

BY-LAW NUMBER 1

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

CHESLEY AND DISTRICT MEMORIAL HOSPITAL FOUNDATION

WHEREAS the Corporation was incorporated by Letters Patent issued by the Lieutenant Governor of Ontario on the 31st day of March, 1994, for the following object:

- (a) To receive and maintain a fund or funds and to apply from time to time all or part thereof and the income therefrom to and for the benefit of the Chesley and District Memorial Hospital.

BE IT ENACTED as a by-law of CHESLEY AND DISTRICT MEMORIAL HOSPITAL FOUNDATION as follows:

1.00 INTERPRETATION

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

- .01 the singular includes the plural;
- .02 "Board" means the board of directors of the Corporation;
- .03 "Corporation" means Chesley and District Memorial Hospital Foundation;
- .04 "Corporations Act" means the Corporations Act (Ontario), as amended, and any statute enacted in substitution therefore, from time to time;
- .05 "documents" include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, bonds, debentures or other securities and all paper writings;
- .06 "Executive Officers" mean the persons who hold the offices enumerated in section 5.01; and
- .07 "Member" means a member of the Corporation in accordance with section 7.01.

1.02 Unless the context indicates otherwise, all terms defined in the Corporations Act have the same meanings in this by-law and all other by-laws and resolutions of the Corporation.

2.00 HEAD OFFICE

The head office of the Corporation shall be in the Town of Chesley, in the County of Bruce, and Province of Ontario, and at such place therein as the Board may from time to time determine.

3.00 SEAL

The seal which is impressed herein shall be the corporate seal of the Corporation.

4.00 BOARD

4.01 Board The affairs of the Corporation shall be managed by a Board composed of five (5) directors.

4.02 Directors Subject to 4.04, the Directors shall be elected or appointed in the manner set out in Article 6.00, and shall hold office until a successor has been elected.

4.03 Qualifications Each director shall

- .01 be at the date of his election [deleted] and thereafter remain throughout his term, a Member of the Corporation;
- .02 be at least eighteen (18) years of age; and
- .03 not be an undischarged bankrupt;

If a person ceases to be a Member of the Corporation or becomes bankrupt that person thereupon ceases to be a director, and the vacancy so created may be filled in the manner prescribed by section 4.04.

4.04 Vacancies. The remaining directors shall forthwith call a meeting of the Directors to fill the vacancies on the Board. Directors elected to fill a vacancy shall hold office for the remainder of the term of the director they replace.

4.05 Removal of Directors. The Members entitled to vote may, by resolution passed by at least two-thirds (2/3) of the votes cast at a general meeting of which notice specifying the intention to pass the resolution has been given, remove any director before the expiration of that director's term of office, and may, by a majority of the votes cast at that meeting, elect any person instead for the remainder of that director's term.

4.06 Quorum. A quorum for the transaction of business at meetings of the Board shall be three (3) directors.

4.07 Meetings. Meetings of the Board and of the Executive Committee (if any) may be held at any place within Ontario, as

designated in the notice calling the meeting. Meetings of Board may be called by the Chairperson or the Secretary-Treasurer or any two (2) directors.

4.08 Notice. Subject to the provisions of section 4.09, notice of Board meetings shall be delivered, mailed or telephoned to each director not less than two (2) days before the meeting is to take place. The declaration of any Executive Officer that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice. No formal notice of a meeting is necessary if all the directors are present or if those absent have signified their consent to the meeting being held without notice and in their absence.

4.09 Regular Meeting. The Board may appoint one or more days in each year for regular meetings of the Board at a place and time named; no further notice of the regular meetings need be given. The Board shall hold a meeting within seven (7) days following the annual meeting of the Corporation for the purpose of organization, the election and appointment of officers and the transaction of any other business.

4.10 Voting. Questions arising at any meeting of the Board shall be decided by a majority vote. In the case of an equality of votes, the Chairperson, in addition to an original vote, shall not have a second or casting vote. At all meetings of the Board, every question shall be decided by a show of hands unless a poll on the question is required by the Chairperson or requested by any director. A declaration by the Chairperson that a resolution has been carried and an entry to that effect in the minutes is conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the resolution.

4.11 Remuneration of Directors. The directors of the Corporation shall serve without remuneration and no director shall directly or indirectly receive any profit from their position as such; provided that directors may be paid reasonable expenses incurred by them in the performance of their duties.

