
**DIAGNOSTIC SERVICES OF MANITOBA INC.
BOARD OF DIRECTORS POLICY**

Policy Name: Asset Protection & Risk Management

Number: EL-4

Policy Type: Executive Limitations

Date Approved: Feb. 8/06 (EL-5 approved)

Date Revised: Feb. 2007 (EL-5 replaced by EL-4)

Date Approved: Feb. 7/2007

The CEO shall not allow corporate assets to be unprotected, inadequately maintained or unnecessarily risked.

Accordingly, the CEO will not:

- 1) Fail to insure (or implement other acceptable risk financing techniques) against theft and casualty losses to cover replacement value, and against liability losses to Board members, staff or the organization itself in an amount greater than the average comparable organizations.
- 2) Subject plant and equipment to improper wear and tear or insufficient maintenance.
- 3) Unnecessarily expose the organization, its directors or staff to claims of liability.
- 4) Acquire, encumber, or dispose of real property without prior approval of the Board.
- 5) Fail to protect intellectual property, information and files from loss or significant damage.
- 6) Allow uninsured personnel access to material amounts of funds.
- 7) Make any capital purchase:
 - a) wherein normally prudent protection has not been given against conflict of interest;
 - b) without having considered the option of leasing;
 - c) of over \$ 5000 without having obtained comparative prices and quality;
 - d) of over \$25,000 without a stringent method of assuring the balance of long term quality and cost.Orders shall not be split to avoid these criteria.
8. Receive, process or disburse funds under controls insufficient to meet the Board-appointed auditor's standards.
9. Compromise the independence of the board's audit or other external monitoring or advice. Engaging parties already chosen by the board as consultants or advisers is unacceptable.

10. Invest or hold operating capital in insecure instruments, including uninsured chequing accounts and bonds of less than AA rating at any time, or in non interest-bearing accounts except where necessary to facilitate ease in operational transactions.
11. Endanger the organization's public image, credibility, or its ability to accomplish Ends.
12. Change the organization's name or substantially alter its identity in the community.
13. Neither lend the organization's money nor borrow on the credit of the organization.
14. Issue expense cheques to her/himself without the signature of a board signatory who has been provided with appropriate documentation of reasonable and normal business expenses and receipts.
15. Create or purchase any subsidiary corporation.