

**ST. MICHAEL'S HOSPITAL  
ADMINISTRATIVE BY-LAW  
BY-LAW NUMBER ONE**

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**ST. MICHAEL'S HOSPITAL**  
**Toronto, Ontario**  
**BY-LAW NUMBER ONE**

**Background**

The Sisters of St. Joseph, for the Diocese of Toronto, in Upper Canada, was incorporated in 1855 by Special Act of the Legislature of the Province of Canada. The objects of The Sisters of St. Joseph included providing care for the sick. In furtherance of this object, the Sisters of St. Joseph established St. Michael's Hospital in the City of Toronto in 1892.

**History**

St. Michael's Hospital has served the health care needs of downtown Toronto since 1892. Its historical and ethical mission has a special responsibility to the sick and poor. It has provided specialty health care to the greater Toronto area and the Province of Ontario in its role as one of Canada's most respected acute care hospitals. St. Michael's Hospital is a fully affiliated health sciences centre working closely with the Health Science Faculties of the University of Toronto in order to provide the highest possible quality educational programs and most advanced health care research as integral elements of its mission. Since its earliest beginnings, St. Michael's Hospital has accepted its responsibility for excellence in patient care, education and research as fundamental to its role in society.

The Sisters of St. Joseph transferred the operations and certain of the assets and liabilities of St. Michael's Hospital when it was operating as a division of the Sisters of St. Joseph to a separate corporation incorporated for such purpose and known as St. Michael's Hospital. That transfer occurred January 1, 1996.

Declining numbers and increasing age led the Sisters of St. Joseph in 1997 to decide to withdraw from sponsorship of St. Michael's Hospital and to develop an alternative mode of sponsorship. In conjunction with the Catholic Health Alliance of Ontario and two other religious congregations, the Sisters formed a civil corporation, The Catholic Health Corporation of Ontario, to assume sponsorship of St. Michael's Hospital and the other health care facilities.

In February, 2006, St. Michael's Hospital completed an Agreement of Purchase and Sale with the Sisters, under which agreement St. Michael's Hospital purchased all of the real property and assets that had been owned by the Sisters and used for the purposes of operating St. Michael's Hospital.

The *Public Hospitals Act* of the Province of Ontario requires that all hospitals shall have by-laws governing their operation.

The Members and the Directors of St. Michael's Hospital deem it expedient that this By-law for the regulation of the affairs of the Hospital should be enacted, which By-law shall govern the affairs of the Hospital.

**NOW THEREFORE, BE IT ENACTED** and it is hereby enacted that all By-laws previously enacted be repealed as of the coming into force of this By-law and that the following By-law

Number One be adopted on the date that it is confirmed by the Members, as the new By-law Number One of the Hospital for regulating the affairs of the Hospital;

The following Statement of Philosophy and Statement of Mission and Values endorsed by the Catholic Health Corporation of Ontario is hereby adopted by the Directors and the Members of the Hospital as the Statement of Philosophy and Statement of Mission and Values that, subject to such amendments as the Directors and Members may approve from time to time, shall govern and regulate the management and operation of the affairs of the Hospital.

## **STATEMENT OF PHILOSOPHY**

"Just as you did it to one of the least of these....you did it to me."

Matthew 25:40

St. Michael's Hospital, sponsored by the Catholic Health Corporation of Ontario, continues the healing ministry of Jesus, while respecting the cultural, ethnic and religious origins and beliefs of all.

In fulfilling our mission, we are guided by our beliefs and by our core values for human beings as whole persons in the light of their relationship to their Creator, themselves, others and the society in which they live.

We believe:

That God created each person unique, free and equal, to be served with respect, dignity and compassion.

That all life is sacred and that we should uphold the worth of the person and nurture human wholeness in all its dimensions.

That each person is uniquely gifted and has an important role to play in serving, transforming and renewing health care and society.

That each person has the right to quality health care within available resources and that we are responsible to act as stewards, especially for the poor and those with special needs.

That we hold in trust all creation, which God gives us for our use, and are responsible for preserving and using its resources for the enhancement of human life.

## **STATEMENT OF MISSION AND VALUES**

The objectives of the Hospital are to provide, promote and advance patient care in accordance with any and all legislative requirements by continuing to foster excellence in healthcare delivery, teaching and research. St. Michael's Hospital is a Catholic academic healthcare provider, fully affiliated with the University of Toronto and committed to innovative patient care, teaching and research. Established in 1892 by the Sisters of St. Joseph to care for the sick and poor, St. Michael's Hospital remains dedicated to treating all with respect, compassion and dignity.

St. Michael's Hospital is guided by its recognition of the worth of each person and by its commitment to excellence and leadership by:

- Providing exemplary physical, emotional and spiritual care for each person served by St. Michael's Hospital;
- Balancing a continuing commitment to the care of the poor and those most in need with the provision of highly specialized services to a broader community;
- Building a work environment where each person is valued, respected and has an opportunity for personal and professional growth;
- Striving for the advancement of excellence in health sciences education;
- Fostering a spirit of scholarly inquiry in all of our activities and supporting exemplary health sciences research in selected areas;
- Strengthening its relationships with universities, colleges, other hospitals, agencies and the community we serve;
- Demonstrating social responsibility and the just use of its resources.

The commitment of St. Michael's Hospital's staff, physicians, volunteers, students, community partners and friends to its mission permits it to maintain a quality of presence and tradition of caring that are the hallmarks of St. Michael's Hospital.

### **CORE VALUES**

#### **HUMAN DIGNITY**

We value each person as a unique individual with a right to be respected and accepted.

