



## LSS Board Governance Manual

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### By-Laws of the Legal Services Society

Being the Board Governance By-Laws of the Legal Services Society

#### General By-Laws

##### 1.0 Definitions and Interpretation

1.1 In these by-laws:

- (a) “society” means the Legal Services Society;
- (b) “act” means the *Legal Services Society Act*, as enacted and amended from time to time;
- (c) “directors,” “board,” or “board of directors” means those persons appointed directors in accordance with the act who have not ceased to be directors;
- (d) “Executive Director” means the person appointed by the Board of Directors as the Chief Executive Officer (“CEO”) of the society pursuant to section 6 of the *Legal Services Society Act*, wherever “Chief Executive Officer” or “CEO” is used in these by-laws, it refers to the Executive Director.
- (e) “extraordinary resolution” means a resolution of which at least fourteen days notice has been given to the directors and that requires a two-thirds majority of the directors present to pass;
- (f) “fiscal year” means the period from April 1 to March 31;
- (g) “independent director” means a board member who is independent of management and is free from any interest that could, or could reasonably be perceived to, materially interfere with the director acting in the best interest of the society; and
- (h) “MOU” means the agreement entered into pursuant to s. 21 of the act.

1.2 All words or expressions in these by-laws that are defined in the act on the date these by-laws became effective shall have the meaning given to them in the act.

1.3 Words importing the singular include the plural and vice versa; words importing the male person include the female person (or a firm or other association) and vice versa.

1.4 Where these by-laws require written or other notice to be given, such notice may be delivered to a director by electronic mail to the electronic mail address last provided by the director to the society.



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### 2.0 Board of Directors

#### 2.1 Board role

The role of the board is to ensure the effective governance of the society through setting direction, monitoring performance, and hiring and supporting the executive director.

In fulfilling this role the Board:

- (a) concerns itself chiefly with the long-term impact of the society on the world outside the organization, not with the internal administration of the organization's business;
- (b) acts as a whole, focusing on the society's mission and drawing on the knowledge, skills, and experience of individual board members to achieve that mission; and
- (c) looks to the executive director of the society for leadership in developing the strategic planning process and identifying policy issues for the board's consideration.

#### 2.2 Board responsibilities

Key responsibilities of the board include:

- (a) articulating the society's vision and mission, developing strategic objectives to implement the vision and mission, and monitoring the performance of those objectives;
- (b) ensuring that effective risk management is in place and monitoring the society's fiscal performance, consistent with its fiduciary duties;
- (c) advising the executive director, when requested, on issues related to supervision, management and administration of the business of the society;
- (d) supporting effective communication between the society and the public, funders, appointing bodies, service providers, and others concerned with legal aid service delivery;
- (e) appraising its own effectiveness and implementing strategies to enhance its governance capacity;
- (f) hiring, supporting, evaluating, compensating, planning for the succession of and, if necessary, firing the executive director; and
- (g) oversight of LSS Executive remuneration policies and procedures.



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### 2.3 Board meetings

- 2.3.1 The board holds four regular meetings per year. One meeting must include a planning and priorities session.
- 2.3.2 A written notice stating the time and location of each board meeting is provided to every director not less than seven days before the meeting date. The accidental omission to give notice of any meeting, any irregularity in the meeting notice, or the non-receipt of a notice by any director does not invalidate any proceedings at that meeting.
- 2.3.3 The chair may call a special board meeting by giving written notice of the time and location of the meeting to each director not less than 48 hours before the meeting date. The notice must contain a general outline of the business to be transacted at the meeting.
- 2.3.4 The executive director and those he designates attend each meeting of the board unless the board directs otherwise.
- 2.3.5 The meetings of the board are held *in camera* unless the board determines otherwise. The board may invite non-members to attend a meeting.
- 2.3.6 Meetings of the board may be held by:
  - (a) telephone, or
  - (b) any other communication device that permits each participant in the meeting to communicate with every other participant.
- 2.3.7 Minutes of board meetings will be drawn up and when adopted by the board will be maintained as a record of board proceedings.
- 2.3.8 The quorum necessary for the transaction of board business is at least one-half of the number of directors provided for in the act.
- 2.3.9 Questions arising at any board meeting are decided by a majority vote of the directors present. The chair votes only if his vote will affect the result.
- 2.3.10 A decision made by a majority of the directors present at a meeting, if the directors present constitute a quorum, is deemed to have been made by the society.
- 2.3.11 A vacancy on the board does not impair the board's right to act, provided that the number of directors in office is not less than a quorum.
- 2.3.12 The chair, when present, presides at the meeting, preserves order, and decides all points of order that arise during the meeting. The chair may choose another director to preside at all or part of a meeting.



