

## LEGAL SERVICES SOCIETY Board Governance Policy

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## 1 Introduction

The Legal Services Society is a Crown corporation created by the [Legal Services Society Act](#) (the act) and operates as Legal Aid BC (LABC). LABC provides legal information, advice, and representation services to British Columbians. LABC is accountable to and funded by the provincial government, with additional funding from the Law Foundation of British Columbia and the Notary Foundation of British Columbia.

This document describes the policies the board of directors follows to govern LABC. Among other things, the Board Governance Policy:

- provides guidance on the roles, authorities, and responsibilities of the various parties involved in governance (e.g., the board, board chair, committees, individual directors, and the CEO);
- describes the board's processes regarding its oversight responsibilities;
- sets out how the board will communicate with and be accountable to its stakeholders; and
- describes expected standards of conduct for directors.

This Board Governance Policy is designed to be a practical operating manual for directors and is a living document. It can be changed and revised by the board at any time provided it remains consistent with the act and with the Board Governance Bylaws. The board formally reviews this Board Governance Policy at least every two years and as needed to reflect developments in the board's practice. All directors are expected to follow the policies and practices contained in the Board Governance Policy, including expected standards of conduct.

**If you have questions about these policies or want clarification, contact the corporate secretary.**

### 1.1 LABC vision, mission, and values

In carrying out its governance responsibilities, the board is guided by, and upholds, the following vision, mission, and values statements:

#### **Vision**

Our vision is client-focused legal aid that ensures access to justice for all.

#### **Mission**

Our mission is to provide the legal aid services people need, and to promote better access to justice.

#### **Values**

- *Service:* We respect the people who use our services and strive to deliver services that improve their lives.
- *Diversity:* We strive to provide services that respect the diversity of individuals, include disadvantaged communities, and affirm the dignity of people with low incomes without discrimination, to ensure that Legal Aid BC is considered respectful, inclusive, and accessible to all.

- *Integrity:* We make principled decisions that earn the trust of the people who use our services, our staff, and the public.
- *Accountability:* We spend public funds responsibly, and our actions and processes are transparent.
- *Leadership:* We promote improvements to the justice system that benefit all British Columbians.

## 1.2 Summary of LABC's governance framework

- LABC's governing legislation is the *Legal Services Society Act*.
- The board consists of five directors appointed by the attorney general and four appointed by the Law Society of British Columbia.
- The services LABC can provide are set out in a [Memorandum of Understanding](#) that is negotiated with the attorney general every three years.
- Directives from the attorney general come to LABC in the form of an [annual mandate letter](#) that outlines key strategic priorities for the upcoming fiscal year.
- Bylaws set out the rules by which the society operates. <insert hyperlink>
- The board is led by its chair, with the support of the vice chair and the governance lead.
- The board has four committees:
  - Executive Committee
  - Finance Committee
  - Stakeholder Engagement Committee
  - Nominating Committee
- The board delegates to the CEO overall responsibility for the day-to-day operations of the society.

## 2 Governance Authority Framework

### 2.1 Legal Services Society Act

LABC was incorporated in 1979 and is governed by the *Legal Services Society Act*. The act sets out the objects, powers, and capacity of the society.

Section 9 of the act sets out that LABC's mandate is to:

- help people to solve their legal problems and to facilitate access to justice,
- establish and administer an effective and efficient system for providing legal aid to people in BC, and
- provide advice to the attorney general about legal aid and access to justice for people in BC.

Section 9 also states that the society is to:

- give priority to identifying and assessing the legal needs of people with low incomes in BC,
- consider the perspectives of both justice system service providers and the general public,
- coordinate legal aid with other aspects of the justice system and community services, and

- be flexible and innovative in carrying out its mandate.

