

PEMBROKE REGIONAL HOSPITAL INC.

ADMINISTRATIVE BY-LAWS

#2020-1

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**ADMINISTRATIVE BY-LAWS OF
PEMBROKE REGIONAL HOSPITAL INC.**

**ARTICLE 1
INTRODUCTION**

1.1 Background

Pembroke Regional Hospital Inc. is a Catholic Health Care facility dedicated to the service of the sick and the promotion of health and is recognized as such by the Roman Catholic diocese of Pembroke. Pembroke Regional Hospital Inc. therefore, participates in the mission of the Church through the ministry of healing.

1.2 Definitions

- (a) “**Act**” means the *Corporations Act* (Canada), and, where the context requires, includes the Regulations made under it;
- (b) “**Associates**” means the parents, siblings, spouse or common law partner of a Director, and includes any organization, agency, company, or individual (such as a business partner) with a formal relationship to a Director;
- (c) “**Board**” means the Board of Directors of Pembroke Regional Hospital Inc.;
- (d) “**CHCO**” means the Catholic Health Corporation of Ontario;
- (e) “**Chief Nursing Executive**” means the senior nurse employed by the Hospital who responds directly to the administrator and is responsible for nursing services provided in the Hospital;
- (f) “**Chief of Staff**” means the Chief of the professional staff;
- (g) “**Conflict of Interest**” includes without limitation, the following three (3) areas that may give rise to a Conflict of Interest for the Directors, namely:
 - (i) Pecuniary or financial interest;
 - (ii) Undue influence;
 - (iii) Adverse interest;
- (h) “**Dental Staff**” means the dentist or dentists to whom the Board has granted privileges of attending to patients in the Hospital in cooperation with a member of the medical staff;
- (i) “**Designated Amount**” means the amount set from time to time by the CHCO whereby Pembroke Regional Hospital requires the approval of CHCO in respect to any purchase, sale, lease, encumbrance or disposition of any kind;

- (j) **“Director”** means a member of the Board of Directors of Pembroke Regional Hospital Inc.;
- (k) **“Excellent Care for All Act”** means the *Excellent Care for All Act (Ontario)* and where the context so requires, the regulations thereunder;
- (l) **“Excluded Person”** means:
 - (i) Any member of the medical, dental or midwifery staff other than the members of the Medical Staff appointed to the Board pursuant to the *Public Hospitals Act*;
 - (ii) Any employee other than the Chief Executive Officer or Chief Nursing Executive;
 - (iii) Any spouse, dependent child, parent, brother or sister of an employee of the Corporation or member of the Professional Staff; and
 - (iv) Any person who lives in the same household as a member of the medical, dental or midwifery staff or an employee of the Corporation;
- (m) **“Ex officio”** means membership ‘by virtue of the office’;
- (n) **“Francophone”** means those persons whose mother tongue is French, plus those whose mother tongue is neither French nor English but have a particular knowledge of French as an Official Language;
- (o) **“Hospital”** means Pembroke Regional Hospital Inc.;
- (p) **“MAC”** means the Medical Advisory Committee of the Hospital;
- (q) **“Medical Staff”** means those physicians to whom the Board has granted privileges of diagnosing, prescribing for, or treating patients in the Hospital;
- (r) **“Members”** means the Members of Pembroke Regional Hospital Inc. and shall be comprised, ex-officio, of those persons who from time to time hold the position of Director of CHCO, so long as they hold such a position;
- (s) **“Midwifery Staff”** means the midwives to whom the Board has granted Privileges of assessing, monitoring, prescribing for or treating patients in the Hospital;
- (t) **“Nurse”** means a Registered Nurse within the meaning of the Regulated Health Professions Act;
- (u) **“Patient”** means, unless otherwise specified, any inpatient, outpatient, or other patient in the Hospital;
- (v) **“PRH Inc.”** means Pembroke Regional Hospital;

- (w) **“President & Chief Executive Officer”** means, in addition to “administrator” as defined in the Public Hospitals Act and the Regulations thereunder, the person appointed pursuant to the By-laws to be Chief Executive Officer of PRH Inc.;
- (x) **“Professional Staff”** means a member of the Medical, Dental, Midwifery, Extended Class Nursing Staff and/or Ancillary Staff;

1.3 Interpretation

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

- (a) all terms which are contained in this By-Law of the Corporation and which are defined in the Act, the *Public Hospitals Act*, the *Excellent Care for All Act* or the Regulations made thereunder, shall have the meanings given to such terms in the Act, *Public Hospitals Act*, *Excellent Care for All Act* or the Regulations thereunder, except as provided otherwise;
- (b) the use of the singular number shall include the plural and vice versa, the use of any gender shall include the masculine, feminine and neuter genders;
- (c) the headings used in the By-Law are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions; and
- (d) any references herein to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

ARTICLE 2 PURPOSES, PHILOSOPHY, MISSION

2.1 PURPOSES AND OBJECTIVES

The purposes and objectives of the Pembroke Regional Hospital Inc. shall be:

- (a) to operate a hospital, other health care, educational and related facilities in accordance with the philosophy and mission of the CHCO;
- (b) to give care and treatment to the sick;
- (c) to provide and maintain appropriate educational programs;
- (d) to promote and improve community health;
- (e) to collaborate with other health care providers to pursue common goals; and

- (f) to perform such lawful acts as are deemed necessary to promote the attainment of these objectives and are consonant with the Statement of Philosophy and Mission of the CHCO, which are hereinafter set out.
- (g) to ensure the provision of designated services to the public in both official languages (English and French), under the *French Language Services Act* (Ontario) as directed by the Ministry of Health and Long Term Care.

2.2 Philosophy Statement

Pembroke Regional Hospital Inc. is a Catholic health care facility in the Diocese of Pembroke Ontario, sponsored by the Catholic Health Corporation of Ontario. The original buildings and lands of the institution are owned by the Grey Sisters of the Immaculate Conception. The land may be owned by the Grey Sisters of the Immaculate Conception or PRH Inc. in accordance with canonical law. As such, its activities in the community are governed by a suitable philosophy. Therefore, the following statement has been approved by the Members:

- (a) We believe in celebrating life by promoting health of the body, mind, and spirit.
- (b) We believe that our healing ministry is a continuation of the charism and mission of our foundress, Saint Marguerite d'Youville, known for her trust in God and her compassionate love for the poor and needy.
- (c) We believe in the values, principles and goals inherent in the teachings of the Roman Catholic Church, the dignity of the human person and the right of all to quality of life.
- (d) We believe that our regard for life necessitates a refusal to allow any practice that would violate that respect.
- (e) We believe in excellence of service and responsible stewardship and have hope for a future whose challenge will be to continue Christ's healing ministry.

