

## ▶▶ DUTY OF CARE

The duty of care is distinct from your fiduciary duty; it is about a standard of behavior that should be reasonably expected. This duty of care should be interpreted as being owed to shareholders, creditors and stakeholder groups while fiduciary duty is owed to the corporate entity.

The Duty of Care Includes:

- Preparing for council meetings by reviewing all materials before the meeting
- Taking steps to actively inform yourself about the business of the entity
- Reviewing all relevant information/material to allow for informed decisions
- Regularly attending and actively participating in council meetings, including asking relevant and probing questions and being prepared to discuss all issues
- Councils should document their decision-making process to demonstrate they exercised care, diligence and skill in reaching decisions
- Many councils will not have the necessary skills and experience to carry out all their required duties to an appropriate level. Part of the duty of care is to identify areas where the council's combined skill set may be lacking and find ways to fill any gaps

### ***Duty of Care -***

*A duty to use due care towards others in order to protect them from unnecessary risk of harm.*  
Merriam-Webster

*Exercising the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances.*

Canadian Business Corporations Act