#### **EXCELLENCE**

We value quality in care, work life, education and research.

#### **COMPASSION**

We value a quality of presence and caring that accepts people as they are and fosters healing and wholeness.

## **SOCIAL RESPONSIBILITY**

We value integrity and the promotion of the just use of resources entrusted to us for the enhancement of human life.

## **COMMUNITY OF SERVICE**

We value a work climate of mutual trust and harmony that enables healing, collaboration and the fulfilment of human potential.

## **PRIDE OF ACHIEVEMENT**

We value our colleagues, our work and our accomplishments and take pride in bringing our rich tradition of hope and healing to every person whose life we touch.

For greater certainty, the Directors and the Members of the Hospital agree that the ethical and social teachings of the Catholic Church as updated from time to time and the Health Ethics Guide of the Catholic Health Alliance of Canada, as amended from time to time and as approved by the Canadian Conference of Catholic Bishops, all as interpreted by the Hospital, shall govern and regulate the management and operations of the affairs of the Hospital.

## PART I INTERPRETATION

### 1.1 Definitions

In this By-law and in any Rules and Regulations passed pursuant thereto:

- (a) “**Act**” means the *Public Hospitals Act* and the regulations made thereunder.
- (b) “**Associate(s)**”, in relation to an individual, means the individual’s parents, siblings, children, spouse or common-law partner, and includes any organization, agency, company or individual (such as a business partner) with a formal relationship to the individual.
- (c) “**Board**” means the Board of Directors of the Hospital, as constituted from time to time pursuant to the Act, the *Corporations Act*, and this By-law.
- (d) “**By-laws**” means this By-law Number One and By-law Number Two of the Hospital relating to the administration of the Hospital and the Medical Staff of the Hospital, as amended, repealed, modified or re-enacted from time to time.
- (e) “**Chair**” means the Chair of the Board of the Hospital.
- (f) “**CHCO**” means the Catholic Health Corporation of Ontario.
- (g) “**Director**” means a member of the Board of the Hospital, as identified in Section 5.2 hereof.
- (h) “**ex officio**” means membership “by virtue of the office” and includes all rights, responsibilities, and power to vote, unless otherwise specified.
- (i) “**Health Ethics Guide**” means the Health Ethics Guide of the Catholic Health Alliance of Canada, as amended from time to time, and as approved by the Canadian Conference of Catholic Bishops.
- (j) “**Hospital**” means the body corporate incorporated under the laws of the Province of Ontario under the name St. Michael's Hospital.
- (k) “**Members**” means the persons identified in Section 3.1 hereof.
- (l) “**President**” means the person appointed as such pursuant to Section 7.5 hereof.
- (m) “**Professional Staff**” means the Medical Staff, Dental Staff and Midwifery Staff to whom the Board has granted the privilege of attending patients in the

Hospital.

- (n) “**Sisters of St. Joseph**” means The Sisters of St. Joseph, for the Diocese of Toronto in Upper Canada.
- (o) “**University**” means the University of Toronto.

## 1.2 Interpretation

Where the context permits, words importing the singular shall include the plural and words importing the masculine gender shall include the feminine gender, and vice versa. The insertion of headings in this By-law is for convenience of reference only and shall not affect the interpretation thereof. For greater clarity, reference should be made to By-law Number Two for terms that may be used but are not defined in this By-law Number One.

## PART II ORGANIZATION

### 2.1 Purposes

St. Michael's Hospital was established by The Sisters of St. Joseph for the purpose of continuing Christ's mission of healing, according to the spirit of its motto, "Whatever you do to the least among you, you do to me." As an integral part of the health care service of the Province of Ontario, the Hospital shall strive for excellence in patient care, education, health promotion, and research appropriate to its responsibility to the communities it serves and to its role as a fully affiliated University hospital, providing a broad spectrum of health and education services. The Members are committed to fostering these purposes.

### 2.2 Seal

Until changed in accordance with the *Corporations Act*, the corporate seal of the Hospital shall be in the form impressed hereon. Unless otherwise expressly required by resolution of the Board, the seal may but need not be affixed to any document, agreement or instrument executed by or on behalf of the Hospital and no document, agreement or instrument shall be invalid by reason only that the seal has not been affixed thereto.

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### 2.3 Head Office

Until changed in accordance with the *Corporations Act*, the head office of the Hospital shall be in the City of Toronto in the Province of Ontario.

## **2.4 Financial Year End**

The financial year of the Hospital shall end on the 31st day of March in each year or such other date as may be established from time to time by regulation under the Act or any successor legislation.

## **2.5 Execution of Instruments**

Subject to Section 9.1 hereof, deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Hospital by:

- (a) any two Directors; or
- (b) by any one Director other than the President together with either the President or Chief Financial Officer; or
- (c) by the President together with the Chief Administrative Officer and Chief Financial Officer.

In addition, the Board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer may affix the corporate seal to any instrument. Any signing officer may certify a copy of any instrument, resolution, by-law or other document of the Hospital to be a true copy thereof.

## **2.6 Banking Arrangements**

The banking business of the Hospital or any part thereof shall be transacted with such banks, trust companies or other financial institutions as the Board may by resolution from time to time determine.

# **PART III MEMBERS**

## **3.1 Members**

The Members of the Hospital shall be those persons who from time to time hold the office of director of CHCO, so long as they hold such office.

## **3.2 Fees**

No membership fees shall be payable by the Members.