2.3 Mission Statement

MISSION - We are a regional community hospital committed to delivering a wide range of quality health services. Following Catholic tradition, we will meet the physical, emotional, and spiritual needs of all.

VISION - Delivering the safest and highest quality of care to every person, every encounter, every day.

VALUES - We uphold and promote:

- Compassion and caring
- Excellence and innovation
- Social and fiscal responsibility

- Sacredness of life
- Mutual respect
- Community spirit

ARTICLE 3

MEMBERS AND CONDITIONS OF MEMBERSHIP OF PRH INC.

3.1 Membership

- (a) Members of PRH Inc. shall be limited to persons who are directors of CHCO. Each person who, from time to time, holds the position of a director of CHCO shall, so long as he or she holds such a position, be a Member of PRH Inc., subject to subsection (b) and (c) of these articles.
- (b) Any Member may withdraw from PRH Inc. by delivering to PRH Inc. a written resignation and lodging a copy of the same with the Secretary of CHCO.
- (c) Any member may be required to resign by a vote of three-quarters (3/4) of the members at an annual meeting or a special meeting called for that purpose. Any member required to resign at an annual meeting or a special meeting called for that purpose, shall be given notice of that purpose of the meeting. Further, the member is entitled to be heard at that meeting.

ARTICLE 4

RESPONSIBILITIES, RIGHTS, AND AUTHORITY OF THE MEMBERS OF PRH INC.

4.1 Authority and Responsibility of the Board

The Members, save and except for the powers expressed and reserved in Article 4.2, recognize that the Board has the authority and responsibility to govern and manage the operation of the Hospital in accordance with these By-Laws and pursuant to the *Public Hospitals Act* (Ontario) and all other relevant legislation.

The Board is responsible to the Members of the Hospital for the management and operation of the Hospital.

4.2 Reserved Powers of the Members

The following corporate activities shall, to become effective, require the approval of the majority of the Members of the Hospital, namely:

- (a) to establish the purpose, philosophy and Mission and approve any change in the nature of purpose of Pembroke Regional Hospital Inc. on the recommendation of the Board of Directors of PRH Inc.;
- (b) to amend the Articles and By-laws of PRH Inc.;
- (c) to lease, sell or encumber assets of Pembroke Regional Hospital Inc. over the Designated Amount;

- (d) to elect members of the Board of Directors of Pembroke Regional Hospital Inc;
- (e) to dismiss members of the Board of Directors of PRH Inc. on the recommendation of the Board of Directors of PRH Inc. or by resolution of the Members;
- (f) to require a certified audit of Pembroke Regional Hospital Inc. finances and to appoint an auditor who is licensed under the Public Accountancy Act;
- (g) to approve any projected long-range plan of Pembroke Regional Hospital Inc. presented by the Board of Directors; and
- (h) to approve contracts, leases or other agreements in excess of the designated amount as the Corporate Limit, after the recommendations of the Board of Directors of Pembroke Regional Hospital Inc. are received.
- (i) to appoint or dismiss the President & CEO, Chair and Vice Chair of Pembroke Regional Hospital Inc. on recommendation of the Board of Directors of Pembroke Regional Hospital Inc;
- (j) to approve any significant affiliation or joint venture agreements between PRH Inc. and any other entity within the health system.

ARTICLE 5 ANNUAL MEETING

The annual meeting of the Members of PRH Inc. shall be held at a date and time to be fixed by the President of CHCO for:

- (a) the election of the Board of Directors of Pembroke Regional Hospital Inc. by the Members;
- (b) the receipt of the audited year-end financial statements;
- (c) the appointment of the Auditor, taking into consideration any recommendation of the Board of Directors, who is licensed under the Public Accountability Act;
- (d) the receipt of the annual report of the Chair of the Board relating to those matters hereinafter set out as duties of the Board of Directors; and
- (e) all such other business of PRH Inc. as may come before the Members at such meeting.

**ARTICLE 6
SPECIAL MEETINGS**

Special meetings of the members of PRH Inc. shall be called by the Secretary of the membership at any time requested by the directors or by any Members holding five percent (5%) of the votes that may be cast at a meeting of members.

The call or notice of a special meeting shall indicate the purpose thereof with enough information to allow the members to make a reasoned decision. Any and all business of PRH Inc., including the admission of members to fill vacancies in the membership, may be transacted at a special meeting of the members so called.

**ARTICLE 7
NOTICE OF MEETING AND WAIVER OF NOTICE**

7.1 Notice

- (a) Notice of an annual or special meeting of the members shall be given in the following manner:
 - (i) by written notice twenty-one (21) to sixty (60) days prior; or
 - (ii) by telephonic, electronic or other communication facility twenty-one (21) to thirty-five (35) days prior.
- (b) No unintentional or technical error or omission in giving notice of a meeting of Members of the Corporation may invalidate resolutions passed or proceedings taken at the meeting. Any Member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all resolutions passed or proceedings taken at the meeting.
- (c) Each notice shall state the date, place and hour of the meeting.
- (d) Any meeting of the Members may be held without notice if held pursuant to consent and waiver of notice signed by all Members of PRH Inc.

**ARTICLE 8
PLACE OF MEETING**

Meetings of the members of PRH Inc., annual or special, shall be held at the head office of PRH Inc., or such other place as the members shall, by resolution, determine

**ARTICLE 9
VOTING**

- (a) At all annual or special meetings, questions shall be determined by a majority of affirmative votes cast by the voting Members present at the meeting, unless otherwise required by statute or the by-laws. In the case of an equality of votes cast at any meeting, the chair does not have a second or casting vote.

- (b) Pursuant to the *Public Hospitals Act*, no Member may vote by proxy.
- (c) At any meeting, unless a poll is demanded, a declaration by the chair of the meeting that a resolution has been carried or carried unanimously or by a particular majority, or lost or not carried by a particular majority, shall be conclusive of the fact.
- (d) A poll may be demanded either before or after any vote by a show of hands by any person entitled to vote at the meeting. If at any meeting a poll is demanded on the election of the chair or on the question of adjournment, it shall be taken forthwith without adjournment. If at any meeting a poll is demanded on any other question or as to the election of Directors, the vote shall be taken by ballot in such manner as the chair of the meeting directs. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A demand for a poll may be withdrawn.

