v) perform such other duties as may from time to time be determined by the Board.

(e) Duties of the Secretary

The Secretary shall:

- (i) attend meetings of the Board and Board Committees as required;
- (ii) keep minutes of all Board and Board Committee meetings and circulate the minutes to all members of the Board or Committee;
- (iii) attend to correspondence of the Board;
- (iv) prepare all reports required under any Provincial Act or Regulation or Federal Act or Regulation;
- (v) 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;
- (vi) keep copies of all testamentary documents and trust instruments by which benefits are given to the use of the Hospital and provide the office of the Public Guardian and Trustee with attested or notarial copies of such documents in accordance to the provisions of the *Charities Accounting Act* (Ontario);
- (vii) give such notice as required by this By-Law of all meetings of the Corporations, the Board and its Committees; and
- (viii) perform such other duties as may from time to time be determined by the Board.

19. COMMITTEES OF THE BOARD

(a) Standing Committees of the Board

- (i) There shall be the following Standing Committees:
 - (A) Resources Committee;

- (B) Governance & Nominating Committee;
 - (C) Audit Committee; and
 - (D) Any other committee as set out in a Board policy.
- (ii) The duties and terms of reference for the Standing Committees shall be determined by the Board.
 - (iii) Subject to the provisions of this By-Law, the Board shall appoint members of the committees of the Board, the chairs of the committees of the Board and if desirable, the vice-chair thereof.
 - (iv) The Board may appoint additional members who are not Directors to any committee of the Board except the Resources Committee, and those persons shall be entitled to vote, but the number of non-Directors shall not exceed the number of Directors on a committee of the Board.
 - (v) The members, the chair and vice chair of a committee will hold their office at the pleasure of the Board. Each chair of a Standing Committee shall be a member of the Board.
 - (vi) Subject to applicable law, the Board may, by resolution, dissolve any committee at any time.
 - (vii) Procedures for committee meetings shall be determined by the chair of each committee, unless established by the Board by resolution or by way of general committee regulations from time to time.
 - (viii) The Board Chair and Chief Executive Officer shall be ex-officio members of all committees.

(b) Special Committees of the Board

- (i) The Board may appoint Special Committees being those committees appointed for specific duties whose mandate shall expire with the completion of the tasks assigned.
- (ii) The Board may at any meeting, appoint any Special Committee and name the chair of the Special Committee.
- (iii) The Board may appoint additional members who are not Directors to any special committee of the Board and those persons shall be entitled to vote, but the number of non-Directors shall not exceed the number of Directors on a special committee of the Board.
- (iv) The Board shall prescribe terms of reference for any Special Committee.
- (v) The Board may by resolution dissolve any Special Committee at any time.

20. BOARD COMMITTEE MEETINGS

(a) Procedures for Board Committee Meetings

- (i) Board Committee meetings shall be held at the call of the Chair of the Board, the chair of the Board Committee or at the request of any two members of the Board Committee.
- (ii) Minutes shall be kept for all Board Committee meetings.
- (iii) Guests may attend Board Committee meetings at the invitation of the chair.
- (iv) Business arising at any Board Committee meeting shall be decided by a majority of votes.
- (v) Any motion is lost if there is an equality of votes.

(b) Committee Quorum

A quorum for any Board Committee meeting shall be a majority of the members of the Board Committee entitled to vote.

21. LIMITS ON AUTHORITY OF COMMITTEES

No Committee has authority to:

- (a) submit to the Members any question or matter requiring approval of the Members;
- (b) fill a vacancy among the Directors or in the office of Auditor or of a person appointed to conduct a review engagement of the Corporation;
- (c) appoint additional Directors;
- (d) issue debt obligations except as authorized by the Board;
- (e) approve any financial statements;
- (f) adopt, amend or repeal any By-Law; or
- (g) establish contributions to be made, or dues to be paid, by Members.

22. 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.

