

BY-LAW NO. 1

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

SOUTH EAST LOCAL HEALTH INTEGRATION NETWORK (the “Corporation”)

BE IT ENACTED as a by-law of the Corporation as follows:

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SECTION ONE INTERPRETATION

1.01 Definitions. - In the by-laws of the Corporation, unless the context otherwise requires:

“Act” means the *Local Health System Integration Act, 2006*, or any statute that may be substituted therefor, as from time to time amended;

“appoint” includes “elect” and vice versa;

“associate” includes with respect to an individual, any member of the individual’s immediate family who resides with the individual, including a child, parent, sibling, spouse, including a common law partner, or a same-sex partner of such individual;

“Board” means the board of directors of the Corporation;

“Board Meeting” means a meeting of the Board for the purpose of making a decision or recommendation, the taking of an action or the giving of advice in respect of any matter within the Board’s jurisdiction. A meeting of Members for social, or purposes other than conducting Corporation business is not a Board Meeting;

“Board Committee” means any committee where a majority of members are Board Members;

“Board Member” means an individual appointed by the Lieutenant Governor in Council to be a member of the Board;

“by-laws” means this by-law and all other by-laws of the Corporation from time to time in force and effect;

“Chair” means the Board Member designated by the Lieutenant Governor in Council to be the Chair of the Corporation;

“Corporation” means the corporation without share capital continued under the Act and named South East Local Health Integration Network“ in English and “Réseau local d’intégration des services de santé du Sud Est“ in French;

“geographic area” has the meaning set out in section 2(1) of the Act;

“LHIN” means any local health integration network;

“Minister” means the Minister of Health and Long-Term Care or such other member of the Executive Council to whom the responsibility for LHINs may be assigned under the Executive Council Act;

“Secretary” means the individual appointed by the Board to be Secretary pursuant to this by-law;

“special resolution” means a resolution passed by at least two-thirds of the votes cast at a Board Meeting or by the consent in writing of all the Board Members entitled to vote at such meeting;

“Vice-Chair” means the Board Member or Board Members appointed by the Board, in accordance with this by-law.

1.02 Interpretation. – All terms which are used in the by-laws of the Corporation and which are not otherwise defined shall have the meanings given to such terms in the Act or regulations made under the Act. Words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; and words importing a person include an individual, partnership, association, body corporate, trustee, executor, administrator and legal representative. In the event of any inconsistencies between the by-laws of the Corporation, the Act and any regulations made under the Act, the order of precedence shall be the Act, the regulations and the by-laws, unless such by-laws have been approved by the Minister, in which case the by-law will govern.

1.03 Headings. - The headings in this by-law are inserted for convenience of reference only and shall not affect the construction or interpretation of this by-law.

SECTION TWO OBJECTS, POWERS AND AREA OF OPERATIONS

2.01 Objects. – The objects of the Corporation are to plan, fund and integrate the local health system as set out in the Act.

2.02 Powers. – Except as limited by the Act, the Corporation has the capacity, rights, powers and privileges of a natural person for carrying out its objects.

2.03 Property. – The property of the Corporation is not charitable property and shall, on amalgamation, division or dissolution, be distributed or disposed of in accordance with the terms of the Act.

SECTION THREE AFFAIRS OF THE CORPORATION

3.01 Head Office. - Until changed by special resolution and with the approval of the Minister, the head office of the Corporation shall be in the town of Grimsby, in the Province of Ontario, Canada, and at such location therein as the Board may from time to time determine.

3.02 Corporate Seal. - The Corporation may, but need not, have a corporate seal and if one is adopted it shall be in a form approved from time to time by the Board.

3.03 Financial Year. - The fiscal year of the Corporation shall end on March 31 of each year.

3.04 Execution of Instruments. - Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by two Board Members, one of whom holds the office of Chair of the Board, Vice-Chair or Secretary. In addition, the Board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer may affix the corporate seal to any instrument requiring the same.

3.05 Banking Arrangements. - The banking business of the Corporation, including any short-term investments, shall be transacted with the Government of Ontario's bank of record as may from time to time be designated, and shall be conducted in accordance with any agreement with the Minister.

