

ARTICLES OF ASSOCIATION OF
Central Peace Medical Services Corporation

ARTICLE 1 - PREAMBLE AND INTERPRETATION

These Articles should be read to comply with the *Companies Act*, R.S.A. 2000 and other applicable legislation, and unless they are otherwise defined in these Articles, terms used herein shall be taken as having the same meaning they have when used in the *Companies Act*.

1.1 Definitions

In these Articles, unless the context otherwise requires:

- a. **"Articles"** means these Articles of Association and any amendments thereto;
- b. **"Board of Directors"** or **"Board"** means the Board of Directors of the Company, each of whom is appointed pursuant to the relevant sections of these Articles;
- c. **"Board Meeting"** means a duly called and constituted meeting of the Board of Directors;
- d. **"Chair"** means the member of the Company's Board who is elected as Chair;
- e. **"Chief Administrative Officer"** or **"CAO"** means the person appointed by Council to carry out the powers, duties, and functions of the position of Chief Administrative Officer of the Municipality as described in the Municipal Government Act (Alberta);
- f. **"Chief Operating Officer"** or **"COO"** means the person appointed by and directly accountable to the Board of the Company to serve as the senior executive officer of the Company;
- g. **"Company"** means **Central Peace Medical Services Corporation**, a not-for-profit Company established under the *Companies Act*;
- h. **"Companies Act"** means the *Companies Act*, RSA 2000 c-21, as amended;
- i. **"Council"** means the elected Council of a Member Municipality;
- j. **"Councillor"** means an elected Councillor of a Member Municipality;
- k. **"Director"** means a Director of the Company and includes, where a Director is absent, the Director's alternate, appointed pursuant to Article 3.5 hereof;
- l. **"Members"** means Members of the Company as defined by the *Companies Act* and Article 2.1 of these Articles;
- m. **"Municipality"** means one or more of the municipalities who are Members;
- n. **"Municipalities"** means all of the municipalities who are Members;
- o. **"Resolution"** means a resolution passed by a majority of votes cast at a duly called and constituted meeting of the Members or of the Directors, as the case may be.

ARTICLE 2 – MEMBERSHIP

2.1 Members

The Members are the Municipalities of Saddle Hills County, Municipal District of Spirit River No. 133, Birch Hills County, Town of Spirit River, and Village of Rycroft and such other municipalities approved for membership.

2.2 Obligations of Membership

There shall be no membership fees or dues.

2.3 Conflict-of-Interest

A Municipality shall not be deemed to be in conflict-of-interest with the Company by reason only of the Municipality entering into a Lease Agreement or other Contract with the Company from time to time.

ARTICLE 3 - APPOINTMENT OF DIRECTORS

Number and Appointment of Directors

3.1 The subscribers, or where the subscriber is a municipality, one representative of each subscriber to the Memorandum of Association of the Company are the first Directors. Thereafter, there shall be the same number of Directors as there are Members. Each Municipality, through its Council, will appoint one Director to the Board, as well as one alternate Director to serve as a Director in the absence of the Director. A Council shall be at liberty to appoint a member of Council or a person at large in the community as a Director.

3.2 Exclusions

None of the following shall be a Director, namely:

- a. a person under the age of 18 years;
- b. a person who is not eligible to vote at a municipal election within the Municipality;
- c. a person who has the status of a bankrupt;
- d. a person who is found by a court to be mentally incompetent or of unsound mind;
- e. a person who has been convicted of an indictable offence or a criminal offence involving fraud; or
- f. a corporation.

3.3 Terms of Directors

Directors shall be appointed to terms of up to four years, but may be reappointed at the discretion of the Council appointing the Director.

3.4 Termination of Directors

Director's appointment shall be terminated if:

- a. the Director delivers a written resignation to the Chief Administrative Officer of the Member which appointed the Member, with an effective resignation date, and a copy to the Chair of the Board of Directors, and/or the COO in which case:
 - i) the Director becomes a person described in Article 3.5;

- ii) the Council of the Member who appointed the Director shall pass a resolution(s) that such person be removed from his office as Director and replaced by another person;
- b. the Director is deceased or, in the opinion of a doctor, is incompetent;
- c. the Director is absent from three (3) consecutive Board meetings without authorization of the Board in advance of the third meeting; or
- d. the Council appointing a Director passes a resolution(s) rescinding or revoking the Director's appointment, and replacing the person with another.