4.12 Indemnities of Directors and Officers. Every director and officer of the Corporation, and his or her heirs, executors and administrators, respectively, shall from time to time and at all times be indemnified and saved harmless out of the funds of the Corporation only from and against:

- (i) all costs, charges and expenses whatsoever such director or officer sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against him or her for or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by him or her, in or about the execution of the

duties of his or her office;

- (ii) all other costs, charges and expenses he or she sustains or incurs in or about or in relation to the affairs of the Corporation,

except such costs, charges and expenses as are occasioned by his or her own negligence or default, or failure to act honestly and in good faith with a view to the best interests of the Corporation.

4.13 Protection of Directors and Officers. No directors or officers of the Corporation 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 act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency of any security in or upon which any of the money of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation with whom or which any moneys, securities or effects shall be lodged or deposited or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of such person's respective office or trust or in relation thereto unless the same shall happen by or through such person's own wrongful and wilful act or through such person's own wrongful and wilful neglect or default.

5.00 OFFICERS

5.01 Executive Officers. There shall be a Chairperson, Vice-Chairperson and Secretary-Treasurer elected by the Board from among their number.

5.02 Chairperson. The Chairperson, who shall also be the President, shall, when present, preside at all meetings of the Board and Members. The Chairperson shall supervise the affairs and operations of the Corporation, sign all documents requiring the Chairperson's signature and have the other powers and duties from time to time prescribed by the Board incidental to the Chairperson's office.

5.03 Vice-Chairperson. The Vice-Chairperson shall, in the absence of the Chairperson, preside at all meetings of the Board and Members and otherwise fulfil the obligations and exercise the authority of the Chairperson. In addition, the Vice-Chairperson shall perform the other duties from time to time prescribed by the Board or incidental to this office.

5.04 Secretary-Treasurer. The Secretary-Treasurer shall cause to be kept full and accurate accounts of all receipts and disbursements of the Corporation in proper books of account and

shall cause to be deposited all moneys or other valuable effects in the name and to the credit of the Corporation in the bank or banks from time to time designated by the Board. The Secretary-Treasurer shall cause to be disbursed the funds of the Corporation under the direction of the Board, taking proper vouchers therefore and shall render to the Board, whenever required of the Secretary-Treasurer, an account of all transactions as Secretary-Treasurer and of the financial position of the Corporation. The Secretary-Treasurer shall co-operate with the auditors of the Corporation during any audit of the accounts of the Corporation and perform the other duties from time to time prescribed by the Board or incidental to this office. Further, the Secretary-Treasurer shall cause to be given, all notices required to be given to members, directors, auditors and members of all committees. He shall attend at all meetings of the Directors and of the Members and shall enter or cause to be entered in the books for that purpose, minutes of all proceedings of such minutes. He shall be the custodian of all books, papers, records, documents and other instruments belonging to the Corporation and shall prepare and maintain a record of the same. He shall perform such other duties as may from time to time be prescribed by the Board.

6.00 ELECTION OF BOARD

6.01 Directors. One Director shall be the Chairman of the Board of Trustees of the Chesley and District Memorial Hospital and another Director shall be the Executive Director of the Chesley and District Memorial Hospital. The remaining three Directors shall be elected in the manner prescribed by this By-Law.

6.02 Term. Subject to the provisions of the Corporations Act and 6.01 above, the 3 remaining Directors shall be elected for a 3 year term.

6.03 Rotation. Subject to the provisions of the Corporations Act, the remaining 3 Directors shall be elected by the members entitled to vote and shall be retired in rotation.

6.04 Re-Election. A director, if otherwise qualified, is eligible for re-election at the completion of his or her term of office provided that no person shall serve as a director of the Corporation for more than two consecutive terms of three years.

6.05 Nominations. Candidates for the office of director shall be nominated by the Nomination Committee or the board. The Nomination Committee shall consist of two former directors, the Chairperson and such further persons as they recommend and are approved by the Board.

6.06 Election Method. Where the number of candidates nominated is equal to the number of offices to be filled, the Chairperson of the meeting shall cast a single ballot electing that number of

candidates for the offices. If any other number of candidates is nominated the election shall be by ballot.

6.07 Forms. The Board may prescribe the form of nomination paper and the form of ballot.

7.00 MEMBERSHIP

7.01 Membership. Membership in the Corporation shall consist of such persons as are admitted as Members by the Board upon payment an annual fee of \$1.00.

7.02 Transfer of Membership. Membership in the Corporation is not transferable.

7.03 Revocation of Membership. Any member may be expelled from the Corporation by a resolution passed by two thirds (2/3) of the votes cast at a general meeting of members of which notice specifying the intention to pass such resolution has been given.