## 2.2 Memorandum of Understanding

The range of services LABC can provide is set out in the Memorandum of Understanding (MOU) that is negotiated with the attorney general every three years. The MOU:

- sets out the roles and responsibilities of LABC and the attorney general,
- outlines anticipated provincial government funding for legal aid and the priorities for allocating that funding,
- acknowledges that LABC receives funding from sources other than the government and can apply that funding in any manner that is appropriate to fulfilling its mandate, and
- establishes the foundation for LABC's budget and planning process.

## 2.3 Mandate letter

Directives from the attorney general come to LABC in the form of an annual mandate letter that outlines key strategic priorities for the upcoming fiscal year. All directors are required to sign the annual mandate letter to confirm their commitment to pursue these key strategic priorities.

## 2.4 Board Governance bylaws

Board bylaws define the roles and responsibilities of board members and contain the rules and meeting procedures that govern the society beyond what is set out in the act.

## 2.5 Freedom of Information and Protection of Privacy Act

LABC is subject to the [Freedom of Information and Protection of Privacy Act](#). In certain circumstances, LABC may be required to disclose to the public records created for and/or by the board.

# 3 LABC Independence

Independence from government is important because of the potential conflict of interest that arises when the state and the citizen are in opposition. Government cannot control, or be seen to control, funding for individual cases. Equally important, however, is government's need to ensure prudent expenditure of public funding.

The *Legal Services Society Act* balances these two conflicting interests. On one side of the balance, the act gives LABC the powers to:

- establish priorities between types of legal matters,
- establish policies for the kind of legal aid to be provided,
- determine the method by which legal aid is to be provided, and
- determine who is and who is not eligible for legal aid.

On the other side of the balance, the act gives government the authority to set service priorities through approval of the society's budget. The Memorandum of Understanding with government and the annual mandate letter also limit what the society can and cannot do. However, the MOU and mandate letter do not undermine the basic independent role that the society has to ensure that legal aid services are provided in particular cases.

To ensure its independence, given that 95 percent of its funding comes from government, LABC must:

- be accountable to government and the public for its funding,
- have clear objectives rooted in its statutory mandate,
- have a clear understanding of government's objectives,
- have the support of the justice system service providers, and
- demonstrate its effectiveness.

## 4 Board of Directors

### 4.1 Composition and appointment

The board consists of nine directors, five of whom are appointed by the Lieutenant Governor in Council on the recommendation of the attorney general. The four other directors are appointed by the Law Society of BC after consultation with the BC branch of the Canadian Bar Association.

Directors are appointed for a one-, two-, or three-year term. Directors may not serve beyond six consecutive years. Director terms are staggered to ensure continuity.

The act outlines the need for the board as a whole to have a range of knowledge, skills, and experience in such areas as the following:

- Business, management, and financial matters of public- and private-sector organizations
- Law and the operation of courts, tribunals, and alternative dispute resolution processes
- Provision of legal aid
- The cultural and geographic diversity of British Columbia
- The social and economic circumstances associated with the special legal needs of people with low incomes

The LABC board has also identified [additional board competency criteria](#) needed to ensure the success of the board in fulfilling its responsibilities. These include financial expertise, knowledge of government decision making, and Indigenous leadership.

LABC maintains a list of directors' competencies that is shared with the Crown Agencies and Board Resourcing Office (CABRO) and the Law Society of BC when appointing directors. When vacancies arise, the board considers any gaps in the directors' competencies. It then identifies and recommends potential director candidates to the attorney general and/or the Law Society of BC for appointment.

When directors are appointed, they sign a Conflict-of-Interest – Disclosure of Relationships and annually thereafter.

Directors may resign or may be removed from office by the Lieutenant Governor in Council and/or the Law Society of BC, respectively, according to the bylaws.

## **4.2 Role and responsibilities**

The role of the board is to ensure the effective governance of the society by setting direction, monitoring performance, and hiring and supporting the CEO. The LABC board is a governance board and not a management board.

