

Motion

**Be it resolved that**

**The following be enacted as a Bylaw of the Society and any other bylaws that conflict with it be modified to conform to it:**

**5.2 Employee or suppliers**

**A Director of the Society or any organization owned or controlled by the Society shall not be a paid or unpaid employee of any description or paid supplier of goods or services to, the Society or any organization owned or controlled by the Society. A former Director of the Society or any organization owned or controlled by the Society shall not be a paid or unpaid employee of any description of the Society or any organization owned or controlled by the Society until a full six years have elapsed from the date they last served as a Director of the Society.**

Reason

Currently Directors are serving as employees of and suppliers of services to the Society. One director has been the CEO and Registrar for more than two years. He is his own boss despite bylaw 9.1a that specifically states "The officers of the Society shall also include a Chief Executive Officer who shall not be a Director,....". The fact that he calls himself an Acting CEO does not remove the conflict of interest in being his own boss as the Chair of the Board of Directors.

Also apparently some Directors have provided services to the Society for such things as the new e-Academy.

It does take time to find a qualified and experienced person to replace a departing CEO but it should not take more than two years. An Acting CEO could be appointed from current staff or brought in from outside as temporary replacement for a short time. If a Director had taken over for a short time I suspect few would have quibbled, but more than two years with apparently no serious efforts to find a replacement is unconscionable and unreasonable especially when there were a lot of potential replacements open to a new CEO position during the economic meltdown of 2009. The use of the word Acting is clearly against the intent of the strong words in the Bylaws and does not mitigate the clear conflict of interest.

A director should not provide goods or services to the Society as they are the final decision makers and there is a clear perception of a potential if not real conflict of interest. Canada is certainly big enough to have many other possible suppliers of the same goods or services without causing anyone to suspect a Director of undue influence or conflict of interest.

This motion is intended to expand the intent of Bylaw 9.1a to cover all employees and suppliers of the Society and its subsidiaries as any time an employee or supplier is also the top decision maker a clear conflict of interest exists. Subsidiaries are included as they are also influenced by and subject to decisions made by Directors of the Society. Former Directors are also included for a period of time

regarding employment as they still have influence and could potentially return as a Director after an absence from the Board of two years. The six year period is intended to give a reasonable time for their influence to dissipate somewhat so that any conflict of interest would be lessened. I would recommend that the Society and its subsidiaries never hire a former director when any of his/her former co-Directors is still on the Board of the Society to further lessen the perception of undue influence.

Under this Bylaw no Director or former Director of the Society could be employed under any description by the Society or its subsidiaries while a Director or for at least six years after they are no longer a Director. Current Directors would not provide goods or services to the Society or its subsidiaries while a Director but could after they were no longer a Director.

This motion would have no adverse effects on consumers but in fact would show them that CSIC is serious about avoiding any perception of a conflict of interest in regards to internal administration and that CSIC activities will not be coloured by a Director or employee making decisions in conflict with their fiduciary duty, the Letters Patent, the CSIC mandate, MVV, etc. This motion would also clearly show the Integrity part of CSIC Values.

I urge all CSIC members to support and vote for this motion to make sure that future Directors of CSIC cannot be suspected or accused of a conflict of interest or using undue influence regarding future employees or the acquisition of good and services.

Peter Bernier