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- 2.3.13 Where the by-laws are silent on matters relating to the board's procedure, *Robert's Rules of Order* apply.

### 3.0 Committees of the Board

#### 3.1 Creation and composition of committees

- 3.1.1 The board may, by resolution, establish standing and *ad hoc* committees to help carry out its own responsibilities, in accordance with terms of reference established by the board.
- 3.1.2 Unless the board directs otherwise, the chair, in consultation with the executive director, appoints the members of the committees.
- 3.1.3 The executive director and those he designates attend meetings of board committees, unless the board determines otherwise.

#### 3.2 Committee proceedings

- 3.2.1 Each committee of the board, other than the executive committee and the finance committee, will develop a plan, consistent with its terms of reference, including objectives, timelines and a budget.
- 3.2.2 The committee chair will report to the board chair on the committee's progress with respect to its plan.
- 3.2.3 A committee may determine its own procedures, subject to any limitations set by the board.
- 3.2.4 A committee will keep minutes of its proceedings and report to the board as required by the chair of the board.

#### 3.3 Executive committee

- 3.3.1 The executive committee's authority is established by Section 5 of the act.
- 3.3.2 The executive committee is comprised of the chair and not less than two directors and, unless the board decides otherwise by ordinary resolution, the committee shall consist of four directors including the chair of the board.
- 3.3.3 The executive committee members are elected by the board annually or when necessary to fill a vacancy.
- 3.3.4 The nominating committee constituted under s. 6.1.3 of the by-laws consults with all the directors and the executive director concerning possible nominees for the executive committee and puts forth names for the board to consider.
- 3.3.5 The chair of the board is the chair of the executive committee.



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### 3.3.6 The executive committee:

- (a) exercises all the powers of the board between meetings, except the power to fill vacancies or change the membership of a board committee, and any powers excluded by board resolution;
- (b) identifies policy and planning issues for consideration at board meetings and develops a plan for the annual planning and priorities session;
- (c) audits strategic measurement process;
- (d) addresses specific policy issues that may be referred by the board or the executive director;
- (e) provides feedback, if requested by the executive director, on key implementation issues;
- (f) serves as the Governance Committee and in that capacity is responsible for making governance policy and procedure recommendations to the board;
- (g) serves as the Personnel Committee of the Board and in that capacity is responsible for providing oversight regarding the framework for executive management compensation; and
- (h) fulfills all the non-financial risk management functions of the Board between board meetings.

3.3.7 The chair of the board shall designate one member of the executive committee as vice-chair within 30 days of assuming office. That member has the authority and the responsibility of the chair whenever the Chair is unable or unavailable to fulfill those responsibilities. Unless the Chair indicates otherwise, the designation will be for the remainder of the term of the Chair. The Chair may revoke the appointment at any time and reappoint another member as Vice-Chair.

### 3.4 Finance committee

- 3.4.1. The finance committee's mandate is to make recommendations to the board on matters pertaining to the society's finances, investments, funding, and fiscal allocations.
- 3.4.2 The finance committee is comprised of three or more independent board members and acts as the audit committee.
- 3.4.3 The chair of the board, in consultation with the executive director, appoints the chair of the finance committee and the other members of the committee.



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3.4.4 The finance committee will be guided by the Finance Committee charter as adopted by the board from time to time.

### 3.5 Stakeholder Engagement Committee

3.5.1. The stakeholder engagement committee's mandate is to support the board in fulfilling its responsibilities related to stakeholder relations. The committee is responsible for recommending plans and processes related to stakeholder consultation, management, and engagement for the LSS board of directors.

3.5.2 The stakeholder engagement committee shall be composed of not fewer than two directors.

3.5.3 The chair of the board, in consultation with the executive director, appoints the chair of the stakeholder engagement committee and the other members of the committee.

3.5.4 The stakeholder engagement committee will be guided by the Stakeholder Engagement Committee charter as adopted by the board from time to time.

## 4.0 External Communication and Liaison

### 4.1 Roles in communication planning

4.1.1 The executive director is responsible for developing and implementing plans for communications with key stakeholders.

4.1.2 The board is responsible for:

- (a) approving the goals of the communication plans and the key messages to be communicated;
- (b) reviewing the communication plans and advising the executive director on communication strategies;
- (c) monitoring the effectiveness of the society's communications; and
- (d) providing feedback to the executive director about positive and negative external perceptions of the society and about the society's communications.