In fulfilling this role, the board:

- concerns itself chiefly with the long-term impact of the society on the world outside the society, not with the internal administration of the society’s business;
- acts, as a whole, focusing on the society’s mission and drawing on the knowledge, skills, and experience of individual directors to achieve that mission;
- looks to the CEO of the society for leadership in developing the strategic planning process and identifying financial, policy, and risk management issues for the board’s consideration; and
- relies on management to provide it with accurate and complete information and is entitled to retain and rely on external consultants and advisors as needed to fulfill its mandate in this regard, the CEO’s office maintains an annual budget for board expenses, activities, and training).

The board’s responsibilities can be divided into the following five activities:

### **4.2.1 Strategic planning**

- Articulating the society’s vision and mission
- Developing strategic objectives to implement the vision and mission
- Monitoring the performance of those objectives

### **4.2.2 Risk management**

- Ensuring that effective fiscal and non-fiscal risk management strategies are in place
- Monitoring the society’s fiscal performance, consistent with its fiduciary duties

### **4.2.3 Stakeholder engagement and external communications**

- Supporting effective communication between the society and funders, appointing bodies, justice system service providers, and members of the public

### **4.2.4 Employer of and advisor to the CEO**

- Advising the CEO, when requested, on issues related to supervision, management, and administration of the business of the society
- Hiring, supporting, evaluating, compensating, planning for the succession of and, if necessary, firing the CEO
- Providing oversight of LABC executive remuneration policies and procedures according to the guidelines issued by the Public Sector Employers' Council (PSEC)

#### **4.2.5 Monitoring board and committee performance**

- Setting annual objectives and monitoring the progress of those objectives (Appendix C)
- Conducting an annual board and individual/peer review performance assessments (Appendix D)

### **4.3 Director orientation and education**

The board chair, with the assistance of the CEO and corporate secretary, ensures that there is an orientation program for new directors. The orientation program ensures that each new director fully understands the society's governance structure and the expectations of individual director performance. It also outlines the society's vision, mission, values, guiding principles, strategic plan, operations, and working environment.

The board's orientation process consists of an initial orientation session with each new director, which takes place as soon as possible after their appointment takes effect. This session involves meetings with the board chair, committee chairs, CEO, corporate secretary and other key members of management, and fellow directors. It includes visits to the society's operations to see the facilities and meet employees. In addition, each board meeting, time permitting, will feature an overview of existing programs and services.

The board is committed to ongoing professional development for directors and identifies internally led and externally led professional development opportunities for directors throughout the year. The board also commits to creating and carrying out a development plan based on the results of the board's own evaluation.

The board has a budget to support board development. The budget aims to support training and development for individual directors as well as for the board as a whole. The Executive Committee approves applications for board training.

### **4.4 Director liability**

Section 8 of the *Legal Services Society Act* prohibits claims against directors for any actions or omissions in the course of their duties, provided they were acting in good faith.

Directors are covered by the provincial government's errors and omissions insurance policy, available from the corporate secretary.

## 5 Board Chair

The board is led by the chair, whose principal role is to provide leadership to the board, acting as a direct liaison between the board and the CEO.

### 5.1 Appointment and term

The board chair is appointed by the board at the first meeting of the fiscal year or when necessary to ensure that a vacancy will not occur. The board chair serves for one year and may be reappointed for one further term. The board chair may be reappointed for a third consecutive term provided the board determines that such an extension is in the best interests of the society.

Prior to the expiration of the board chair's term, or when a vacancy occurs or is likely to occur, the board establishes a one- or two-person Nominating Committee consisting of directors who are not interested in the position of board chair or membership on the Executive Committee. The Nominating Committee, after consulting with all the directors and the CEO concerning possible nominees, puts forth one or more names for the board to consider.

### 5.2 Role and responsibilities

The principal role of the board chair is to provide leadership to the board. The board chair is accountable to the board; acts as a direct liaison between the attorney general, the board, and the CEO; and represents the board internally and externally (with stakeholders), including acting as a spokesperson. The board chair ensures that the board's operations are consistent with its bylaws and promotes the integrity of the board's processes.