ARTICLE 10 QUORUM

A majority of the Members shall constitute a quorum for all purposes at any annual or special meeting of members. The act of the majority of such members present at any meeting at which a quorum is present shall constitute the act of the members, unless the Canada Corporations Act or these By-laws otherwise provide.

If a quorum or majority of the Members of PRH Inc. is lacking, any such meeting shall be adjourned by the members for a period, in each instance, not exceeding sixty (60) days.

ARTICLE 11

PARTICIPATION IN MEETINGS BY ELECTRONIC MEANS

With the evolution of communication technology, the Corporation recognizes that participation in meetings of the Corporation by electronic means will facilitate attendance and improve the functioning of the Corporation. References to any specific form of electronic technology have been avoided to allow this section to be adapted to future changes in technology.

11.1 Directors Meetings and Standing Committee Meetings

- (a) If all directors consent, a director or committee member may participate in a meeting by means of a telephonic, an electronic or other communication facility that permits all participants to communicate with each other during the meeting. A director or committee member so participating is deemed to be present at that meeting.
- (b) The directors or committee members may determine that a meeting shall be held entirely by means of a telephonic, an electronic, or other communication

facility that permits all participants to communicate with each other during the meeting.

- (c) Any director or committee member participating in a meeting by electronic means may vote by means of telephonic, electronic or other communication facility.

11.2 Members Meetings

- (a) Any person entitled to attend a meeting of members may participate by means of a telephonic, an electronic, or other communication facility that permits all participants to communicate with each other during the meeting. A person so participating is deemed to be present at the meeting.
- (b) The members may determine that the meeting shall be held entirely by means of a telephonic, an electronic or other communication facility that permits all participants to communicate with each other during the meeting.
- (c) Any person participating in a meeting of members by electronic means may vote by means of telephonic, electronic, or other communication facility.

ARTICLE 12 BOARD OF DIRECTORS OF PEMBROKE REGIONAL HOSPITAL INC.

12.1 DIRECTORS

- (a) The number of Directors shall be a minimum of sixteen (16) and a maximum of twenty (20).
- (b) The Directors shall be elected by the Members. Individuals qualifying for election to the Board of Directors shall be nominated in the following manner:
 - (i) The current Board of Directors of Pembroke Regional Hospital Inc. shall nominate up to eleven (11) individuals as voting Directors.
 - (ii) The individuals holding the following offices shall be nominated for election by the members as non-voting Directors:
 - the President and CEO of Pembroke Regional Hospital Inc.;
 - the Chief of Staff of Pembroke Regional Hospital Inc.;
 - the President of the Professional Staff of Pembroke Regional Hospital Inc.;
 - and
 - the Chief Nursing Executive

- (iii) Together with the following who shall nominate for election by the members one (1) individual each as voting Directors:
 - CHCO;
 - the Pembroke Regional Hospital Foundation; and
 - the Hospital Auxiliary
- (iv) Together with the following who may nominate one (1) individual each as voting Directors:
 - the Grey Sisters of the Immaculate Conception; and
 - the Bishop of Pembroke
- (c) Every Director must be 18 or more years of age with the power under law to contract. No undischarged bankrupt shall be a Director, and, if a Director becomes bankrupt, such Director thereupon ceases to be a Director.
- (d) Directors shall be elected on the basis of their experience, knowledge, interest, personal integrity and their ability to identify with and formally commit themselves to respect the Philosophy and Mission Statement of Pembroke Regional Hospital Inc. The Board of Directors shall reflect the demographic, cultural, linguistic, geographic, ethnic, religious and social characteristics of Pembroke and Renfrew County, and be reasonably gender balanced.
- (e) The Directors shall be elected for a period of no longer than three (3) years. No person shall be elected for more terms than will constitute nine (9) consecutive years of service, except by special resolution of the Members. Following a break in continuous service of at least one (1) year, an individual may be re-elected as a Director. Initial elections by the Members shall be for one (1) year for three (3) Directors, two (2) years for four (4) Directors and three (3) years for four (4) Directors.
- (f) No member of the Professional Staff of Pembroke Regional Hospital Inc. shall be eligible for election to the Board unless the individual satisfies the qualifications of section 12.1 (b) (ii) of this by-law.
- (g) No Excluded Person save and except as provided for within these By-Laws shall be eligible for election as a Director, unless approved by special resolution of the Members.
- (h) The office of Director shall be automatically vacated:
 - (i) if a Director resigns his/her office by delivering a written resignation to the Secretary of Pembroke Regional Hospital Inc.; or

- (ii) if, at a special general meeting of the Members, a resolution is passed by the majority of the Members present to remove him/her from office.
- (ii) A Director's term of office shall end:
 - (i) on the day of the annual meeting of the Board in the year which his/her term expires, unless reappointed; or
 - (ii) when the appointment is revoked in the interim;
 - (iii) by special resolution of the Members; or
 - (iv) when he/she ceases to hold the office by virtue of which he/she became a Director.
- (j) **Vacancy** - When a vacancy occurs among the Directors, the Members may elect a Director taking into consideration the recommendation of the Board to fill the vacancy for the unexpired portion of the term.
- (k) **Attendance** – Board members and committee members are expected to attend, in person or by teleconference, all Board meetings and all meetings of Committees to which they are assigned, but the Board recognizes that Directors may be unable to attend some meetings. Where a Director or committee member fails to attend a minimum of 75% of the regularly scheduled meetings in a 12-month period, or is absent for three (3) consecutive meetings, the Chair shall discuss the reasons for the absences with the member and may ask the individual to resign.
- (l) **Honorary Directors** - The Board may from time to time recommend to the Members the appointment of persons as Honorary Directors in recognition of long or special service to the Hospital. Honorary Directors shall be entitled to attend general meetings of the Board with voice but shall have no vote at such meetings.
- (m) **Confidentiality and Communication** - Every Director, officer and employee of Pembroke Regional Hospital Inc. shall respect the confidentiality of matters brought before the Board, keeping in mind that unauthorized statements could adversely affect the interest of the Hospital. The Board shall give authority to one or more Directors, officers or employees of the Hospital to make statements to the news media or public about matters brought before the Board.
- (n) **Conflict of Interest**
 - (i) Every Director who, either directly or through one of his or her Associates, has, or thinks he or she may potentially have, a Conflict of Interest shall disclose the nature and extent of the interest at a meeting of the Board.
 - (ii) A conflict of interest may occur with respect to a proposed or current contract, transaction, matter or decision of the Corporation, or any other matter that competes for the interest of the Director.

