

# **CASEY HOUSE FOUNDATION**

## **BY-LAWS**

Approved by the Board of Directors on June 16, 2010

## TABLE OF CONTENTS

<b>ARTICLE 1. DEFINITIONS AND INTERPRETATION .....</b>	<b>1</b>
1.01    DEFINITIONS .....	1
1.02    INTERPRETATION.....	3
1.03    MEETING PROCEDURES .....	3
<b>ARTICLE 2. OBJECTS OF THE CORPORATION .....</b>	<b>6</b>
2.01    OBJECTS OF THE CORPORATION .....	6
<b>ARTICLE 3. MEMBERSHIP OF THE CORPORATION .....</b>	<b>6</b>
3.01    MEMBERSHIP CATEGORIES .....	6
3.02    HONORARY .....	6
3.03    RESIGNATION .....	6
3.04    TERMINATION OF MEMBERSHIP .....	6
<b>ARTICLE 4. ANNUAL AND SPECIAL MEETINGS OF MEMBERS OF THE CORPORATION .....</b>	<b>6</b>
4.01    ANNUAL MEETINGS – TIME AND PLACE .....	6
4.02    NOTICE.....	6
4.03    ANNUAL MEETINGS BUSINESS .....	7
4.04    SPECIAL MEETINGS .....	7
4.05    SPECIAL MEETINGS – NOTICE .....	8
4.06    QUORUM .....	8
4.07    CHAIR .....	8
4.08    ADJOURNED MEETING .....	8
4.09    WRITTEN RESOLUTIONS AND BY-LAW .....	8
4.10    FINANCIAL YEAR END .....	8
<b>ARTICLE 5. BOARD OF DIRECTORS.....</b>	<b>8</b>
5.01    BOARD OF DIRECTORS COMPOSITION .....	8
5.02    NON-VOTING DIRECTORS .....	8
5.03    QUALIFICATION OF DIRECTORS.....	9
5.04    TERMINATION OF OFFICE .....	9
<b>ARTICLE 6. RESPONSIBILITIES OF THE BOARD AND INDIVIDUAL DIRECTORS.....</b>	<b>9</b>
6.01    STANDARD OF CARE .....	9
6.02    CONFLICT OF INTEREST .....	9
6.03    CONFIDENTIALITY/PUBLIC RELATIONS .....	11
6.04    REMUNERATION OF DIRECTORS .....	11
6.05    ROLES OF THE BOARD .....	12
6.06    PERFORMANCE EXPECTATIONS OF EACH DIRECTOR .....	13
<b>ARTICLE 7. REGULAR AND SPECIAL MEETINGS OF THE BOARD.....</b>	<b>14</b>
7.01    REGULAR MEETINGS .....	14
7.02    SPECIAL MEETINGS .....	14
7.03    NOTICE OF REGULAR AND SPECIAL MEETINGS .....	14
7.04    QUORUM .....	14
7.05    CHAIR OF BOARD MEETINGS.....	14
7.06    PROCEDURES FOR BOARD MEETINGS.....	14
7.07    RULES OF ORDER .....	15
<b>ARTICLE 8. OFFICERS .....</b>	<b>15</b>
8.01    OFFICERS .....	15
8.02    DUTIES OF THE CHAIR OF THE BOARD.....	15
8.03    DUTIES OF THE VICE-CHAIR OF THE BOARD .....	16
8.04    DUTIES OF THE TREASURER .....	16
8.05    DUTIES OF THE SECRETARY .....	16
8.06    APPOINTMENT OF THE CHIEF EXECUTIVE OFFICER .....	17
8.07    DUTIES OF THE CHIEF EXECUTIVE OFFICER .....	17
<b>ARTICLE 9. INDEMNIFICATION OF DIRECTORS AND OFFICERS .....</b>	<b>17</b>
9.01    INDEMNITY.....	17

9.02	INDEMNIFICATION OF EMPLOYEES .....	18
9.03	INSURANCE .....	18
<b>ARTICLE 10. COMMITTEES OF THE BOARD .....</b>		<b>18</b>
10.01	ESTABLISHMENT OF COMMITTEES .....	18
10.02	PROCEDURAL RULES FOR COMMITTEES .....	18
10.03	GOVERNANCE COMMITTEE .....	19
10.04	FINANCE COMMITTEE .....	19
10.05	AUDIT COMMITTEE .....	19
10.06	FOUNDATION COMMITTEE .....	20
10.07	NON-DIRECTORS ON COMMITTEES .....	20
<b>ARTICLE 11. FINANCIAL MATTERS .....</b>		<b>21</b>
11.01	BONDING – FIDELITY INSURANCE .....	21
11.02	AUTHORIZED SIGNING OFFICERS .....	21
11.03	BANKING AND BORROWING .....	21
11.04	SEAL 22	
11.05	INVESTMENTS .....	22
11.06	DONATIONS .....	22
11.07	AUDITOR .....	22
11.08	FISCAL YEAR .....	22
<b>ARTICLE 12. ENACTMENT, REPEAL AND AMENDMENT OF BY-LAWS .....</b>		<b>22</b>
12.01	AMENDMENT .....	22
12.02	NOTICE .....	23
12.03	EFFECTIVE DATE .....	23
12.04	APPROVAL BY MEMBERS .....	23
12.05	REJECTION .....	23

## **ARTICLE 1. DEFINITIONS AND INTERPRETATION**

### **1.01 Definitions**

In this By-Law, the following words and phrases shall have the following meanings, respectively:

- (a) “**Act**” means the *Corporations Act* (Ontario) and, where the context requires, includes the regulations made under it;
- (b) “**Associates**” where used to indicate a relationship with any person, means:
  - (i) any partner of that person;
  - (ii) any trust or estate in which the person has a substantial beneficial interest or as to which the person serves as trustee or in a similar capacity;
  - (iii) the person’s spouse or same-sex partner or any relative of the person; or
  - (iv) any relative of the spouse or same-sex partner of the person;
- (c) “**Board**” means the board of directors of the Corporation;
- (d) “**By-Laws**” means any by-laws of the Corporation from time to time in effect, including this By-Law No. 1;
- (e) “**Chair of the Board**” means the chair of the Board of Directors of the Corporation who shall also be President of the Corporation;
- (f) “**Chief Executive Officer**” means the senior employee of the Corporation appointed by the Board to manage and administer the day-to-day affairs of the Corporation. The Chief Executive Officer shall also be the chief executive officer of the Foundation;
- (g) “**Committee**” means a committee of the Board or as otherwise specified in this By-Law;
- (h) “**Conflict of Interest**” includes, without limitation, the following three areas that may give rise to a conflict of interest for any of the Directors, namely:
  - (i) Pecuniary or Financial Interest – a Director is said to have a pecuniary or financial interest in a decision when the Director (or his/her Associates) stands to gain by that decision, either in the form of money, gifts, favours, gratuities or other special considerations;
  - (ii) Undue Influence – a Director’s participation or influence in Board decisions that selectively and disproportionately benefits particular agencies, companies, organizations, municipal or professional groups, or customers or stakeholders of the Corporation from a particular demographic, geographic, political, socio-economic, cultural or other group is a violation of the Director’s entrusted responsibility to act in the best interests of the Corporation as a whole; and
  - (iii) Adverse Interest – a Director is said to have an adverse interest to the Corporation when he/she is a party to a current, pending or threatened claim, application or proceeding against the Corporation;
- (i) “**Corporation**” means the Case House Foundation;
- (j) “**Corporations Act**” means the *Corporations Act* (Ontario), and, where the context requires, includes the Regulations made under it;
- (k) “**Director**” means a member of the Board;
- (l) “**ex officio**” means membership “by virtue of office” and includes all rights, responsibilities and power to vote, unless otherwise expressly specified in this By-Law;

