



Risk Management Policy
Respecting Lawyers Acting as Directors and Officers

The purpose of the following suggested guidelines is to assist member firms to reduce the risks that may arise as a result of their lawyers acting as directors or officers.

The Risk Management Committee recommends that members' policies respecting lawyers acting as directors and officers contain the following elements:

1. Lawyers should obtain the consent of the firm's management before accepting an appointment as a director or officer.
2. Firms should, wherever practicable, require that:
 - a. appropriate indemnification and/or directors' and officers' liability insurance, and/or
 - b. where appropriate, a unanimous shareholder's declaration or agreement that restricts the powers of the directors to manage the business and affairs of the corporation,be in place before a lawyer is allowed to accept a directorship or officer position. The firm's management will need to make a judgement as to whether such arrangements are acceptable in the context.
3. The firm should maintain an up-to-date inventory of the directorships and officer positions held by its lawyers.