

POLICY 3.6 – Director Engagement of Independent Counsel

Interior Health would like to recognize and acknowledge the traditional, ancestral, and unceded territories of the Dākelh Dené, Ktunaxa, Nlaka'pamux, Secwépemc, St'át'imc, syilx, and Tsilhqot'in Nations, where we live, learn, collaborate and work together.

Interior Health recognizes that diversity in the workplace shapes values, attitudes, expectations, perception of self and others and in turn impacts behaviors in the workplace. The dimensions of a diverse workplace includes the protected characteristics under the human rights code of: race, color, ancestry, place of origin, political belief, religion, marital status, family status, physical disability, mental disability, sex, sexual orientation, gender identity or expression, age, criminal or summary conviction unrelated to employment.

1.0 INTRODUCTION

1. There may be instances where a committee, or the Board of Directors (the "Board") cannot achieve consensus on a decision of importance and where an individual director(s) wishing to dissent believes that the direction being proposed is contrary to the interest of Interior Health (the "Authority") or is otherwise concerns about their personal liability for the actions of the Authority.

In such circumstances a director may want to better understand the implications of the decision under consideration and the consequences of their dissent. The director may also want to consider alternate courses of actions such as resignation as a director, or otherwise recording their dissenting position, etc.

There are other circumstances as well in which a director may wish to seek independent expert advice including clarification on related party transactions, concerns about the adequacy of due diligence examinations, or questions regarding the relationship between the President and Chief Executive Officer and the corporate entity for which the Board has assumed governance responsibilities.

The *Terms of Reference for the Governance & Human Resources Committee* require that the Governance & Human Resourced Committee (the "Committee") *"ensure there is a system that enabled a committee or director to engage in independent legal counsel in appropriate circumstances, at the Authority's expense..."*

As stated, the onus is on the Committee to ensure that such independent counsel is provided *"in appropriate circumstances"* which can be interpreted only as when there is evident and real justification. The Committee must also assume responsibility for ensuring there is some discipline in respect to the Terms of Reference for, and cost of, any resulting engagements.

Policy Sponsor: Board Chair	1 of 2
Policy Steward: Board Liaison	
Original Date Approved: 19 June 2002.	Last Date Revised: December 9, 2025 (revised)
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2.0 PROCESS

1. A committee of the Board or the Board will table any decision where after a reasonable examination of issues involved, a director(s) takes a firm position that they wish to have independent counsel before participating in a vote.
2. The director(s) wishing to have such independent counsel will, without undue delay, address the request to the Committee, outlining in appropriate detail the reasons, therefore. The Committee may accept this request in writing or, when the issue being debated by the Board is of an urgent nature, may choose to meet in special session to hear a verbal submission. In whatever way the submission is received, the Committee will be given adequate time to consider the request and make its decision.
3. The Committee will determine whether, in its view, such independent counsel is justified and, if so, develop with the director(s) involved:
 - a. Clear Terms of Reference in respect to the nature and scope of such assistance; and
 - b. An estimate of projected costs.
4. In making its decision, the Committee will ensure that the proposed Terms of Reference for independent counsel will not take the Committee or the Board beyond its governance role of supervising management. The Committee must also ensure that the requested counsel does not duplicate advice already obtained by management, except where absolutely necessary.
5. Where the Committee considers independent counsel to be justified and has agreed with the director(s) involved on the Terms of Reference, etc., the Committee will authorize the engagement and inform management and the Board. The Committee will then monitor the engagement, ensuring that both the Terms of Reference and the expected cost parameters are respected.
6. Where the Committee decided that independent counsel is not required or justified it will report this finding to the Board Chair, leaving the Board the right to accept or reject the request by majority vote.
7. This policy and procedure will be reviewed from time to time or as necessary.

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