3.5 Casual Vacancies

The Council of a Member appointing a Director may at any time and from time to time, appoint a new person as a Director to fill a casual vacancy of their appointment on the Board of Directors for the balance of the term of the person whose departure created the vacancy

3.6 Remuneration of Directors

The Board may reasonably remunerate any Member, Director or Officer for goods provided or services rendered and be incorporated into the annual budget.

3.7 Conflict-of-Interest

No Director shall directly or indirectly receive any profit or financial benefit from his position provided that any Director who is engaged in or is a member of a firm or corporation engaged in any business or profession may, subject to the conflict of interest guidelines established by the Board of Directors, act in and be paid the usual professional fees and business charges for any professional work or other business required to be done in connection with the administration of the affairs of the Company.

3.8 Agents of the Directors

The Board of Directors may appoint such agents as it shall deem necessary from time to time and those agents have such authority and shall perform such duties as shall be prescribed by the Board of Directors at the time of their appointment.

ARTICLE 4 - POWERS OF DIRECTORS

4.1 Administer Affairs

The Board of Directors shall administer the affairs of the Company in all things and make or cause to be made for the Company, in its name, any kind of contract which the Company may lawfully enter into and, save as hereinafter provided, generally may exercise all other powers and do all other acts and things as the Company is by its Memorandum of Association, the *Companies Act* or otherwise authorized to exercise and do. The powers and authority granted to the Board of Directors shall be subject to any limitations and directions imposed by the Members.

4.2 Delegation to the Chief Operating Officer

The Board of Directors may, by governance policy or by resolution, delegate selected responsibilities and decisions to the Chief Operating Officer. The Board may not delegate its responsibility for governance, risk management, or finance and financial review to the Chief Operating Officer.

4.3 Disposition or Pledging Assets

The Directors on resolution of the Board shall have the authority to dispose of by sale or by lease any of the personal property of the Company. The Directors with the consent of the majority of the Members, shall have the authority to dispose of by sale or by lease any real property of the Company and further, subject to receiving the consent or direction of the majority of the Members, shall have the power to borrow money and to mortgage, pledge, or grant any security encumbering the real or personal property of the Company for the purposes of the Company.

ARTICLE 5 - INDEMNITIES OF DIRECTORS AND OTHERS

5.1 Indemnities

Every Director and Officer of the Company and their respective heirs, executors and administrators, and estates and effects, shall at all times be indemnified and saved harmless by the Company from and against:

- a. all costs, charges and expenses which such Director or Officers incurs or sustains resulting from any legal action, suit or proceeding arising from executing the duties of his or her office; and
- b. all other costs, charges and expenses relating to the Company's affairs.

A Director is not indemnified against costs, charges or expenses resulting from his own willful neglect, default or misconduct.

5.2 Contract of Indemnity

The Board of Directors may cause the Company to enter into a contract to indemnify any Director, Officer, employee, agent or other person who has undertaken or is about to undertake any liability on the Company's behalf.

5.3 Insurance

The Board of Directors shall ensure that Directors' and Officers' errors and omissions and liability insurance coverage is maintained at all times.

ARTICLE 6 - OFFICERS AND THE CHIEF OPERATING OFFICER

6.1 Officers

The Officers of the Company shall be the Chair, Vice-Chair, Secretary, Treasurer, Chief Operating Officer and such other officers as the Board of Directors may by resolution determine (the "Officers"). The Chair and Vice-Chair must be Directors.

All Officers shall be appointed by resolution of the Board of Directors and shall hold office at the pleasure of the Board. Officers are eligible for reappointment.

6.2 Chair

The Chair shall preside at all meetings of the Members, the Board of Directors and any committees of which he is a member.

6.3 Vice-Chair

The Vice-Chair shall, in the absence of the Chair, perform the duties and exercise the powers of the Chair.