# **PART IV MEETINGS OF MEMBERS**

## **4.1 Annual and Other Meetings of Members**

The annual or any special meeting of the Members may be called by the chairperson of

CHCO, by any two Members or by the Chair or President. Any such meeting shall be held at the head office of the Hospital or such other place in Ontario and on such day as the notice of meeting shall specify provided that the annual meeting must be between the 1<sup>st</sup> day of April and the 31<sup>st</sup> day of July in each year.

#### **4.2 Reports and Statement to be Received at Annual Meeting**

At every annual meeting of the Members, in addition to any other reports and statements required by the *Corporations Act* or the Act to be presented, the following reports and statements shall be presented to the Members:

- (a) the report of the Board Chair;
- (b) the financial statements of the Hospital;
- (c) the report of the auditors; and
- (d) the report of the President.

#### **4.3 Business to be Conducted at Annual Meeting**

At every annual meeting of the Members, in addition to any other business that may properly be brought before the meeting, the following business shall be transacted:

- (a) the Directors to be elected or appointed pursuant to Sections 5.2 (a) (i) and 5.2 (a) (ii) hereof shall be elected or appointed; and
- (b) the auditor contemplated by Part VI of this By-law shall be appointed and its remuneration fixed or the Board shall be authorized to fix such remuneration.

#### **4.4 Notice**

Written notice of annual and special meetings of Members shall be given to each Member at least ten (10) days in advance of the meeting by sending it to the principal address of CHCO. Absent sufficient notice, if all Members are in attendance at any such meeting, or if those Members absent have signified their consent to the meeting being held in their absence, the meeting shall proceed. Notice of a special meeting of Members shall state the general nature of the matters to be considered at it. The auditor of the Hospital is entitled to receive all notices and other communications relating to any meeting of Members that any Member is entitled to receive.

#### **4.5 Chair**

The chairperson of CHCO shall, if present, be chair of all meetings of Members. In the absence of the chairperson of CHCO, such member of the board of directors of CHCO as shall be elected by the directors of CHCO shall act as chair.

#### **4.6 Adjournments**

The chair at a meeting of Members may, with the consent of the meeting and subject to

such conditions as the meeting may decide, adjourn any meeting to any time and from time to time and such business may be transacted at such adjourned meeting as might have been transacted at the original meeting from which such adjournment took place. No notice shall be required of any such adjournment. Such adjournment may be made notwithstanding that no quorum is present.

#### **4.7 Quorum of Members**

A quorum for the transaction of business at any meeting of Members shall consist of Fifty Percent (50%) of the Members, each of whom must be present in person.

#### **4.8 Voting of Members**

Each Member shall have one vote on each question arising at any annual or special meeting of the Members.

#### **4.9 Proxies**

No Member shall vote by proxy at any meeting of the Hospital.

#### **4.10 Show of Hands**

At all meetings of Members every question shall be decided by a majority of the votes of the Members present unless otherwise required by law. Every question shall be decided in the first instance by a show of hands unless after a show of hands, a poll be demanded by any Member. Upon a show of hands, every Member shall have one vote, and unless a poll be demanded, a declaration by the chair of the meeting that a resolution has been carried or not carried and an entry to that effect included in the minutes shall be admissible as evidence without proof of the number or proportion of votes.

#### **4.11 Casting Vote**

In case of an equality of votes at any meeting of Members, the chair of the meeting shall be entitled to a second or deciding vote.

#### **4.12 Persons Entitled to be Present**

The only persons entitled to attend a meeting of Members shall be those entitled to vote thereat, the auditor of the Hospital and others who, although not entitled to vote, are entitled or required under any provisions of the *Corporations Act*, or the Act or the letters patent or By-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

## **PART V DIRECTORS**

### **5.1 Directors**

The Board shall govern and oversee the management of the affairs of the Hospital in keeping with the philosophy, mission and values of the Hospital and subject to the powers

reserved to the Members by this By-law. Except to the extent permitted by this By-law, the Board shall not be entitled to devolve any of its duties or responsibilities to any other entity without the express written approval of the Members.

The Board may, from time to time, develop and adopt a policy setting out in greater detail its roles and responsibilities. Such a policy and all amendments thereto shall be subject to the express written approval of the Members.

## **5.2 Composition**

Until changed in accordance with the *Corporations Act*, the Board shall consist of twenty-eight Directors, the composition of which shall be as follows:

- (a) Eighteen (18) Directors shall be elected or appointed by the Members, or are otherwise affiliated with the Members, as hereinafter set forth:
  - (i) fifteen (15) individuals elected by the Members;
  - (ii) two (2) individuals appointed by the Members;
  - (iii) the Archbishop of Toronto or his delegate; and
- (b) Ten (10) *ex officio* Directors, as hereinafter set forth:
  - (i) the President;
  - (ii) the Chair and the Vice-Chair of the Medical Advisory Committee;
  - (iii) the President and Vice-President of the Medical Staff Association;
  - (iv) the President of St. Michael's Hospital Volunteer Association;
  - (v) the Dean of Medicine of the University of Toronto, or delegate;
  - (vi) the President of the University of Toronto, or delegate;
  - (vii) the Chair of the St. Michael's Hospital Foundation; and
  - (viii) the Chief Nursing Executive.

## **5.3 Quorum**

- (a) A quorum for any meeting of the Board shall consist of fifteen (15) Directors of the Board. In the event that there are less than nineteen (19) Directors present at a meeting of the Board, a majority of the Directors present must be Directors who joined the Board pursuant to subsection 5.2 (a) in order to meet quorum requirements.