- (m) **“Excluded Person”** means:
  - (i) any member of the Medical Staff other than the Medical Director;
  - (ii) any employee other than the Chief Executive Officer; and
  - (iii) any Associate of a member of the Medical Staff or employee of the Corporation;
- (n) **“Financial Expertise”** means an individual with past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication;
- (o) **“Financially Literate”**: an individual is financially literate if he/she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements;
- (p) **“Foundation”** means the Casey House Foundation;
- (q) **“Head Office”** means the head office of the Corporation at 119 Isabella Street, Toronto, Ontario, or such other place as the Board determines by Special Resolution from time to time;
- (r) **“Hospice”** means the Casey House Hospice Inc.;
- (s) **“Letters Patent”** means the letters patent incorporating the Corporation dated December 6, 1998 and any supplementary letters patent of the Corporation;
- (t) **“Medical Director”** means the Physician selected by the Board to assist St. Michael’s Hospital’s Medical Advisory Committee and the Health Services Advisory Committee in discharging the Board’s oversight of the quality of care delivered by the Medical Staff of the Hospice;
- (u) **“Medical Staff”** means those Physicians who are granted privileges to practise medicine in the Hospice by St. Michael’s Hospital;
- (v) **“Member”** means a member of the Corporation;
- (w) **“Officer”** means those officers of the Corporation set out in section 8.01;
- (x) **“Patient”** means, unless otherwise specified, any “in-patient” or “out-patient” of the Corporation;
- (y) **“Performance Metrics”** means the Board approved organization performance metrics that provide an overview of the organization performance in achieving financial and human resource targets and such other performance metrics that the Board may approve from time to time;
- (z) **“Physician”** means a medical practitioner in good standing with the College of Physicians and Surgeons of Ontario;
- (aa) **“Policies”** means the Board administrative and governance policies;
- (bb) **“Show of Hands”** includes the polling of those participating in the meeting through teleconference and other acceptable electronic means.
- (cc) **“Special Resolution”** means a resolution passed by the Directors and confirmed with or without variation by at least two thirds (2/3) of the votes cast at a special meeting of the Members duly called for that purpose or at an annual meeting of the Members, or in lieu of such confirmation, by consent in writing of all Members entitled to vote at such meeting.

## 1.02 **Interpretation**

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

- (a) Words importing the singular number include the plural and vice versa; words importing the masculine gender include the feminine and vice versa; and words importing persons include individuals, corporations, partnerships, trusts and unincorporated organizations.
- (b) The headings used in this By-Law are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions hereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.
- (c) Any references in this By-Law to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed to reference it as amended or re-enacted from time to time or to reference any successor to it.

## 1.03 **Meeting Procedures**

- (a) Any Director, Officer, or employee, as the context requires, may participate in a meeting of the Board or of a Committee by means of telephone conference or electronic or other communication facilities, provided the facilities permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. A person participating in such a meeting by such means is deemed, for the purposes of the Act and this By-Law, to be present in person at the meeting.
- (b) The public is allowed to attend any meeting of the Board. The public is not entitled to vote or make motions. Questions may be submitted in advance for consideration by the Chair of the Board. The Chair of the Board may recognize a member of the public when he/ she considers appropriate.
- (c) Notwithstanding any other provision in this By-Law, the Board may, at its option and without notice, choose to hold all or any part of a Board meeting *in camera*, if the subject matter under consideration involves:
  - (i) the disclosure of intimate, personal or financial information in respect of an employee or prospective employee; a member of the Medical Staff; a patient; or a Director, Officer or Committee member of the Foundation or the Hospice;
  - (ii) the acquisition or disposal of real estate;
  - (iii) the deliberations or decisions in respect of negotiations with employees of the Foundation, the Hospice or members of the Medical Staff;
  - (iv) any legal proceeding or potential legal proceeding affecting the Foundation or the Hospice;
  - (v) instructions given to or opinions received from professional advisors (e.g., lawyers, auditors, architects, etc.) to the Foundation or the Hospice; or
  - (vi) such other matter deemed by the Chair of the Board to be of a sensitive or confidential nature.
- (d) A By-Law or resolution in writing and distributed to all the Members or Directors by email or ordinary mail and signed (either in handwritten form or by return email) by at least three quarters (3/4) of the Members or Directors entitled to vote

on that By-Law or resolution at a meeting of Members or Directors, respectively, is as valid as if it had been passed at a meeting of Members or Directors, respectively.

- (e) Subject to paragraph (b) above, business arising at any meeting of the Corporation, the Board or any Committee established pursuant to this By-Law shall be decided by a majority of votes, unless otherwise required by:
  - (i) the Act; or
  - (ii) the rules of procedure selected by the Corporation for such meetings.
- (f) Voting shall take place as follows:
  - (i) Except as provided in this By-Law, each Member, each Director and each Committee member shall be entitled to one (1) vote at any meeting of the Corporation, Board or Committee, respectively.
  - (ii) Votes shall be by Show of Hands, among all Members and Directors entitled to vote. In the event of a tie the motion is lost, subject to the chair's right to cast a second or tie-breaking vote at a meeting of the Members of the Corporation pursuant to paragraph 4.07(b).
  - (iii) An abstention shall not be considered a vote cast.
  - (iv) After a Show of Hands has been taken on any question, the chair of the meeting may require, or any person entitled to vote on the question may demand, a poll thereon. A poll so required or demanded shall be taken in such manner as the chair of the meeting shall direct. A demand for a poll may be withdrawn at any time prior to the taking of the poll. Upon a poll, each individual shall have one (1) vote and the result of the poll shall be the decision of the Members, the Board or the Committee, as the case may be.
  - (v) Whenever a vote by Show of Hands shall have been taken on a question, unless a poll is required or demanded, a declaration by the chair of the meeting that a resolution, vote or motion has been carried and an entry to that effect in the minutes shall be admissible in evidence as prima facie proof of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution, vote or motion.
- (g) Minutes shall be kept for all meetings of the Corporation, the Board or any Committee, and shall be approved at the next meeting of the Corporation, the Board or the Committee, as the case may be.
  - Minutes of the *in camera* portion of Board meetings will be sequestered as "*in camera*"
- (h) The declaration of the Secretary or Chair of the Board that notice has been given pursuant to this By-Law shall be sufficient and conclusive evidence of the giving of such notice.
- (i) No error or omission in giving notice for a meeting of the Board or of any Committee shall invalidate such meeting or invalidate or make void any proceedings taken or had at such meeting.
- (j) Any Member, Director or Committee member may at any time waive notice of any meeting of the Members, the Board or a Committee, as the case may be, and may ratify and approve any or all proceedings taken or had at that meeting.
- (k) Any questions of procedure at or for any meetings of the Corporation, of the