6.4 Secretary

The Secretary shall attend all meetings of the Members and all Board Meetings and act as clerk and record all votes and minutes of all proceedings in the books to be kept for that purpose. The Secretary shall give or cause to be given notice of all meetings of the Members and all Board Meetings when requested by the Chair or upon receipt of a requisition referred to in Article 7.4. The Secretary shall perform such other duties as may be prescribed by the Board of Directors or Chair. The Secretary shall be custodian of the corporate seal.

6.5 Treasurer

The Treasurer shall cause to be kept proper accounting records as required by law. The Treasurer shall cause all funds received by the Company to be deposited into its bank accounts or accounts. The Treasurer shall, under the direction of the Board of Directors, supervise the safekeeping of securities and the disbursement of the funds of the Company. The Treasurer shall cause to be rendered to the Board, whenever required, an account of all transactions and the financial position of the Company, and the Treasurer shall perform such other duties as may from time to time be prescribed by the Board.

6.6 Chief Operating Officer

The Chief Operating Officer shall have such authority and shall perform such duties as are prescribed by the Board of Directors at the time of his appointment and as shall be prescribed from time to time by the Board.

The Board may fix the remuneration of the Chief Operating Officer by way of salary, commission, benefits, payment of a stated sum of money or otherwise as the Board may determine.

6.7 Variation of Duties

The Board of Directors may vary, add to or limit the powers and duties of any Officer.

6.8 Remuneration of Officers

The Board may fix the remuneration of the Secretary and Treasurer by way of salary, commission, benefits, payment of a stated sum of money or otherwise as the Board may determine.

ARTICLE 7 –MEETINGS

7.1 Meetings

The Directors may meet in person, by teleconference, videoconference or other satisfactory means of communication that enables all members to hear one another, subject always to these Articles. A Director participating in a meeting by electronic means shall be deemed to be present at the meeting.

- a. The Directors will meet at least two times per year (annual general meeting, and approximately six (6) months later), further meetings will be called when required.

7.2 Chair

If the Chair is not present within thirty (30) minutes after the time appointed for the holding of the meeting, or if he is unable to attend the meeting, the Vice-Chair shall be the Chair of the meeting. Failing the attendance of both the Chair and the Vice-Chair, the Board, if a quorum is present,

may appoint a temporary Chair of the meeting or reschedule the meeting to a new date and time within fifteen (15) days in consultation with the Chair.

7.3 Quorum

A quorum of the Board shall be a majority of Directors. If quorum cannot be achieved, the meeting cannot be called to order and must be rescheduled to a new date and time not sooner than three (3) days and not more than fifteen (15) days later in consultation with the Chair. All Directors shall be sent timely notice of the new date and time.

Directors that need to leave a meeting in progress may delegate by proxy their vote to another Director in attendance at that meeting regarding any matter they deem necessary without compromising quorum.

7.4 Requisition of Board Meeting

A meeting of Directors shall be called by the Secretary promptly upon receipt of a requisition for a meeting signed by three (3) or more Directors, or may be called at any time at the direction of the Chair.

7.5 Notice

Board meetings shall normally be scheduled in advance as determined by the Board. Directors shall be provided at least ten days' written notice of a Board meeting.

If the Board of Directors shall appoint a day or days in a month or months for its regular meetings, specific notice of such meetings will not be required, but each Director will be provided with an agenda and supporting material at least two (2) days before each meeting.

Directors may by unanimous consent in writing waive the notice period to convene a meeting and may give such waiver before, during or after the meeting.

7.6 Resolutions

Any Director, excluding the Chair of the meeting, shall be entitled to move or propose a resolution at a Board Meeting.

A resolution in writing signed by all the Directors shall be valid and effectual as if it had been passed at a Board Meeting duly called and constituted.

7.7 Voting

Each Director present at a Board meeting shall have one vote, including the Chair of the meeting. All votes shall be taken by a show of hands unless a resolution is passed to adopt a secret ballot.

Where the vote on a motion is tied, the motion is defeated.

7.8 Deficiencies

No act or proceeding of the Directors is invalid because of a defect in the appointment of a Director or the disqualification of a Director.