- (iii) Directors must avoid actual or potential conflict of interest, including but not limited to those identified in the definition of “Conflict of Interest” in this By-law.
- (iv) The declaration of actual or potential conflict of interest shall be disclosed at the meeting of the Board at which the contract, transaction, matter or decision is first raised.
- (v) If the Director (or his or 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.
- (vi) 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 Member becomes a Director or the interest comes into being.
- (vii) After making such a declaration the Chair shall determine the appropriate action to be followed by the interested Director which may include a determination that the interested director shall neither vote nor be present at the vote or during the discussions or otherwise attempt to influence the voting on a contract, transaction, matter or decision, (including discussing the matter with other Directors) nor shall the Director be counted in any required quorum with respect to the vote.
- (viii) If a Director or any Associate of any Director has a financial interest in any proposed contract or transaction, such contract or transaction shall not be entered into unless a declaration of interest has been made by the Director, the Director has otherwise complied with the Bylaw, and the required consent from the Public Guardian and Trustee is secured. If the Director complies with the foregoing requirements, the Director is not accountable to PRH inc. for any profit he or she may realize from the contract or transaction.
- (ix) If the Director fails to make a declaration of his or her interest in a contract, transaction, matter or decision as required by this By-law, this shall be considered grounds for termination of his or her position as a Director.
- (x) The failure of any Member 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.
- (xi) If a Director believes that any other Director is in a Conflict of Interest position with respect to any contract, transaction, matter or decision, the Director shall have the concern recorded in the minutes.
- (xii) Thereafter, at the request of a Director, the Board shall, after the Director alleged to have a conflict has absented himself or herself from the room, vote on whether the Director alleged to have a Conflict of Interest is, in

the opinion of the Board, in a Conflict of Interest. If the Board so finds the person in a Conflict of Interest, the Board member shall absent himself during any subsequent discussion or voting process relating to or pertaining to the conflict.

(xiii) 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.

(xiv) If the Board finds that the Director is not in conflict, the voting members of the Board will then vote on the contract, transaction, matter or decision and the votes of each Director shall be recorded.

(xv) Every declaration of a Conflict of Interest and the general nature thereof shall be recorded in the minutes by the Board.

(xvi) The Directors shall not receive any remuneration for their services.

ARTICLE 13 REGULAR AND SPECIAL MEETINGS OF THE BOARD

13.1 Regular Meetings

- (a) The Board shall meet at the Head Office of the Corporation at such time, day and place as the Board may from time to time determine. The Secretary of the Board shall give notice of the meeting to the Directors if the meeting is to be held at another time or day or at a place other than the Head Office.
- (b) There shall be at least eight (8) regular meetings per annum.
- (c) Notice of a regular meeting of the Board shall be given to each Director not less than ten days before the meeting is to take place in the case of notice sent by mail and not less than two days before the meeting is to take place in the case of notice delivered or sent by electronic mail or facsimile transmission. Except where the Act or the By-Laws requires it, a notice of a meeting of the Board need not specify the purpose of or the business to be transacted at the meeting.

13.2 Special Meetings

- (a) The Chair or Vice-Chair of the Board may call special meetings of the Board.
- (b) The Secretary of the Board shall call a meeting of the Board if four (4) Directors so request in writing.
- (c) Notice of a special meeting of the Board shall specify the purpose of the meeting, may be given by telephone, and shall be given at least forty-eight (48) hours in advance of the meeting.

13.3 Procedures for Board Meetings

- (a) The declaration of the Secretary or Chair that notice has been given pursuant to the By-Law, shall be sufficient and conclusive evidence of the giving of such notice.
- (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) Meetings of the Board shall be opened to the members of the public and employees of the Corporation.
- (d) The Board shall have the discretion at any time to declare the meeting or any portion of any meeting to be in camera.
- (e) Minutes shall be kept for all meetings of the Board.
- (f) The Chair shall have a vote.
- (g) Business arising at any meeting of the Board shall be decided by a majority of those Directors entitled to vote, provided that:
 - (i) except as provided by clause 0 below, votes shall be taken in the usual way by a show of hands;
 - (ii) votes shall be taken by written ballot if so demanded by any voting member present; and
 - (iii) if there is an equality of votes, the Chair shall rule that the motion has been defeated.
 - (iv) a declaration by the Chair that a resolution, vote or motion has been carried or defeated 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.

13.4 Quorum

50% of the Directors entitled to vote plus one Director shall constitute a quorum for a meeting of the Board of Directors provided that the majority of Directors present must be the Directors elected pursuant to article 11.1(a). The Chair shall be included in the quorum.

13.5 Rules

The Board may, from time to time, make such Rules as it may deem necessary or desirable for the better management, operation, and maintenance of the Hospital, provided however that any such rule shall conform with the provision of these By-Laws.

13.6 Participation

Notwithstanding any other provision of this By-Law, any Director, Officer, Professional Staff member or employee, who is permitted by the By-Laws or rules and policies of the Corporation to participate in a meeting, may participate in a meeting of the Board or of a committee of the Board by means of telephone conference, electronic or other communication facilities so as to 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 said By-Law, to be present at the meeting. Such person may indicate his vote by any means that reasonably conveys the person's intention to the other meeting participants.

13.7 Rules of Order

Any questions of procedure at or for any meetings of the Corporation, of the Board, of the 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* or Regulations thereunder, or the Professional Staff Rules, shall be determined by the Chair in accordance with the rules of procedure adopted by resolution of the Board. In the event that the Board has not adopted a procedural text, the chair of the meeting shall determine the governing procedural text.

13.8 Right of Attendance of CHCO at Board Meetings

The president of CHCO or at the option of the president of CHCO his/her designate shall be sent notice of each meeting of the Board of PRH Inc. and all materials from time to time sent to the Directors of PRH Inc. at the same time as are sent to Directors. Further, the president of CHCO or his/her designate shall be entitled to attend each meeting of the Board, including any "in camera" sessions, and to speak but not to vote thereat. The president of CHCO shall also be sent, forthwith following each meeting of the Board, a copy of all materials presented to the Directors at such meeting.