Board, or of any Committee that have not been provided for in this By-Law or by the Act shall be determined by the chair of the meeting in accordance with the rules of procedure adopted by resolution of the Board from time to time. During any period of time that the Board has not adopted rules of procedure, a simple majority vote in support of the chair's ruling will enable a ruling to stand.

**ARTICLE 2. OBJECTS OF THE CORPORATION**

**2.01 Objects of the Corporation**

The objects of the Corporation as contained in the Letters Patent are to receive and maintain a fund or funds and to apply from time to time all or part thereof and/or the income therefrom exclusively for charitable purposes carried on by, in connection with, in relation to, for the benefit of or to enhance or improve the services provided by or the facilities of, Casey House Hospice Inc., a registered charitable organization incorporated pursuant to the laws of Ontario, provided that Casey House Hospice Inc., continues to be a registered charity pursuant to the provisions of the *Income Tax Act* (Canada).

**ARTICLE 3. MEMBERSHIP OF THE CORPORATION**

**3.01 Membership Categories**

Those persons who have been admitted as members of the Casey House Hospice Inc. shall be admitted by resolution of the Board as Members of the Corporation.

**3.02 Honorary**

The Board may, from time to time, by resolution admit persons as honorary members for such term of honorary membership as the Board determines. Honorary members shall not be eligible to vote.

**3.03 Resignation**

A Member may resign from the Corporation by delivering a written resignation to the Secretary. A resignation shall be effective at the time it is received by the Secretary of the Corporation or at the time specified in the resignation, whichever is later.

**3.04 Termination of Membership**

- (a) The interest of a Member in the Corporation is not transferable and lapses and ceases to exist:
- (i) upon the death or dissolution of the Member;
  - (ii) when the Member ceases to be a Member by resignation;
  - (iii) when the Member ceases to be a Member of Casey House Hospice Inc.; or
  - (iv) when the Member ceases to be a Director
- provided, however, that the membership of any Director shall not be terminated unless such Director has first resigned or been removed as a Director pursuant to article 5.08.

**ARTICLE 4. ANNUAL AND SPECIAL MEETINGS OF MEMBERS OF THE CORPORATION**

**4.01 Annual Meetings – Time and Place**

The annual meeting of Members shall be held at the Head Office of the Corporation or at any place in Ontario as the Board determines between April 1st and July 31st in each year on a date fixed by the Board.

**4.02 Notice**

- (a) Notice of the annual meeting of the Corporation shall be given by one of the following methods:
- (i) to each Member by prepaid mail at least ten (10) days in advance of the meeting by sending it to the last address as shown on the records of the Corporation; or
  - (ii) to each Member by electronic communication (including facsimile or e-mail) at least ten (10) days in advance of the meeting by sending it to the last electronic communication address provided by the Member, but only

if the Member has expressly consented to receiving notices in such manner; or

- (iii) In lieu of the notice options set out above, it is sufficient notice of any annual or special meeting of Members of the Corporation if notice is given by publication, at least once a week for two successive weeks next preceding the meeting, in a newspaper or newspapers circulated in the municipalities in the municipality of Toronto.
- (b) Attendance of any Member at a meeting of Members shall constitute a waiver of notice of the meeting, except where such Member attends such meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.
- (c) The notice of an annual meeting shall contain sufficient information concerning any special business (see paragraph 4.04(b)) to permit the Member to form a reasoned judgement on the decision to be taken.

#### **4.03 Annual Meetings Business**

- (a) The general business transacted at the annual meeting of the Corporation shall include:
  - (i) approval of the minutes of the previous annual meeting;
  - (ii) reading and/or the circulation of:
    - (A) report of the unfinished business from any previous meeting of the Corporation;
    - (B) reports of the Chair of the Board and the Chief Executive Officer;
    - (C) report of the auditor, including presentation of audited financial statements and entering of the auditor's certificate into the record;
  - (iii) report of the Governance Committee;
  - (iv) the election of Directors; and
  - (v) appointment of the auditor, licensed under the Public Accountancy Act (Ontario), to hold office until the next annual meeting, and authority of Directors to fix the remuneration of the auditor.
- (b) Special business transacted at an annual meeting requires specific advance notice and may include:
  - (i) Special Resolutions; or
  - (ii) such other items of business identified in the notice of annual meeting.

#### **4.04 Special Meetings**

- (a) The Chair of the Board may call a special meeting of the Corporation.
- (b) Not less than one tenth (1/10) of the voting Members of the Corporation may, in writing, requisition the Directors to call a special meeting of the Members. Such a meeting can be called for any purpose connected with the affairs of the Corporation that is properly within the purview of the Members' role in the Corporation and that is not inconsistent with the Act. The requisition shall be deposited at the Head Office of the Corporation, may consist of several similar documents, each signed by one or more Members, and shall identify the purpose of the proposed meeting.
- (c) If the Directors, acting in their sole discretion, determine that the requisition:
  - (i) meets the qualifications set out in paragraph 4.04(b), the Directors shall call and hold such meeting within twenty-one (21) days from the date of

- the deposit of the requisition; or
- (ii) does not meet the qualifications set out in paragraph 4.04(b), the Directors shall provide the requisitioning Members with written notice of their determination within twenty-one (21) days from the date of the deposit of the requisition.

**4.05 Special Meetings – Notice**

- (a) Notice of a special meeting shall be delivered in the same manner as notice for an annual meeting.
- (b) The notice of a special meeting shall state the purpose for which it is called.

**4.06 Quorum**

A quorum for an annual or special meeting of the Corporation shall be a majority of the voting members.