The board chair has the following responsibilities:

- Presiding over board meetings
- Ensuring that deliberations at meetings are focused, timely, fair, orderly, and thorough
- Ensuring each board member is engaged in the board's business
- Appointing committee members and chairs after consultation with the board
- Overseeing issues raised with respect to conflicts of interest
- Allocating responsibilities to directors
- Ensuring that board resolutions and directives are carried out
- Speaking to the public and stakeholders on behalf of the board
- Serving as ex officio member of all committees and being ultimately responsible for the effective functioning of the committees
- Leading the board and director evaluation process
- Negotiating the CEO's employment contract for board approval and leading the CEO's performance evaluation
- Ensuring that a process exists within the society to allow employees to inform the board of fundamental breaches of the CEO's obligations



- Acting as a liaison between the CEO, the attorney general, and the board, and ensuring the CEO is aware of concerns and expectations of the board and the attorney general

### **5.3 Evaluation and succession**

The board vice-chair conducts an annual evaluation of the board chair as part of the annual board performance assessment.

The board, as a whole, considers board chair reappointment and succession planning according to the requirements of the bylaws.

## **6 Board Vice-Chair**

The fundamental role of the board vice-chair is to support and advise the board chair in providing effective leadership to the board.

### **6.1 Appointment and term**

The board chair shall designate one member of the Executive Committee as vice-chair of the board within 30 days after their appointment takes effect. Unless the board chair indicates otherwise, the designation will be until the first meeting of the next fiscal year or until further notice.

### **6.2 Role and responsibilities**

The vice-chair has the authority and the responsibilities of the board chair whenever the board chair is absent. In addition, the vice-chair has the following specific responsibilities:

- Serving as a member on the Executive Committee
- Leading the board's annual planning and priorities session

## **7 Governance Lead**

The governance lead works with the corporate secretary to ensure that the society has an appropriate governance framework. The governance lead reports to the board through the Executive Committee.

### **7.1 Appointment and term**

The chair designates a board member to fulfill the role of the governance lead. There is no fixed term for this position.

### **7.2 Role and responsibilities**

The governance lead has the following responsibilities:

- Conducting an annual review of the governance framework
- Organizing governance training for board members at the annual board planning session
- Working with the corporate secretary to ensure that the board policies, processes, and procedures align with governance best practices

## 8 Board Meeting Guidelines

### 8.1 Frequency of meetings

The act requires the board to meet at least once a quarter. In practice the board meets as many more times as needed to carry out its duties effectively. The board also holds an annual planning and priorities session. The board's regular meeting schedule is set at least a year in advance.

### 8.2 Notice of meetings

A written notice stating the time and location of each board meeting is normally provided to every director at least seven days before the meeting. Any irregularity or omission in the notice does not invalidate the meeting (see bylaw 4.2).

The chair may call a special board meeting by giving written notice of the time and location of the meeting to each director at least 48 hours before the meeting. The notice must contain a general outline of the business to be transacted at the meeting.

### 8.3 Agenda and supporting materials

The board chair, in consultation with the CEO and corporate secretary, develops the agenda for each board meeting. The agenda and supporting materials are normally distributed to directors at least seven days before the meeting.

### 8.4 Meeting procedures

According to s. 18 of the *Interpretation Act*, a quorum for meetings is at least one-half of the number of directors provided for in the *Legal Services Society Act*.

All directors have equal voting privileges. Before taking a vote, the directors strive for consensus on any recommendations that are presented for discussion and approval. When consensus cannot be reached, questions arising are decided by a majority vote. In the case of a tie, the chair of the meeting does not have a second or casting vote.

Board meetings may be held in person, by video conference, by teleconference, or by any other means that allows all attendees to participate.