### 4.2 Authority to speak for the board

The chair and the executive director are the only members of the society who have the authority to speak for the board unless the board, chair or executive director authorizes another person to do so.



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### 4.3 Role of individual directors in external communications

4.3.1. Notwithstanding 4.2, individual directors play an important liaison role with communities, organizations and groups, external to the society, who impact the society's capacity to fulfill its mandate and mission or who share common interests with the society ("stakeholders").

4.3.2 Directors engage in three activities in fulfilling this liaison role:

- (a) informing themselves about and listening to the perspectives of stakeholders, and communicating relevant information about the stakeholders to the society;
- (b) communicating to stakeholders information about the society; and
- (c) engaging in interactive discussions with stakeholders about issues of common interest.

### 4.4 Liaison directors

4.4.1 A liaison director is a director with special responsibility to establish a connection with a designated organization or organizations in order to promote an exchange of information and ideas between the organization(s) and LSS about issues of common concern.

4.4.2 The board may designate an organization or organizations to be the special responsibility of a liaison director.

4.4.3 Liaison directors, in their communications with the designated organization(s), work with and on the advice of the executive director, or the executive director's designate.

### 4.5 Advisory groups

4.5.1 An advisory group is a group of individuals from outside the society constituted to provide expertise and feedback to the society on service delivery, programs, priorities and policy issues.

4.5.2 The executive director may establish advisory groups.

### 4.6 Assignment of directors' responsibilities

The chair of the board, in consultation with the executive director, assigns responsibilities to directors to act as liaison directors, to be members of liaison committees, and, on the advice of the executive director, to attend meetings of advisory groups.



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### 4.7 Reporting to the board

Directors may from time to time report to the board about matters of interest to the board arising from their roles as liaison directors, liaison committee members or attendees at advisory group meetings.

## 5.0 Executive Director

### 5.1 Powers and authority of executive director

5.1.1 The executive director of the society has the powers set out in Section 6 of the act.

5.1.2 The executive director has the necessary authority to carry out this responsibility and to speak for the society, subject only to such policies as may be adopted and such directives as may be issued by the board.

5.1.3 The executive director's decisions will prevail on all questions of society management, supervision and administration unless countermanded by the board.

### 5.2 Role of the executive director

The role of the executive director is to:

- (a) implement the society's strategic plan;
- (b) manage, supervise and administer the society;
- (c) develop and implement plans for external communications;
- (d) prepare the organization for future challenges and opportunities;  
and
- (e) facilitate productive governance and executive director/board relations.

### 5.3 Responsibilities of the executive director to the board

Key responsibilities of the executive director in support of the board include:

- (a) ensuring that board members receive the information needed to fulfill their responsibilities to the society;
- (b) leading the society's strategic planning process;
- (c) supporting the chair on all matters relating to the board's effective governance of the society;





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- (d) encouraging an open atmosphere at board meetings that promotes effective governance of the society while steering clear of interference with operations of the society;
- (e) identifying and promoting the appointment of highly respected new board members with the right set of skills to meet the needs of the society;
- (f) providing new board members with an effective orientation to the business of the society; and
- (g) serving as corporate secretary to the society to assist the board in the discharge of its duties through providing advice and information to support compliance with the LSS governance framework and by organizing and recording the activities of each meeting of the board and its committees.

In fulfilling these responsibilities to the board, the executive director may delegate all or any of them as is appropriate in the circumstances.

### 6.0 Chair

#### 6.1 Election and term of the chair

- 6.1.1. The chair of the board is elected by the directors at the first meeting of the fiscal year or when necessary to ensure that a vacancy will not occur.
- 6.1.2 The chair holds office for a one year term and may be re-elected for one further term; however, the chair may be elected to a third consecutive term provided the board determines that such an extension is in the best interests of the society.
- 6.1.3 Prior to the expiration of the chair's term, or when a vacancy occurs or is likely to occur, the board constitutes a one to two person nominating committee (the "nominating committee") consisting of one or more directors who are not interested in the position of chair or membership on the executive committee. The nominating committee, after consulting with all the directors and the executive director concerning possible nominees, puts forth one or more names for chair for the board to consider.

#### 6.2 Role of the chair

The role of the chair is primarily to:

- (a) provide leadership to the board;
- (b) ensure that the board's operations are consistent with its by-laws;
- (c) promote the integrity of the board's processes;



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- (d) communicate externally on behalf of the board; and
- (e) liaise between the board and the executive director.