- (b) A quorum for a meeting of any committee of the Board shall be a majority of the committee's Directors.
- (c) No Director who declares or is determined to have a Conflict of Interest with respect to a contract, transaction, matter or decision shall vote at or be present at the vote or during the discussions, or otherwise attempt to influence the voting, on a contract, transaction, matter or decision, nor shall the Director be counted in any required quorum with respect to the vote.

#### **5.4 Qualification**

Each Director shall be at least eighteen years of age, be mentally competent and not be an undischarged bankrupt. A Director need not be a Member. No member of the Professional Staff of the Hospital and no employee of the Hospital shall be eligible for election or appointment to the Board except where otherwise provided in this By-law.

#### **5.5 Vacation of Office**

In addition to Sections 5.8 and 5.10, the office of a Director of the Hospital shall be vacated if such Director:

- (a) becomes a bankrupt or is declared insolvent;
- (b) dies;
- (c) is found to be mentally incompetent or becomes of unsound mind; or
- (d) in the case of the *ex officio* Directors, ceases to hold the position as a result of which he became an *ex officio* Director.

#### **5.6 Election and Terms of Office**

The Directors shall be elected or appointed, as the case may be, in the following manner and for the following terms:

- (a) The remaining terms of the current Directors elected under the previous By-laws of the Hospital will continue under this By-law and also be credited toward the maximum period a Director may serve under Section 5.9 hereof.
- (b) The Governance and Nominating Committee shall assign terms to the first Directors elected under Section 5.2 (a) (i) to ensure that at least four (4) Directors retire each year, as required by the Act, and that no Director serves a term that is longer than three (3) years. Thereafter, on the expiry of each such Director's first term of office, his successor shall be elected for a three (3) year term. Each Director is eligible for re-election, not to exceed the maximum term limit set out in Section 5.9.
- (c) The Director or Directors:

- (i) appointed by the Members pursuant to Section 5.2 (a) (ii);
- (ii) acting as the delegate of the Archbishop of Toronto pursuant to Section 5.2 (a) (iii); and
- (iii) acting as the delegate of the President of the University of Toronto pursuant to Section 5.2 (b) (vi),

shall each serve for a term of two (2) years and shall be eligible for re-appointment on the expiration of their term. The Director acting as the delegate of the Archbishop of Toronto shall be subject to removal by the Members if the Archbishop requests that another person act as his delegate.

## **5.7 Vacancies**

The Members may at a special meeting of Members called for the purpose elect or appoint, as the case may be, a person to fill any vacancy among the Directors mentioned in Sections 5.2 (a) (i) and 5.2 (a) (ii). A Director so elected or appointed shall hold office for the unexpired portion of the term so vacated. For greater clarity, the unexpired portion of the term shall not count towards the calculation of any maximum term as set out in Section 5.9 hereof.

## **5.8 Removal of Directors**

The Members may, by resolution passed by at least two-thirds (2/3) of the votes at a special meeting of Members of which notice specifying the intention to pass such a resolution has been given, remove any Director elected pursuant to Section 5.2 (a) (i) before the expiration of such Director's term of office, and may, by majority of the votes cast at that meeting, elect any qualified person in the stead of such Director for the remainder of his term.

In consultation with the President of CHCO, the Chair of the Board may request the resignation of a Director who:

- (a) demonstrates a lack of interest or involvement in the activities of the Board (as evidenced by circumstances including but not limited to a failure by a Director to attend at least sixty per cent (60%) of Board and/or Board committee meetings in the course of one year); and/or
- (b) breaches his fiduciary duties to the Board and to the Corporation.

## **5.9 Maximum Terms**

No person may be elected or appointed a Director pursuant to Sections 5.2 (a) (i) and 5.2 (a) (ii) hereof for terms aggregating more than ten (10) consecutive years provided, however, that after an interruption of at least one (1) year such person may again be appointed a Director, and so on from time to time. Notwithstanding the maximum cumulative ten (10) year term, if a Director is elected to the position of the Chair or Vice-Chair, the maximum cumulative term for that Director shall be calculated by adding the maximum term for the Chair position to the time already served as a Director, even if this

figure exceeds ten (10) years.

### **5.10 Resignation**

A Director may resign from the Board at any time by giving written notice of resignation to the Chair. Such resignation shall be effective from the date of receipt of such notice by the Chair or from the date specified therein whichever shall be the later.

### **5.11 Minimum Meetings**

The Board shall meet at least eight (8) times a year at such times and at such place as may be determined by the Chair or by the President. Special meetings of the Board may be called by the chairperson of CHCO, the Chair or the Vice-Chair of the Board, the President or by any five (5) Directors.

Meetings of the Board or of any Board committee may be held by means of telephone, electronic, or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a person participating in such meeting by such means shall be deemed to be present at that meeting.

### **5.12 Notice**

Notice of all Meetings, shall be given to all Directors in writing at least five (5) days prior to the date of the meeting. A meeting may be called on less notice, by such means as are deemed appropriate, provided that all of the Directors consent to the holding of such meeting.

### **5.13 Persons Entitled to be Present**

Meetings of the Board shall be open to the public except for such meetings or such portions of any meeting as the Chair determines should have restricted attendance in which case persons other than Directors may attend such meetings or such portions only upon the invitation of the Chair or the President. Persons attending meetings of the Board who are not Directors shall be entitled to attend as observers but shall not be entitled to participate in discussion except as permitted by this By-law or by rules as may be established from time to time by the Board.

