



Chemical Institute of Canada | *For Our Future*  
Institut de chimie du Canada | *Pour notre avenir*

# Chemical Institute of Canada Board Member Handbook

## Background, Responsibilities, Conduct, and Operations

Version 1: August 23, 2024

Approved by the CIC Board: September 4, 2024

## Executive Summary

This Handbook is intended for Chemical Institute of Canada (CIC) Board members but is available for all members of the CIC as a reference. The content of this document was deliberately selected so that the Handbook should not require updates for several years. As such, all by-laws, policies, terms of references, and other documents to which the Handbook refers are available on the CIC SharePoint site (or other document sharing platform). In this way, one master version of each document will be kept up to date.

This Handbook provides a framework for operations and interactions within and between the Institute, the Societies, the National Team, the Common Interest Groups (Subject Divisions, Local Sections, Student Chapters, Member Resource Groups), and associated Groups (Chemical Education Fund and The Gendron Fund). As described in the brief history, the CIC is over 100 years old and has a rich tradition of activity in Canada. Much of this activity has been driven by volunteers who are passionate about the chemical sciences. These volunteers have been, and continue to be, supported by the staff members in the National Team.

Working as part of a team is important to move initiatives forward but can also create friction when people have different perspectives. The CIC encourages people to share these different perspectives but in a respectful, professional way - this Handbook describes the expected conduct of its Board members. Beyond proper conduct, Board members are expected to be engaged and responsive to respect the time and efforts of others.

An understanding of the roles and responsibilities of the groups with which Board members interact, and make decisions for, is beneficial for a cohesive institution and solid working relationships. As only brief descriptions are given in this Handbook, Board members are encouraged to research the different groups through the website and by chatting with members of these groups at CIC events.

Together we serve, *For Our Future*.

## Résumé exécutif

Ce guide est destiné aux membres du conseil d'administration de l'Institut de la chimie du Canada (l'ICC), mais il est disponible pour tous les membres de l'ICC à titre de référence. Le contenu de ce document a été délibérément sélectionné afin que le guide ne nécessite pas de mises à jour pendant plusieurs années. Par conséquent, tous les règlements administratifs, politiques, mandats et autres documents auxquels le guide fait référence sont disponibles sur le site SharePoint de l'ICC (ou sur toute autre plateforme de partage de documents). De cette façon, une version principale de chaque document sera tenue à jour.

Ce guide fournit un cadre pour les opérations et les interactions au sein et entre l'Institut, les sociétés, l'équipe nationale, les groupes d'intérêt commun (divisions thématiques, sections locales, chapitres étudiants, groupes de ressources des membres) et les groupes associés (Fonds d'éducation chimique et la Fondation Gendron). Comme il est décrit dans la brève histoire, l'ICC a plus de 100 ans et a une riche tradition d'activité au Canada. Une grande partie de cette activité a été menée par des bénévoles

passionnés par les sciences chimiques. Ces bénévoles ont été et continuent d'être soutenu par les membres du personnel de l'équipe nationale.

Travailler au sein d'une équipe est important pour faire avancer les initiatives, mais peut également créer des frictions lorsque les individus ont des perspectives différentes. L'ICC encourage les personnes à partager ces différents points de vue, mais d'une manière respectueuse et professionnelle - le présent guide décrit la conduite attendue des membres du Conseil. Au-delà de la bonne conduite, on s'attend à ce que les membres du Conseil soient engagés-es et réceptifs-ves pour respecter le temps et les efforts des autres.

Une compréhension des rôles et des responsabilités des groupes avec lesquels les membres du Conseil interagissent et prennent des décisions est bénéfique pour une institution cohésive et de solides relations de travail. Comme seules de brèves descriptions sont données dans le présent guide, les membres du Conseil sont encouragés-es à faire des recherches sur les différents groupes sur le site Web et en discutant avec les membres de ces groupes lors d'événements de l'ICC.

Ensemble, nous servons, *Pour Notre Avenir.*

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## 1. Introduction

The CIC is an unmatched network of professionals that champions the advancement of the chemical sciences professions in Canada. As a member-based not-for-profit association, the prime purpose of the CIC is to serve its members and help them connect, learn, and grow their careers. We are a diverse community of chemical science professionals including chemists, chemical engineers, chemical technologists from academia, government, and industry sectors.

