

## Durham Hospital Foundation Inc.

Policy Type: Administration  
Policy Title: Board Composition

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The purpose of this policy is to guide the appointment of Officers to the Board.

### **Section 1: Composition**

1. A Board composed of up to twelve (12) Directors shall manage the affairs of the Durham Hospital Foundation Inc. (hereafter referred to as the Corporation). The Past President, upon invitation by the Board, can be included in the Board composition.

### **Section 2: Directors**

1. Directors shall be elected in the manner set out in Sections 4, 10, 11 and 12 each of whom, subject to those provisions and of the Letters Patent shall hold office until a successor has been elected and qualified.

### **Section 3: Qualifications**

1. Each Director shall:
  - a) be at the date of, or become within ten (10) days after his election, and thereafter remain throughout his/her term, a paid up Member of the Corporation,
  - b) be at least eighteen (18) years of age, and
  - c) not have an unpardoned criminal or felony conviction
  - d) should a person cease to be a Member of the Corporation that person thereupon ceases to be a Director, and the vacancy so created may be filled in the same manner as prescribed in Section 4.
  - e) Directors must be at arm's length relationship to other Foundation Directors, as per Canada Revenue Agency regulations.

### **Section 4: Vacancies**

1. The remaining Directors shall bring forward candidates at a regular meeting of the Board to fill the vacancies. Directors elected to fill a vacancy shall hold office for the

remainder of the term of the Director they replace.

2. Should there not be a full complement of Directors who accept nomination for appointment to the Board at any annual meeting, in order to fill the positions left vacant by resigning members, the Members and/or the Board may continue to canvas for such Board candidates to fill vacant positions of Director. The Board may approve an appointment at the next board meeting. The appointed member shall hold office until the next annual meeting at which time such appointed member shall stand for election if he/she so then desires to continue as a Board member.

#### **Section 5: Removal of Directors**

1. 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 to remove any Director before the expiration of that Director's term of office has been given, and may, by a majority of the votes cast at the meeting, elect any person instead for the remainder of the Director's term.

#### **Section 6: Remuneration of Directors**

1. 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.

#### **Section 7: Indemnities of Directors and Officers**

1. Every Director and Officer of the Corporation, and his/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:
  - a) 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/her for or in respect of any act, deed, matter or thing whatsoever, made, done, or permitted by him/her, in or about the execution of duties of his /her office;
  - b) all other costs, charges and expenses he/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/her own negligence or default, or failure to act honestly and in good faith with a view to the best interests of the Corporation.

## Section 8: Protection of Directors and Officers

1. Directors and Officers of the Corporation shall not be liable for:
  - \*the acts, receipts, or defaults of any other Directors, Officers or employees of the Corporation,
  - \*joining in any receipt or act for conformity,
  - \*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,
  - \*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,
  - \*any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation with whom or which any monies, securities, or effects shall be lodged or deposited,
  - \*any other loss, damage or misfortune 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 willful act or through such person's own wrongful and willful neglect or default.

## Section 9: Responsibility for Acts

1. The Directors of the Corporation for the time being shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done, or entered into in the name or on behalf of the Corporation, except as shall have been submitted to and authorized or approved by the Board.
2. Other than occupancy leases and agreements, the Corporation is not authorized to enter contracts with Directors.

## Section 10: Term

1. Subject to the provisions of the Not-For-Profit Corporation Act and the Corporation By-laws, each Director shall be elected for a **five (5) year term. (was a three (3) year term)**

## Section 11: Rotation

1. Subject to the provisions of the Not-For-Profit Corporation Act, Directors shall be elected by Members entitled to vote and shall retire in rotation.

## Section 12: Re-Election

1. A Director, if otherwise qualified, is eligible for election for **three (3) consecutive terms (was two (2) terms)** but may not thereafter be elected for a **fourth (4<sup>th</sup>) consecutive**

term. (was a three (3) year term)

2. After at least a one (1) year hiatus, a Director may be re-elected to the Board (there was no option for a return.)

3. In the event that a Director, at the end of his/her third five (5) year term (was a second three (3) year term), is the President of the Foundation, such individual shall, upon invitation by the Board, occupy a new position on the succeeding Board as Past President or any other elected office and that office holder shall be entitled to hold such office and be an additional member of the Board for one (1) further year.

**Related Documents:**

DHF AD-03 Officers

Dec/2013 April 23/2015

April 2017

May 2018

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