ARTICLE 14 RESPONSIBILITIES OF DIRECTORS

The responsibilities of Directors shall be:

- (a) to carry out their responsibilities in accordance with the Philosophy and Mission Statement of Pembroke Regional Hospital Inc., which form part of these By-laws;
- (b) to strive to ensure that quality care, which includes physical, emotional, social and spiritual care, is provided for patients and that such care is given with competence, and without discrimination of race, colour, creed or sex;

- (c) to establish procedures for monitoring compliance with the requirements of the Public Hospitals Act and the Regulations thereunder, other applicable legislation, and the By-laws of Pembroke Regional Hospital Inc.;
- (d) to establish specific policies which will provide the general framework within which the Chief Executive Officer, the Medical Advisory Committee, the medical and dental staff, and the Hospital staff will establish procedures for the management of the day-to-day processes;
- (e) to ensure that the Chief Executive Officer, Chief of Staff and nurses who are managers develop policies and plans to deal with:
 - (i) emergency situations that could place a greater than normal demand on the services provided by the Hospital or disrupt the normal routine;
 - (ii) the failure to provide services by persons who ordinarily provide services in the Hospital; and
 - (iii) situations, circumstances, conduct and behaviours which is or has the potential of resulting in a risk to the safety and wellbeing of patients, staff and/or other health professionals;
- (f) to ensure there is established a selection process for the engagement of a Chief Executive Officer and Chief Nursing Executive and to hire the Chief Executive Officer and Chief Nursing Executive in accordance with this process;
- (g) to examine annually the goals, policies and current programs of Pembroke Regional Hospital Inc. and to develop a mechanism that provides a systematic review of the quantity and quality of services provided;
- (h) to establish a Fiscal Advisory Committee, the membership and purposes of which meet the requirements of the Public Hospitals Act and Regulations thereunder;
- (i) to ensure that provision is made for (i) the participation of nurses who are managers and staff nurses in a decision-making process related to administrative, financial, operational and planning matters in the Hospital; (ii) the participation at committee level of staff nurses and nurses who are managers; and (iii) the participation of all other staff;
- (j) to delegate responsibility and concomitant authority to the Chief Executive Officer for the operation of Pembroke Regional Hospital Inc. with accountability to the Board;
- (k) to strive to ensure that the quality of care is regularly evaluated and that all services conform to generally accepted standards and require accountability on a regular basis;
- (l) to ensure the establishment of an occupational health and safety program;

- (m) to ensure the establishment of a health surveillance program which shall include a communicable disease surveillance program in respect of all persons carrying on activities in the Hospital;
- (n) to approve terms of reference for consultants retained by the Board and provide reports to the Members;
- (o) to represent the Hospital before government or other public boards;
- (p) to delegate responsibility and concomitant authority to the Chief of Staff for the operation of the general clinical organization and the supervision of the practice with accountability to the Board;
- (q) to appoint and reappoint physicians and dentists to the professional staff, and delineate the respective privileges after considering the recommendations of the Medical Advisory Committee, in accordance with legislative and By-law requirements;
- (r) to assure, through the Medical Advisory Committee, that each member of the medical and dental staff accepts responsibility to the patient and to Pembroke Regional Hospital Inc. commensurate with the privileges and duties of the appointment and in accordance with the By-laws of the Hospital;
- (s) to review and approve the annual Capital and Operating Budgets and to monitor that the Hospital is operated within the approved budget;
- (t) to carry out the long-range and strategic planning of PRH Inc., and to require the professional administrative staff to make available on a periodic basis, a profile of the present and projected needs of the community served; to analyze and evaluate data which reflects the present and projected health needs of the community, and accordingly, to develop a written plan for the growth and development of the Hospital departments; to consider appropriate physical and financial resources and personnel required to meet the needs of the community and the patients;
- (u) to ensure that all fundraising activities using the name of Pembroke Regional Hospital adhere to the mission, vision, and values of PRH Inc.;
- (v) to approve any significant shared services agreement or amendments thereto between an institution within the Health System, any educational institution, or any person or corporation, provided that none of the foregoing arrangements conflict with the Philosophy and Mission of the Corporation, change a major service or role of the institution;
- (w) to recommend to the Members any acquisition or disposition of property;
- (x) to conduct an annual performance evaluation and compensation review of the Chief Executive Officer and an annual performance evaluation of the Chief of Staff;

- (y) to ensure the provision of designated services in English and French, establish a French language services policy and committee which meet the designation requirements under the French Language Services Act, and endeavour to have the number of Francophone Board Members be proportionate to the French-speaking community served and not less than one (1) member, whenever possible.
- (z) to establish a Quality Committee further to the *Excellent Care for All Act* to monitor and report on the overall quality of care and to make recommendations to the Board regarding quality improvement initiatives and policies and to oversee the preparation of annual quality improvement plans, comprised of:
 - (i) the President and Chief Executive Officer;
 - (ii) one member of the Medical Advisory Committee;
 - (iii) the Chief Nursing Executive;
 - (iv) one member of a health profession within the meaning of the *Regulated Health Professions Act, 1991*, who is not a physician or a nurse and who provides care at the Hospital; and
 - (v) such other persons as are selected by the Board such that one-third of the members of the Quality Committee shall be voting members of the Board.

**ARTICLE 15
STANDARDS OF CARE**

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

- (a) act honestly and in good faith, be loyal to the Corporation and act with a view to the best interests of the Corporation;
- (b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- (c) adhere to the Hospital's mission, vision and values;
- (d) respect and abide by decisions of the Board;
- (e) keep informed about,
 - (i) matters relating to the Corporation,
 - (ii) the community served,
 - (iii) necessary information and background preparation so as to participate effectively in meetings of the Board and its committees, and

- (iv) other healthcare services provided in the region;
- (f) participate in the initial orientation as a new Director and in ongoing Board education;
- (g) participate in the annual evaluation of overall Board effectiveness; and
- (h) represent the Board, when requested.

**ARTICLE 16
CONFIDENTIALITY AND PUBLIC RELATIONS**

Every Director and Officer shall respect the confidentiality of matters brought before the Board or before any committee or subcommittee of the Corporation. 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 determines appropriate for disclosure to the media.

**ARTICLE 17
OFFICERS OF THE BOARD**

- (a) The Officers of the Board shall consist of:
 - (i) the Chair;
 - (ii) the first Vice-Chair;
 - (iii) the second Vice-Chair
 - (iv) the Secretary;
- (b) The nominees for Chair, first Vice-Chair and second Vice-Chair shall be submitted to the Members for approval and shall be approved by the Members before their appointment to the Board.
- (c) The term of office of the Chair, first Vice-Chair and second Vice-Chair shall be for one (1) year. A person may be renominated and reappointed twice for a maximum cumulative term of three (3) consecutive years in one office, except by special resolution of the Members. However, following a break in continuous service of at least one (1) year, the same person may be re-elected to that office.
- (d) The CEO shall be the Secretary of the Board.
- (e) An officer of the Board may be required to resign by a vote of three-quarters (3/4) of the members at a special meeting called for that purpose.
- (f) The officers of the Board, as such, shall not receive any remuneration for their services.

