
**HANOVER AND DISTRICT HOSPITAL
FOUNDATION**

GENERAL OPERATING BY-LAW

April 22, 2024

GENERAL OPERATING BY-LAW NO. 2

A by-law relating generally to the conduct of the affairs of

Hanover and District Hospital Foundation
(an Ontario corporation)
(the “Corporation”)

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GENERAL OPERATING BY-LAW NO. 2

A By-law relating generally to the conduct of the affairs of

Hanover and District Hospital Foundation
(an Ontario corporation)
(the “Corporation”)

WHEREAS the Corporation was granted Letters Patent by the Government of Ontario under Part III of the *Corporations Act* (Ontario) on the 9th day of December, 1988

AND WHEREAS as a result of the *Not-for-Profit Corporations Act, 2010* (Ontario) being proclaimed into force on October 19, 2021, it is necessary to replace the current By-laws with General Operating By-law No. 2 herein;

NOW THEREFORE BE IT ENACTED as a general operating By-law of the Corporation as follows:

SECTION I
INTERPRETATION

1.01 Definitions

In this By-law and all other By-laws and resolutions of the Corporation, unless the context otherwise requires:

- (a) “Act” means the *Not-for-Profit Corporations Act, 2010*, S.O. 2010, Chapter 15, including any regulations made pursuant to the Act and any statute or regulations that may be substituted, as amended from time to time.
- (b) “Articles” means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation.
- (c) “Board” means the board of directors of the Corporation.
- (d) “By-law” or “By-laws” means this by-law and all other by-laws of the Corporation as amended and which are, from time to time, in force and effect.
- (e) “Director” means a member of the Board.
- (f) “Elected Directors” means those Directors referred to in Section 6.03(a)(ii).
- (g) “Ex Officio Director” means the Director referred to in Section 6.03(a)(i).
- (h) “Hanover and District Hospital Foundation” means the non-share capital charitable corporation under the *Not-for-Profit Corporations Act, 2010* (Ontario).
- (i) “Member” means a member of the Corporation.
- (j) “Members” or “Membership” means the collective membership of the Corporation.

- (k) “Officer” means an officer of the Corporation.
- (l) “Ordinary Resolution” means a resolution that is submitted to a meeting of the Members and passed at the meeting, with or without amendment, by at least a majority of the votes cast, or consented to by each Member entitled to vote at a meeting of the Members or the Member’s attorney.
- (m) “Regulations” means the regulations made under the Act, as amended, restated or in effect from time to time.
- (n) “Special Resolution” means a resolution that is submitted to a special meeting of the Members duly called for the purpose of considering the resolution and passed at the meeting, with or without amendment, by at least two-thirds of the votes cast, or consented to by each Member entitled to vote at a meeting of the Members or the Member’s attorney.

1.02 Interpretation

In the interpretation of this By-law, unless the context otherwise requires, the following rules shall apply:

- (a) except where specifically defined herein, all terms contained herein and which are defined in the Act shall have the meanings given to such terms in the Act;
- (b) words importing the singular number only shall include the plural and *vice versa*;
- (c) the word “person” shall include an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in the person’s capacity as trustee, executor, administrator, or other legal representative;
- (d) the headings used in the By-laws 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;
- (e) the By-laws of the Corporation shall be interpreted in accordance with and subject to the purposes of the Corporation, which purposes for purposes of this By-law are incorporated by reference and made a part hereof; and
- (f) if any of the provisions contained in the By-laws are inconsistent with those contained in the Articles or the Act, the provisions contained in the Articles or the Act, as the case may be, shall prevail.

SECTION II **GENERAL**

2.01 Registered Office

The registered office of the Corporation shall be situated in Ontario at the location specified in the Articles. The Directors may change the location of its registered office within a municipality or geographic township by resolution. The Members may change the municipality or geographic township in which its registered office is located to another place in Ontario by Special Resolution.

2.02 Corporate Seal

The Corporation may have a corporate seal in the form approved from time to time by the Board. If a corporate seal is approved by the Board, the secretary of the Corporation shall be the custodian of the corporate seal.

2.03 Execution of Documents

Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the Corporation may be signed by any two (2) of its Officers. Notwithstanding the foregoing, the Board may from time to time direct the manner in which and the person or persons by whom a particular document or type of document shall be executed. Any person authorized to sign any document may affix the corporate seal thereto. Any signing Officer may certify a copy of any instrument, resolution, By-law or other document of the Corporation to be a true copy thereof.

2.04 Board Policies

The Board may adopt, amend, or repeal such board policies that are not inconsistent with By-laws of the Corporation relating to the management and operation of the Corporation as the Board may deem appropriate from time to time. Any board policy adopted by the Board shall continue to have force and effect until amended, repealed, or replaced by a subsequent resolution of the Board.

**SECTION III
FINANCIAL MATTERS**

3.01 Financial Year

Unless otherwise changed by resolution of the Board, the financial year end of the Corporation shall be the 31st day of December in each year. For greater certainty, changes to the financial year end shall be subject to approval of the Canada Revenue Agency under the *Income Tax Act*.

3.02 Banking Arrangements

The banking business of the Corporation shall be transacted at such bank, trust company or other firm or corporation carrying on a banking business in Canada or elsewhere as the Board may designate, appoint or authorize from time to time. The banking business or any part thereof shall be transacted by any two (2) Officers of the Corporation and/or other persons as the Board may from time to time designate, direct or authorize.

