

BYLAW NO. A-3

A BYLAW RESPECTING THE INDEMNIFICATION OF TOWN OFFICIALS

BE IT ENACTED BY THE COUNCIL OF THE TOWN OF ST. STEPHEN AS FOLLOWS:

1. DEFINITION

In this bylaw,

"officials" includes the Mayor, members of Council, all officers and employees of the Town of St. Stephen.

"town" means The Town of St. Stephen.

2. INSURANCE POLICY

- 2.01 At all times, there shall be in force a bond or policy of insurance to provide the Town with protection against any loss of money, or any other property, which may be sustained by the Town through any fraudulent or dishonest act or acts committed by any of its officials acting alone or in collusion with others.
- 2.02 This bond or insurance policy shall be in such amount, as the Council of the Town deems advisable.

3. INDEMNIFICATIONS

- 3.01 Subject to subsection 3.04 of this bylaw, the Town will indemnify its officials against any claim for damages by a third party against the official arising out of the performance of the duties of the official and the Town will pay the legal costs arising there from.
- 3.02 Subject to subsection 3.04 of this bylaw, the Town will not seek indemnity against its officials if the actions of the officials result in a claim for damages against the Town by a third party.
- 3.03 Where the Town indemnifies any of its officials hereunder, the conduct, control and settlement of any such claims shall be at the discretion of the Council.

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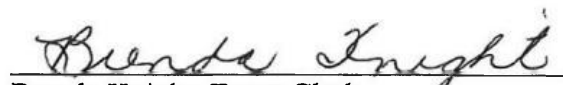
- 3.04 Subsections 3.01 and 3.02 of this bylaw, do not apply in any case where an official:
- (1) has been grossly negligent,
 - (2) has acted contrary to the terms and conditions of employment,
 - (3) has acted contrary to an order given by a person in a position of authority,
 - (4) has brought about or contributed to the claim by reason of fraud or dishonesty.

Read a first time this 16th day of February, 2004

Read a second time this 15th day of March 2004

Read a third time and passed this 19th day of April, 2004


W. Robert Brown, Mayor


Brenda Knight, Town Clerk