### 1.1 Brief History and Overview

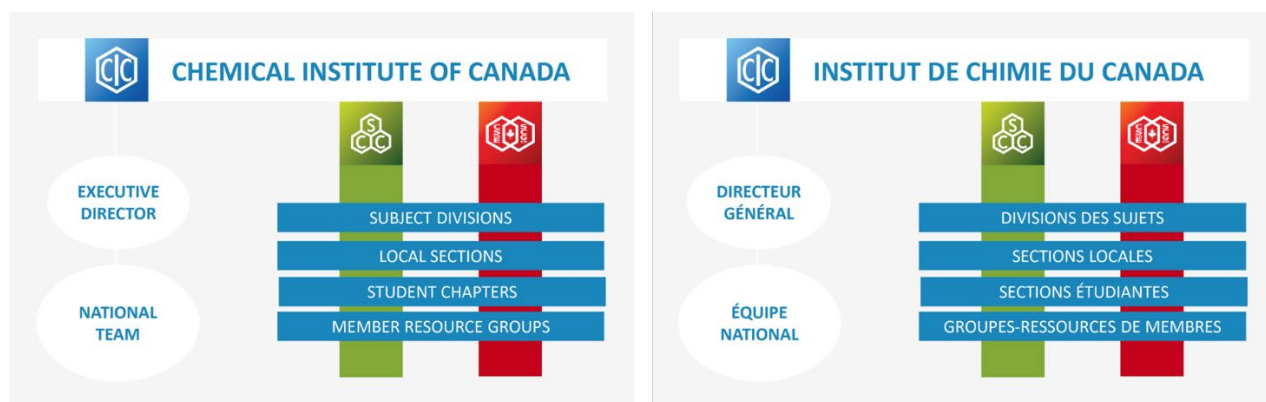
The Chemical Institute of Canada/l'Institut de chimie du Canada (CIC/ICC) is an institution with a history of over 100 years in the Canadian landscape and will be referred to as CIC in this document. The institution is currently structured as a Not-for-Profit Canadian corporation with a Board of Directors and affiliation agreements with two Societies, the Canadian Society for Chemistry (CSC) and the Canadian Society for Chemical Engineering (CSChE) which are independent corporations (**Figure 1.1**). The roots of the organizations stem from the Society for Chemical Industry (SCI) in the early 1900's when several Local Sections were established. In 1945 the CIC was incorporated following the merging of several existing chemical and chemical engineering organizations including the Canadian Institute of Chemistry (CanIC), which had been founded in 1921, and the Canadian Chemical Association (CCA), founded in 1928 [1]. The CIC, CSC and CSChE are membership-based organizations, and Members contribute to the Canadian chemical sciences landscape through various volunteer activities such as serving on the Boards and as executives of the Common Interest Groups, organizing and participating in the annual CSC and CSChE conferences, being recognized through an extensive awards and recognition program, and attending events of the Subject Divisions, Local Sections and Member Resource Groups. There are also two associated organizations, the CIC Chemical Education Fund and The Gendron Fund which interface with the CIC, CSC and CSChE.

Over the years, numerous reviews and changes have been made in the CIC governance structure. From 1966 to 1985, the CSC, the CSChE and the Canadian Society for Chemical Technology (CSCT) were formed as Constituent Societies. In 2014, all Canadian not-for-Profit corporations were required to approve By-laws to bring them into compliance with Canada's Not-for-Profit Corporations Act. The current By-laws date from that time and describe the CIC as an association of chemists, chemical engineers, and chemical technologists that carries out its activities through Societies, Local Sections, Subject Divisions and Student Chapters. Member Resource Groups (MRGs) were added to the governance structure in 2020 (see Common Interest Groups). Together, these can be viewed as a matrix structure as shown in **Figure 1.1**. In 2020-2021, a Governance Task Force studied the overall governance of the organizations and made recommendations for simplification. One of these recommendations was the dissolution of the CSCT. This was completed in 2022 and the CSCT became a Subject Division (Technologists and Technicians (TT)) within the CSC.

Members join either the CSC or the CSChE and are then also conferred membership in the CIC. Thus, Members have two memberships: either CSC + CIC or CSChE + CIC. One may also become an Associate Member of the other Society and have the benefits of belonging to all three.