3.03 Auditor and Financial Review

- (a) Unless otherwise permitted by the Act, the Members shall, by Ordinary Resolution at each annual meeting, appoint an auditor to hold office until the next following annual meeting to conduct an audit in respect of the Corporation's financial year. If the Corporation's annual revenue in a financial year is more than \$100,000 (or such other prescribed amount in the Regulations) and less than \$500,000 (or such other prescribed amount in the Regulations), the Members may, by extraordinary resolution, have a review engagement instead of an audit in respect of that financial year. If the Corporation's annual revenue in a financial year is \$100,000 or less (or such other prescribed amount in the Regulations); the Members may, by extraordinary resolution, not appoint an auditor and not have an audit or a review engagement in respect of that financial year. Extraordinary resolution means a

resolution that is, (a) submitted to a special meeting of the members of a corporation duly called for the purpose of considering the resolution and passed at the meeting, with or without amendment, by at least 80 per cent of the votes cast, or (b) consented to by each Member of the Corporation entitled to vote at a meeting of the Members or the Member's attorney.

- (b) The auditor must meet the qualifications in the Act, including being independent of the Corporation and its affiliates, as well as the Directors and Officers of the Corporation and its affiliates. The Directors may fill any casual vacancy in the office of the auditor to hold office until the next following annual meeting. The remuneration of the auditor may be fixed by Ordinary Resolution of the Members, or if not so fixed, shall be fixed by the Board.

3.04 Annual Financial Statements

The Corporation shall send copies of the annual financial statements and other documents referred to in subsection 84(1) of the Act to all Members who have informed the Corporation that they wish to receive a copy of those documents not less than 21 days (or the prescribed 5 days under the Regulations) before the day, or such other period as required by the Act or the Regulations, on which an annual meeting of Members is held or before the day on which a written resolution in lieu of an annual meeting is signed.

3.05 Borrowing

(a) Borrowing Powers

Subject to the limitations set out in the Act, the Articles and this By-law, the Board may:

- (i) borrow money on the credit of the Corporation;
- (ii) issue, reissue, sell or pledge debt obligations of the Corporation;
- (iii) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (iv) mortgage, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

(b) Authorization

From time to time, the Board may authorize any Director or Officer or other persons of the Corporation to make arrangements with reference to money borrowed or to be borrowed as to the terms and conditions of the loan thereof, and as to the security to be given therefor, with power to vary or modify such arrangements, terms and conditions and to give such additional security as the Board may authorize and generally to manage, transact and settle the borrowing of money by the Corporation.

SECTION IV
MEMBERS

4.01 Classes and Conditions of Membership

- (a) Pursuant to the Articles, there shall be one (1) class of Members in the Corporation. Membership in the Corporation shall be available only to Elected Directors of the Corporation who shall automatically become Members of the Corporation upon being elected or appointed as Directors.
- (b) For greater certainty, the Ex Officio Director shall not be a Member of the Corporation.

4.02 Rights of Members

A Member of the Corporation shall have the right to receive notice of, attend, speak and participate at all meetings of Members and the right to one (1) vote at all meetings of Members.

4.03 Membership Dues

There shall be no membership fees or dues unless otherwise directed by the Board.

4.04 Termination of Membership

- (a) Membership in the Corporation is terminated when the Member dies, ceases to be an Elected Director of the Corporation, misses three (3) meetings annually unless there are extenuating circumstances, or resigns; or when the Corporation is liquidated or dissolved under the Act. Pursuant to the Act, membership in the Corporation is not transferable except to the Corporation.(reference 6.08)
- (b) Subject to the Articles, upon any termination of membership, all rights of the Member automatically cease to exist. Where a person is no longer a Member, then such person shall be deemed to have also automatically resigned as an Elected Director, an Officer (if it is a requirement to be a Director to hold that particular Officer position) and/or a committee member, as applicable, provided that the Board may in its discretion subsequently re-appoint such individual as a committee member if the Board deems it appropriate in the circumstances.

SECTION V
MEETINGS OF MEMBERS

5.01 Meeting of Members

A “meeting of Members” or “Members’ meetings” shall include an annual meeting of Members and a special meeting of Members.

5.02 Annual Meetings

An annual meeting of Members shall be held at such time in each year, as the Board may from time to time determine, provided that the annual meeting must be held not later than eighteen (18) months after the Corporation comes into existence and thereafter, not later than 15 months after holding the preceding annual meeting but no later than 6 months after the end of the Corporation’s preceding financial year. The annual meeting shall be held for the purpose of considering the

financial statements and reports of the Corporation required by the Act to be presented at the meeting, electing Directors, appointing the auditor and transacting such other business as may properly be brought before the meeting or is required under the Act.

5.03 Special Meetings

The Board may at any time call a special meeting of Members for the transaction of any business which may properly be brought before the Members. The Board shall call a special meeting on written requisition of not less than ten percent (10%) of the votes that may be cast at a meeting of Members sought to be held for any purpose connected with the affairs of the Corporation that does not fall within the exceptions listed in the Act or is otherwise inconsistent with the Act, within 21 days from the date of the deposit of the requisition.

5.04 Place of Meetings

Meetings of Members may be held at any place within Ontario as the Board may determine or outside Ontario if all of the Members entitled to vote at such meeting so agree. A Member who attends a meeting of Members held outside Ontario is deemed to have agreed to it being held outside Ontario except when the Member attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully held.

5.05 Special Business

All business transacted at a special meeting of Members and all business transacted at an annual meeting of Members are special business, except the following: consideration of the financial statements; consideration of the audit or review engagement report, if any; an extraordinary resolution to have a review engagement instead of an audit or not have an audit or a review engagement; election of Directors; and reappointment of the incumbent auditor or person appointed to conduct a review engagement.