### **5.14 Voting**

Each Director present at a meeting of the Board shall be entitled to one (1) vote on each matter. A Director shall not be entitled to vote by proxy. Any question arising at any meeting of the Board or any committee of the Board shall be decided by a majority of votes.

Notwithstanding the foregoing or any provision to the contrary contained in the Hospital's By-laws,

- (a) all ex officio Directors who are members of the Board pursuant to 5.2 (b) (i), (ii), (iii) and (viii); and

- (b) any other member of the Board who is a Hospital employee or a member of the Hospital's Medical, Dental, Midwifery or Extended Class Nursing Staff,

shall at all times be non-voting members of the Board.

### **5.15 Casting Vote**

The Chair shall, in the case of an equality of votes, have a second or deciding vote.

### **5.16 Ballot**

The vote on any question shall be taken by secret ballot if so demanded by any Director present and entitled to vote. Such ballot shall be counted by the Chair of the meeting. Otherwise a vote shall be taken by a show of hands.

### **5.17 Chair's Declaration Conclusive**

A declaration by the Chair that a resolution has been carried by a particular majority, or not carried shall be conclusive.

### **5.18 Adjournment of Meeting**

If within one-half hour after the time appointed for a meeting of the Board a quorum is not present the meeting shall stand adjourned until a day, to be determined by the Chair, provided such date shall be no earlier than three (3) days after the originally appointed date and no later than the date of the next regularly scheduled meeting of the Board.

### **5.19 Notice of Adjourned Meeting**

At least three (3) days notice of such adjourned meeting shall be given by an appropriate means to each Director.

### **5.20 Conflict of Interest**

Any Director who is directly or indirectly interested in a contract or transaction, or a proposed contract or transaction with the Hospital, or who may reasonably be perceived to have such an interest, shall declare his interest and the nature and extent of such interest and shall refrain from voting on the contract or transaction, or proposed contract or transaction. Such declaration shall be made in accordance with the Conflict of Interest Policy adopted by the Board from time to time. If no Conflict of Interest Policy is in existence, disclosure shall be made in accordance with this Section 5.20.

In the case of a proposed contract or transaction, the Director shall declare his interest at the meeting of the Board during which the question of entering into the contract or transaction is first considered or, if he is not present at such meeting, then at the first Board meeting held thereafter. If the Director is not at the date of such meeting interested in the proposed contract or transaction, he shall make a declaration at the first Board meeting which is held after he became interested in the proposed contract or transaction, and in the case where the Director becomes interested in a contract or transaction after it is made, he shall make a declaration at the first Board meeting held after he becomes so

interested. For the purposes of this Section, a general notice given to the Board by a Director to the effect that he is a shareholder of or otherwise interested in any other company, or is a member of a specified firm and is to be regarded as interested in any contract made with such other company or firm shall be deemed to be a sufficient declaration of interest in relation to a contract or transaction so made but no such notice is effective unless it is given at a meeting of the Board or the Director takes reasonable steps to ensure that it is brought up and read at the next meeting of the Board after it is given.

A Director who has declared his interest in a contract or transaction, or a proposed contract or transaction, and who has not voted thereon shall not be accountable to the Hospital or its members or creditors for any profit resulting from such contract or transaction. The contract or transaction will not be voidable by reason only of the Director holding that office or of the fiduciary relationship established thereby.

Directors and their Associates shall not enter into any proposed contract or contract, or proposed transaction or transaction with the Hospital, except:

- (a) in accordance with relevant Hospital procurement policies; and
- (b) where the Director has declared any interest therein, and where he has absented himself from the meeting and where he has refrained from voting thereon.

### **5.21 Chair's Conflict**

If the Chair has a conflict of interest with respect to any matter, he shall promptly communicate such interest to the Vice-Chair of the Board and the President.

### **5.22 Protection of Directors, Officers, and Members**

To the extent permitted by law, no Director and no officer of the Hospital shall be liable for the acts, neglect or default of any other director or officer or employee or for joining in any act for conformity or for any loss, damage or expense happening to the Hospital through the insufficiency or deficiency of title to any property acquired by the Hospital or with the consent of the Board for or on behalf of the Hospital, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Hospital shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the monies, securities or effects of the Hospital shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from dealings with any money, security or other asset belonging to the Hospital or for any other loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same shall happen through his own wilful neglect, default or dishonest or fraudulent act or acts.

### **5.23 Indemnity of Directors, Officers and Members**

Every Director, officer (being those officers elected or appointed under Part VII hereof) and Member, and their heirs, executors, administrators, estates and effects, respectively, shall, from time to time and at all times, be indemnified and saved harmless by the Hospital out of the funds of the Hospital (whether or not covered by insurance) from and against:

- (a) all costs, charges and expenses whatsoever that such Director, officer or Member sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against him or it, for or in respect of any act, deed, matter or thing whatsoever made, done or permitted by him or it, in or about the execution of the duties of his or its office; and
- (b) all other costs, charges and expenses that he or it sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his or its own wilful neglect or default.

## **5.24 Insurance**

The Hospital may purchase and maintain such insurance for the benefit of its Directors, Officers, and Members as may be considered necessary and advisable.

## **5.25 Remuneration of Directors**

The Directors shall receive no remuneration for acting as such, but shall be entitled to reimbursement for any reasonable expenses incurred by them upon proof of such expenses.

## **5.26 Photographing Records**

The Board may establish a practice to be followed for the photographing of the medical records of patients and outpatients, after consideration of the recommendation of the Medical Advisory Committee in respect thereto.