### 8.5 In camera meetings

The board may hold in camera meetings. The purpose of an in camera meeting is to allow directors:

- to discuss internal governance matters (e.g., board evaluation),
- to discuss sensitive matters within the jurisdiction of the board (e.g., CEO compensation or succession), and
- to meet with external advisors or consultants (e.g., external auditor) when needed.

After an in camera meeting without the CEO, the board chair provides any feedback to the CEO as appropriate.

## **8.6 Minutes**

All board meetings, including in camera meetings, are recorded in minutes. All resolutions are recorded in the minutes.

The board chair is provided with the draft minutes of each board meeting as soon as possible after a meeting. The minutes are then posted on the board portal for review by the directors. Minutes are approved at the next board meeting and serve as the official record of the meeting.

## **8.7 Board deliberations and confidentiality**

Board discussions are confidential to the board. The official record of the board's deliberations is through the approved minutes of the board meeting. Each director and any guests are expected to maintain the confidentiality of all written and verbal information shared at board meetings (including the views or opinions of individual directors), unless the board determines that the information is not confidential and may be shared.

## **8.8 Board business calendar**

The board organizes its work and responsibilities according to a rolling 12-month calendar (Appendix B). The calendar is reviewed and updated at least annually and modified as required to address issues that arise.

# **9 Board Committee Guidelines**

## **9.1 Purpose of committees**

The board may, by resolution, establish standing and ad hoc committees to help carry out its own responsibilities, according to the terms of reference established by the board.

The purpose of committees is to focus on key areas of board responsibility and to help the board carry out its work.

## **9.2 Accountability**

Each committee is accountable to the board. Except for the Executive Committee, no committee has the power or authority to act for the board unless specifically authorized by the board through the applicable terms of reference or otherwise (e.g., through a resolution of the board).

### 9.3 Committee composition

Committee chairs and members are appointed by the board chair after consultation with the board. A committee member may belong to more than one committee at a time.

In making appointment recommendations for committees, the board may consider the following criteria:

- The director's knowledge, skills, and abilities vis-à-vis the terms of reference of the committee
- The potential for conflict of interest between the director and the subject matters considered by the committee, according to the committee's terms of reference
- The current composition of the committee in terms of knowledge, skills, and abilities
- Any other information the chair deems relevant as part of composition considerations

Any director may attend any committee meeting if invited by the committee chair.

### 9.4 Frequency of meetings

The frequency of committee meetings is determined by the committee chair according to the committee's terms of reference. Reasonable notice of meetings will be given where possible.

### 9.5 Agenda and supporting materials

The committee chair, in consultation with the corporate secretary or a member of senior management responsible for providing support to the committee, develops the agenda for each committee meeting.

The agenda and supporting materials for committee meetings are normally distributed to committee members at least seven days before a regular meeting, and as soon as they are available for a special meeting.

### 9.6 Meeting procedures

Quorum is a majority of members.

Questions arising are decided by a majority vote of the committee members present. In the case of a tie, the committee chair does not have a second or casting vote.

Committee meetings may be held in person, by video conference, by teleconference, or by any other means that allows all attendees to participate.

A committee may meet in camera (without LABC staff) if it so chooses.

Committees, other than the Executive Committee, may only make recommendations for the board's consideration and do not pass formal resolutions.

## 9.7 Minutes

All committee meetings, including in camera meetings, are recorded in minutes. The committee chair is provided with the draft minutes of each meeting as soon as possible after a meeting. Minutes are approved at the next committee meeting and serve as the official record of the meeting.

## 9.8 Recommendations and reporting

At each board meeting, the committee chair provides a report that summarizes the committee's work since its last report and outlines its future plans. The board considers but is not bound by committee recommendations.

## 9.9 Management support

The CEO assigns a member of senior management to support each committee.

## 9.10 Invitees and guests

Committee meetings are attended by committee members, the corporate secretary, and management resource persons. Other people (e.g., other directors or external advisors) may be invited to attend or participate for all or part of any meeting to assist in the discussion. Invitees and guests will attend when appropriate and necessary and as approved by the committee chair.