7.04 Termination of Membership. A membership in the Corporation automatically terminates upon the happening of any of the following events:

- .01 if the person, in writing, resigns as a Member of the Corporation;
- .02 if the Member dies;
- .03 if the Member has ceased to be a Member as a result of non-payment of the fee or fees, determined by the Board pursuant to section 7.01;
- .04 if a Member is expelled from the Corporation pursuant to section 7.03; or
- .05 if a Member becomes bankrupt.

7.05 Annual Meeting. The annual meeting of the Members shall be held each year within Ontario, at a time, place and date determined by the Board for the purpose of:

- .01 hearing and receiving the reports and statements required by the Corporations Act to be read at and laid before the Corporation at an annual meeting;
- .02 electing such directors as are to be elected at such annual meeting;
- .03 appointing the auditor and fixing or authorizing the Board to fix the auditor's remuneration; and

.04 the transaction of any other business, properly brought before the meeting.

7.06 General Meeting. The Board may at any time call a general meeting of Members for the transaction of any business, the general nature of which is specified in the notice calling the meeting. A general meeting of Members may also be called by the Members as provided in the Corporations Act.

7.07 Notice of Meetings. Notice of the time, place and date of meetings of Members and the general nature of the business to be transacted shall be given at least ten (10) days before the date of the meeting to each Member (and in the case of an annual meeting to the auditor of the Corporation) by sending such notice by prepaid mail to the last address of the addressee shown on the Corporation's records or by posting such notice of such meeting on the notice board in the project operated by the Corporation at least fifteen (15) days before the date of the meeting.

7.08 Quorum. Three (3) Members present in person constitute a quorum at a meeting of Members and no business shall be transacted at any meeting unless the requisite quorum is present at the commencement of such business.

7.09 Voting by Members. Unless otherwise required by the provisions of the Corporations Act or the by-laws of the Corporation, all questions proposed for consideration at a meeting of the Members shall be determined by a majority of the votes cast by Members entitled to vote. In the case of an equality of votes, the Chairperson presiding at the meeting shall not have a second or casting vote.

7.10 Show of Hands. At all meetings of Members every question shall be decided by a show of hands unless otherwise required by a by-law of the Corporation or unless a poll is required by the Chairperson or requested by any Member entitled to vote. Upon a show of hands, every Member entitled to vote, present in person shall have one vote. Whenever a vote by show of hands has been taken upon a question, unless a poll is requested, a declaration by the Chairperson that a resolution has been carried or lost by a particular majority and an entry to that effect in the minutes of the Corporation is conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion.

7.11 Chairperson. In the absence of the Chairperson and the Vice-Chairperson, the Members entitled to vote and present at any meeting of Members shall choose another director as Chairperson and if no director is present or if all the directors present decline to act as Chairperson, the Members present shall choose one of their number to be Chairperson.

7.12 Adjournments. Any meeting of Members may be adjourned to any time and from time to time, and any business may be transacted at any adjourned meeting that might have been transacted at the original meeting from which the adjournment took place. No notice is required of any adjourned meeting.

8.00 EXECUTION OF DOCUMENTS AND BOOKS AND RECORDS

8.01 Execution of Documents. Documents requiring execution by the Corporation may be signed by any two of the Chairperson, Vice-Chairperson, or Secretary-Treasurer, and all documents so signed are binding upon the Corporation without any further authorization or formality. The Board may from time to time appoint any officer or officers or any person or persons on behalf of the Corporation, either to sign documents generally or to sign specific documents. The corporate seal of the Corporation shall, when required, be affixed to documents executed in accordance with the foregoing.

8.02 Books and Records. The Board shall see that all necessary books and records of the Corporation required by the by-laws of the Corporation or by any applicable statute are regularly and properly kept.

9.00 BANKING ARRANGEMENTS

9.01 The Board shall designate, by resolution, the officers and other persons authorized to transact the banking business of the Corporation, or any part thereof with the bank, trust company, or other corporation carrying on a banking business that the Board has designated as the Corporation's banker, to have the authority set out in the resolution, including, unless otherwise restricted, the power to,

- .01 operate the Corporation's accounts with the banker;
- .02 make, sign, draw, accept, endorse, negotiate, lodge, deposit or transfer any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money;
- .03 issue receipts for and orders relating to any property of the Corporation;
- .04 execute any agreement relating to any banking business and defining the rights and powers of the parties thereto; and
- .05 authorize any officer of the banker to do any act or thing on the Corporation's behalf to facilitate the banking business,

provided that such banking arrangements shall require that all

cheques and other negotiable documents for the payment of money be signed by two of the Chairperson or Vice-Chairperson and the Secretary-Treasurer or a Director.