## **5.27 Representation of CHCO at Board Meetings**

The president of CHCO, or at the option of the president of CHCO, a person designated by the president of CHCO, shall be sent notice of each meeting of the Board of the Hospital and all materials from time to time sent to the Directors of the Hospital at the same time as the same is sent to the Directors. Further, the president of CHCO, or at the option of the president of CHCO, a person designated by the president of CHCO, shall be entitled to attend each meeting of the Board, including any "in camera session", and to speak but not to vote thereat. The president of CHCO, or a person designated by the president of CHCO, shall also be sent, forthwith following each meeting of the Board, a copy of all material presented to the Directors at such meeting.

## **5.28 Confidentiality and Public Relations**

- (a) Every Director, Officer, member of the Professional Staff and employee of the Hospital shall respect the confidentiality of matters brought before the Board or before any committee, sub-committee or task force, or any matter dealt with in the course of the employee's employment or of the Professional Staff's activities in the Hospital.

- (b) The Chair of the Board is responsible for Board communications and may delegate authority to one or more Directors, Officers or employees of the Hospital to make statements to the news media or public about matters that the Chair determines appropriate for disclosure to the media.

## **PART VI AUDITOR**

### **6.1 Appointment of Auditor**

The person or firm appointed as an auditor shall not be a member of the Board or an officer or employee of the Hospital or be or include a partner or employee of any such person, but shall be duly licensed under the *Public Accounting Act, 2004* or any successor legislation. The auditor shall have all the rights and privileges as set out in the *Corporations Act* and shall perform the audit function as prescribed therein. In addition to making his annual report, the auditor may also from time to time report to the Board or Board committees on the audit work, making such recommendations as he considers necessary.

## **PART VII OFFICERS**

### **7.1 Chair of the Board**

The Chair shall be elected by a vote of a majority of the Board from among those of its members as are nominated by the Governance and Nominating Committee. However, no person may be elected or removed as Chair unless his nomination or removal is first approved by the Members. The Chair shall be elected annually and shall serve no more than three (3) consecutive years.

### **7.2 Duties of the Chair of the Board**

The Chair of the Board shall:

- (a) if present, preside at all meetings of the Board;
- (b) be an *ex officio* member of all committees of the Board, with the exception of the Medical Advisory Committee, but shall only count towards quorum if he is present;
- (c) recommend the establishment and membership of such other committees of the Board as he considers appropriate;
- (d) report to each Annual Meeting of the Members concerning the management and operations of the Hospital;
- (e) establish, in concert with the Board, a mechanism for the annual review of the President's performance;

- (f) endeavour to ensure the integrity and efficiency of the Board process by presiding in a manner which fairly but firmly directs the Board, promotes participation and adherence to the rules of order;
- (g) ensure that the actions of the Board are in accordance with the Hospital's mission and values;
- (h) report to the Board and ensure that the Board receives its minutes and committee minutes and any other relevant material necessary to fulfill the Board's governance responsibilities;
- (i) report regularly and promptly to the Board issues that are relevant to their governance responsibilities; and
- (j) have such other powers and duties as may from time to time be assigned to him by the Board.

### **7.3 Vice-Chair of the Board**

The Vice-Chair shall be elected by a vote of a majority of the Board from among those of its members as are nominated by the Governance and Nominating Committee. However, no person may be elected or removed as Vice-Chair unless his nomination or removal is first approved by the Members. The Vice-Chair shall be elected annually and shall serve no more than three (3) consecutive years.

### **7.4 Duties of the Vice-Chair of the Board**

The Vice-Chair of the Board shall:

- (a) assist the Chair and have all the powers and perform all the duties of the Chair in the absence or disability of the Chair; and
- (b) perform such other duties as may be assigned from time to time by the Board or the Chair.

### **7.5 President**

The President, who shall be the Chief Executive Officer and administrator of the Hospital, shall be appointed by the Board and shall serve during the pleasure of the Board.

Whenever it is appropriate to appoint a new President, the Board shall appoint a search committee from among its Directors, one of whom shall be the president of CHCO or his nominee. The search committee shall present to the Members the names of the nominees and a profile of such persons. The person to be recommended to the Board for appointment as President shall be selected by the search committee from the nominees who are acceptable to the Members.

### **7.6 Duties of the President**

The President shall:

- (a) be responsible for the general administration, organization and management of the Hospital;
- (b) be responsible for the due observance and enforcement of the *Act*, the regulations made thereunder, and the By-laws, rules and regulations of the Hospital and all other statutory and regulatory requirements;
- (c) encourage and promote a dedication among all members of the Hospital staffs to achieve excellence in patient care, teaching and research, and to maintain a high standard of ethics;
- (d) establish appropriate systems and structures 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;
- (e) establish an organizational structure to ensure accountability of all departments and staff for fulfilling the mission, objectives and strategic plan of the Hospital;
- (f) endeavour to preserve and advance the philosophy, mission and values of the Hospital as stated in this By-law;
- (g) be the officer representing the Hospital with whom the Minister, inspectors and officers of the Ministry of Health and Long-Term Care, Local Health Integration Networks, representatives of the University, the College of Physicians and Surgeons of Ontario, the College of Nurses of Ontario and any other person or body having business with the Hospital, shall deal;
- (h) be a Director and attend meetings of the Board;
- (i) be an *ex officio* member of all committees of the Board, with the exception of the Medical Advisory Committee, but shall only count towards quorum if he is present;
- (j) appoint such persons as he deems expedient to assist him in carrying out his duties and responsibilities;
- (k) appoint someone to discharge his duties when he is absent from the Hospital;
- (l) appoint, evaluate and terminate senior executive staff of the Hospital, and report to the Board of Directors thereon;
- (m) reassess periodically and when appropriate recommend to the Board of Directors changes to the organizational structure of the Hospital;

- (n) participate in the development and annual review of a position description outlining more fully the accountabilities of the President;
- (o) participate with the Chair in the development of a system for annual performance reviews for the President; and
- (p) perform such other duties as may be directed from time to time by the Board.