**4.07 Chair**

- (a) The chair of a meeting of the Corporation shall be:
- (i) the Chair of the Board;
- (ii) the Vice-Chair, if the Chair of the Board is absent or is unable to act;
- (iii) a chair elected by the voting Members present if the Chair of the Board and Vice-Chair are absent or are unable to act. The Secretary shall preside at the election of the chair, but if the Secretary is not present, the Directors, from those present, shall choose a Director to preside at the election; or
- (iv) if no Director is present or if all the Directors present decline to take the chair, then the persons who are present and entitled to vote shall choose one of their number to be the chair.
- (b) In the event of a tie vote at a meeting of the Members, the chair of the meeting shall be entitled, by virtue of the Act, to a second or tie-breaking vote.

**4.08 Adjourned Meeting**

- (a) If, within one-half (1/2) hour after the time appointed for a meeting of the Corporation, a quorum is not present, the meeting shall stand adjourned until a day within two (2) weeks to be determined by the chair.
- (b) At least forty-eight (48) hours' notice of the adjourned meeting shall be given in a manner contemplated by section 4.02.

**4.09 Written Resolutions and By-Law**

Any resolution or By-Law passed at any time during the Corporation's existence may, in lieu of confirmation at a meeting, be confirmed in writing by all the Members entitled to vote at such meeting.

**4.10 Financial Year End**

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

**ARTICLE 5. BOARD OF DIRECTORS**

**5.01 Board of Directors Composition**

The affairs of the Corporation shall be governed by a Board consisting of seventeen (17) Directors, the members of whom shall be, ex officio, the members of the Board of Directors of the Hospice.

**5.02 Non-Voting Directors**

The Medical Director and the Chief Executive Officer shall be invited to all Board meetings.

**5.03 Qualification of Directors**

Every Director shall:

- (a) be a Director of the Hospice;
- (b) be eighteen (18) or more years of age;
- (c) not be an undischarged bankrupt; and
- (d) not be an Excluded Person.

**5.04 Termination of Office**

The office of an elected Director shall automatically be vacated if:

- (a) the Director ceases to be a Director of the Hospice;
- (b) the Director becomes bankrupt or suspends payment of debts generally or compounds with creditors or makes an assignment in bankruptcy or is declared insolvent;
- (c) an order is made declaring the Director to be a mentally incompetent person or incapable of managing his/her affairs;
- (d) the Director, by notice in writing to the Secretary of the Corporation, resigns his/her office, which resignation shall be effective at the time it is received by the Secretary of the Corporation or at the time specified in the notice, whichever is later;
- (e) the Director dies;
- (f) the Board, in its discretion, declares the Director's seat vacant because:
  - (i) the Director has failed to comply with the Board's attendance policy; or
  - (ii) the Director has failed to comply with the Act, or the Corporation's By-Laws, policies or procedures, including without limitation, the confidentiality, conflict of interest and standard of care provisions contained in this By-Law; or
- (g) the Members, at a special meeting called for the purpose, vote by at least two-thirds (2/3) of the votes cast to remove a Director before the expiration of the Director's term of office.

**ARTICLE 6. RESPONSIBILITIES OF THE BOARD AND INDIVIDUAL DIRECTORS****6.01 Standard of Care**

Every Director and Officer of the Corporation, in exercising his/her powers and discharging his/her duties, shall:

- (a) act honestly and in good faith with a view to the best interests of the Corporation; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

**6.02 Conflict of Interest**

- (a) Every Director who, either directly or through one of his/her Associates, has or thinks he/she may potentially have a Conflict of Interest with respect to a proposed or current contract, transaction, matter or decision of the Corporation, shall disclose the nature and extent of the Conflict of Interest at a meeting of the Board.
- (b) The declaration of interest shall be disclosed at the meeting of the Board at which the contract, transaction, matter or decision is first raised.
- (c) If the Director, or his/her Associates, becomes interested in a contract,

transaction, matter or decision after the Board meeting at which it is first raised, the Director shall make a declaration at the next Board meeting following the Director's perception or apprehension of a conflict.

- (d) In the case of an existing contract, transaction, matter or decision, the declaration shall be made at the first meeting of the Board after the individual becomes a Director or the interest comes into being.
- (e) After making such a declaration, no interested Director shall vote or be present at the vote or during the discussions, or otherwise attempt to influence the voting, on a contract, transaction, matter or decision, nor shall the Director be counted in any required quorum with respect to the vote.
- (f) If a Director has made a declaration of Conflict of Interest in compliance with this By-Law, the Director is not accountable to the Corporation for any profits he/she may realize from the contract, transaction, matter or decision.
- (g) If the Director fails to make a Declaration of his/her interest in a contract, transaction, matter or decision, as required by this By-Law, this failure may be considered grounds for termination of his/her position as a Director, in addition to any other remedies available to the Corporation under statute, equity or common law.
- (h) The failure of any Director to comply with the Conflict of Interest provisions of this By-Law does not, in or of itself, invalidate any contract, transaction, matter or decision undertaken by the Board.
- (i) If a Director believes that any other Director is in a Conflict of Interest position with respect to any contract, transaction, matter or decision:
  - (i) the Director shall have his/her concern recorded in the minutes;
  - (ii) the Director with the alleged Conflict of Interest shall have the right to address the Board with respect to the allegation;
  - (iii) Thereafter, the Board, after the Director alleged to have a Conflict of Interest has absented himself from the room, shall vote on whether the Director, in the opinion of the Board, is in a Conflict of Interest;
  - (iv) If the Board finds the Director in a Conflict of Interest, that Director shall absent himself during any subsequent discussion or voting process relating to or pertaining to the conflict;
  - (v) The question of whether or not a Director has a Conflict of Interest shall be determined by a simple majority of the Board and shall be final; and
  - (vi) if the Board finds that the Director does not have a Conflict of Interest, the Director remains responsible to declare a conflict if one develops.
- (j) If the Board finds that the person is not in conflict, the Board will then vote on the contract, transaction, matter or decision and the votes of each Director shall be recorded.
- (k) Every declaration of a Conflict of Interest and the general nature thereof shall be recorded in the minutes by the Board.
- (l) Where the number of Directors who, by reason of the provisions of this section, are prohibited from participating in a meeting is such that, at that meeting the remaining Directors are not of sufficient number to constitute a quorum, then, notwithstanding any other provision in this By-Law, the remaining number of Directors shall be deemed to constitute a quorum, provided such number is not

- less than three (3).
- (m) Where, in the circumstances mentioned in paragraph (l) above, the remaining number of Directors who are not prohibited from participating in the meeting is less than three (3), the Chair of the Board may apply to the Superior Court of Justice on an ex parte basis for an order authorizing the Board to give consideration to, discuss and vote on the matter out of which the interest arises.
  - (n) The Court may, on an application brought under paragraph (m) above, by order, declare that this section does not apply to the Board, as the case may be, in respect of the matter in relation to which the application is brought, and the whole Board thereupon may give consideration to, discuss and vote on the matter in the same manner as though none of the Directors had any interest therein, subject only to such conditions and directions as the Court may consider appropriate and so order.
  - (o) Directors of the Corporation that are affiliated with a hospital may have an actual or perceived conflict of interest with the Corporation. Where such conflicts arise solely because of the relationship between the Corporation and a Member of the Corporation, the circumstances shall be deemed, notwithstanding any other provision contained in this By-Law or in the *Corporations Act* (Ontario), not to be conflict as such circumstances are inevitable given the Corporation's objects and its corporate governance structure. The Board also believes that given the Corporation's objects, the benefits of having such Members on the Board outweigh any potential difficulties relating to the perceived or actual conflicts of interest. The benefits include:
    - (i) reflection of the operational reality of the inter-relationship that the Corporation has with key stakeholders/partners that is critical to the Corporation achieving its mission and vision, and
    - (ii) increased capacity of the Board because it leads to fuller and more informed deliberation on issues that have cross-organizational implications.