7.9 Disclosure of Interest in Contracts

Every Director who has, directly or indirectly, any interest in any contract or transaction to which the Company is or is to be a party shall declare his interest in such contract or transaction at a

Board meeting and shall, at that time, disclose the nature and extent of such interest. Such a Director shall absent himself during any discussions and the vote of the Directors on said matter.

ARTICLE 8 – COMMITTEES

8.1 Committees

Directors may create standing and *ad hoc* committees consisting of such Directors and for such purposes as the Directors think fit.

The Chair of each committee created by the Board shall be a Director. Committee membership is not exclusive to Directors and may include other individuals. Committee members, including the committee Chair, shall be appointed by resolution. Each committee shall have a Terms of Reference or work plan consistent with the Company's governance policies.

The provisions relating to proceedings at Board Meetings set forth in Article 7 of these Articles shall apply to committee meetings except as otherwise specifically provided for in this Article 8. Committees shall conform to any additional rules imposed by Directors.

Standing and *ad hoc* committees shall provide a written or verbal report to the Board at every Board meeting. The Board shall take into consideration, but shall not be bound by, the recommendations of any committee.

ARTICLE 9 - MEETINGS OF THE MEMBERS

9.1 Annual General Meeting

There shall be an annual general meeting of the Members which shall be held on such day and at such place as the Board of Directors shall determine.

9.2 Business of the Meeting

At every annual general meeting of the Members, in addition to any other business that may be transacted, the report of the Directors, the financial statements of the Company shall be presented. The Members may consider and transact any business, either special or general at any meeting of the Members.

ARTICLE 10 - CORPORATE SEAL AND EXECUTION OF DOCUMENTS

10.1 Corporate Seal

The Secretary shall be responsible for the corporate seal, which, along with all relevant corporate documents, shall be kept at the Company's Head Office.

The Directors shall pass a resolution regarding the execution of instruments and the use of the seal with respect to contracts, documents or instruments in writing not inconsistent with these Articles. All contracts, documents and instruments in writing so signed shall be binding upon the Company without any further authorization or formality.

The Directors may from time to time, by Resolution, appoint an Officer or Officers on behalf of the Company to sign a specific contract, document or other instrument in writing, with or without the corporate seal.

10.2 Execution of Documents

The Board of Directors shall ensure that Board meeting agenda packages, minutes, resolutions, notices, filings, corporate reports and any other documentation required by the *Companies Act*, other applicable legislation and these Articles are secured in the Company's Head Office.

10.3 Banking Authority

Directors shall by resolution designate the Chair and Chief Operating Officer or alternates as signing authorities for the Company's bank account or accounts. All banking documents will require two signatures, with one signature being the Chair or his alternate, and the second signature being the Chief Operating Officer or his alternate.

ARTICLE 11 - FINANCIAL RECORDS AND ACCOUNTING

11.1 Records and Accounts

The Board of Directors shall ensure that proper accounting records for the Company are kept to enable accurate identification of the Company's financial position, operations, surplus, cash flow, deficits and liabilities, and every other transaction affecting the financial position of the Company. The accounting records of the Company shall be kept at the Company's Head Office. The accounting and financial records of the Company shall be available for the inspection of Directors and the Members at any time during normal business hours.

11.2 Fiscal Year

The Company's fiscal year begins on January 1st and concludes on December 31st in each year or such other date as the Members shall hereafter resolve.

11.3 Audit Requirements

As per the Province of Alberta Companies Act, Section 134, when in a financial year all the shareholders of a company that

- (a) is not offering its securities to the public,
- (b) has 5 or fewer shareholders, and
- (c) has assets not exceeding \$500,000 and sales and gross operating revenues not exceeding \$1,000,000, as shown on the financial statement of the company for the preceding year,

consent in writing, the company is exempt from audit requirements in respect of the year in which the consent is given.

The Company's three officers, represented from three of the five municipalities shall produce a financial statement and applicable background information to be reviewed by the CAO's of the two unrepresented municipalities and the resultant report will be presented to the Board and the Board will report the results to the Members.

11.4 Financial Statements

The Directors shall at least once in every fiscal year cause financial statements of the Company to be prepared. The financial statements shall be prepared in accordance with the generally accepted principles

Following the Board's approval, the financial statements shall be provided to the Members.