There are two other entities in the CIC affiliation, the CIC Chemical Education Fund, which is a registered charity, and The Gendron Fund which is jointly managed by the CNC-IUPAC committee. This constellation of entities is supported by a group of employees known as the National Team who operate under the leadership of the Executive Director.

**Figure 1.1** Governance structure of the CIC, CSC, and CSChE.



## 1.2. Governance and Interactions between Parties

Directors are elected to the Boards by the CIC, CSC and CSChE membership, respectively, at their Annual General Meetings. Directors are bound to act within the limitations set out in the Canadian Not-For-Profit Corporations Act (<https://laws-lois.justice.gc.ca/eng/acts/c-7.75/>), the respective Articles of Incorporation, By-laws, and Policies and Practices of each corporation. The Act specifically states that there is no exculpation with respect to this duty to comply (section 148). The role of the Boards is to set the strategic direction and priorities of the corporations, and to oversee the management of the affairs of the corporations. This role is exercised collectively by the Directors, and the Boards exercise their responsibilities by providing appropriate organizational stewardship and by ensuring that the Boards themselves are competent and function effectively. These three organizations are interdependent. The CIC Chemical Education Fund (CEF) and The Gendron fund are more independent but are still part of the greater organization.

The Executive Director is accountable to the CIC Board and manages the day-to-day operations of the National Team. While the National Team staff provides support, the Board members of the various affiliated organizations must move activities forward, as required. To this end, there are standing

committees of some Boards which are described in their By-laws. As needed, other ad hoc committees are formed; for example, the conference organizing committees.

## 2. Responsibilities of a Director of a Not-for-Profit in Canada

Because the corporations are legal entities, there are specific definitions associated with elements of the governance. And, as for all organizations, acronyms have developed over time. A list of definitions and acronyms can be found in Appendix A1. Specific defined terms such as Member, Director, Board, Institute and Society (Societies) are capitalized in this document.

### 2.1 Board Member Requirements

According to Section 5.03 of the CIC By-laws:

*Each Director shall be an individual who is not less than 18 years of age. No person who has been found by a court in Canada or elsewhere to be mentally incompetent or who has the status of a bankrupt shall be a Director.*

Directors must also be members in good standing of the CIC. This requirement may be waived for specialized positions on the Board. For example, the Treasurer may be an accountant and not a chemist, chemical engineer, or chemical technologist. Onboarding documents and training have been developed to ensure that Board Members meet the requirements and understand their obligations as outlined in this Handbook.

### 2.2 Legal Responsibilities of Board Members

The Act states that Directors must act honestly, in good faith, in the best interests of the corporation, which is the fundamental legal, or statutory, duty of Board members, and called the duty of loyalty, or more commonly, the fiduciary duty. "Fiduciary" is an old English word (from the Latin for "faith" and "trust") that means a trustee looks after the business and affairs of someone else who is a beneficiary. However, a fiduciary is a special kind of trustee who looks after the business and affairs of a beneficiary who is disadvantaged and not capable of looking after their own business and affairs. In the context of the CIC, Board members need to respect the balance of having more power on behalf of a community (in this case the Societies' Members) and have more responsibility to use that power for the benefit of that community's members.

A fiduciary has a higher standard of loyalty and care than any other person under the law, since there is no way for their beneficiary to know how good a job they are doing: whether they are being faithful and diligent, or robbing them blind. That is how to think of your duty as a Board member. The Board is the "directing mind of the body corporate". In a very real way, the Board is the mind, the heart and even the soul of the Corporation. By acting in the best interests of the Corporation, the Board considers the competing self-interests of principals, agents, and other stakeholders, but at the end of the day sets the direction and priorities of the Corporation in its own [the corporation's] interests, as stewards and trustees.



Board members of Not-for-Profit and Charitable organizations in Canada are legally required to demonstrate reasonable duties of Duties of Care, Skill, and Diligence.

- **Duty of Care** requires that Directors devote the necessary time and attention to the Corporation.
- **Duty of Skill** requires that Directors use an appropriate level of skill in carrying out their obligations.
- **Duty of Diligence** requires Directors to be active and engaged.

The CIC and Societies carry Director's and Officer's insurance to protect Board members and the organizations. Details of conditions for coverage are described in a letter which can be found in Appendix A2.

### 3. Expected Conduct

Board members and, indeed, all Members of the CIC, CSC and CSChE are expected to adhere to the CIC **Code of Ethics**. In addition, appropriate comportment should be in alignment with the principles of honesty, good faith and acting on the best interests of the organization(s).