5.06 Notice of Meetings

- (a) Notice of the time and place of a meeting of the Members shall be given not less than 10 days and not more than 50 days before the meeting, to each Member entitled to receive notice of the meeting, each Director and the auditor of the Corporation or the person appointed to conduct a review engagement of the Corporation in accordance with the manner provided in Section 10.01 of this By-law. Notwithstanding the foregoing, a notice of a meeting of Members need not specify a place of the meeting if the meeting is to be held entirely by one or more telephonic or electronic means.
- (b) If a person may attend a meeting of the Members by telephonic or electronic means, the notice of the meeting must include instructions for attending and participating in the meeting by the telephonic or electronic means that will be made available for the meeting, including, if applicable, instructions for voting by such means at the meeting.
- (c) Notice of a meeting of Members at which special business is to be transacted shall state the nature of that business in sufficient detail to permit a Member to form a reasoned judgment on the business; and state the text of any Special Resolution to be submitted to the meeting.

5.07 Waiving Notice

A Member and any other person entitled to notice of a meeting of Members may in any manner and at any time waive notice of a meeting of Members, and attendance of any such person at a meeting of Members is a waiver of notice of the meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

5.08 Persons Entitled to be Present

The only persons entitled to be present at a meeting of Members shall be those entitled to vote at the meeting, the Elected Directors, the Ex Officio Director, the auditor of the Corporation (or the person who has been appointed to conduct a review engagement, if any) and such other persons who are entitled or required under any provision of the Act, Articles or By-laws of the Corporation to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or by resolution of the Members.

5.09 Representative of the Auxiliary of Hanover And District Hospital

The chair of Members' meetings or the Chair of the Board may invite a representative of the Auxiliary of Hanover and District Hospital to attend Members' meetings for liaison purposes.

5.10 Chairperson of the Meeting

The chairperson of Members' meetings shall be the chair of the Board, or the vice-chair of the Board if the chair of the Board is absent or unable to act. In the event that the chair of the Board and the vice-chair of the Board are absent, the Members who are present and entitled to vote at the meeting shall choose one of their number to chair the meeting.

5.11 Quorum

A quorum at any meeting of the Members (unless a greater number of Members are required to be present by the Act) shall be a simple majority of the Members entitled to vote at the meeting. If a quorum is present at the opening of a meeting of Members, the Members present may proceed with the business of the meeting even if a quorum is not present throughout the meeting. If a quorum is not present at the opening of a meeting of Members, the Members present may adjourn the meeting to a fixed time and place but may not transact any other business. For the purpose of determining quorum, a Member may be present in person or by telephonic and/or by other electronic means.

5.12 Meetings by Telephonic or Electronic Means

If the Corporation chooses to make available a telephonic or electronic means that permits all persons entitled to attend a meeting of Members to reasonably participate, then the said meeting of Members may be held entirely by one or more telephonic or electronic means or by any combination of in-person attendance and by one or more telephonic or electronic means. A meeting of Members held in these manners must enable all persons entitled to attend the meeting to reasonably participate. A person who, through telephonic or electronic means, votes at or attends a meeting of the Members is deemed for the purposes of the Act to be present in person at the meeting. A meeting of the Members held in these manners is deemed to be held at the place where the registered office of the Corporation is located.

5.13 Voting at Meetings

- (a) Show of Hands - Any question at a meeting of Members shall be decided by a show of hands unless a ballot has been demanded by a Member entitled to vote at the meeting or otherwise is required. Unless a ballot is demanded, a declaration by the chair of the meeting as to whether or not the question or motion has been carried and an entry to that effect in the minutes of the meeting shall, in the absence of evidence to the contrary, be evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the motion.
- (b) Ballots - On any question proposed for consideration at a meeting of Members, and whether or not a show of hands has been taken thereon, the chair of the meeting may require a ballot or any Member or entitled to vote on such question at the meeting may demand a ballot. A ballot so demanded shall be taken in such manner as the chair shall direct. A demand for a ballot may be withdrawn at any time prior to the taking of the ballot. The result of the ballot so taken shall be the decision of the Members on the question.
- (c) Voting by telephonic or electronic means - If the Corporation chooses to make available a telephonic or electronic means for voting, a vote at a meeting of the Members may be conducted entirely by one or more telephonic or electronic means or by a combination of one or more telephonic or electronic means and voting in person.

5.14 Absentee Voting by Mailed-In Ballot or Telephonic or Electronic Means

A Member entitled to vote at a meeting of Members but who is unable to attend may vote by mail or by telephonic or electronic means provided that the Corporation makes the applicable absentee voting mechanism available as determined in the sole discretion of the Board.

5.15 No Absentee Voting by Proxy

For greater certainty, voting by proxy is not permitted.

5.16 Votes to Govern

At any meetings of the Members, every question shall, unless otherwise provided by the Articles or By-laws or by the Act, be determined by a majority of the votes cast on the question. In case of an equality of votes, the chairperson of the meeting shall not have a second or casting vote.

5.17 Resolution in Lieu of Meeting

A resolution in writing signed by all the Members entitled to vote on that resolution at a meeting of Members is as valid as if it had been passed at a meeting of the Members, unless a written statement is submitted to the Corporation by a Director in relation to the Director's resignation or removal or by the public accountant in relation to the person's resignation, removal or replacement. A copy of every resolution of the Members shall be kept with the minutes of meetings of Members.

5.18 Rules of Order

The chairperson of the meeting shall conduct the meeting and, subject to the following sentence, determine the procedure to be followed at the meeting. Any questions of procedures at or for any meetings of the Members, which have not been provided for in this By-law or by the Acts, shall be

determined by the chairperson of the meeting in accordance with the most current edition of Call to Order: Meeting Rules and Procedures for Non-Profit Organizations by Herb Perry.

5.19 Adjournment

- (a) The chair of any meeting of Members may with the consent of the meeting adjourn the same from time to time.
- (b) If the meeting is adjourned by one or more adjournments for an aggregate of less than thirty (30) days, no notice of such adjournment need be given other than by announcement of all of the following at the time of the adjournment:
 - (i) the time of the continued meeting;
 - (ii) if applicable, the place of the continued meeting; and
 - (iii) if applicable, instructions for attending and participating in the continued meeting by the telephonic or electronic means that will be made available for the meeting, including, if applicable, instructions for voting by such means at the meeting.
- (c) If a meeting of Members is adjourned by one or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting shall be in the manner as if it is an original meeting.
- (d) Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

SECTION VI
DIRECTORS

6.01 Powers

Subject to the Act and the Articles, the Board shall manage or supervise the management of the activities and affairs of the Corporation.