3.06 Cheques, Drafts, Notes, etc. - All cheques, drafts and orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by two persons, and in such manner, as the Board may from time to time designate by resolution.

3.07 Expenditures. - Subject to the Act and the by-laws, the Board shall have the power to authorize expenditures on behalf of the Corporation, from time to time, and may delegate by resolution to a Board Member or officer the right to employ and pay salaries to employees. The Board shall have the power to make expenditures for the purpose of furthering the objects of the Corporation.

3.08 Auditors. - The Board Members shall appoint an auditor to audit the accounts of the Corporation annually.

3.09 Amendment of By-laws. - Subject to the provisions set out in the Act, any existing by-law of the Corporation not embodied in the Act may be repealed or amended by a special resolution. If the Minister requires the Board to submit a

proposed by-law to the Minister for approval before making the by-law concerned, the Board shall not make the by-law concerned until the Minister approves it. If the Minister requires the Board to submit an existing by-law to the Minister for approval (a) the by-law concerned ceases to be effective from the time that the Minister imposes the requirement until the Minister approves the by-law; (b) anything that the Board has done in compliance with the by-law concerned before the Minister imposes the requirement is valid; and (c) the Board may do anything that, before the Minister imposes the requirement, it has agreed to do.

3.10 Annual Report. – An annual report on the affairs and operations of the Corporation for the preceding fiscal year shall be submitted by the Corporation to the Minister in accordance with the Act. The annual report shall include audited financial statements for the fiscal year of the Corporation to which the report relates; data relating specifically to Aboriginal health issues addressed by the Corporation; and any additional information specified in any agreement with the Minister. The annual report shall be signed by the Chair and one other Board Member of the Corporation and shall be in the form that the Minister specifies.

SECTION FOUR MEMBERS OF THE BOARD OF DIRECTORS

4.01 Board Members. -- Subject to the Act and these by-laws, the Board Members shall consist only of persons who have a background in health care, public administration, management, accounting, finance, law, human resources, labour relations, communications or information technology or such other skills and professions that can assist a Board in meeting its objects who are appointed by the Lieutenant Governor in Council after consideration of the above qualifications.

4.02 Excluded Persons. – Except as may be permitted by the Lieutenant Governor in Council, Board Members cannot be:

- (a) a member of the Board, chief executive officer, an officer, employee or staff of:
 - (i) any corporation, agency or entity that represents the interests of persons who are part of the health sector and whose main purpose is advocacy for the interest of those persons;
 - (ii) a College of a health profession or group of health professions as defined under the *Regulated Health Professions Act, 1991*; or
 - (iii) an entity that receives funding from a LHIN;
- (b) an employee of the Ministry of Health and Long-Term Care;
- (c) an employee of the Corporation; or

(d) an associate of any person referred to in Sections 4.02(a) (b) or (c) above, where associate means with respect to an individual, any member of the individual's immediate family who resides with the individual, including a child, parent, sibling, spouse, including a common law partner, or a same-sex partner of such individual.

4.03 Number. – There shall be no more than nine Board Members of the Corporation.

4.04 Qualifications. – In addition to the qualifications set out in Section 4.01, each Board Member shall:

- (a) be at least eighteen years of age;
- (b) not be an undischarged bankrupt;
- (c) be a person interested in furthering the objects of the Corporation;
and
- (d) attend Board Meetings on a regular basis.

4.05 Elected Office. – Board Members shall resign from their positions to seek nomination for, be a candidate for, or hold a provincial or federal elected office.

4.06 Resignation. – Board Members may resign at any time by resignation in writing given to the Chair of the Corporation and to the Minister. A resignation shall be effective on the later of the date specified in the letter of resignation, or the date the letter of resignation is received by the Chair. A Board Member shall remain liable for payment of any assessment or other sum levied or which becomes payable by the Board Member to the Corporation prior to the effective date of such resignation.

4.07 Term and Reappointment. - The term of a Board Member shall be for up to three years. A Board Member may be reappointed for a second term at the discretion of the Lieutenant Governor in Council.