## 9.11 External advisors

Subject to the board's approval, a committee may retain and rely on external consultants, advisors, and other experts as needed to fulfill its terms of reference.

## 9.12 Terms of reference

Each committee will at least annually review its own terms of reference and submit any changes to the board for approval through the governance lead.

Also, annually, each committee will develop a plan, in line with its terms of reference, including objectives and timelines.

Each committee will review at least once every two years any board policies applicable to its terms of reference.

# 10 Executive Committee

## 10.1 Role

The purpose of the Executive Committee is to assist the board in fulfilling all risk management functions not assigned to the Finance Committee, and to consider political and reputational risks. The Executive Committee also oversees the LABC executive management compensation governance framework.

## 10.2 Composition

According to s. 5 of the act, the board must appoint an Executive Committee consisting of the board chair and at least two other directors. In practice the Executive Committee normally consists of four directors, including the chair.

The board chair is the chair of the Executive Committee.

## 10.3 Responsibilities

According to s. 5 of the act, the Executive Committee, in between board meetings, has all the powers of the board except (a) the power to fill vacancies or change the membership of a committee of the board, and (b) powers excluded by resolution of the board.

In addition, the Executive Committee is the personnel and governance committee of the board.

## 10.4 Frequency of meetings

The Executive Committee meets in between board meetings and at the call of the chair, at least quarterly.

# 11 Finance Committee

## 11.1 Role

The purpose of the Finance Committee is to provide financial oversight to the board in fulfilling its responsibilities and to ensure the effective governance of the society.

## 11.2 Composition

The Finance Committee comprises at least three directors. Members of the Finance Committee should be familiar with financial statements and policies. At least one committee member should have accounting or related financial expertise.

## 11.3 Responsibilities

The Finance Committee's responsibilities are to oversee and make recommendations to the board regarding (a) the society's financial risks and internal controls; (b) financial, statutory, and compliance reporting; (c) internal and external audit; (d) banking; and (e) investments. More specifically, the Finance Committee has the following responsibilities:

### Financial risks and internal controls

- Examining the appropriateness of the society's risk management strategy, with a particular focus on financial risk and internal controls
- Reviewing assumptions underlying the annual budget preparation and other fiscal planning controls

- Making recommendations and advising the board on all fiscal risk issues, including adoption of the annual budget
- Ensuring that management has implemented policies that identify financial risks, and that internal controls are adequate, in place, and functioning properly, including those that address fraud risk
- Providing general oversight of LABC internal audit processes; making recommendations to the board regarding the process and procedure, remedial steps relating to internal controls, and other risk management issues
- Overseeing the application of the board's investment, banking, and expenditure policies and making recommendations to the board for amendments as needed

#### **External audit processes**

- Reviewing the terms of the external auditor's engagement, including proposed audit fees
- Determining that the external auditor's effectiveness meets the requirements of the society, and replacing the auditor if necessary
- Reviewing all auditor reports and any issues on which there was a disagreement with management

#### **Audit and compliance**

- Reviewing management recommendations related to the need for internal auditing
- Retaining independent reviewers of internal controls as needed
- Reviewing significant reports prepared by the independent review of internal controls, together with management's response and follow-up to these reports
- Annually reviewing with the society's counsel any legal matters that could have a significant impact on financial statements or compliance with applicable laws and regulations

#### **General risk management**

- Ensuring that staff update the Finance Committee annually on compliance policies, any breaches, and any other relevant company procedures

#### **Assessing effectiveness**

- Annually reviewing and assessing the committee's terms of reference, and recommending any proposed changes to the board of directors for approval

### **11.4 Frequency of meetings**

The Finance Committee meets prior to every board meeting to review financial reports, or at least quarterly. Committee members should have enough time to meet separately from staff at each meeting. Committee members should meet with external auditors at least twice a year.