6.02 Number

The Board shall consist of the minimum and maximum number of Directors specified in the Articles. The precise number of Directors on the Board shall be determined from time to time by the Members by Special Resolution or, if the Special Resolution empowers the Directors to determine the number of the Directors, by resolution of the Board.

6.03 Qualifications and Composition

- (a) At all times, the Board shall consist of:
 - (i) One (1) Ex Officio Director who shall be the CEO of the Hanover And District Hospital from time to time (and the said Ex Officio Director shall not have voting rights on the Board); and

- (ii) Such number of Elected Directors elected by Members of the Corporation pursuant to Section 6.04.
- (b) Each Elected Director shall meet all of the following qualification requirements:
 - (i) is an individual who is at least 18 years of age, has not been found under the *Substitute Decisions Act, 1992* or under the *Mental Health Act* to be incapable of managing property; has not been found to be incapable by any court in Canada or elsewhere, does not have the status of a bankrupt;
 - (ii) is a Member of the Corporation at the time of election (or within 10 days after election) and during the term of office;
 - (iii) is in agreement and agrees to further the purposes of the Corporation as contained in the Articles;
 - (iv) agrees to abide by the provisions in the Articles and By-laws of the Corporation;
 - (v) is not an ineligible individual as defined in the *Income Tax Act* (Canada); and
 - (vi) is not an employee of the Corporation;
- (c) The Ex Officio Director shall meet all of the qualification requirement set out in Section 6.03(b) except Section 6.03(b)(ii).
- (d) Upon taking office, an Elected Director shall be deemed to be a Member of the Corporation. For greater certainty, the Ex Officio Director shall not be deemed to be a Member of the Corporation upon taking office.
- (e) Not more than one-third (1/3) of the Directors may be employees of the Corporation's affiliates.
- (f) The Board may adopt policies from time to time to govern the composition of the Board, including but not limited to regional diversity, personal skills, and needs of the Corporation. Copies of such policies shall be available to Members upon request.

6.04 Election and Term of Elected Directors

- (a) Subject to the Articles, Elected Directors shall be elected by the Members by Ordinary Resolution at each annual meeting of Members at which an election of Elected Directors is required. The Elected Directors' term of office shall be three (3) years calculated from the date of the meeting at which they are elected until the close of the third (3rd) annual meeting next following or until their successors are elected.
- (b) An Elected Director not elected for an expressly stated term ceases to hold office at the close of the first (1st) annual meeting of Members following the Elected Director's election. If Elected Directors are not elected at a meeting of Members, the incumbent Directors shall continue in office until their successors are elected.
- (c) As much as possible, the Elected Directors shall be elected and shall retire in rotation as determined by the Members when the Directors are elected.

- (d) The maximum number of terms for each Elected Director is three (3) terms of three (3) years. An Elected Director will be eligible for re-election to the Board at the end of the term up to the maximum number of terms provided that such Elected Director continues to meet the qualification requirements to be an Elected Director. Upon the completion of the maximum term on the Board, a minimum of a one (1) year absence is required before eligibility for re-election to the Board is restored.

6.05 Term of Ex Officio Director

The term of office of the Ex officio Director shall be the same as the term of the person’s position as CEO of the Hanover and District Hospital from time to time.

6.06 Appointment by Directors

The Board may appoint additional Directors for a term expiring not later than the close of the next annual meeting of Members but the total number of Directors appointed may not exceed one-third (1/3) of the number of Directors elected at the previous annual meeting of Members. The precise number of Directors to be appointed in this manner may be fixed by Ordinary Resolution of the Members.

6.07 Consent

An individual who is elected or appointed to hold office as a Director is not a Director, and is deemed not to have been elected or appointed to hold office as a Director, unless:

- (a) the individual consented in writing to hold office as a director before or within ten (10) days after the election or appointment, or
- (b) the individual elected or appointed consents in writing at any time after ten (10) days after the election or appointment; or
- (c) the individual elected or appointed is re-elected or reappointed where there is no break in the term of office.

6.08 Ceasing to Hold Office

- (a) An Elected Director ceases to hold office when the Elected Director misses three (3) meetings annually unless there are extenuating circumstances, dies, resigns, is removed from office by the Members in accordance with Section 4.04 and 6.10, or no longer fulfills all of the qualifications to be a Director set out in Section 6.03 as determined in the sole discretion of the Board.
- (b) The Ex Officio Director ceases to hold office if the person no longer holds the position of President/CEO of the Hanover and District Hospital, dies, resigns, or fails to meet all of the requirements set out in Section 6.03(c).

6.09 Resignation

A resignation of a Director becomes effective at the time a written resignation is received by the Corporation or at the time specified in the resignation, whichever is later. A Director who has resigned may not submit to the Corporation a written statement pursuant to section 27 of the Act.

6.10 Removal of Elected Directors

- (a) The Members may, by Ordinary Resolution passed at a special meeting of Members, remove any Elected Director (but not an Ex Officio Director) from office before the expiration of the Elected Director’s term and may elect a qualified individual to fill the resulting vacancy for the remainder of the term of the Elected Director so removed, failing which such vacancy may be filled by the Board. An Elected Director who is being removed or has been removed may not submit to the Corporation a written statement pursuant to section 27 of the Act.
- (b) For greater certainty, the Ex Officio Director may not be removed.

