

AMALGAMATION AGREEMENT

THIS AGREEMENT is made _____, 2020

BETWEEN:

DURHAM MENTAL HEALTH SERVICES,
a corporation existing under the laws of Ontario

and

LAKERIDGE HEALTH,
a corporation existing under the laws of Ontario

BACKGROUND:

- A. Each Amalgamating Corporation is a charitable corporation without share capital, existing under the Act.
- B. The Amalgamating Corporations wish to amalgamate in accordance with the Act upon the terms and conditions of this Agreement.
- C. The Amalgamating Corporations have similar objects.

NOW THEREFORE, the parties agree as follows:

1. **Definitions.** In this Agreement, the following terms have the following meanings:
 - (a) “**Act**” means the *Corporations Act* (Ontario) and, where the context requires, includes the regulations made under it, and any statute that may be substituted for it, as amended from time to time.
 - (b) “**Agreement**” means this amalgamation agreement.
 - (c) “**Amalgamated Corporation**” means the corporation formed pursuant to the amalgamation of the Amalgamating Corporations.
 - (d) “**Amalgamating Corporations**” means DMHS and LH.
 - (e) “**Bequest**” means all gifts, trusts, bequests, pledges, devises, and grants of real or personal property or of the income or proceeds therefrom expressed by a person in a deed, will, or other document.
 - (f) “**Board**” means the duly elected or appointed trustees of the Amalgamated Corporation.
 - (g) “**DMHS**” means Durham Mental Health Services.

- (h) “**Effective Date**” means the date of issuance of the Letters Patent of Amalgamation.
 - (i) “**Entity**” means any company, corporation, trust, partnership, or other form of business entity held by the Amalgamated Corporation.
 - (j) “**Letters Patent of Amalgamation**” means the constating document of the Amalgamated Corporation issued by the Ministry of Government and Consumer Services.
 - (k) “**LH**” means Lakeridge Health.
2. **Amalgamation.** Each Amalgamating Corporation agrees to amalgamate under the provisions of Section 113 and Section 133 of the Act and to continue as one corporation without share capital under the terms and conditions of this Agreement as of the Effective Date.
3. **Name.** The name of the Amalgamated Corporation shall be Lakeridge Health.
4. **Head Office.** Until changed in accordance with the Act, the head office of the Amalgamated Corporation shall be located in the City of Whitby, Province of Ontario, and the municipal address of such registered office shall be 920 Champlain Court, Whitby, ON, L1N 6K9.
5. **Objects.** The objects of the Amalgamated Corporation shall be as follows:
- (a) to establish, equip, staff, maintain, operate, conduct and manage, on one or more sites, one or more hospitals and/or health facilities with programs and services that may include, without limitation, active treatment programs and services, chronic care, complex continuing care, community health, emergency services, out-patient services, rehabilitation services and therapy services;
 - (b) to establish, operate and maintain laboratories, diagnostic imaging services, research facilities, therapeutic and rehabilitation facilities, pharmacies, dispensaries and other services incidental to a hospital;
 - (c) to promote, conduct and participate in education pertaining to health care, including, without limitation, the education of physicians, dentists, nurses, midwives and other health care personnel as may be necessary or desirable;
 - (d) to encourage, promote, support, conduct and participate in research activities pertaining to health care including, without limitation, clinical trials, health promotion, disease prevention, and integrative medicine including, without limitation, alternative and complementary therapies, alone or in association with other hospitals, health services providers, research funding agencies and other health related organizations;

- (e) to collaborate with government, governmental agencies and other health service providers and participate in activities carried on to promote and improve the general health of the community;
- (f) to establish, equip, staff, maintain, operate, conduct, and manage, on one or more sites, other health care or healthcare-related programs and services that may include, without limitation, long-term care, in-home health care, public health, community health;
- (g) to establish, equip, staff, maintain, operate, conduct, and manage, on one or more sites, health care and social support services concerning mental health and addictions, including the accommodation, care, and treatment of any person or persons, and the provision of programs of treatment, education and research; and
- (h) to undertake activities incidental and ancillary to the attainment of the above charitable objects.

6. **Special Provisions.**

- (a) The Amalgamated Corporation shall be carried on without the purpose of gain for its members and any profits or other accretions to the Amalgamated Corporation shall be used in promoting its objects.
- (b) The Amalgamated Corporation shall be subject to the *Charities Accounting Act*.
- (c) No trustee shall receive remuneration for services provided in the capacity as a trustee, although they may be paid reasonable expenses incurred by them in the performance of their duties. Unless otherwise prohibited by the Amalgamated Corporation, a trustee may be compensated for services other than as a trustee pursuant to the regulation made under the *Charities Accounting Act*, or with court approval or an order made under section 13 of the *Charities Accounting Act*.
- (d) Upon the dissolution of the Amalgamated Corporation and after payment of all debts and liabilities, its remaining property shall be distributed or disposed of to charities registered under the *Income Tax Act* (Canada) that provide health care and support services and that carry on their work principally in the geographic area served by the Amalgamated Corporation.
- (e) To invest the funds of the Amalgamated Corporation pursuant to the *Trustee Act*.