11.5 Banking

The Directors shall cause an appropriate account or accounts to be established in a bank, trust company, credit union, Province of Alberta Treasury Branch or other like financial institution with respect to the funds of the Company (the "Bank Accounts") and shall ensure that appropriate controls are imposed on the Bank Accounts.

The same persons designated by resolution as required under Article 10.3 shall have signing authority on any Bank Account.

ARTICLE 12 - INVESTMENTS AND BORROWING

12.1 Investment Powers of the Board of Directors

The Board of Directors shall be restricted to securities permitted under the *Trustees Act* R.S.A. 2000 c-8 to invest the Company's monies.

The Board may develop and approve governance policies dealing with investments.

12.2 Borrowing

The Board of Directors may, with the consent or approval of the Members, borrow for operating or capital purposes or guarantee the debts or obligations of a third party.

ARTICLE 13 – NOTICES

13.1 Delivery of Notice

Any notice to be given pursuant to these Articles may be delivered to a Member or a Director either personally or by prepaid mail addressed to his last address as recorded in the records of the Company. However, under no circumstances shall a notice be required to be served upon an alternate Director unless the Company receives notice that the alternate will be acting on behalf of a Director. A notice sent by mail shall be deemed to be delivered on the third (3rd) business day following the date of mailing. In the case of a postal strike or other disruption of service, only personal delivery by courier or otherwise shall be effective. A notice may also be given by fax transmission or e-mail where a Member or a Director provides a fax number or e-mail address to the Secretary, in which case service shall be deemed to have been effected at the time of the transmission as long as transmission receipt or delivery receipt is retained by the Secretary.

ARTICLE 14 - DISTRIBUTION OF ASSETS AND DISSOLUTION

14.1 Distribution of Assets upon Dissolution

Upon the liquidation, dissolution or winding-up of the Corporation, should there remain, after the satisfaction of all its debts and liabilities, any assets or funds whatsoever the same shall be given or transferred to some other institution or institutions, having objects similar or complimentary to the objects of the Corporation, and which prohibits the distribution of its or their income and property amongst its or their Members to an extent at least as great as is imposed on the Corporation hereunder the determination of such similarity to be within the sole discretion of the Members of the Corporation but subject to the requirements of the *Companies Act*.

ARTICLE 15 - FUNDING OF DEFICITS

15.1 Deficit Funding Requisitions

In the event that the operation of the Company results in a financial deficit at the close of a fiscal year, the Board, upon receipt of the financial statements, will prepare and issue requisitions to each Municipality to recover the amount of the operating deficit.

ARTICLE 16 - RELATIONS WITH NOMINATING ENTITIES AND THE PUBLIC

16.1 Public Notices

The Directors may from time to time cause to be published public notices with respect to the affairs of the Company.

ARTICLE 17 - PRIVATE COMPANY

17.1 Public Subscription

The Company is a private Company and any invitation to the public to become a Member or subscribe for any debenture of the Company is prohibited.

17.2 Number of Members

The Company has five (5) members: the municipalities of Saddle Hills County, Municipal District of Spirit River No. 133, Birch Hills County, Town of Spirit River, and Village of Rycroft.

17.3 Restriction on Transfer of Interest

The transfer by a Member of any interest in the Company is prohibited.

DATED the ____ day of _____, 2023 at _____, in the Province of Alberta.

Saddle Hills County

Address: RR 1, Spirit River, AB, T0H 3G0

Per: _____
Name & Title:

Witness

Per: _____
Chief Administrative Officer

Municipal District of Spirit River No. 133

Address: Box 389, Spirit River, AB, T0H 3G0

Per: _____
Name & Title:

Witness

Per: _____
Chief Administrative Officer

Birch Hills County

Address: Box 157, Wanham, AB, T0H 3P0

Per: _____
Name & Title:

Witness

Per: _____
Chief Administrative Officer

Town of Spirit River

Address: Box 130, Spirit River, AB, T0H 3G0

Per: _____
Name & Title:

Witness

Per: _____
Chief Administrative Officer

Village of Rycroft

Address: Box 360, Rycroft, AB, T0H 3A0

Per: _____
Name & Title:

Witness

Per: _____
Chief Administrative Officer