23. DUTIES OF THE CHIEF EXECUTIVE OFFICER

- (a) The Chief Executive Officer shall:
 - (i) 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;
 - (ii) 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;
- (iii) ensure structures and systems for the development, review and recommendation of new programs, program expansion or changes;
 - (iv) ensure effective manpower planning and identify resource implications;
 - (v) establish an organizational structure to ensure accountability of all departments and staff for fulfilling the mission, objectives and strategic plan of the Hospital;
 - (vi) provide leadership in support of the Board's responsibility to develop and periodically review the mission, objectives and strategic plan of the Hospital;
 - (vii) develop, recommend and foster the values, culture and philosophy of the Hospital;
 - (viii) communicate with related health care agencies to promote co-ordination and/or planning of local health care services;
 - (ix) represent the Hospital externally to the community, government, media and other organizations and agencies;
 - (x) be responsible for the payment by the Corporation of all salaries and amounts due from and owing by the Corporation which 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;
 - (xi) notify the Chief of Staff, the Chief of Department and the Board if necessary, of:
 - (A) any failure of any member of the medical or dental staff to act in accordance with statute law or regulations thereunder, or the Hospital By-Law and policies,
 - (B) any belief that a member of the medical or dental staff is unable to perform the person's professional duties with respect to a patient in the Hospital,
 - (C) 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 medical or dental staff,
 - (D) any other matter about which they should have knowledge;
 - (xii) be responsible to the Board for taking such action as considered necessary to ensure compliance with the *Public Hospitals Act*, the Regulations and the By-Laws of the Hospital and all other statutory and regulatory requirements;
 - (xiii) attend meetings of the Medical Advisory Committee without a vote;

- (xiv) attend meetings of the Board without a vote and report to the Board on any matters about which it should have knowledge and subject to this By-Law, be an ex officio voting member of all Board Committees;
- (xv) perform such other duties as directed from time to time by the Board; and
- (xvi) where appointed by the Board, performing the duties of Secretary as set forth in the By-Laws of the Corporation.

24. RETENTION OF WRITTEN STATEMENTS

The Chief Executive Officer shall cause to be retained for at least twenty-five (25) years, all written statements made in respect of the destruction of medical records, notes, charts and other material relating to patient care and photographs thereof as per corporate policy.

25. RULES OF ORDER

Any questions of procedure at or for any meetings of the Corporation, of the Board, of the Medical Staff, or any committee, which have not been provided for in this By-Law or by the Act or by the *Public Hospitals Act* or Regulations thereunder, or the Professional Staff Rules, shall be determined by the Chair in accordance with an acceptable best practice.

26. 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 section 26(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 Corporation shall pay the expenses of any fidelity bond or policy secured under this section.

27. SIGNING OFFICERS

Documents, contracts and instruments requiring execution by the Corporation shall be executed in accordance with a Signing Authority Policy approved by the Board.

28. AUDITOR

(a) Appointment of Auditor

- (i) Subject to the Act, the Members of the Corporation at each Annual Meeting shall appoint an Auditor of the Corporation, who shall hold office until the close of the next Annual Meeting. If an appointment is not made, then the incumbent Auditor continues in office until a successor is appointed.
- (ii) In addition to making the report at the Annual Meeting of the Corporation, the Auditor shall from time to time report through the Audit Committee to the Board on the audit work with any necessary recommendations.

(b) Remuneration of Auditor

The remuneration of an Auditor may be fixed by the Members by Ordinary Resolution, or if the Members do not do so, then it shall be fixed by the Board.

(c) Auditor Rights

The Auditor shall have the rights and privileges as set out in the Act and shall perform the audit function as prescribed therein.

(d) Removal of Auditor

- (i) The Members may, by Ordinary Resolution passed at a Special Meeting of the Members, remove any Auditor before the expiration of the term of office in accordance with the Act, and may elect a replacement to fill such vacancy. Where the Members do not fill the vacancy, the Directors may do so in accordance with section 28(d)(iii).
- (ii) The Corporation shall give the Auditor at least two (2) days to prepare a statement giving reasons opposing the Auditor's removal. The Auditor shall provide any such statement to the Board. Any such statement provided by the Auditor shall be included in the notice of the Special Meeting called to remove the Auditor.
- (iii) Subject to the Articles, the Board shall immediately fill any vacancy in the office of Auditor.

APPROVED by the Directors as a By-Law of *South Huron Hospital* this 13th day of June, 2024

Chair

Secretary

SCHEDULE A RESPONSIBILITIES OF THE BOARD

The Board shall govern and supervise the management of the affairs of the Corporation and shall:

- (a) Develop and review on a regular basis the mission, objectives and strategic plan of the Corporation in relation to the provision, within available resources, of appropriate programs and services in order to meet the acute care needs of the community;
- (b) Work collaboratively with other community agencies and institutions in meeting the health care needs of the community;
- (c) Establish procedures for monitoring compliance with the requirements of the *Public Hospitals Act*, the Hospital Management Regulation thereunder, the By-Laws of the Hospital and other applicable legislation;
- (d) Establish policies and procedures to provide the general framework within which the President and Chief Executive Officer, the Medical Advisory Committee, the Professional Staff and the Corporation staff will establish procedures for the management of the day-to-day processes;
- (e) Ensure that the President and Chief Executive Officer, Chief of Staff, and Nurses who are managers develop policies and plans to deal with:
 - (i) emergency situations that could place a greater than normal demand on the services provided by the Corporation or disrupt the normal routine;
 - (ii) the failure to provide services by persons who ordinarily provide services in the Corporation; and
 - (iii) situations, circumstances, conduct and behaviours which are or have the potential of resulting in a risk to the safety and wellbeing of patients, staff and/or other health professionals.
- (f) Establish the selection process for the appointment of the President and Chief Executive Officer and the Chief of Staff and appoint the President and Chief Executive Officer and the Chief of Staff, in accordance with the process;
- (g) Annually conduct the President and Chief Executive Officer's formal performance evaluation and review and approve his or her compensation and set his or her goals and objectives for the coming year;
- (h) Delegate responsibility and concomitant authority to the President and Chief Executive Officer for the management, operation of programs, services and required accountability to the Board;
- (i) Appoint the Chief of Staff in accordance with the provisions of these By-Laws;
- (j) Delegate responsibility and concomitant authority to the Chief of Staff for the medical quality of care of the operation of the clinical programs and departments of the Corporation and the supervision of the Professional Staff activities in the Hospital and require accountability to the Board;

- (k) Appoint and re-appoint Physicians, Dentists, Midwives and Registered Nurses in the Extended Class to the Professional Staff of the Hospital and delineate the respective privileges after considering the recommendations of the Medical Advisory Committee, in accordance with legislative and By-Law requirements and subject to the approval of relevant programs;
- (l) Through the Medical Advisory Committee, assess and monitor the acceptance by each member of the Professional Staff of his or her responsibility to patients and to the Corporation concomitant with the privileges and duties of the appointment and with the By-Laws of the Corporation;
- (m) Ensure that staff and facilities are appropriate and available, including an adequate supply of physicians and other professionals, for the services provided;
- (n) 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 required accountability on a regular basis;
- (o) Review regularly the functioning of the Corporation and all programs and services 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 Corporation;
- (p) Adhere to the attendance policy as established by the Board;
- (q) Review on a regular basis the role and responsibility of the Corporation to its community in relation to the provision of services, within the means available, of appropriate types and amounts of services;
- (r) Approve the annual budget for the Hospital;
- (s) Establish an investment policy consistent with the provisions of these By-Laws;
- (t) Borrow money, from time to time, as may be authorized by resolution of the Board;
- (u) Evaluate its own performance in relation to its responsibilities and periodically review and revise governance policies, processes and structures as appropriate;
- (v) Ensure the establishment and provide for the operation of an Occupational Health and Safety program for the Corporation that shall include procedures with respect to:
 - (i) a safe and health work environment in the Corporation;
 - (ii) the safe use of substances, equipment and medical devices in the Corporation;
 - (iii) safe and healthy work practices in the Corporation;
 - (iv) the prevention of accidents to persons on the premises of the Corporation;and

- (v) the elimination of undue risks and the minimizing of hazards inherent in the Corporation environment;
- (w) Ensure the establishment and provide for the operation of a health surveillance program including a communicable disease surveillance program in respect of all persons carrying on activities in the Corporation;
- (x) Establish a Fiscal Advisory Committee, the membership and purposes of which meet the requirements of the *Public Hospitals Act*;
- (y) Establish a Quality Committee further to the *Excellent Care for All Act* to monitor and report on the overall quality of care and make recommendations to the Board regarding quality improvement initiatives and policies and to oversee the preparation of annual quality improvement plans, comprised of:
 - (i) the President and Chief Executive Officer;
 - (ii) one member of the Medical Advisory Committee;
 - (iii) the hospital's Chief Nursing Executive;
 - (iv) one person who works in the hospital and who is not a member of the College of Physicians and Surgeons of Ontario or the College of Nurses of Ontario; and
 - (v) such other persons as are selected by the Board so as a third of the members of the quality committee shall be members of the hospital's Board.
- (z) Provide for:
 - (i) the participation of Nurses who are managers and staff Nurses in decision making related to administrative, financial, operational and planning matters in the Hospital; and
 - (ii) the participation at the committee level of staff Nurses who are managers, including the election of staff Nurses of representatives to committees and the election.
- (aa) Pursuant to the Hospital Management Regulations, provide for the establishment of 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 donations,and ensure that such procedures are implemented in the Corporation; and
- (bb) Ensure that a system for the disclosure of every critical incident is established and that the President and Chief Executive Officer, the Chief of Staff and the Chief Nursing Executive will be responsible for the system.