10.00 BORROWING BY THE CORPORATION

10.01 Subject to the limitations set out in the by-laws or in the Letters Patent of the Corporation, the Board may,

- .01 borrow money on the credit of the Corporation;
- .02 issue, sell or pledge securities of the Corporation; or
- .03 charge, mortgage, hypothecate or pledge all or any of the real or personal property of the Corporation, including book debts, rights, powers, franchises and undertakings, to secure any securities or any money borrowed, or other debt, or any other obligation or liability of the Corporation,

provided that, except where the Corporation borrows on the security of its real or personal property, its borrowing power shall be limited to borrowing money for current operating expenses.

10.02 From time to time the Board may authorize any director, officer or employee of the corporation or any other person to make arrangements with reference to the money so borrowed or to be borrowed and as to the terms and conditions of the loan thereof, and as to the security to be given therefore, with power to vary or modify such arrangements, terms and conditions and to give such additional security as the Board may authorize, and generally to manage, transact and settle the borrowing of money by the Corporation.

11.00 FINANCIAL YEAR

11.01 The financial year of the corporation shall terminate on the 31st day of March in each year or on such other date as the Board may from time to time by resolution determine.

12.00 NOTICE

12.01 Computation of Time. In computing the date when notice must be given under any provision of the by-laws requiring a specified number of days' notice of any meeting or other event, the date of giving the notice is, unless otherwise provided, included.

12.02 Omissions and Errors. The accidental omission to give notice of any meeting of the Board of Members or the non-receipt of any notice by any director or Member or by the auditor of the Corporation or any error in any notice not affecting its substance does not invalidate any resolution passed or any proceedings taken

at the meeting. Any Director, Member or the Auditor of the Corporation may at any time waive notice of any meeting and may ratify and approve any or all proceedings taken thereat.

13.00 EFFECTIVE DATE

13.01 This by-law shall come into force without further formality upon its enactment.


Enacted as By-law Number 1 by the directors at a meeting duly called and regularly held and at which a quorum was present on the day of October, 1994.


Chairperson


Secretary-Treasurer

The Undersigned, being all the Directors of the Corporation hereby sign pursuant to Section 298 of the Corporations Act, R.S.O. 1990, c.C. 38 and amendments hereto, the foregoing By-Law as By-Law No. 1 of the Corporation.

Dated the 18 day of October, 1994.


Peter Edwin Loucks


Donna Joan Thomson


Robert Franklin Hutchinson


Guy Gerrard Kirvan


Clifford James Rier

The Undersigned, being all the Members of the Corporation hereby confirm, pursuant to the provisions of the Corporations Act, R.S.O. 1990, c.C. 38, the foregoing By-Law Number 1 of the By-Laws of said

Corporation and signed by all of the Directors of the Corporation and hereby sign to confirm said By-Law pursuant to Section 298 of the said Corporations Act.

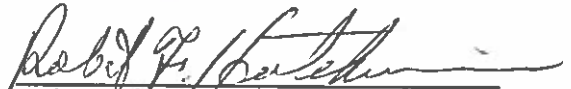
Dated the 18 day of October, 1994.



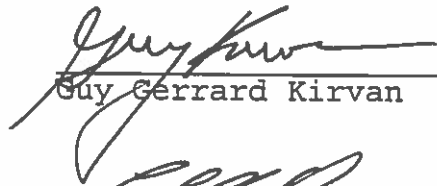
Peter Edwin Loucks



Donna Joan Thomson



Robert Franklin Hutchinson



Guy Gerrard Kirvan



Clifford James Rier

BY-LAW NUMBER 2


Being a Special Resolution of the Directors and Members
amending By-Law Number 1

BE IT ENACTED as Amending By-Law of Chesley and District Health Services Foundation as follows:

1. The name of the Corporation as it appears in By-Law Number 1, be amended to substitute "Chesley and District Health Services Foundation" wherever the words "Chesley and District Memorial Hospital Foundation" appear.
2. Article 3 "Seal" be amended to reflect the change of the name of the Corporation.
3. Article 6.01 "Directors" be repealed and the following clause be substituted therefore:


"Directors - One director shall be the Member elected as Trustee from the Town of Chesley to the Board of trustees of the South Bruce Grey Health Centre and another director shall be the Executive Director and/or Chief Executive Officer and/or Administrator of the South Bruce Grey Health Centre. The remaining three directors shall be elected in the manner prescribed by this By-Law"

I, Peter E. Loucks, Secretary of the meeting of the board of Directors of the Chesley and District Health Services Foundation hereby certify that the foregoing is a true copy of a resolution duly passed by the Directors on the 21st day of May, 1998.