6.11 Filling Vacancies

- (a) Vacancy among the Elected Directors - Subject to the Act and the Articles, a quorum of the Elected Directors may fill a vacancy in the Board, except if there has been a failure to elect the number or minimum number of Elected Directors provided for in the Articles. If there is not a quorum of Elected Directors or if there has been a failure to elect the number or minimum number of Elected Directors provided for in the Articles, the Elected 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 Elected Directors then in office, the meeting may be called by any Member. Notwithstanding the foregoing, a vacancy among the Elected Directors is not required to be filled if the vacancy results from an increase in the number or the minimum number of directors provided for in the Articles or from a failure to elect that increased number or minimum number of Elected Directors. An Elected Director appointed or elected to fill a vacancy holds office for the unexpired term of their predecessor.
- (b) Vacancy of Ex Officio Director - If a vacancy of the Ex Officio Director occurs at any time, such vacancy shall continue until the position of CEO of the Hanover And District Hospital is filled, at which time the person who holds such office will be deemed to be an Ex Officio Director of the Corporation.

6.12 Remuneration of Directors

As required by the Articles, Directors shall serve without remuneration, and no Director shall directly or indirectly receive any profit from the Director’s position as such, provided that a Director may be reimbursed for reasonable expenses incurred in performing the Director’s duties.

6.13 Remuneration of Officers, Agents, Employees

Subject to the Articles, the Directors of the Corporation may fix the reasonable remuneration of the Officers, committee members and employees of the Corporation and may delegate any or all of this function as it determines to be appropriate. However, no Officer who is also a Director shall be entitled to receive remuneration for acting as such. Any Officer, committee member or employee of the Corporation may receive reimbursement for their expenses incurred on behalf of the Corporation in their respective capacities as an Officer, committee member or employee, subject to any policy in this regard that may be adopted by the Board from time to time.

6.14 Delegation

Subject to the Act, the Board may appoint from their number a managing director or a committee of Directors (which may be referred to as an executive committee) and delegate to the managing director or committee any of the powers of the Board, except the following matters which are prohibited by subsection 36(2) of the Act to be delegated by the Board:

- (a) To submit to the Members any question or matter requiring the approval of the Members;
- (b) To fill a vacancy among the Directors or in the position of auditor or of a person appointed to conduct a review engagement of the Corporation;
- (c) To appoint additional Directors;
- (d) To issue debt obligations except as authorized by the Directors;
- (e) To approve any financial statements under section 83 of the Act;
- (f) To adopt, amend or repeal By-laws; or
- (g) To establish contributions to be made, or dues to be paid, by Members under section 86 of the Act.

Unless otherwise determined by the Board, such a committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chair and to otherwise regulate its procedure.

6.15 Committees

The Board may from time to time appoint any committee or other advisory body, as it deems necessary or appropriate for such purposes and, subject to the Act, with such powers as the Board shall see fit. Any committee member may be removed by the Board. Unless otherwise determined by the Board, a committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to otherwise regulate its procedure.

SECTION VII **MEETINGS OF DIRECTORS**

7.01 Place of Meetings

Meetings of the Board may be held at the head office of the Corporation or at any other place within or outside of Canada, as the Board may determine.

7.02 Calling of Meetings

Meetings of the Board may be called by the chair of the Board, the vice-chair of the Board or any two (2) Directors at any time.

7.03 Notice of Meeting

- (a) Notice of the time and place for the holding of a meeting of the Board shall be given in the manner provided in Section 10.01 of this By-law to every Director of the Corporation not less than 48 hours before the time when the meeting is to be held. Notwithstanding the

foregoing, a notice of a meeting of Directors need not specify the place of the meeting if the meeting is to be held entirely by one or more telephonic or electronic means.

- (b) If a Director may attend a meeting of the Board by telephonic or electronic means, the notice of the meeting must include instructions for attending and participating in the meeting by the telephonic or electronic means that will be made available for the meeting, including, if applicable, instructions for voting by such means at the meeting.
- (c) Notice of a meeting that continues an adjourned meeting of Directors is not required to be given if all of the following are announced at the time of an adjournment:
 - (i) the time of the continued meeting;
 - (ii) if applicable, the place of the continued meeting; and
 - (iii) if applicable, instructions for attending and participating in the continued meeting by the telephonic or electronic means that will be made available for the meeting, including, if applicable, instructions for voting by such means at the meeting.

7.04 Waiving Notice

A Director may waive notice of a Board meeting, and attendance of a Director at a Board meeting is a waiver of notice of the meeting, except if the Director attends a Board meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

7.05 First Meeting of New Board

Provided that a quorum of Directors is present, a newly elected Board may, without notice, hold its first meeting immediately following the meeting of Members at which such Board is elected.

7.06 Regular Meetings

The Board may appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings of the Board shall be sent to each Director forthwith after being passed, and no other notice shall be required for any such regular meeting, except that a notice must be provided to specify any matter referred to in subsection 36(2) of the Act that is to be dealt with at the meeting. For greater certainty, the list of matters referred to in subsection 36(2) are set out in Section 6.14 above.

7.07 Quorum

- (a) A majority of the number of Elected Directors specified in the Articles constitutes a quorum at any meeting of the Board; provided that where there is a minimum and maximum number of Elected Directors specified in the Articles, a quorum shall be a majority of the number of Elected Directors determined in accordance with Section 6.02. For the purpose of determining quorum, an Elected Director may be present in person, or, if authorized under this By-law, by teleconference and/or by other electronic means.
- (b) The Ex Officio Director shall not be included in determining quorum.

7.08 Meeting by Telephone or Electronic Means

A meeting of Directors may be held entirely by one or more telephonic or electronic means or by any combination of in-person attendance and by one or more telephonic or electronic means. A meeting of Directors held in these manners must ensure that all persons attending the meeting are able to communicate with each other simultaneously and instantaneously. A person who, through telephonic or electronic means, attends a meeting of Directors is deemed for the purposes of the Act to be present in person at the meeting.