### **6.03 Confidentiality/Public Relations**

- (a) Unauthorized statements may adversely affect the interests of the Corporation. Every Director, Officer, and employee of the Corporation and every member of a Committee shall respect the confidentiality of matters brought before the Board or any such Committee or coming to his/her attention in the course of his/her duties.
- (b) Only the Chair of the Board is responsible for Board communications and may delegate authority to one or more Directors, Officers or employees of the Corporation to make statements to the news media or public about matters that the Chair of the Board determines appropriate for disclosure. No statements respecting such matters shall be made to the public or the press by any Director, Officer, or employee except as authorized by the Chair or the Board.
- (c) Persons, other than persons referred to in paragraph (a) above, permitted to attend any meeting of the Board or any meeting of a Committee shall be advised that they are required to respect the confidentiality of all matters coming to their attention during any such meeting and shall undertake accordingly.

### **6.04 Remuneration of Directors**

- (a) The Directors of the Corporation shall serve as such without remuneration, and no

Director shall directly or indirectly receive any profit from his/her position as such, provided that a Director may be paid reasonable expenses incurred by him/her in the performance of his/her duties as a Director.

- (b) Nothing in this By-Law shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation thereof.

#### **6.05 Roles of the Board**

The Board shall:

- (a) approve the vision and/or mission statements for the Corporation;
- (b) approve the strategic plan consistent with the Objects of the Corporations (Article 2), the vision statement and/or mission statement;
- (c) ensure that key corporate priorities are formulated that help the Corporation actualize its vision and accomplish its mission in accordance with the strategic plan;
- (d) oversee the implementation of internal control and management information systems which will allow the Board and management to oversee the Corporation's achievement of Performance Metrics;
- (e) recruit, retain, evaluate and compensate the Chief Executive Officer;
- (f) establish a Board Policy for the performance evaluation and compensation of the Chief Executive Officer. The Policy shall ensure that:
  - (i) the Chief Executive Officer's performance evaluation and compensation are aligned with the Corporation meeting its Performance Metrics targets;
  - (ii) all Board members are provided an opportunity to provide input into the process; and
  - (iii) the Board shall be required to approve any changes to the Chief Executive Officer's employment agreement or compensation;
- (g) provide operational oversight to:
  - (i) ensure procedures are in place for monitoring compliance with relevant legislation, regulations, affiliation agreements and by-laws; and,
  - (ii) ensure the corporation operates effectively and efficiently.
- (h) provide financial oversight to:
  - (i) ensure the financial viability of the Corporation;
  - (ii) ensure the efficient use of financial resources; and
  - (iii) Audit of the Corporation;
- (i) provide governance to:
  - (i) ensure and review the Board's effectiveness;
  - (ii) ensure and review the effectiveness of each Director;
  - (iii) nominate new Directors;
  - (iv) ensure the removal of Directors as prescribed; and
  - (v) ensure that the Board complies with legal and regulatory requirements.
- (j) provide communications and advocacy:
  - (i) to ensure that the Board and the Corporation have policies and methods to communicate effectively with stakeholders, government and the general public.

The Board shall delegate responsibility and concomitant authority to the Chief Executive Officer for the management and operations of the Corporation, and require accountability to the Board.

## **6.06 Performance Expectations of Each Director**

- (a) **Accountability**
  - (i) The Director does not represent the specific interests of any constituency, stakeholder or Member.
  - (ii) The Director does not function as an advocate, except as requested by the Board and consistent with the Corporation's objects, mission, vision and values.
  - (iii) The Director complies with the Act, the By-Laws, and the Board's policies and procedures.
- (b) **Exercise of Authority**
  - (i) A Director carries out the powers of the office only when acting as a voting member during a duly constituted meeting of the Board or one of its appointed bodies.
  - (ii) A Director respects the responsibilities delegated by the Board to the Chief Executive Officer, avoiding interference with their duties, but insisting upon accountability and reporting mechanisms for assessing organizational performance.
- (c) **Team Work**  
A Director works positively, cooperatively and respectfully with other Directors, the Officers, and the Chief Executive Officer of the Corporation.
- (d) **Attendance**
  - (i) The Director attends Board and assigned Committee meetings and Board retreats, in accordance with the minimum expectations established by the Board attendance policy.
  - (ii) All Directors are expected to serve on at least one Committee and to represent the Board when requested.
- (e) **Participation**
  - (i) The Director comes prepared to meetings (of both the Board and its Committees) and events, asks informed questions, and makes a positive contribution to discussions.
  - (ii) The Director treats others with respect.
- (f) **Competencies**  
Where appropriate, the Director actively contributes specific expertise, skills and other attributes that are needed on the Board.
- (g) **Confidentiality**  
The Director respects the confidentiality of Board discussions and information and follows the Board policy governing communications.
- (h) **Public Support**  
The Director supports the decisions and policies of the Board in discussions with outsiders, even if the Director voiced or holds other views or voted otherwise at the Board.
- (i) **Education**  
The Director takes advantage of opportunities to be educated and informed about the Board and the Corporation's marketplace and industry.
- (j) **Evaluation**  
The Director participates in the evaluation of the Board and individual members.

- (k) All Directors are expected to make an annual donation to the Corporation at a level considered appropriate by the director in his or her own discretion.

**ARTICLE 7. REGULAR AND SPECIAL MEETINGS OF THE BOARD**

**7.01 Regular Meetings**

- (a) The Board shall meet at the Head Office or another place in Ontario determined by the Board, at such time as the Board may from time to time determine.
- (b) There shall be at least four (4) regular meetings per year. The Board shall determine the dates for the upcoming year's regularly scheduled meetings, and this schedule shall be circulated to all Directors. The circulation of the notice shall be deemed to be notice of meetings.

**7.02 Special Meetings**

Special meetings of the Board shall be called by the Secretary on the request of any of the following:

- (a) the Chair of the Board; or
- (b) any three (3) Directors, by written request.