4.08 Non-Transfer of Membership and Vacancies. – The office of a Board Member is not transferable. A Board Member ceases to be a Board Member:

- (a) upon the death of the Board Member;
- (b) when the Board Member's term of appointment expires and is not renewed;
- (c) when the Board Member's appointment is revoked by the Lieutenant Governor in Council; or
- (d) when the Board Member falls within the categories of excluded persons in Sections 4.02, 4.04, or 4.05 of this By-law.

A Board Member who falls within the categories in Sections 4.02, 4.04, or 4.05 shall immediately inform the Chair of such fact and shall resign.

4.09 Duties of the Board. – The affairs of the Corporation shall be under the management and control of the Board of Directors.

4.10 Remuneration. – The Corporation shall provide remuneration to the Board Members as established by the Lieutenant Governor in Council. The Corporation shall also reimburse the Board Members for reasonable travelling and other expenses properly incurred by them in attending Board Meetings or Board Committee Meetings.

4.11 Open Meetings. – Board Meetings shall be open to the public and shall be conducted in accordance with By-law No. 2. In addition, if the Minister has given the Corporation a policy on open meetings for the Corporation pursuant to any agreement with the Minister, the Board shall follow the requirements of such policy.

4.12 Conflicts of Interest. – The Board shall develop, in accordance with the Act and any other applicable legislation, conflict of interest policies for the Board Members and employees of the LHIN that are consistent with the rules of the government of Ontario's Conflict of Interest & Post-Service Directive for Public Servants and Officials under the *Public Service of Ontario Act, 2006*.

4.13 No Conflict of Interest. – Board Members are subject to the conflict of interest policy developed in accordance with Section 4.12. The Board shall ensure that the Corporation's operations are carried out without a conflict of interest by any Board Member, officer or employee.

SECTION FIVE COMMITTEES OF THE BOARD

5.01 Prescribed Board Committees. - The Board will establish any committees of the Board that the Minister prescribes under the Act. Prescribed committees shall be incorporated into this by-law as required committees. The Board will appoint as members of the committees the persons who meet the qualifications, if any, that the Minister specifies by regulation and will ensure that the committees operate in accordance with the other requirements, if any, that the Minister specifies in the regulation.

5.02 Other Board Committees. – the Board may establish any committees that the Board may require from time to time by resolution and may delegate to any such Board Committee any of the powers of the Board, subject to any rules and terms of reference imposed from time to time by the Board.

5.03 Advisory Bodies. - The Board shall appoint such advisory bodies as are prescribed or as it may deem advisable. Advisory bodies, whether committees or

otherwise, may not exercise powers of the Board.

5.04 Executive Committee. - Whenever the Board consists of more than six Board Members, the Board may, but is not required to, establish an executive committee. To do so, the Board shall elect from its Board Members an executive committee consisting of not less than three, which committee shall have power to fix its quorum at not less than a majority of its number and may exercise all the powers of the Board, subject to any terms of reference imposed from time to time by the Board. The Chair shall be a member of the executive committee.

5.05 Audit Committee. – The Board shall have an Audit Committee which shall report to and be accountable to the Board. The Audit Committee shall review and provide advice and recommendations to the Board on:

- (i) the Corporation's obligations with respect to appropriate accounting and financial reporting;
- (ii) whom the Corporation should appoint annually as its auditor;
- (iii) the annual audit plan of the Corporation;
- (iv) the audited financial statements of the Corporation;
- (v) appropriate risk management activities;
- (vi) whom a health service provider should appoint as its auditor to audit its accounts and financial transactions, if the Corporation directs the service provider under section 21 of the Act to have such an auditor; and
- (vii) on any other matters required by the Board.

5.06 Community Nominations Committee. – The Board shall have a Community Nominations Committee which shall report to and be accountable to the Board. The Community Nominations Committee shall,

- (i) give notice to the public of vacancies on the Board of directors of the network;
- (ii) inform the public about the objects and role of the network;
- (iii) identify potential appointees to the Board of directors of the network through a local community nomination process;
- (iv) recommend to the Board of directors of the network potential appointees to the Board of directors of the network; and
- (v) undertake any other matters required by the Board.