7.09 No Alternate Directors

No person shall act for an absent Director at a Board meeting.

7.10 Chairperson of the Meeting

The chairperson of Board meetings shall be the chair of the Board, or the vice-chair of the Board if the chair of the Board is absent or unable to act. In the event that the chair of the Board and the vice-chair of the Board are absent, the Directors who are present shall choose one of their number to chair the meeting.

7.11 Representative of the Auxiliary of Hanover And District Hospital

The chair of Board meetings or the Chair of the Board may invite a representative of the Auxiliary of Hanover and District Hospital to attend Board meetings for liaison purposes.

7.12 Votes to Govern

- (a) Each Elected Director may exercise one (1) vote. At all meetings of the Board, every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chairperson of the meeting shall not have a second or casting vote.
- (b) The Ex Officio Director shall not have any right to vote.

7.13 Dissent at Meeting

Subject to the Act, a Director who is present at a Board meeting or a meeting of a committee of Directors is deemed to have consented to any resolution passed or action taken at the meeting unless:

- (a) the Director's dissent is entered in the minutes of the meeting
- (b) the Director requests that the Director's dissent be entered in the minutes of the meeting;
- (c) the Director gives the Director's dissent in writing to the secretary of the meeting before the meeting is terminated; or
- (d) the Director submits (in such manner required by the Act and the Regulations) the Director's dissent immediately after the meeting is terminated to the Corporation;

provided that a Director who votes for or consents to a resolution may not dissent.

7.14 Dissent of Absent Director

A Director who was not present at a meeting at which a resolution was passed or action taken is deemed to have consented to the resolution or action unless, within seven (7) days after becoming aware of the resolution or action, the Director:

- (a) causes the Director’s dissent to be placed with the minutes of the meeting; or
- (b) submits (in such manner required by the Act and the Regulations) the Director’s dissent to the Corporation.

7.15 Resolutions in Writing

A resolution in writing, signed by all the Directors entitled to vote on that resolution at a meeting of the Board or committee of Directors, shall be as valid as if it had been passed at a Board meeting. A copy of every such resolution in writing shall be kept with the minutes of the proceedings of the Board or committee of Directors.

7.16 Meetings In Camera

Where matters confidential to the Corporation are to be considered at a meeting of the Board, the part of the meeting concerning such matters may be held in camera. In addition, where a matter of a personal nature concerning a person may be considered at a meeting of the Board, the part of the meeting concerning the person shall be held in camera, unless there is mutual agreement to the contrary by the Board and such person.

7.17 Disclosure of Interest

(a) Prohibition

Save and except where permitted by law and as approved by the Board, a Director and the Director’s family members shall not enter into a contract, business transaction, financial arrangement or other matter with the Corporation in which the Director or any of the Director’s family members, or any person closely connected to the Director, has any direct or indirect pecuniary or personal interest, gain or benefit. In this Section 7.17, “family members” means a person’s spouse, children, parents, siblings, or the spouses of such children, parents or siblings, or the children or parents of such person’s spouse(s), who are living with and/or financially supporting or supported by the person.

(b) Disclosure

(i) Pursuant to the Act, a Director of the Corporation shall disclose, at the time and in the manner required by the Act, in writing to the Corporation or request to have entered in the minutes of Board meetings, the nature and extent of any interest that the Director has in any material contract or transaction or proposed material contract or transaction with the Corporation if the Director:

- (1) is a party to such material contract or transaction or proposed material contract or transaction with the Corporation; or

(2) is a director or an officer of, or has a material interest in, any person who is a party to such material contract or transaction or proposed material contract or transaction with the Corporation.

(ii) In addition to the disclosure made under Section 7.17(b)(i), any Director who has any material direct or indirect pecuniary or personal interest, gain or benefit in an actual or proposed contract, business transaction, financial arrangement or other matter with the Corporation as described in Section 7.17(a) above, whether permitted by law or not, shall declare their interest therein at the first opportunity at a meeting of the Board.

(c) Material Interest

In this Section, “material” shall mean that the Director in question, directly or indirectly, is personally receiving a material benefit or gain of some kind, either financially or otherwise, with the determination of materiality in such circumstances to be made by the Board from time to time.

(d) Procedure Where Disclosure

The chairperson of Board meetings shall request any Director who has made a disclosure referred to in Section 7.17(b) to be absent during the discussion of the matter, with such action being recorded in the minutes. The Director shall not vote on any resolution to approve such contract except as provided by the Act.

(e) Consequences of Contravention

In the event that the Board proceeds with a contract, business transaction, financial arrangement, or other matter, in which a Director has a direct or indirect pecuniary or personal interest, gain or benefit in contravention of this Section, save and except where permitted by law and approved by the Board, such Director shall be required to immediately resign from the Board, failing which the Director shall be deemed to have resigned from the Board upon the passing of a Board resolution to that effect.

7.18 Confidentiality

Every Director, Officer, committee member, employee and volunteer, shall respect the confidentiality of matters brought before the Board or before any committee of the Board, or any matter dealt with in the course of employment or involvement of such person in the activities of the Corporation. All materials whether in print or electronic format shall be the property of the Corporation and every Director, Officer, committee member, employee or volunteer shall, when requested by the Corporation, return or destroy such materials upon termination of their association with the Corporation.

7.19 Rules of Order

The chairperson of the meeting shall conduct the meeting and, subject to the following sentence, determine the procedure to be followed at the meeting. Any questions of procedures at or for any meetings of the Directors, which have not been provided for in this By-law or by the Acts, shall be determined by the chairperson of the meeting in accordance with the most current edition of Call to Order: Meeting Rules and Procedures for Non-Profit Organizations by Herb Perry.