**7.03 Notice of Regular and Special Meetings**

- (a) Subject to paragraph 7.01(b), notice of regular Board meetings shall be sent by ordinary mail, electronic transmission or courier at least ten (10) days before the date on which the meeting is to be held.
- (b) Notice of a special meeting of the Board may be given by telephone and/or email at least twenty-four (24) hours in advance of the meeting. The notice of a special meeting shall state the purpose for which it is called.
- (c) Provided a quorum of Directors is present, each newly elected Board may, without notice, hold its first meeting immediately following the annual meeting of Members at which the Board is elected.

**7.04 Quorum**

- (a) A quorum at any meeting of the Board shall be the presence of a majority of the Directors, either in person or by telephone conference or other facilities as described in article 1.03(a).
- (b) No meeting of the Board shall be duly constituted for the transaction of business unless a quorum is present. There will be no representation by proxy at any Board meeting.
- (c) If, within one-half (1/2) hour after the time appointed for a meeting of the Board, a quorum is not present, the meeting shall stand adjourned until a day within two (2) weeks to be determined by the Chair of the Board. At least forty-eight (48) hours' notice of the adjourned meeting shall be given.

**7.05 Chair of Board Meetings**

Board meetings shall be chaired by:

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

**7.06 Procedures for Board Meetings**

- (a) The declaration of the Secretary or Chair of the Board that notice has been given pursuant to this By-Law, shall be sufficient and conclusive evidence of the giving of such notice.

- (b) No error or omission in giving notice for a meeting of Directors shall invalidate such meeting or invalidate any proceedings at such meeting and any Director may at any time waive notice of any such meeting and may ratify and approve any or all proceedings.
- (c) Minutes shall be kept for all meetings of the Board.
- (d) Despite any other provisions of this By-Law, any Director may at any time require that a vote be recorded. The request for a recorded vote does not require a motion and is not debatable or amendable.

#### **7.07 Rules of Order**

Any questions of procedure at or for any meetings of the Corporation, of the Board, of the Medical or Professional Staff, or of any committee, which have not been provided for in this By-Law or by the Act or by the Public Hospitals Act (Ontario) or regulations thereunder, or the Medical Staff Rules, shall be determined by the Chair of the Board in accordance with the rules of procedure adopted by resolution of the Board.

### **ARTICLE 8. OFFICERS**

#### **8.01 Officers**

The Officers shall be the officers of the Hospice, *ex officio*, the Chair of the Board, Vice Chair, Secretary and Treasurer.

#### **8.02 Duties of the Chair of the Board**

The Chair of the Board shall, without limitation:

- (a) when present, preside at all meetings of the Board and act as chair of such meetings;
- (b) report to each annual meeting of the Corporation, and at all such other times as the Chair of the Board may consider advisable or necessary, concerning the management and operations of the Corporation;
- (c) in consultation with the Chief Executive Officer, develop the agenda for Board meetings;
- (d) ensure that appropriate notice of Board and Committee meetings is given to Directors and Committee members;
- (e) where possible, ensure that appropriate Board and Committee information and supporting materials are provided to the Board and Committee members at least seven (7) days prior to the meeting;
- (f) report regularly and promptly to the Board issues that are relevant to their governance responsibilities;
- (g) be responsible for addressing issues associated with under-performance of individual Directors including, if applicable, their removal from the Board;
- (h) ensure that the annual review of the Chief Executive Officer's and Medical Director's performance and compensation is done in accordance with Board policy;
- (i) represent the Corporation at public or official functions;
- (j) be an *ex officio* member of all Committees of the Board;
- (k) when present, preside at meetings of the Governance Committee;
- (l) serve as the Board's central point of official communication with the Chief Executive Officer and, as such, develop a positive, collaborative relationship with the Chief Executive Officer, including acting as a sounding board for the Chief Executive Officer on emerging issues and alternative courses of action;

- (m) stay up-to-date about the Corporation and determine when an issue needs to be brought to the attention of the Board or a Committee;
- (n) set a high standard for Board conduct by, articulating and upholding rules of conduct set out in By-Laws and policies;
- (o) intervene when necessary in instances involving conflict of interest, confidentiality and other Board policies; and
- (p) assume and perform such other duties as may from time to time be assigned by the Board.

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

The Vice-Chair of the Board shall:

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

### **8.04 Duties of the Treasurer**

The Treasurer of the Corporation shall:

- (a) oversee the management of the finances of the Corporation;
- (b) serve as the Chair of the Finance Committee; and
- (c) perform such other duties as may be assigned by the Board from time to time.

### **8.05 Duties of the Secretary**

The Secretary shall:

- (a) ensure the proper recording and maintenance of minutes of all meetings of the Corporation, the Board and Committees appointed or authorized by the Board;
- (b) give, or cause to be given, notice of all meetings of the Corporation, the Board and its Committees;
- (c) keep a roll of names and addresses of the members of the Board;
- (d) attend to correspondence of the Board;
- (e) prepare all reports required under any applicable law or regulation of the Province of Ontario;
- (f) keep copies of all testamentary documents and trust instruments by which benefits are given to the use of the Corporation;
- (g) at least semi-annually obtain and provide an accounting to the Board with respect to all funds held in trust by the Corporation;
- (h) chair the first meeting of the Directors of the Corporation following the annual meeting until such time as the Chair of the Board is elected by the Directors; and
- (i) have custody of all minute books, documents and registers of the Corporation and ensure that the same are maintained as required by the Act and other applicable Legislation;
- (j) obtain and submit quarterly certificates to the Board in respect of the previous quarter evidencing that all wages owing to employees and source deductions relating to the employees that the Corporation is required to deduct and remit to the proper authorities (including the Income Tax Act, Canada Pension Plan, the Employment Insurance Act and the Employer Health Tax Act) have been made and remitted to the proper authorities, and that all taxes collected pursuant to the Excise Tax Act (GST) and the Retail Sales Tax Act (Ontario) have been collected

- and remitted to the appropriate authorities;
- (k) be the custodian of the seal of the Corporation; and
- (l) perform such other duties as may be required of the Secretary by the Board.

**8.06 Appointment of the Chief Executive Officer**

- (a) The Chief Executive Officer shall be appointed by the Board in accordance with its approved selection process.
- (b) The Board may at any time revoke or suspend the appointment of the Chief Executive Officer.
- (c) The Board shall delegate responsibility and concomitant authority to the Chief Executive Officer for the management and operations of the Corporation, and require accountability to the board;
- (d) In the case of the absence or inability to act of the Chief Executive Officer, or for any other reason that the Board may deem sufficient, the Board shall delegate all or any of the powers of the Chief Executive Officer to one or more employees of the Corporation or any other person.