### 6.3 Chair's responsibilities

The key responsibilities of the chair include:

- (a) presiding at all board meetings;
- (b) ensuring that the agendas for and the discussion at meetings focus on those issues that are within the board's mandate to decide;
- (c) ensuring that deliberations at meetings are timely, fair, orderly, and thorough, as well as efficient, limited in time, and kept to the point;
- (d) ensuring that board resolutions and directives are carried out by the appropriate committees;
- (e) articulating the society's policies and speaking to the public on behalf of the board;
- (f) allocating responsibilities to directors and appointing members and chairs of committees (except the executive committee), in consultation with the executive director and subject to any directions from the board;
- (g) orienting new committee chairs to their roles;
- (h) serving as ex-officio member of all committees and being ultimately responsible for the effective functioning of the committees;
- (i) taking a lead, with the executive director, in developing the strategic planning process;
- (j) ensuring the development of board self-evaluation and recruitment processes;
- (k) ensuring that an appropriate executive director performance evaluation and internal feedback process is in place and implemented;
- (l) approving and signing annual audited financial statements; and
- (m) approving and signing the Service Plan and Annual Service Plan reports.

## 7.0 Directors

### 7.1 Holding office

A Director becomes director and holds office by appointment of either the Lieutenant Governor in Council or the Law Society, in accordance with section 4 of the act.



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### 7.2 Ceasing to be a director

A director ceases to be a director:

- (a) on the appointment of a successor;
- (b) on termination of their appointment by order of the Lieutenant Governor in Council or by resolution of the benchers of the Law Society;
- (c) on resignation; or
- (d) on death.

### 7.3 Director's role

The role of a director is to engage actively in board business with prudence, diligence, honesty and loyalty to the society.

### 7.4 Director's responsibilities

Key responsibilities of a director include:

- (a) orienting themselves to the business of the board and the society;
- (b) keeping informed on issues related to the society;
- (c) preparing for board meetings;
- (d) attending board meetings;
- (e) listening to and engaging in debate, and exercising good judgment in decision-making at board meetings;
- (f) asking questions of staff as required to fulfill the director's fiduciary duty;
- (g) being aware of and disclosing conflicts of interest;
- (h) performing diligently specific duties allocated to the director by the chair;
- (i) furthering the society's interest with stakeholders;
- (j) providing the society with external perspectives on issues of relevance to the society; and
- (k) evaluating themselves as directors.

### 7.5 Limitations on a director

In fulfilling their role and responsibilities, a director will not:

- (a) engage in board business when the director's personal interest interferes with the director's capacity to act in the interests of the society;



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- (b) disclose confidential board and society business;
- (c) publicly disagree with the collective decisions of the board;
- (d) speak on behalf of the board unless authorized to do so by the board, the chair or the executive director; or
- (e) direct staff or distract them unduly from the business operation of the society.

### 7.6 Ensuring confidentiality

A director will take reasonable precautions to secure written, telephone, electronic or other communications relating to board business from unauthorized disclosure, interception or monitoring.

## 8.0 Conflict of Interest By-Law

Being the conflict of interest policy for directors of  
Legal Services Society

### 8.1 Principles

The Legal Services Society (“the society”) has a policy for avoiding a conflict of interest or the appearance of a conflict of interest on the part of the society’s directors in the fulfillment of their duties.

A director owes a fundamental duty of loyalty to the society. This duty requires directors at all times to act honestly, in good faith, and in the society’s best interests. Directors must uphold the highest ethical standards in order to maintain and enhance public confidence and trust in the society’s integrity, objectivity, and impartiality.

The society also recognizes that it is to the great benefit of the society and the low-income individuals it is mandated to serve to have as directors, lawyers who make legal aid a part of their practice, and who consequently have particular knowledge and experience in the provision of legal aid. For this reason, the society does not want to preclude lawyers from being directors just because they, or their firms, do a significant amount of legal aid work. At the same time, the society recognizes that if too many directors are receiving remuneration from the society, the board may not have, or may be perceived not to have, the necessary focus on the clients’ interests.

Balancing these concerns, the society has a policy that tolerates a conflict of interest in restricted circumstances, to the extent of allowing participation in board decision-making of up to three directors who, as individual lawyers, or through their firms, receive significant financial remuneration from the society. Any question as to the meaning of “significant financial remuneration” will be decided by the society’s board.