### **7.7 Secretary**

The President, or his delegate, shall serve as secretary of the Board and shall:

- (a) ensure that proper minutes are recorded for all meetings of the Board and its committees;
- (b) give or cause to be given, all notices required to be given to members, directors, auditors and members of committees provided that the validity of any notice shall not be affected by the fact it is given by someone other than the Secretary;
- (c) subject to any specific appointment to the contrary, be the custodian of the corporate seal and of all books, paper records, documents and other instruments of the Hospital; and
- (d) perform such other duties as may be required from time to time by the Board.

### **7.8 Other Officers**

The Board may appoint such other officers and/or agents as the Board shall from time to time deem advisable. The duties of any such other officers and/or agents shall be as from time to time established by the Board.

## **PART VIII COMMITTEES**

### **8.1 Establishing Committees**

The Board may establish such committees as may from time to time be required to help it manage its roles and responsibilities and to disband such committees as it concludes are no longer required.

### **8.2 Constitution of Committees**

The Board shall annually ensure that each committee and any sub-committees it establishes has specific terms of reference outlining function, membership and frequency of meetings. The terms of reference for committees and sub-committees may provide for the inclusion of special advisors, serving as voting associate members, who have demonstrated experience and expertise in the activities of the relevant committee or sub-committee.

### **8.3 Membership Requirement**

At least two members of each committee of the Board shall be Directors who joined the Board pursuant to Section 5.2 (a) hereof.

### **8.4 Chairs**

The Chair of the Board shall appoint the chairs of all committees unless otherwise specifically provided in this By-law. All chairs of committees shall be Directors who joined the Board pursuant to Section 5.2 (a) hereof.

### **8.5 Governance and Nominating Committee**

There shall be a Governance and Nominating Committee consisting of at least three (3) Directors elected by the Board annually from among its members, including at least two (2) Directors who joined the Board pursuant to Section 5.2 (a) hereof.

### **8.6 Duties of the Governance and Nominating Committee**

The Governance and Nominating Committee shall:

- (a) prepare a list of prospective directors, including a profile on any such persons, for presentation to the Members;
- (b) prepare a list of nominees to such committees as may be requested by the Chair;
- (c) perform such other duties as are from time to time assigned to it by the Board; and
- (d) prepare lists of nominees as may be required by this By-law.

### **8.7 Governance and Nominating Committee as Executive Committee**

The Governance and Nominating Committee shall have the authority to act as the Executive Committee of the Board, as provided under the *Corporations Act*. As such, the Governance and Nominating Committee may, subject to any restrictions or limitations established by the Board, by statute or by law, exercise the full powers of the Board in all matters of emergency and any decision-making duties or responsibilities delegated to the Executive Committee from time to time by the Board, but shall report all such matters to the Board at its next meeting. Any decision taken by the Governance and Nominating Committee, acting as an Executive Committee, shall require that it be made by a majority of Directors who joined the Board pursuant to Section 5.2 (a) hereof.

### **8.8 Medical Advisory Committee**

There shall be a Medical Advisory Committee established in accordance with the Medical Staff By-law.

## **8.9 Participation of Nurses**

- (a) The Chief Nursing Executive shall be the most senior nurse at the Hospital. Subject to the authority of the President, the Chief Nursing Executive shall have the direct responsibility to oversee nursing practice, nursing education and nursing research at the Hospital, and shall be responsible to the President for taking such action as she/he considers necessary to ensure compliance with all legislative and regulatory requirements.
- (b) Nurse/Managers and Nurse/Staff shall participate in decision-making related to administrative, financial, operational and planning matters through representation on such committees as may be designated by the Board or as may be otherwise specifically provided in this By-law.
- (c) The President shall be entitled to appoint Nurse/Managers to such committees as the President may deem appropriate.
- (d) The Board shall provide a procedure for the election by the persons who qualify as Nurse/Staff of a representative on such committees as may be determined by the Board as being a committee that is to have such a person as one of its members.

## **8.10 Representation of CHCO on Committees**

The president of CHCO or, at the option of the president of CHCO, a person designated by the president of CHCO, shall be entitled to participate (but shall not be entitled to vote) as a member of such committees of the Hospital as shall from time to time be established by the Board, (including the Governance and Nominating Committee), and as CHCO shall from time to time designate to the President of the Hospital. Each such committee from time to time so designated shall, by reason of such designation, be expanded to include the president or, at the option of the president of CHCO, a person designated by the president of CHCO. This section shall apply to the composition of the committees of the Hospital notwithstanding any provision to the contrary contained in the By-laws.

## **PART IX BORROWING, INVESTMENTS AND LIMITATIONS ON ACQUISITIONS AND DISPOSITIONS OF PROPERTY**

### **9.1 Limits on Acquisitions and Dispositions**

Notwithstanding Section 5.1 hereof, the Board shall not purchase, lease, or otherwise acquire, alienate, hypothecate, mortgage, pledge, sell, exchange, or otherwise dispose of lands, buildings, securities or any other property, moveable or immoveable, real or personal or any right or interest therein held by the Hospital:

- (a) that is acquired, alienated, hypothecated, mortgaged, pledged, sold, exchanged or otherwise disposed out of the ordinary course of business; or

- (b) that has, at the time of the acquisition, alienation, hypothecation, mortgage, pledge, sale, exchange or other acquisition a fair market value greater than Two Million dollars (\$2,000,000.00) or such greater or lesser amount (the "**Designated Amount**") as shall from time to time in writing be specified to the Chair by the Members,

without securing the prior written approval of the Members.