SECTION VIII

OFFICERS

8.01 Appointment

The Board may designate the offices of the Corporation, appoint Officers on an annual or more frequent basis, specify their duties and, subject to the Act, delegate to such Officers the power to manage the affairs of the Corporation. An Elected Director may be appointed to any office of the Corporation. An Officer may, but need not be, an Elected Director unless this By-law otherwise provides. Two or more offices may be held by the same person, save and except for the chair of the Board and vice-chair of the Board positions. For greater certainty, the Ex Officio Director may not be appointed to any office of the Corporation.

8.02 Description of Offices

Unless otherwise specified by the Board (which may, subject to the Act, modify, restrict or supplement such duties and powers), the offices of the Corporation, if designated and if Officers are appointed thereto, shall have the following duties and powers associated therewith, as well as such other duties and powers as the Board may specify from time to time:

- (a) **Chair of the Board** - The chair of the Board shall be an Elected Director. The chair of the Board, if any, shall, when present, preside at all meetings of the Board, committees of Directors, if any, and the Members.
- (b) **Vice-Chair of the Board** - The vice-chair of the Board, if one is to be appointed, shall be an Elected Director. If the chair of the Board is absent or is unable or refuses to act, the vice-chair of the Board, if any, shall, when present, preside at all meetings of the Board, committees of Directors, if any, and the Members.
- (c) **Executive Director** - If appointed, the executive director shall be the chief executive officer of the Corporation and shall be responsible for implementing the strategic plans and policies of the Corporation. The executive director shall, subject to the authority of the Board, have general supervision of the affairs of the Corporation. The executive director shall be entitled to receive notice of and to attend and speak at all meetings of the Board and of meetings of Members as a non-member thereof without the right to vote, save and except when the Board is discussing the position, salary or benefits of the executive director.
- (d) **Secretary** – The secretary shall attend and be the secretary of all meetings of the Board, Members and committees of the Board. The secretary shall enter or cause to be entered in the Corporation's minute book, minutes of all proceedings at such meetings; the secretary shall give, or cause to be given, as and when instructed, notices to Members, Directors, the auditor and members of committees; the secretary shall be the custodian of all books, papers, records, documents and other instruments belonging to the Corporation. The role of the secretary has been allocated to the Foundation Executive Director.
- (e) **Treasurer** - The treasurer shall be responsible for the maintenance of proper accounting records in compliance with the Act as well as the deposit of money, the safekeeping of securities and the disbursement of funds of the Corporation; whenever required, the treasurer shall render to the Board an account of all such person's transactions as treasurer and of the financial position of the Corporation.

The duties of all other Officers of the Corporation shall be such as the terms of their engagement call for or the Board or the executive director requires of them. The Board may from time to time and subject to the Act, vary, add to or limit the powers and duties of any Officer.

8.03 Term of Office

Officers who are not employees of the Corporation shall hold their position for a period of one (1) year, or, in those cases where an Officer is appointed by the Board to fill a vacancy during the year, until the first meeting of the Board immediately following the annual general meeting. The maximum number of terms for each Officer save and except the executive director, is three (3) terms of three (3) years. Upon the completion of the maximum term, a minimum of a one (1) year is required before eligibility for re-election to be an Officer is restored. Officers who are employees of the Corporation shall hold office at the discretion of the Board.

8.04 Vacancy in Office

In the absence of a written agreement to the contrary, the Board may remove, whether for cause or without cause, any Officer of the Corporation. Unless so removed, an Officer shall hold office until the earlier of the Officer's term of office expires, the Officer's successor is appointed, the Officer resigns, the Officer ceases to be an Elected Director (if a necessary qualification of this appointment), or the Officer dies. If the office of any Officer of the Corporation shall be or become vacant, the Board may appoint a person to fill such vacancy.

8.05 Remuneration of Officers

The remuneration of any Officers appointed by the Board shall be determined in accordance with Section 6.12.

8.06 Agents and Attorneys

Subject to the By-laws, the Board may authorize any Officer from time to time to appoint agents or attorneys for the Corporation in or out of Canada with such powers of management, administration or otherwise as the Board considers fit.

8.07 Disclosure (Conflict of Interest)

- (a) An Officer who is a Director shall have the same duty to disclose such Officer's interest in a material contract or transaction or proposed material contract or transaction with the Corporation, as is imposed upon Directors pursuant to the provisions of the Act and the By-laws set out in Section 7.17.
- (b) An Officer who is not a Director shall have the same duty to disclose such Officer's interest in a material contract or transaction or proposed material contract or transaction with the Corporation, as is imposed upon Directors pursuant to the provisions of the Act and the By-laws set out in Section 7.17(b)(i), Section 7.17(c) and Section 7.17(d).
- (c) In all cases, any such contract or proposed contract may be referred to the Board or Members for approval in accordance with the Act, even if such contract is one that in the ordinary course of the Corporation's affairs would not require approval by the Board or Members.

SECTION IX
PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

9.01 Duties of Directors and Officers

Every Director and Officer in exercising such person’s powers and discharging such person’s duties shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every Director and Officer of the Corporation shall comply with the Act, the Regulations, Articles, By-laws and policies of the Corporation.

9.02 Limitation of Liability

No Director or Officer shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the money of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the money, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on the Director or Officer’s part, or for any other loss, damage or misfortune which shall happen in the execution of such person’s duties of office, unless the same are occasioned by the Director or Officer’s own wilful neglect or default or otherwise result from the Director or Officer’s failure to act in accordance with the Act and the Regulations.