## 12 Stakeholder Engagement Committee

### 12.1 Role

The purpose of the Stakeholder Engagement Committee is to provide oversight to 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 director engagement.

### 12.2 Composition

The Stakeholder Engagement Committee comprises two or more directors.

### 12.3 Responsibilities

The Stakeholder Engagement Committee has the following responsibilities:

- Developing and recommending to the board for approval a stakeholder engagement policy and a government relations plan for board members
- Developing, annually updating, and recommending to the board for approval a stakeholder engagement strategy that identifies the following:
  - Stakeholders with whom the board will liaise and consult
  - Specific objectives for each stakeholder group, according to the society's strategic objectives
  - Tactics and interventions align with the objectives
  - Frequency of contact with each stakeholder group
  - Implementation or infrastructure requirements needed to carry out the interventions with each stakeholder group
- Identifying tools and methods to capture the necessary data related to stakeholder input and feedback
- Reviewing and analyzing output from stakeholder engagement activities (e.g., surveys) and making recommendations to the board based on the analysis
- Supporting directors in their efforts related to stakeholder engagement interventions
- Ensuring that the board considers stakeholder input and concerns during LABC board meetings
- Considering other issues related to stakeholder engagement or communications as delegated to the committee by the board

### 12.4 Frequency of meetings

The Stakeholder Engagement Committee meets at least twice a year.

## 13 Nominating Committee

### 13.1 Role

The purpose of the Nominating Committee is to consider board members' eligibility for the roles of board chair and Executive Committee members. The board appoints a Nominating Committee for the annual election of the chair and members of the Executive Committee, or when a vacancy occurs.



## 13.2 Composition

The board may appoint to the Nominating Committee up to two directors who are not candidates for the chair's position or membership on the Executive Committee.

## 13.3 Responsibilities

The Nominating Committee consults with all the directors and the CEO concerning possible nominees for the chair and Executive Committee and puts forth names for the board to consider.

## 14 Role of Directors

The following provisions are consistent with the "[General Conduct Principles for Public Appointees](#)" established by Crown Agencies and Board Resourcing Office.

### 14.1 Fiduciary duties and conflicts of interest

In discharging their responsibilities, all directors shall:

- act honestly and in good faith, with a view to the best interests of the society, and
- exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.

A "conflict of interest" is a situation in which the private interests or outside interests of a director conflict, potentially conflict, or appear to conflict directly or indirectly with their duty to act in the best interests of the society.

LABC's conflict-of-interest rules and disclosure requirements are set out in bylaw 7. It is important that directors familiarize themselves with the conflict-of-interest rules in the bylaws.

### 14.2 Director responsibilities

Directors are expected to be actively engaged in and to add value to the board's work. Directors cannot hide behind the concept of collective decision making or see the presence of other, more experienced directors as relieving them of their individual obligations. However, directors can reasonably rely on the expertise of the CEO and experts in carrying out their duties.

### 14.3 Preparation, attendance, and availability

As members of the board, directors are expected to:

- be knowledgeable about the mission, vision, strategy, risk, activities, and stakeholders of the society and the environment as a whole;
- be knowledgeable about the board's governance role, structure, policies, and processes
- participate in the board's orientation program for directors;
- attend all board meetings and those meetings of committees they are appointed to; and

- fully prepare for board and committee meetings so they are properly informed on issues to be discussed.

#### **14.4 Meeting participation**

During board and committee meetings, directors are expected to:

- bring their own experience, expertise, wisdom, judgement, and influence to bear constructively on issues;
- interact with fellow directors and management in a respectful, collaborative, and constructive manner and demonstrate an openness to others' opinions and perspectives and a willingness to listen;
- speak and act independently while remaining a team player;
- participate fully and frankly in board discussions, asking probing questions where appropriate and expressing opinions in a clear and respectful manner, even if they may seem contrary to other opinions;
- analyze issues from many perspectives, considering the impact of decisions on the society's internal and external environments and on the society's vision, mission, and strategy;
- whenever possible, advise the board chair and CEO in advance of introducing significant and previously unknown information;
- focus inquiries on issues related to strategy, policy, implementation, and results rather than issues relating to the day-to-day management of the society;
- respect the role of management; and
- respect confidentiality.