Peter E. Loucks

I, Peter E. Loucks, Secretary of the meeting of the Board of Members of the Chesley and District Health Services Foundation hereby certify that the foregoing is a true copy of a resolution duly passed by the Members on the 21st day of May, 1998.



Peter E. Loucks

BY-LAW NUMBER 3

Being a Special Resolution of the Directors and Members
amending By-Law Numbers 1 and 2 as applicable

BE IT ENACTED as an Amending By-Law of Chesley and District Health Services Foundation
as follows:

1. Paragraph 4.01 entitled "Board" be deleted and the following substituted therefore:

"4.01 Board The affairs of the Corporation shall be managed
by a Board composed of six (6) directors."

2. Paragraph 6.01 entitled "Directors" as amended by By-Law Number 2 be further
amended to read as follows:

"6.01 Directors One of the Directors shall be one of the
Members elected as a Director for the Municipality of
Arran-Elderslie to the Board of Directors of the South
Bruce Grey Health Centre as appointed by said Board and
another Director shall be the Executive Director and/or
Chief Executive Officer and/or Administrator of the South
Bruce Grey Health Centre or his or her designate. The
remaining four Directors shall be elected in the manner
prescribed by the By-law."

I, Clifford James Rier, Secretary of the meeting of the Board of Directors of the Chesley and District
Health Services Foundation hereby certify that the foregoing is a true copy of a resolution duly
passed by the Directors on the 13th day of July, 1999.



Clifford James Rier

I, Clifford James Rier, Secretary of the meeting of the Board of Members of the Chesley and District
Heath Services Foundation hereby certify that the foregoing is a true copy of a resolution duly
passed by the Members on the 13th day of July, 1999.



Clifford James Rier

BY-LAW NUMBER 4

being a Special Resolution of the Directors and Members amending By-law Number 1, 2, and 3 as applicable

BE IT ENACTED as an amending by-law of CHESLEY AND DISTRICT HEALTH SERVICES FOUNDATION as follows:

1. Paragraph 4.01 of By-Law Number 1 as amended by By-Law Number 3, entitled "Board", shall be deleted and the following substituted therefore:

"4.01. **Board** The affairs of the Corporation shall be managed by a Board consisting of 11 Directors."

2. Paragraph 4.06 of By-Law Number 1 entitled "Quorum" shall be deleted and the following substituted therefore:

"4.06 **Quorum** A quorum for the transaction of business at the meeting of the Board shall be 6 Directors.

3. Paragraph 6.01 of By-Law Number 1 as amended by By-Law Number 2 and By-Law Number 3 entitled "Director" shall be deleted and the following substituted therefore:

"6.01 **Directors** One of the Directors shall be one of the members elected as the Director for the Municipality of Arran-Elderslie to the Board of Directors of the South Bruce-Grey Health Centre as appointed by said Board and another Director shall be the Executive Director and/or Chief Executive Officer and/or Administrator of the South Bruce Grey Health Centre and/or his or her designate. The remaining 9 Directors shall be elected in the manner prescribed by the By-law."

4. Paragraph 6.02 of By-Law Number 1 entitled "Term" shall be deleted and the following substituted therefore:

"6.02 **Term** Subject to the provisions of the Corporations Act, and 6.01, the remaining 6 Directors shall be elected for a three year term."

5. Paragraph 6.03 of By-Law Number 1 entitled "Rotation" shall be deleted and the following substituted therefore:

"6.03 **Rotation** Subject to the provisions of the Corporations Act, the remaining 6 Directors shall be elected by the members entitled to vote and shall be retired in rotation as set out in accordance with provisions of the By-law."

I, Peter E. Loucks, Secretary of the meeting of the Board of Directors of the Chesley and District Health Services Foundation hereby certify that the foregoing is a true copy of a resolution duly passed by the Directors on the 3rd day of February, 2005



Peter E. Loucks

I, Peter E. Loucks, Secretary of the meeting of the Board of Members of the Chesley and District Health Services Foundation hereby certify that the foregoing is a true copy of a resolution duly passed by the Members on the 3rd day of February, 2005



Peter E. Loucks