**ARTICLE 18
CHAIR**

The Chair of the Board shall:

- (a) preside at all meetings of the Board of Directors;
- (b) be responsible for the naming of the Board members to Committees not otherwise provided for in the By-laws of Pembroke Regional Hospital Inc.;
- (c) report to each annual meeting of the Members concerning the operations of Pembroke Regional Hospital Inc. and at such other times as deemed fit or as requested by the Members;
- (d) represent Pembroke Regional Hospital Inc. at public or official functions;
- (e) sit as an ex-officio member of all committees;
- (f) participate on the Governance Committee; and
- (g) perform such other duties as may from time to time be determined by the Directors.

**ARTICLE 19
VICE-CHAIRS**

The first Vice-Chair of the Board shall discharge and perform all duties of the Chair in the absence or disability of the Chair, together with such other duties as may from time to time be assigned to the first Vice-Chair of the Board.

The second Vice-Chair of the Board shall discharge and perform all duties of the first Vice-Chair in the absence or disability of the first Vice-Chair.

**ARTICLE 20
SECRETARY OF THE BOARD**

The Secretary shall:

- (a) attend all meetings of the Board and Committees thereof;
- (b) be the custodian of the corporate seal of the Corporation;
- (c) keep proper Minutes of all such meetings;
- (d) keep a record of the names and addresses of all members of the Board; and
- (e) perform such other duties as the Board may direct.

ARTICLE 21
STANDING COMMITTEES OF THE BOARD

21.1 Board Standing Committees

- (a) The Board shall appoint the following committees following the annual meeting:
 - (i) Governance Committee;
 - (ii) Resource and Audit Committee;
 - (iii) Joint Conference Committee;
 - (iv) Patient Care, Quality and Risk Management Committee;
 - (v) Ethics Committee;
 - (vi) Executive Compensation and Evaluation Committee;
 - (vii) Nominating Committee; And
 - (viii) Other such committees as the Board considers appropriate.
- (b) The Board shall determine the composition and duties of Committees. The Committees of the Board shall be:
 - (i) Standing Committees, being those Committees whose duties are normally continuous.
 - (ii) Other Committees, being those Committees appointed for specific duties whose mandate shall expire with the completion of the tasks assigned.
 - (iii) The Terms of Reference for the Resource and Audit, Patient Care, Quality and Risk Management, Fiscal Advisory, and Nominating Committees shall provide for a minimum of one (1) Francophone representative.
- (c) Unless otherwise provided by by-law the functions, duties, responsibilities, and mandate of Standing and Other Committees shall be provided in the resolution of the Board.
- (d) Unless otherwise provided by by-law or by Board resolution, the Board shall appoint the members and chair of the Committee and, if desirable, the vice-chair thereof. Each chair and member a Committee shall be a Director. The Board may appoint committee members who are not Directors to all Committees of the Board, except the Governance Committee, Joint Conference Committee and Executive Compensation and Evaluation Committee and those persons shall not be entitled to vote unless the Board otherwise provides. No decision of a Committee shall be binding on that Board until approved or ratified by the Board.

- (e) The Board shall ensure that the Corporation establishes such Committees and undertakes such programs as are required pursuant to the *Public Hospitals Act*.
- (f) Procedures at and quorum for Committee meetings shall be determined by the chair of each Committee, unless established by the Board or by way of general rules of order.
- (g) The Chair of the Board where not otherwise elected shall be an *ex officio* member of all Committees of the Board.
- (h) The Chief Executive Officer or his/her delegate, except as herein stated, shall be an *ex officio* member of all Committees of the Board.

21.2 Board Governance Committee

- (a) The Board Governance Committee shall be comprised of:
 - (i) Board Chair;
 - (ii) First and Second Vice-Chairs;
 - (iii) Two (2) additional Board members;
 - (iv) President & CEO.
- (b) The purpose of the Board Governance Committee shall be:
 - (i) to ensure processes are established and monitored for the governance and management of the Hospital in accordance with the *Public Hospitals Act* (Ontario);
 - (ii) to review the Hospital's mission, vision and values;
 - (iii) to ensure the implementation of an effective Board orientation program and the continuing education of the members of the Board;
 - (iv) to develop goals and objectives for the Board on an annual basis;
 - (v) to ensure an evaluation of the Board's performance in relation to its responsibilities;
 - (vi) to review the strategic plan, By-Laws and governance policies, processes and structures of the Hospital;
 - (vii) to recommend annually to the Board, persons to serve as Chair, First Vice-Chair, and Second Vice-Chair of the Board;
 - (viii) to recommend annually to the Board, the appointment of the Chair and Vice-Chair of all standing committees; and

- (ix) to exercise the full powers of the Board in all matters when it is not practicable for the Board to meet in urgent or emergency circumstances, reporting every action at the next meeting of the Board.
- (c) When a meeting is called to make a decision on matters of urgency or emergency, all standing committee chairs, the Chief of Staff, and the representative of CHCO shall be invited to attend the meeting and granted voice and vote privileges as specified in these By-laws.
- (d) The First Vice-Chair of the Board shall preside at all meetings of the Board Governance Committee.
- (e) The Governance Committee shall meet a minimum of four (4) times a year.

21.3 Other Committees

The Board may, by resolution, dissolve any other committee at any time. The members of each committee, as such, shall not receive any remuneration for their services.

ARTICLE 22 REPRESENTATION OF CHCO ON COMMITTEES

The president of CHCO or his/her delegate shall be entitled to serve as a member of such committees of Pembroke Regional Hospital Inc. as shall from time to time be established by the Board, as CHCO shall from time to time designate. Each such committee from time to time so designated shall, by reason of such designation, be expanded to include the president of CHCO or his/her designate. This section shall apply to the composition of the committees of Pembroke Regional Hospital Inc. notwithstanding any provision to the contrary contained in the by-laws of Pembroke Regional Hospital Inc.