Once board decisions are made, directors are expected to support those decisions in a positive manner and speak with one voice. Directors should not publicly disagree with the collective decisions of the board.

#### **14.5 Relationship with employees**

Directors may direct questions or concerns on the society's performance to the CEO at board meetings, or through the board chair.

Directors must respect the position of the CEO and the organizational structure of management. The board acts collectively, and no director has the authority to direct any employee of the society or distract them unduly from the business operation of the society.

#### **14.6 External communications**

The CEO is the primary spokesperson for the society and the board chair is the primary spokesperson for the board. The board speaks with one voice. No director should speak on behalf of the society in their capacity as a director without explicit authority from the board or the board chair.

Individual directors often play an important liaison role with external communities, organizations, and groups, that impact the society’s capacity to fulfill its mandate and mission or who share common interests with the society. When appropriate, and after discussion with the board chair, individual directors may speak with these various groups on behalf of the board or the society.

### 14.7 Liaison directors

A “liaison director” is a director appointed by the board chair to engage with a designated society or organization. A liaison director promotes an exchange of information and ideas between the organization and LABC about issues of common concern.

### 14.8 Director compensation and expenses

Director compensation and expense policies are set by the provincial government’s Treasury Board. According to Treasury Board Directive 2/20 (April 1, 2020), LABC is classified as a Level 3 Crown agency with the following compensation for directors:

Annual retainer — Chair	\$6,000
Annual retainer — Director	\$3,000
Annual retainer — Finance Committee chair	\$2,000
Annual retainer — Committee chair	\$1,000
Meeting fee	\$300

If a meeting lasts longer than four hours in a 24-hour day, up to the full meeting fee may be payable. If a meeting lasts four hours or less in a 24-hour day, up to one-half of the meeting fee may be payable.

Directors incurring transportation, accommodation, meal, and out-of-pocket expenses in their duties as members of a ministry or Crown agency board will be reimbursed according to Group II rates, policies, and procedures as outlined in “[Travel Allowances](#)” of the *Terms and Conditions of Employment for Excluded Employees and Appointees*.

## 15 Chief Executive Officer

### 15.1 Appointment and accountability

The board appoints the chief executive officer (CEO) on terms and conditions it considers appropriate. The CEO reports to the board and is accountable to the board for the society’s operations and performance.

The board determines the CEO’s compensation on the recommendation of the Executive Committee and according to the guidelines of the Public Sector Employers’ Council.

The CEO provides overall leadership to LABC's staff in executing the organization's strategies and operations within the parameters set by the board and agreed with the attorney general in the annual mandate Letter.

The CEO's decisions prevail on all questions of the society's management unless those decisions are revoked by the board.

The CEO has the necessary authority to speak for the society, subject only to such policies as may be adopted and such directives as may be issued by the board.

## **15.2 Evaluation**

As part of its responsibility for CEO performance management, the board, through the board chair and the Executive Committee, annually conducts a formal CEO performance evaluation. Results of the evaluation are presented to the entire board at an in camera board meeting with the CEO.

Following the CEO evaluation, the CEO develops their goals for the coming year, which are presented to the board for approval. The chair monitors progress on the CEO's goals through quarterly one-on-one meetings.

## **16 Corporate Secretary**

### **16.1 Appointment and accountability**

The corporate secretary provides support to the board in fulfilling its governance functions. The corporate secretary provides leadership to ensure the society works to implement responsible and effective governance practices.

The corporate secretary is appointed by and reports to the CEO.

**Appendices A to D are filed as separate documents to the governance bylaws.**