5.07 Members of Board Committees. - The Board may, by resolution, (i) appoint and remove committee members; and (ii) fill vacancies on committees. The chief executive officer or his or her designate may be invited to attend meetings of a Board Committee as a non-voting member.

SECTION SIX OFFICERS

6.01 Appointment. – Subject to the provisions of the Act and this By-law, the Board shall from time to time appoint a Chair and a Secretary and may appoint

one or more Vice-Chairs (to which title may be added words indicating seniority or function), a treasurer, chief executive officer and such other officers as the Board may determine, including one or more assistants to any of the officers so appointed. Subject to the Act and this by-law, one person may hold more than one office. The Board may specify the duties of and, in accordance with this by-law and subject to the Act, delegate to such officers powers to manage the business and affairs of the Corporation. An officer, other than Chair and Vice-Chair, may, but need not, be a Board Member, but the chief executive officer shall not be a Board Member.

6.02 Chair. – The Board shall appoint the Board Member designated by the Lieutenant Governor in Council pursuant to the Act, as Chair. The Chair shall chair, when present and able, all Board Meetings, and the executive committee; sign all documents requiring the Chair's signature; ensure that all minutes are an accurate reflection of the meetings by signing them when approved; and perform any other duties assigned by the Board.

6.03 Vice-Chair. - The Board shall appoint the Board Member or Board Members designated by the Lieutenant Governor in Council pursuant to the Act as Vice-Chair(s) of the Corporation. If no such person is designated, the Board may appoint from time to time one Vice-Chair. If so appointed, the Vice-Chair shall have such powers and duties as the Board may specify until such time as a Vice-Chair is designated by the Lieutenant Governor in Council. During the absence or disability of the Chair, Vice-Chair(s) shall also have the powers and duties of that office.

6.04 Secretary. - The Board shall appoint a Secretary. The Secretary shall be empowered by the Board to carry on the affairs of the Corporation generally under the supervision of the Chair. The Secretary shall be responsible for ensuring the preparation and accuracy of minutes of all Board Meetings and shall enter or cause to be entered in records kept for that purpose minutes of all Board and Board Committee Meetings. The Secretary shall give or cause to be given, as and when instructed, all notices to Board Members, officers, Board Committee members and the public and shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, records and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose. The Secretary shall have such other powers and duties as otherwise may be specified by the Board.

6.05 Treasurer. - The Board may from time to time appoint a treasurer. The treasurer shall keep proper accounting records of the financial activities of the Corporation, and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation. The treasurer shall render to the Board whenever required an account of all transactions of the Corporation and of the financial position of the Corporation. The treasurer shall have such other powers and duties as otherwise may be specified. If a treasurer

is not appointed, the duties of the treasurer shall be carried out by the Secretary or such other officer as the Board may from time to time determine.

6.06 Chief Executive Officer. – The Board shall from time to time appoint as chief executive officer the person acceptable to the Board. The Board shall delegate to the chief executive officer full power to manage and direct the business and affairs of the Corporation and to employ and discharge agents and employees of the Corporation:

- (i) except such matters and duties as by law must be transacted or performed by the Board; and
- (ii) subject to such restrictions and policies as are passed by the Board.

The chief executive officer shall conform to all lawful orders given by the Board and shall at all reasonable times give to the Board Members or any of them all information they may require regarding the affairs of the Corporation.

6.07 Powers and Duties of Officers. - The powers and duties of all officers shall be such as the terms of their engagement call for or as the Board or (except for those whose powers and duties are to be specified only by the Board) the chief executive officer may specify. The Board and (except as aforesaid) the chief executive officer may, from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the Board or the chief executive officer otherwise directs.

6.08 Term of Office. - The Board, in its discretion, may remove any officer of the Corporation, other than the Chair, and the Vice-Chair(s) where the Lieutenant Governor in Council has approved a person or persons as Vice-Chair of the Corporation. Each officer appointed by the Board shall hold office until a successor is appointed or until an earlier resignation is received by the Corporation.