ARTICLE 23 ADMINISTRATION

23.1 President & Chief Executive Officer (CEO)

- (a) The President & CEO shall be appointed by the Board of Directors of the Pembroke Regional Hospital subject to the approval of the Members of PRH Inc. and shall be accountable to the Board of Directors of Pembroke Regional Hospital Inc.
- (b) The President & CEO shall be responsible for the due observance and enforcement of the Public Hospitals Act and Regulations thereunder, all other applicable legislation, and the By-laws of Pembroke Regional Hospital Inc. and its policies.
- (c) The President & CEO shall:

- (i) carry out his/her duties in accordance with the Philosophy and Mission Statement of Pembroke Regional Hospital Inc., which form part of these By-laws;
- (ii) be responsible for the efficient operation of all departments of Pembroke Regional Hospital Inc. in accordance with policies established pursuant to these By-laws;
- (iii) operate Pembroke Regional Hospital Inc. in accordance with the approved annual budget;
- (iv) attend all meetings of the Board of Directors and its committees;
- (v) act as Secretary of the Board of Directors of Pembroke Regional Hospital Inc.;
- (vi) employ, dismiss, control, direct and develop employees of Pembroke Regional Hospital Inc. in accordance with these By-laws and the approved budget;
- (vii) be a member of all Standing Committees of the Board of Directors of Pembroke Regional Hospital Inc.;
- (viii) be an ex-officio member of the Medical Advisory Committee and shall have the right to attend any meeting of any committee of the Professional Staff;
- (ix) report to the medical practitioner charged with the responsibility of clinical supervision, any improper medical practice in the Hospital and, if necessary, to the Board;
- (x) report to the Board of Directors matters about which they should have knowledge;
- (xi) report to the Board on the establishment, composition and operation of those committees required pursuant to the Public Hospitals Act and other legislation, together with such other committees as the Board may deem advisable;
- (xii) ensure that all committee members receive an appropriate orientation to the Philosophy, Mission, Goals and Objectives of Pembroke Regional Hospital Inc.; and
- (xiii) endeavour to ensure that there is proportional Francophone representation with the senior management team.
- (xiv) report annually to the Board on the status of French language services.

ARTICLE 24
BANKS AND SIGNING OFFICERS

24.1 Banks and Signing Officers

- (a) The Board of Directors shall by resolution designate the bank or banks in which the monies of Pembroke Regional Hospital Inc. shall be deposited, in which any stocks, bonds or other securities of Pembroke Regional Hospital Inc. shall be placed for safekeeping.
- (b) Further to the Board's Signing Authority Policy, the following are hereby authorized for and in the name of Pembroke Regional Hospital Inc. to receive all monies other than those amounts received in the normal course of business, give a receipt for same, and to draw, accept and sign cheques and orders for payment of money, any two of the: President & CEO, the Chair, the first Vice-Chair and or the Chief Financial Officer to sign.

24.2 Banking and Borrowing

- (a) The Board shall by resolution, from time to time, designate the Bank in which the bonds or other securities of the Corporation shall be placed for safekeeping.
- (b) The Board shall by resolution, from time to time, designate the signing officers of the Corporation, and they are hereby authorized for and in the name of the Corporation:
 - (i) to draw, accept, sign and make all or any bills of exchange, promissory notes, cheques, and orders for payment of money;
 - (ii) to receive and deposit all Corporation monies in the Bank designated under paragraph 0 above, and give receipts for same;
 - (iii) subject to the approval of the Board, to assign and transfer to the Bank all or any stocks, bonds, or other securities;
 - (iv) from time to time, to borrow money from the Bank;
 - (v) to transact with the said Bank any business which they may think fit;
 - (vi) to negotiate with, deposit with, endorse or transfer to the Bank, but for the credit of the Corporation only, all or any bills of exchange, promissory notes, cheques, or orders for the payment of money and other negotiable paper;
 - (vii) from time to time, to arrange, settle, balance, and certify all books and accounts between the Corporation and the Bank designated by the Board under paragraph 0 above;
 - (viii) to receive all paid cheques and vouchers; and

(ix) to sign the Bank's form of settlement of balance and release.

24.3 Signing Officers

Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by two (2) persons holding the office of Chair or Vice-Chair, Chief Executive Officer and Chief Financial Officer or any other office created by law or the Board. In addition, the Board may from time to time 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. Any signing officer may affix the corporate seal thereto.

ARTICLE 25 REPRESENTATIVES

The Members may, by resolution, appoint such representatives of Pembroke Regional Hospital Inc. with such powers and to perform such acts or duties on behalf of the Members as it may see fit, so far as may be consistent with these By-laws, and to the extent authorized or permitted by law.

ARTICLE 26 GENERAL

26.1 Head Office

The Head Office of PRH Inc. shall be as determined from time to time by the Board of Directors of PRH Inc. subject to the Corporations Act.

26.2 Corporate Seal

The Seal, an impression whereof is stamped in the margin hereof, shall be the Corporate seal of Pembroke Regional Hospital Inc.

26.3 Auditor

- (a) At their annual meeting, the Members of PRH Inc. shall appoint an auditor, considering the recommendation of the Board of Pembroke Regional Hospital Inc. The Auditor shall hold office until the next annual meeting of Pembroke Regional Hospital Inc., and shall audit the financial statements for report to the Members. The Auditor shall not be a member of the Board, employee of Pembroke Regional Hospital Inc. or a partner or employee of any such person, and shall be duly licensed under the Public Accountancy Act.
- (b) The Auditor shall from time to time report to the Board of Directors of Pembroke Regional Hospital Inc. through the Audit Committee and shall make any recommendations as are appropriate.

- (c) The Auditor shall prepare financial analyses and other reports as required by the Board of Directors or President & CEO of Pembroke Regional Hospital Inc., and/or CHCO.

26.4 Contracts

The Board of Directors of Pembroke Regional Hospital Inc., subject to the provision set out in these by-laws, by resolution, may authorize the President & CEO or any other officer to enter into any contract or execute and deliver any instrument in the name of and on behalf of Pembroke Regional Hospital Inc. Such authority may be general or confined to a specific instance. Unless so authorized by CHCO or the Board of Directors of Pembroke Regional Hospital Inc., no officer or employee shall have the power or authority to bind Pembroke Regional Hospital Inc. by any contract or engagement, or to pledge its credit, or render it liable financially for any purpose or to any amount.

