

Board and Officer Indemnification Policy

This document is the parent policy for any College procedures or regulations. Questions regarding this policy are to be directed to the identified Policy Administrator.

Policy Statement:

The College will indemnify members of the Board of Governors and Officers of the College against legal costs, penalties, awards and losses when these are the result of Board Members conducting the usual business of the College.

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| Sponsor: | Governance |
| Policy Owner: | Board of Governors |
| Policy Administrator: | President & CEO |
| Approved By: | Board of Governors |
| Approval Date: | September 17, 2015 |
| Effective Date: | September 17, 2015 |

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| Objective: | N/A |
| Guidelines: | <ol style="list-style-type: none"> 1. In the event that a member of the Board of Governors while acting in the course of his/her normal college-related duties, is sued by a third party for any alleged action, the College will defend the legal action on behalf of the member provided that the actions of the member which gave rise to the legal action were: <ol style="list-style-type: none"> A. Performed in the ordinary and usual course of the member's duties with the College; B. Reasonable in the circumstances and did not involve gross disregard or negligence of the usual standards and practices of the member's responsibilities within the Board; C. Not knowingly in breach of any rules or regulations of the College; D. Not an unlawful act or unethical practice on the part of the member. <p>In such circumstances, the College will indemnify the member against any action or settlement and defend the action on the member's behalf. Should the College deem it appropriate, legal costs for the member's own counsel will be paid.</p> <p>In the event of conflict over the facts of the legal action, the default will be that the Officer or Board of Governors member is entitled to indemnification by the College.</p> 2. Northern Lakes College reserves the right to settle any claim on such terms as it deems appropriate. 3. Should the member disagree with any settlement, the College will cease to indemnify any further action or legal costs, including any appeal process the member should choose to undertake without the College's express consent. |

| | <p>Legal Assistance and Indemnification Approvals:</p> <p>1. An employee or board member who has been advised either in writing or orally of a legal action against him/her will request indemnifications from the person identified in table below. Person identified in table will have authority to approve legal assistance and indemnification within scope of authority as set out in table.</p> <table><tr><th>Requestor</th><th>Approval Required From</th><th>Limits of Legal Assistance and Indemnification</th></tr><tr><td>Officer of College (not President)</td><td>President</td><td>\$5,000,000</td></tr><tr><td>Board Member (including President)</td><td>Majority of Board</td><td>\$5,000,000</td></tr><tr><td>Chairperson of Board of Governors</td><td>Majority of Board</td><td>\$5,000,000</td></tr><tr><td>Entire Board of Governors</td><td>Majority of Board</td><td>\$5,000,000</td></tr></table> <p>2. Person making request for legal assistance or indemnification will provide a factual report of incident leading to the request for legal assistance or indemnification. Failure to provide full disclosure or cooperation may result in denial of legal assistance and indemnification.</p> <p>3. In making a decision on whether to approve a request for legal assistance or indemnification, the decision to approve will be made based upon conditions set in paragraph 1 of Guidelines. Unless there is strong evidence to the contrary, there will be the assumption that the Officer or Board member is entitled to indemnification.</p> <p>4. The approval authority may seek the advice of any employee who may have knowledge of the facts, as well as the legal advice from the college’s legal counsel or any other person who has special expertise that is useful in making decision.</p> | Requestor | Approval Required From | Limits of Legal Assistance and Indemnification | Officer of College (not President) | President | \$5,000,000 | Board Member (including President) | Majority of Board | \$5,000,000 | Chairperson of Board of Governors | Majority of Board | \$5,000,000 | Entire Board of Governors | Majority of Board | \$5,000,000 |
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| Requestor | Approval Required From | Limits of Legal Assistance and Indemnification | | | | | | | | | | | | | | |
| Officer of College (not President) | President | \$5,000,000 | | | | | | | | | | | | | | |
| Board Member (including President) | Majority of Board | \$5,000,000 | | | | | | | | | | | | | | |
| Chairperson of Board of Governors | Majority of Board | \$5,000,000 | | | | | | | | | | | | | | |
| Entire Board of Governors | Majority of Board | \$5,000,000 | | | | | | | | | | | | | | |
| Definitions: | N/A | | | | | | | | | | | | | | | |

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| Related Northern Lakes College Documents: | N/A |
| Related External Information: | N/A |
| Stakeholders Consulted: | Operations Policy Review Committee: May 13, 2015 |
| Next Review Date: | September 17, 2020 |
| Revision History: | September 17, 2015: New February 24, 2020: New template |