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### 8.2 Conflict of Interest Defined

- 8.2.1 A director of the society is in a conflict of interest when the existence of a personal interest, or the interest of a close friend, family member, business associate, employer, or person to whom the director owes an obligation could influence his decisions and impair his ability to act in the society's best interests, or interfere with the director's ability to discharge fairly, impartially, and without bias those duties owed to the society and to the public. These conflicts include financial or other interests, and are not limited to situations where a director could personally benefit as a result of a decision by the board.
- 8.2.2 Conflict of interest includes a perceived conflict of interest. A director has a perceived conflict of interest when a person could have a reasonable perception that the director is making decisions on behalf of the society that promote his personal interests or those of a person listed in paragraph 8.2.1, above.
- 8.2.3 For the purposes of this policy, the term "family member" includes a director's spouse (including common-law and same-sex spouses), parent, grandparent, child, or sibling, or the spouse of any of these relatives.

### 8.3 Disclosure

If a director becomes aware that he has or might be perceived to have a conflict of interest with respect to a matter to be considered by the board, the director must provide notice to the chair of the conflict or possible conflict and must announce it to the board whenever the matter giving rise to the conflict is to be considered.

### 8.4 Process

- 8.4.1 When a director discloses a conflict of interest or a possible conflict of interest with respect to a matter before the board, the director disclosing the conflict may request the board to determine whether a conflict exists and whether the director should withdraw from the meeting room while the matter is discussed or voted on. The director who has disclosed the conflict of interest must withdraw from the meeting room while the board makes this determination.
- 8.4.2 Except as provided for in paragraph 8.5.1, or when authorized to participate by the board, a director who announces a conflict of interest with respect to a matter before the board, or is determined by the board to have a conflict of interest under paragraph 8.4.1, must withdraw from the meeting room while the discussion and vote on the matter takes place.
- 8.4.3 A withdrawal from the meeting room as contemplated by this policy is deemed not to affect the presence of a quorum at that meeting.



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### 8.5 Tolerating a Conflict of Interest

8.5.1 Up to three directors who, individually as lawyers or through their firms, receive significant financial remuneration from the society may participate in the discussion and vote on all issues before the board, except those that directly and materially affect that remuneration.

8.5.2 Except as provided for in paragraph 8.5.1, the board will only authorize a director who has a conflict of interest to participate in the discussion and vote in the following circumstances:

- (a) when the conflict provides minimal or no benefit to the director; or
- (b) when the benefit to the society is such that the conflict should be tolerated.

### 8.6 Recording Conflicts of Interest

The minutes of the meeting will record:

- (a) the notice given by a director of the existence of a conflict of interest or possible conflict of interest;
- (b) the withdrawal from the meeting room of a director during the discussion or vote on a matter;
- (c) the board's determination if one is made under Article 8.5; and
- (d) the reasons for tolerating the conflict of interest if the board decides to authorize participation in the discussion or vote on a matter in relation to which a director has a conflict of interest.

### 9.0 Indemnification By-Law

Being the indemnification By-Law of Legal Services Society

9.1 Every director or officer of the society or other person who has undertaken or is about to undertake any liability on behalf of the society — and his executors, administrators, and estate — are at all times indemnified against and saved harmless (out of the society's funds) from:

- a) all costs, charges, and expenses that such director, officer, or other person incurs in any action, suit, or other proceeding that is brought against him, or for any action whatsoever, carried out or permitted by him in good faith in the execution of his duties or in respect of any such liability; and
- b) all other costs or expenses that he sustains or incurs in relation to the affairs of the society, except such costs, charges, or expenses as are occasioned by his own willful neglect or default.



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- 9.2 The society may enter into or maintain indemnification agreements with the Province of British Columbia or purchase and maintain insurance for the benefit of any person referred to in this section against such liabilities and in such amounts as the board may from time to time determine.
- 9.3 The society will also indemnify any such person in such other circumstances as the act permits or requires. Nothing in this by-law will limit the right of any person entitled to indemnity to claim it.
- 9.4 **Limitation of liability**
- No director, officer, employee, or agent is liable for:
- (a) the acts, receipts, neglect, or default of any other director, officer, employee, or agent;
  - (b) any loss, damage, or expense to the society as a result of an insufficient or deficient title to society property;
  - (c) any loss, damage, or expense incurred by the insufficiency or deficiency of a security in which society money has been invested;
  - (d) any loss or damage arising from the bankruptcy, insolvency, error of judgment, oversight, or tortuous acts of any person with whom society money, securities, or effects are deposited; or
  - (e) any other loss, damage, or misfortune that might happen in the execution of his duties.

### 10.0 Amendments to the By-Laws

These by-laws are adopted as the general principles of governance by the board of the society and cannot be amended or altered except by an extraordinary resolution of the board.