7. **By-laws and Policies.**

- (a) Initially, the LH corporate by-laws shall apply to the Amalgamated Corporation and thereafter the by-laws of the Amalgamated Corporation shall be the by-laws made pursuant to the Act approved at meetings of the Board and members of the Amalgamated Corporation called for the purpose of considering the by-laws and the by-laws shall be available for examination at the head office of the Amalgamated Corporation as set forth herein.

- (b) Until changed by the Amalgamated Corporation:
- (i) The LH professional staff by-laws shall apply to the Amalgamated Corporation;
 - (ii) The LH governance policies shall apply to the Amalgamated Corporation; and
 - (iii) The operational policies of each of the Amalgamating Corporations that apply to a particular facility shall continue to apply to that facility.

8. Board of Trustees

- (a) Until changed in accordance with the Act, the Board shall consist of 21 trustees.
- (b) The first trustees of the Amalgamated Corporation shall be the following individuals whose legal name and address for service is set out below:

	Name	Address for Service
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		

15.		
16.		
17.		
18.		
19.		
20.		
21.		

- (c) All subsequently elected or appointed trustees shall be elected or appointed in accordance with the provisions of the by-laws of the Amalgamated Corporation.

[NTD: the names of the trustees will be inserted following the AGM with the names of those elected.]

9. **Officers of the Board of Trustees.** Until changed by the Amalgamated Corporation, the first officers of the Board shall be the following individuals whose legal name and title are set out below:

	Name	Title
1.		
2.		
3.		
4.		

[NTD: the names of the officers will be inserted following the Board meeting after the AGM with the names of those appointed.]

10. **Members.** The initial members of the Amalgamated Corporation shall consist of:
- (a) the trustees of the Amalgamated Corporation, who shall be *ex-officio* members but only for so long as they serve as trustees; and
 - (b) such other persons who are current members of LH.

All subsequent memberships shall be determined in accordance with the provisions of the by-laws of the Amalgamated Corporation, as amended from time to time.

11. **Commitment to Community Engagement.** The Amalgamated Corporation shall engage its stakeholders, including the communities it serves, through processes approved by the Board from time to time.
12. **Assets and Liabilities.**
 - (a) The Amalgamating Corporations shall contribute to the Amalgamated Corporation all of their assets subject to all of their liabilities.
 - (b) The Amalgamated Corporation shall possess all of the property, rights, privileges, and franchises, and shall be subject to all of the liabilities, including civil, criminal, and quasi criminal, and all contracts and debts of each Amalgamating Corporation.
 - (c) All rights of creditors against the property, rights, and assets of the Amalgamating Corporations, and all liens upon their property, rights, and assets, orders, judgments, rulings, or convictions upon their property, rights, and assets shall be unimpaired by such amalgamation and all debts, contracts, and liabilities, including civil, criminal, and quasi criminal, and duties of each of the Amalgamating Corporations shall attach to the Amalgamated Corporation and may be enforced against it.
 - (d) Except as provided in Section 12(e), all Bequests to be made, given, or conveyed to the Amalgamating Corporations or any of their predecessors or to any person in trust for or for the benefit of the foregoing, shall, insofar as the Bequests have not vested in possession or been carried into effect on the Effective Date, subject to any applicable laws and if practicable, be applied by the Amalgamated Corporation for the use and benefit, if so specified in such deed, will, or other document, of the facilities currently operated as either of the Amalgamating Corporations, and any replacements or additions to such facilities. Any Bequest not so designated shall be allocated by the Amalgamated Corporation in accordance with the directions of the Board.
 - (e) Funds that have been raised by charitable means or received as a charitable donation and that are currently designated as special purpose funds of the Amalgamating Corporations shall remain segregated and shall be used exclusively for the benefit of the facilities to which such funds were designated and any replacements or additions to such facilities.
 - (f) No action or proceeding by or against either Amalgamating Corporation shall abate or be effected by the amalgamation. The Amalgamated Corporation shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against an Amalgamating Corporation before the Effective Date.

- (g) A conviction against, or ruling, order, or judgment in favour or against either Amalgamating Corporation may be enforced by or against the Amalgamated Corporation.
13. **Further Assurances.** Each party shall from time to time promptly execute and deliver such further documents, conveyances, deeds, assignments, transfers, and the like, and take such further action as may be reasonably necessary or appropriate to give effect to the provisions and intent of this Agreement.

[Signature Page Follows]

The parties have duly executed this Agreement.

DURHAM MENTAL HEALTH SERVICES

By: _____
Name: Bill Sims
Title: Board Chair

By: _____
Name: Rob Adams
Title: Chief Executive Officer

(I/we have authority to bind the corporation)

LAKERIDGE HEALTH

By: _____
Name: Sharon Cochran
Title: Board Chair

By: _____
Name: Susan deRyk
Title: President and Chief Executive Officer

(I/we have authority to bind the corporation)