**8.07 Duties of the Chief Executive Officer**

The Chief Executive Officer responsibilities to the board include:

- (a) the management of all affairs of the Corporation as directed by the Board from time to time;
- (b) the exercise of the authority delegated to the Chief Executive Officer by the Board through Board policies for the organization and operation of the Corporation;
- (c) discharge the duties required to execute Board policies;
- (d) taking such action as the Chief Executive Officer considers necessary to ensure compliance with the Act, the Affiliation Agreement and the By-Laws of the Corporation;
- (e) submitting quarterly certificates certifying that the methodology and data used by management to report Performance Metrics to the Board appropriately and accurately reflects the Corporation's performance; and
- (f) apprising the Board of risks to the Corporation.

**ARTICLE 9. INDEMNIFICATION OF DIRECTORS AND OFFICERS**

**9.01 Indemnity**

Subject to section 6.01, every Director, Officer and member of a Committee, and his/her heirs, executors and administrators, and estate and effects, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the Corporation, from and against:

- (a) all costs, charges and expenses whatsoever which such Director, Officer or Committee member sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against him, for or in respect of any act, deed, matter or thing whatsoever made, done or permitted by him, in or about the execution of the duties of his/her office; and
- (b) all other costs, charges and expenses that he/she sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by or are due to their own wilful neglect or default or by their dishonest, fraudulent or criminal act.

**9.02 Indemnification of Employees**

The Corporation may indemnify an employee or former employee of the Corporation or independent contractor (hereinafter referred to as the “Indemnified Person”) who acts or acted at the Corporation's request and the Indemnified 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 the Indemnified Person in respect of any civil, criminal or administrative action or proceeding to which the Indemnified Person is made a party by reason of being or having been an employee of the Corporation, if,

- (a) the Indemnified Person acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Indemnified Person had reasonable grounds for believing that the Indemnified Person’s conduct was lawful.

**9.03 Insurance**

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

**ARTICLE 10. COMMITTEES OF THE BOARD****10.01 Establishment of Committees**

- (a) The Board may establish standing and special Committees whose members will hold their offices at the will of the Board. The Committees of the Corporation shall be those of the Board of Directors of the Hospice, save for the Foundation Committee
- (b) The standing Committees of the Board shall be:
  - (i) the Governance Committee;
  - (ii) the Finance Committee;
  - (iii) the Audit Committee;
  - (iv) the Foundation Committee; and
  - (v) such other standing Committees as the Board may from time to time deem necessary.
- (c) Special Committees shall be those Committees appointed for specific duties whose mandate shall expire with the completion of the tasks assigned. The Board shall prescribe terms of reference for any special Committee.
- (d) The members of any Committee (other than the Governance Committee) need not be Directors of the Corporation. The Board shall appoint members of all Committees and the chair of all Committees, taking into consideration the recommendations of the Governance Committee.
- (e) The Board shall approve terms of reference for each committee. Any terms of reference not included in this By-Law shall be included in policies approved by the Board.
- (f) The Board shall assign to the respective standing and special committees responsibility for the oversight and monitoring specified Performance Metrics.

**10.02 Procedural Rules for Committees**

- (a) Members of the Board shall chair all Committees.

- (b) The Chair of the Board shall be, ex officio, a member of all Committees but shall only count towards quorum if he/she is present.
- (c) A quorum for any meeting of any Committee shall be a majority of the voting members of the Committee.
- (d) Procedures at Committee meetings shall be determined by the chair of each Committee, unless established by a Board policy.

#### **10.03 Governance Committee**

- (a) The Governance Committee shall consist of:
  - (i) the Chair of the Board;
  - (ii) the Vice Chair of the Board;
  - (iii) the Secretary of the Board; and
  - (iv) the Chair of each standing committee.
- (b) The Chief Executive Officer and Medical Director shall, unless the chair determines that the meeting is to be held in camera, be invited to all Governance Committee meetings as non-voting members.
- (c) The governance committee shall be chaired by the Chair of the Board.
- (d) The terms of reference for the Governance Committee shall include exercising the full power of the Board in all matters in which the full Board is unable to act and the circumstances require action on an emergency basis.

#### **10.04 Finance Committee**

- (a) The Finance Committee shall consist of:
  - (i) the Treasurer who shall chair the Committee;
  - (ii) the Chair of the Board;
  - (iii) at least three (3) other elected Directors;
  - (iv) one person appointed by St. Michael's Hospital in accordance with the Affiliation Agreement;
  - (v) the Chief Executive Officer (non-voting); and
  - (iv) such other individuals as the Board may appoint.
- (b) The Finance Committee shall, as described in the terms of reference, assist the Treasurer in the execution of his responsibilities and undertake such other tasks as the Board may request.

#### **10.05 Audit Committee**

- (a) The Audit Committee shall consist of:
  - (i) three persons, one of whom must be an elected Director;
  - (ii) the Chief Executive Officer (non-voting); and
  - (iii) such other individuals as appointed by the Board of Directors.
  - (iv) At least two (2) members of the Audit Committee must be Financially Literate and at least one (1) member shall have accounting or related Financial Expertise.
  - (v) The Chair of the Audit Committee shall be a Director of the Corporation.
- (b) **Accountability**  
The Audit Committee is accountable to the Board of Directors.
- (c) **Purpose**  
The Audit Committee shall have the following responsibilities:
  - (i) review with the auditors their audit plan, including scope, timetable, and fees, and approve same;

- (ii) cause the annual audit to be performed and participate in the development of the audit plan with the Chief Executive Officer;
- (iii) require the auditor to disclose all work provided to the Corporation that has not been approved in advance by the Audit Sub-Committee and assess whether the auditor's independence is impaired;
- (iv) enquire into the major risks faced by the Corporation, and the appropriateness of related controls to minimize their potential impact;
- (v) review audited annual financial statements, in conjunction with the report of the external auditors, and obtain an explanation from management of all significant variances between comparative reporting periods and a response to any identified weaknesses;
- (vi) recommend, when appropriate, approval of the financial statements to the Board;
- (vii) meet privately with the external auditors (without the presence of management) and with senior management (without the external auditors) to obtain full and frank disclosure about any concerns with the audit process;
- (viii) annually monitor and evaluate the performance of the external auditors and recommend to the Board the appointment of a firm of chartered accountants as the Corporation's external auditors and the audit fees;
- (ix) assist the Treasurer in the execution of his responsibilities and undertake such other tasks as the Board may request; and
- (x) review and comment on the appropriateness and quality of the Corporation's related quality and financial organization reporting and benchmarking including the methodology and data used for compilation of the data for the Performance Metrics assigned to standing and special committees of the Board; and
- (xi) meet at least twice per year and at the call of the Chair.