9.03 Indemnity of Directors and Officers

Subject to the Act, the Corporation shall indemnify a Director or Officer of the Corporation, a former Director or Officer of the Corporation or another individual who acts or acted at the Corporation’s request as a Director or Officer or in a similar capacity of another entity, and such person’s heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such person in respect of any civil, criminal, administrative or investigative or other action or proceeding in which the individual is involved because of that association with the Corporation or other entity if,

- (a) the individual acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as Director or Officer or in a similar capacity at the Corporation’s request; and
- (b) in the case of a criminal or administrative proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual’s conduct was lawful;

Provided that due consideration is first given to the requirements under the *Charities Accounting Act* (Ontario) for the purchase of directors and officers liability insurance.

The Corporation may indemnify such person in all such other matters, actions, proceedings and circumstances as may be permitted by the Act or the law. 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.

9.04 Insurance

Subject to the Act, the Corporation shall purchase and maintain insurance for the benefit of any person entitled to be indemnified by the Corporation pursuant to the immediately preceding Section as the Board may determine from time to time against any liability incurred by the individual:

- (a) in the individual's capacity as a Director or an Officer of the Corporation; or
- (b) in the individual's capacity as a director or an officer, or in a similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation's request;

Provided that due consideration is first given to the requirements under the *Charities Accounting Act* (Ontario) for the purchase of directors and officers liability insurance.

9.05 Advances

The Corporation may advance money to a Director, Officer or other individual for the costs, charges and expenses of an action or proceeding for which indemnity is provided by the Corporation pursuant to the Act or this By-law. The individual shall repay the money if the individual does not fulfil the conditions set out in Section 9.03(a) and Section 9.03(b).

SECTION X **NOTICES**

10.01 Method of Giving Notices

Any notice required to be sent to any Member or Director or to the auditor or person who has been appointed to conduct a review engagement shall be provided by telephone, delivered personally, or sent by prepaid mail, facsimile, email or other electronic means to such Member at the Member's latest address as shown in the records of the Corporation; or such Director at the Director's latest address as shown in the records of the Corporation or in the most recent notice or return filed under the *Corporations Information Act*, whichever is the more current; or such auditor or the person who has been appointed to conduct a review engagement at its business address; provided that if no address be given then to the last address of such person known to the secretary; provided further always that notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto. A notice, communication or document so delivered shall be deemed to have been given when it is delivered personally or at the address aforesaid; a notice, communication or document so mailed shall be deemed to have been given when it is deposited in a post office or public letter box; and a notice, communication or document so sent by facsimile, email or other electronic means, shall be deemed to have been given when it is received by the addressee or when the notice enters the information system designated by the addressee, whichever is earlier.

10.02 Computation of Time

Where a given number of days' notice or notice extending over a period is required to be given under the By-laws, the day of service, posting or other delivery of the notice shall not, unless it is otherwise provided, be counted in such number of days or other period.

10.03 Undelivered Notices

If any notice given to a Member is returned on three consecutive occasions because such Member cannot be found, the Corporation shall not be required to give any further notices to such Member until such Member informs the Corporation in writing of the Member’s new address.

10.04 Omissions and Errors

The accidental omission to give any notice to any Member, Director, Officer, member of a committee of the Board or auditor, or the non-receipt of any notice by any such person where the Corporation has provided notice in accordance with the By-laws or any error in any notice not affecting its substance shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice

10.05 Waiver of Notice

Any Member, Director, Officer, member of a committee of the Board or auditor may waive or abridge the time for any notice required to be given to such person, and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of Members or of the Board or of a committee of the Board, which may be given in any manner. =

SECTION XI
AMENDMENTS

11.01 Amendment of Articles

The Articles of the Corporation may only be amended if the amendment is sanctioned by a Special Resolution of the Members. Any amendment to the Articles is effective on the date shown in the certificate of amendment.

11.02 Amendment of By-laws

Subject to the Act, the Board may from time to time enact By-laws relating in any way to the Corporation or to the conduct of its affairs, and may from time to time by By-law amend, repeal or re-enact the By-laws but no By-law shall be effective until sanctioned by a Special Resolution of the Members. =

SECTION XII
TRANSITION PROVISIONS

12.01 Members

Upon this By-law coming into effect, those “members” at the time when this By-law comes into effect who meet the qualification requirements in this By-law shall continue to be the Members under this By-law.

12.02 Directors and Officers

(a) Upon this By-law coming into effect, those “directors” at the time when this By-law comes into effect who meet the requirements for Elected Directors in this By-law shall continue

to remain in office for the remainder of their respective term as Elected Directors until their respective successors are elected in accordance with this By-law.

- (b) Upon this By-law coming into effect, the CEO of the Hanover and District Hospital shall forthwith become an Ex Officio Director of the Corporation.
- (c) Upon this By-law coming into effect, the Officers then in office at the time when this By-law comes into effect shall continue to remain in office for the remainder of their respective term until their respective successors are elected in accordance with this By-law.
- (d) The number of terms served by the “directors” up to the time of this By-law coming into effect shall be included in the maximum number of terms Elected Directors are permitted to be served under this By-law.

SECTION XIII
IDENTIFICATION AND REPEAL OF FORMER BY-LAWS

13.01 Repeal of Former General Operating By-law

- (a) The current By-laws is hereby repealed and replaced by General Operating By-law herein effective immediately upon the enactment of this By-law at the time of confirmation by the Members of the Corporation.
- (b) The said repeal of the By-laws shall not affect the previous operations of such By-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under the validity of any contract or agreement made pursuant to any such By-law prior to its repeal. All Officers and persons acting under such By-law so repealed shall continue to act as if appointed under the provisions of this By-law. All Board or Members’ resolutions, with continuing effect, passed under such repealed By-law shall continue to be valid, except to the extent inconsistent with this By-law, and until amended or repealed.

ENACTED by the Directors of the Corporation this _____ day of _____, _____.

CORPORATE SEAL

 Chair of the Board

 Secretary

CONFIRMED by the Members of the Corporation this _____ day of _____, _____.

 Secretary