## **9.2 Borrowing**

The Board shall not, without the prior written approval of the Members, incur on behalf of the Hospital any material debt or obligation, issue bonds or debentures or undertake any major construction programs, including any debt or obligation, bonds or debentures with a fair market value greater than the Designated Amount and any construction program with an estimated cost in excess of the Designated Amount, or multiple projects which have an aggregate value in excess of the Designated Amount.

## **9.3 Investments**

The Board is authorized to make or receive any investments which the Board in its discretion considers advisable and which is consistent with the investment policy from time to time adopted by the Board without being restricted to investments authorized by the *Trustee Act* or otherwise by law for trustees.

## **9.4 Disposition of Property on Dissolution**

Upon the dissolution of the Hospital and after the payment of all debts and liabilities, its remaining property shall be distributed or disposed of to charitable organizations registered under the *Income Tax Act* (Canada) that carry on their work solely in Canada, to be used for the purpose of Catholic health care in Ontario.

# **PART X NOTICES**

## **10.1 Notice**

Whenever under the provisions of the By-laws of the Hospital notice is required to be given, unless otherwise provided herein, such notice may be given in writing and delivered or sent by prepaid registered mail, by electronic mail, by personal courier, or by facsimile transmission (provided sender obtains evidence or verification of transmission) addressed to the Director, officer, Member or auditor at the address or the facsimile number, as the case may be, as the same appears on the books of the Hospital. If any notice is delivered or sent by facsimile transmission, it shall be conclusively deemed to have been received at the time of delivery of transmission. For the purpose of sending any notice, the address or the facsimile number, as the case may be, of any Member, Director, officer or auditor shall be the last address or facsimile number, as the case may be, of such person recorded on the books of the Hospital. Any person entitled to receive any such notice may waive such notice either before or after the meeting to which such notice refers. Attendance and

participation at a meeting constitutes waiver of notice.

## **10.2 Computation of Time**

In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

## **10.3 Omissions and Errors**

The accidental omission to give any notice to any Member, Director, officer or the auditor of the Hospital or the non-receipt of any notice by any Member, Director, officer or the auditor of the Hospital or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

## **10.4 Waiver of Notice**

Any Member, Director, officer or the auditor of the Hospital may waive any notice required to be given to him under any provision of the Act, the *Corporations Act* or the letters patent or the By-laws of the Hospital, and such waiver, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in giving such notice.

# **PART XI ADOPTIONS AND AMENDMENT**

## **11.1 Repeal**

All previous By-laws of the Hospital be repealed as of the coming into force of this By-law, provided that such repeal shall not affect the previous operation of any By-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred thereunder or the validity of any contract or agreement made pursuant to any such By-law prior to its repeal. All offices and persons acting under any By-law so repealed shall continue to act as if appointed by the Directors under the provisions of this By-law or the *Corporations Act* until their successors are appointed. All Directors elected under any By-law so repealed shall continue in office as if elected by the Members under the provisions of this By-law or the *Corporations Act*, until their successors are elected.

## **11.2 Coming into Force**

This By-law shall come into force on the date of its confirmation by the Members, following its adoption by the Board.

## **11.3 No Invalidation**

Neither the enactment of this By-law nor the automatic repeal of the former By-laws of the Hospital shall invalidate any past act of any Director, Officer, Member, or other person, including, without limitation, resolutions of the Board or of the Members enacted or passed pursuant to the former By-laws, it being the intention that this By-law shall speak only from

the date when the same is effective, without in any way affecting any resolution duly passed or any act done or any right, existing, acquired, established, accruing, or accrued under the former By-laws.

#### **11.4 Amendment**

Subject to the provisions of the *Corporations Act*, this By-law may be amended by the Board, but no portion of any such amendment shall be effective until confirmed by the Members at a meeting duly called for that purpose. Any such amendment must be passed by the majority required by the Letters Patent of the Corporation and by the *Corporations Act*.

#### **11.5 Notice of Proposed Amendment**

Where it is intended to amend this By-law at a meeting of the Board, written notice of such intention shall be sent by the Secretary to each Director at his address as shown on the records of the Corporation by ordinary mail not less than ten (10) days before the meeting. Where the notice of intention required by this Section 11.5 is not provided, any proposed amendment to the By-law may nevertheless be moved at the meeting and discussion and voting thereon adjourned to the next meeting, for which no notice of intention need be given.

#### **11.6 Confirmation by Members**

The Members may at the meeting held to confirm any proposed amendment contemplated by Section 11.4 hereof confirm, reject or amend any By-law passed by the Board and submitted to the meeting for confirmation. If such By-law is rejected it shall not become effective and, if amended it shall, take effect as amended. Any such rejection or amendment must be passed by the majority required by the Letters Patent of the Corporation and by the *Corporations Act*.

#### **11.7 Effect of Actions**

In any case of rejection, amendment, or refusal to approve an amendment to this By-law in force and effect in accordance with any section of this Part XI, no act done or right acquired under any such By-law shall be prejudicially affected by any such rejection, amendment or refusal to approval.