26.5 Bonding – Fidelity Insurance

- (a) Board members, officers and employees as the Board of Directors may designate, shall secure from a guarantee company, a bond of fidelity of an amount approved by the Board of Directors of Pembroke Regional Hospital Inc.
- (b) The requirements of subsection 0 may be met by an alternative form of government fidelity insurance such as, but not limited to, a blanket position bond, a commercial blanket bond, or a comprehensive dishonesty, disappearance and destruction policy, at the discretion of the Board of Directors of Pembroke Regional Hospital Inc.
- (c) Pembroke Regional Hospital Inc. shall pay the expenses of any fidelity bond or policy secure under subsection 0 or 0.

26.6 Investments

The Board of Directors of Pembroke Regional Hospital Inc. may invest only in securities authorized by the Trustee Act of the Province of Ontario:

- (a) all endowment monies bequeathed in trust to Pembroke Regional Hospital Inc. for its use;
- (b) all Pembroke Regional Hospital Inc. monies bequeathed in trust to Pembroke Regional Hospital Inc. for use;
- (c) notwithstanding the provisions of paragraph 0, the Board of Directors of Pembroke Regional Hospital Inc. may, at its discretion, retain investments not authorized by the Trustee Act of Ontario which are given or bequeathed to Pembroke Regional Hospital Inc. in specie; and
- (d) all other funds.

26.7 Indemnification

(a) *Protection of Directors and Officers*

Except as otherwise provided in the Act, no Director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or employee or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or fortuitous act of any person including any person with whom or which any monies, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any monies, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of the Director's or officer's respective office or trust or in relation thereto unless the same shall happen by or through the Director's or officer's own wilful neglect or default.

(b) *Indemnification of Officers and Directors*

- (i) Subject to subsection 0, and provided there has been no wilful neglect, default or fraudulent or criminal act on the part of the Director or officer or otherwise he/she has not failed to have regard in his/her actions to the best interest of the Hospital, no Director or officer shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or employee or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Hospital through the insufficiency or deficiency of title to any property acquired 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 fortuitous acts of any person with whom any of the monies, securities or effects of the Hospital shall be deposited, or for any loss occasioned by any error of judgment or oversight on his/her part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his/her office or in relation thereto; provided that nothing herein shall relieve any Director or officer from the duty to act in accordance with the Act and the regulations thereunder.
- (ii) Subject to any limitations contained in the Act and these by-laws, the Hospital shall indemnify, out of the funds of the Hospital, a Director or officer, a former Director or officer who acts or acted on behalf of the Hospital, inclusive of his/her heirs, executors, administrators, legal representatives, and estate and effects, respectively, against all costs, charges and expenses, including an amount paid to settle an action or

satisfy a judgment, reasonably incurred by him/her in respect of any civil, criminal or administrative action or proceeding to which he/she is made a party by reason of being or having been a Director or officer of the Hospital provided that:

- (A) he acted honestly and in good faith with a view to the best interests of the Hospital and there was no act of wilful neglect or default; and
- (B) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he/she had reasonable grounds for believing that his/her conduct was lawful.
- (C) The Hospital shall also indemnify any such person in such other circumstances as the Act or law permits or requires. Nothing in this By-Law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this By-Law to the extent permitted by the Act or law.

26.8 Insurance

The Corporation may purchase and maintain insurance for the benefit of any Director, officer or other person acting on behalf of the Corporation against any liability incurred in that person's capacity as a Director, officer or other person acting on behalf of the Corporation, except where the liability relates to that person's failure to act honestly and in good faith with a view to the best interests of the Corporation.

26.9 Procedures

- (a) The statutory declaration of the Secretary or Chair that notice has been given pursuant to the By-laws shall be sufficient and conclusive evidence of the giving of such notice.
- (b) No error or omission in giving notice for a meeting of the Board shall invalidate such meeting or invalidate or make void any proceedings taken or had at such meeting and any Director may at any time waive notice of any such meeting and may ratify and approve any or all proceedings taken or had thereat.
- (c) Any officer of the Board appointed by the members on the recommendation of the Board of Directors and any member of any committee appointed by the Board shall cease to be a member of that committee upon resolution of the Board of Directors.
- (d) Minutes shall be kept for all meetings of the Board and all committees of the Board.
- (e) Questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chair shall rule that the motion

has been defeated. All votes at any such meeting shall be taken by ballot if so demanded by any Director present. If no demand be made, the vote shall be taken in the usual way by assent or dissent. A declaration by the Chair that a resolution has been carried and an entry to that effect in the Minutes shall be admissible as evidence as prima facie proof of the fact, without proof of the number or proportion of the votes recorded in favour or against any resolution.

- (f) Any question or procedure at or for any meetings of Pembroke Regional Hospital Inc., or the Board, or the Medical and Dental staff, or of any committees which have not been provided for in these By-laws or by the Canada Corporations Act shall be determined by the Chair in accordance with the rules of procedure adopted by resolution of the Board. In the event that the Board has not adopted a procedural text, the chair of the meeting shall determine the governing procedural text.

26.10 Ancillary Organizations

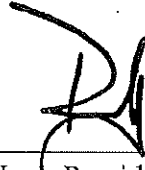
- (a) The Board may authorize the formation of a Hospital auxiliary and any other ancillary organizations it deems advisable.
- (b) Such organizations shall be conducted under the direction of the Board for the welfare and benefit of the Hospital and the patients treated therein.
- (c) Each such organization shall elect its own officers and formulate its own By-laws and manage its affairs. At all times, however, the objects and activities of each such organization shall be subject to review by the Board of Directors and its accounts subject to a formal audit.

26.11 Amendments

Subject to the provisions in the Canada Corporations Act, these By-laws may be amended, altered or repealed by an affirmative vote of a two-thirds (2/3) majority of the voting members of Board of Directors of PRH Inc., but no portion of any such amendment shall be effective until confirmed by the Members of PRH Inc. at the annual or any special meeting of the Members, or may be confirmed in writing by all of the Members entitled to vote at an annual or special meeting, provided that a full statement of each proposed amendment shall be set forth in the notice of call of such meeting. A review of these By-laws shall be conducted every three (3) years by the board of PRH Inc. No repeal or amendment shall be enforced until it has received the approval of the Minister of Industry Canada.

26.12 Effective Date

Upon approval of these By-laws by the Members of PRH Inc. and approval of the Ministry of Industry Canada, all By-laws of Pembroke Regional Hospital Inc. theretofore enacted are cancelled and revoked and these By-laws come into effect on a day to be named by resolution of Pembroke Regional Hospital Inc.



Pierre Noel, President and CEO



Garry Yaraskavitch, Board Chair