#### **10.06 Foundation Committee**

- (a) The Foundation Committee shall consist of at least,
  - (i) the Chair of the Board;
  - (ii) four (4) other Directors;
  - (iii) the Chief Executive Officer (non-voting);
  - (iv) the Chief Development Officer of the Foundation (non-voting); and
  - (v) such other individuals as the Chair of the Board recommends.
- (b) The Chair of the Foundation Committee shall be a Director of the Corporation.
- (c) The Foundation Committee shall be responsible for:
  - (i) raising charitable donations for the Corporation for both program and capital purposes;
  - (ii) raising funds to augment the Foundation's investment portfolio; and
  - (iii) providing oversight for the investment portfolio(s) of the Foundation.

#### **10.07 Non-Directors on Committees**

- (a) In this section, "non-Director" means a person who is not a Director of the Corporation, who has been appointed to a Committee in accordance with this section, and who has the same rights and obligations of other members of the Committee who are Directors.

- (b) On the recommendation of the Governance Committee, non-Directors may be appointed by the Board as voting members of any standing or special Committee, with the exception of the Governance Committee.
- (c) Any non-Director appointed under this section shall have full voting rights on said Committees, but is not eligible to serve as the Chair of any such Committee.
- (d) Non-Directors serving on Committees shall have one (1) year renewable terms, which shall not preclude their future candidacy for nomination to the Board and which terms shall not be included in calculating a Director's term limit under section 5.05.
- (e) Participation by a non-Director is conditional on the non-Director signing an acknowledgement that he/she:
  - (i) is a fiduciary of the Corporation and must place the best interests of the Corporation above his/her own best interests; and
  - (ii) has read and understood the Conflict of Interest and confidentiality requirements of this By-Law, which apply to all non-Directors.

## **ARTICLE 11. FINANCIAL MATTERS**

### **11.01 Bonding – Fidelity Insurance**

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

### **11.02 Authorized Signing Officers**

- (a) The Board shall establish a signing authority policy for the signing of banking documents, cheques, contracts, and other instruments.
- (b) The Board may direct, by resolution, the manner in which, and the person or persons by whom, any particular instrument or class of instruments may or shall be signed.

### **11.03 Banking and Borrowing**

- (a) Bank accounts of the Corporation shall be kept at such banks and in such places and shall be operated in such manner and by such person or persons as the Board shall from time to time determine by by-law.
- (b) The Board may from time to time:
  - (i) borrow money on the credit of the Corporation;
  - (ii) issue, sell or pledge debt obligations (including bonds, debentures, debenture stock, notes or other like liabilities whether secured or unsecured) of the Corporation;
  - (iii) charge, mortgage, hypothecate or pledge all or any currently owned or subsequently acquired real or personal, movable or immovable property of the Corporation, including book debts, rights, powers, franchises and undertakings, to secure any debt obligations or any money borrowed, or other debt or liability of the Corporation; and
  - (iv) delegate the powers conferred on the Board under this paragraph to such

Officer or Officers of the Corporation and to such extent and in such manner as the Directors shall determine.

**11.04 Seal**

The corporate seal of the Corporation shall be such as the Board may by resolution from time to time adopt, and shall be entrusted to the Secretary of the Corporation (or delegate) for safekeeping.

**11.05 Investments**

The Board shall approve investment policies for the Foundation's funds.

**11.06 Donations**

- (a) No benefit given in trust to or to the use of the Corporation for endowment purposes shall be hypothecated, transferred or assigned to obtain credit or to receive funds except as allowed by the Trustee Act (Ontario).
- (b) The Secretary shall keep copies of all testamentary documents and trust instruments by which benefits are given, bequeathed or devised to, or to the use of, the Corporation.
- (c) The Secretary shall give notice to the Public Guardian and Trustee, in accordance with the terms of the Charities Accounting Act (Ontario), of the benefits referred to in paragraph (b) above which come into the control or possession of the Corporation and the notice shall be accompanied by an attested or notarial copy of the testamentary or trust document.
- (d) The Corporation shall apply any trust funds of the Corporation only to the designated purpose(s) for which such funds were intended. Under no circumstances shall the Corporation transfer any funds held in trust by the Corporation to any other individual or entity, unless such transfer complies with all applicable law, including without limitation, the Charities Accounting Act (Ontario) and the Trustee Act (Ontario).
- (e) The Secretary shall at least semi-annually provide an accounting to the Board with respect to all funds held in trust by the Corporation.

**11.07 Auditor**

- (a) The Corporation shall at its annual meeting appoint an auditor who shall not be a member of the Board or an Officer or employee of the Corporation or a partner or employee of any such person, and who is duly licensed under the provisions of the Public Accountancy Act (Ontario), to hold office until the next annual meeting of the Corporation.
- (b) The auditor shall have all the rights and privileges as set out in the Act and shall perform the audit function as prescribed therein.
- (c) The Auditor shall make his report to the annual meeting of the Corporation and shall from time to time report to the Board on his work, making any recommendation he considers necessary.

**11.08 Fiscal Year**

Unless otherwise ordered by the Board, the fiscal year of the Corporation shall terminate on March 31 in each year.

**ARTICLE 12. ENACTMENT, REPEAL AND AMENDMENT OF BY-LAWS**

**12.01 Amendment**

The Board may, by a majority vote, pass or amend the By-Laws of the Foundation from time to time.

**12.02 Notice**

- (a) Where it is intended to pass or amend the By-Laws at a meeting of the Board, written notice of such intention shall be sent by the Secretary to each Director in the same manner as set out in article 4.02(a) not less than ten (10) days before the meeting.
- (b) Where the notice of intention required by paragraph (a) above is not provided, any proposed By-Laws or amendments to the By-Laws may nevertheless be moved at the meeting and discussion and voting thereon adjourned to the next meeting, for which no notice of intention need be given.

**12.03 Effective Date**

Subject to section 12.04 below and except as expressly provided in this By-Law or in the Act, the By-Laws or an amendment to the By-Laws passed by the Board have full force and effect:

- (a) from the time the motion was passed; or
- (b) from such future time as may be specified in the motion.

**12.04 Approval by Members**

- (a) The By-Laws or an amendment to the By-Laws passed by the Board shall be presented for confirmation at the next annual meeting or to a special general meeting of the Members of the Corporation called for that purpose. The notice of such annual meeting or special general meeting shall refer to the By-Laws or amendment to be presented.
- (b) The Members at the annual meeting or at the special general meeting may confirm the By-Laws as presented or reject or amend them, and if rejected, they thereupon cease to have effect, and if amended, they take effect as amended.
- (c) Any amendment to the portion of the By-Laws relating to the borrowing powers of the Corporation is not effective until it has been confirmed by at least two-thirds (2/3) of the votes cast at a general meeting of Members duly called for considering it.

**12.05 Rejection**

- (a) In any case of rejection, amendment, or refusal to approve the By-Laws or part of the By-Laws in force and effect in accordance with any part of this section, no act done or right acquired under any such By-Laws is prejudicially affected by any such rejection.