6.09 Remuneration of Officers. - The officers who are neither Board Members nor the chief executive officer shall be paid such remuneration for their services as the Board may from time to time determine. If the Minister fixes ranges for the salary or other remuneration and benefits of a chief executive officer, the Board shall provide its chief executive officer a salary or other remuneration and benefits within such ranges as are set by the Minister.

6.10 Agents and Attorneys. - The Corporation, by or under the authority of the Board, shall have power from time to time to appoint agents or attorneys for the Corporation in Ontario with such powers (including the power to sub-delegate) of management, administration or otherwise as may be thought fit.

SECTION SEVEN PROTECTION OF MEMBERS, OFFICERS AND OTHERS

7.01 Limitation of Liability. - Every Board Member and officer of the Corporation in exercising the powers and discharging the duties of a Board Member or officer shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no Board Member or officer shall be liable to the Corporation for:

- (a) the acts, receipts, neglects or defaults of any other Board Member, officer or employee;
- (b) any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation;
- (c) the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested;
- (d) any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited;
- (e) any loss occasioned by any error of judgement or oversight on the part of the Board Member or officer; or
- (f) any other loss, damage or misfortune which shall happen in the execution of the duties of such office or in relation thereto,

provided that the Board Member or officer has acted in accordance with the Act, its regulations, or this by-law and the loss has not arisen from the wilful neglect or dishonesty of the Board Member or officer.

7.02 Indemnity and Insurance - Subject to the Act and obtaining the approval of the Minister, the Corporation shall indemnify an officer in such form of indemnity as approved by the Minister. The Corporation shall not purchase directors and officers liability insurance without the permission of the Minister.

SECTION EIGHT NOTICES

8.01 Application. - Notices required to be provided to or by the Corporation pursuant to the Act, the By-laws or otherwise, other than notices of meetings under By-law No. 2, shall be governed by this section.

8.02 Method of Giving Notices. - All notices shall be in writing and shall be sufficiently given if delivered personally, by courier or by recorded facsimile transmission to the recipient(s).

8.03 Effective Date - Notices shall be effective at the time the delivery is made provided that the sender of the notice has a written confirmation that the notice was

received during the recipient's ordinary business hours. If delivered outside ordinary business hours, the notice shall be effective at 9 a.m. on the next business day.

8.04 Notices From the Corporation - Subject to 8.03, any notice from the Corporation to a Board Member, Board Committee Member or officer shall be sufficiently given if delivered to the individual in accordance with the individual's contact information as recorded in the books of the Corporation. The Secretary may change the contact information in the Corporation's books of any Board Member, officer, auditor or member of a Board Committee in accordance with any information believed to be reliable.

8.05 Notices to the Corporation - Subject to 8.03, any notice from a Board Member, Board Committee Member or officer to the Corporation shall be sufficiently given if delivered to the head office of the Corporation.

8.06 Notice of Board Meeting. – Notices for Board and Board Committee Meetings shall also be governed by the provisions of s. 4.0 of By-law No. 2. To the extent that there is any conflict, the provisions of By-law No. 2 will govern.

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

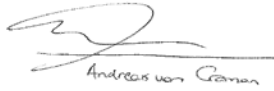
8.08 Omissions and Errors. - The accidental omission to give any notice to any Board Member or officer, or the non-receipt of any notice by any Member or officer, or any error in any notice not affecting the substance thereof, shall not invalidate any action taken at any meeting held pursuant to such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

8.09 Waiver of Notice. - Any Board Member or officer may waive any notice required to be given under any provision of the Act, the by-laws or otherwise and such waiver, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in giving such notice.

SECTION NINE EFFECTIVE DATE

9.01 Effective date. - Subject to the provisions of the Act, this by-law shall come into force when passed by special resolution of the Board.

PASSED by the Board the 18th day of December, 2012.



Andreas von Cramon

Andreas von Cramon, Acting Chair



Paul Huras

Paul Huras, Secretary