Members of the CIC and National Team come from diverse cultures, backgrounds, and experiences. The CIC aims to attract, welcome, develop, and retain a diverse community of talented people to prosper within a culture of mutual respect. In activities, policies and attitude, the Board members should adhere to the following principles: encourage broad participation, improve recognition and work towards balance for underrepresented and equity deserving groups, maintain diversity awareness and education, and promote accountability. That is, uphold the principles of Equity, Diversity, and Inclusion (EDI).

It is the responsibility of all CIC Members, especially those on Boards and committees, to ensure that the National Team has a professional, safe, rewarding, and nurturing work environment. All interactions - between Board members, Board members and National Team staff, National Team staff and Members, Members with other Members, etc. - must be respectful and honour EDI principles. Behaviour guidelines such as those discussed in the CSC document "**Code of Conduct**" must be respected.

Failure to adhere to appropriate behaviour will be met with the following escalating disciplinary actions:

1. A discussion to reiterate CIC principles and expectations. An apology to the person who has been treated disrespectfully may be required.
2. Removal of the Member from their formal role within the Institute, Society or Common Interest Group.
3. Barring from membership, as described in the By-laws.

Other specific legal responsibilities relating to duties of care, skill and diligence by Board members are described below.

#### 3.1 Confidentiality and Document Management

Matters brought before the Board and discussions of the Board are confidential. There may also be portions of the Board meetings that are *in camera*: that is, employees are not present, and minutes of these discussions will be drafted by the Chair and shared with those present. These *in camera* sessions allow discussion of sensitive matters such as staffing and human resource issues. Every Director, Officer, committee member, employee, and volunteer, shall respect the confidentiality of matters brought before the Board or before any committee of the Board. Employees and volunteers shall also respect confidentiality about matters that come to their attention as part of their employment or volunteer activities.

Documents pertaining to Board activities must be kept confidential. In general, copies of pertinent records are kept by the CIC National Team in archives so it should not be necessary to keep records. For continuity

in Board roles, however, personal copies may be kept provided safeguards are maintained for security and protection of personal information. Strong passwords and not sharing laptops or desktop computers with other users are requirements. Should data be breached, the Chair of the CIC must be notified immediately.

### **3.2 Conflict of Interest and Personal Gain**

Board members are expected to declare any conflicts of interest and may be excluded from the discussion of said topics, or any votes thereon. An inherent conflict of interest exists for the representatives of the two Constituent Societies. Although the Presidents are representing their Societies on the CIC Board, they must consider the CIC in its totality when they are acting on behalf of the CIC Board. In Canadian law, they could be liable if they are shown to favour their Society over that of the CIC if it is seen in court as being detrimental to the CIC.

These are volunteer roles, with some reimbursement for expenses such as travel. Board members may not take advantage of their position for personal gain, except that involvement enriches their leadership growth and career development. Mentioning these roles as part of a CV, resume or social media post is acceptable.

### **3.3 Meetings and Engagement with the Institute and Societies**

Board members are expected to attend all scheduled meetings to ensure quorum and to allow the business of the Boards to be conducted in an efficient and business-like manner. Absences from three or more consecutive meetings or meeting attendance below 75% may be taken as an indication that the Board member has stepped down from their position or is no longer available to fulfil their duties. After a suitable follow-up from the appropriate Chair or President to enquire about the cause for absence, the Board may remove this Director and appoint a replacement until elections at the next Annual General Meeting.

All Board members are volunteers, and it is understood that Board members have other professional responsibilities. Nonetheless, it is expected that **email or phone correspondence will be answered within three working days**. An acknowledgement including an expected time frame for follow-up can be used if the Board member is not immediately available to give a full response.

## 4. Board Operations

The fiscal year of the CIC and affiliates is from January 1 to December 31. Annual General Meetings are typically held before the end of June and may coincide with a conference. Nomination timelines for new Directors need to be managed in advance of the AGM. Budgets need to be developed mid-year for approval by mid-December. A perpetual calendar of other events and deadlines has been developed to help manage the yearly cycle.

There are three agreements that govern the operations between the institute and the societies. The three agreements are entitled (1) **Principles Governing the Relations Among CIC and its Constituent Societies**, (2) **Financial Agreement between the CIC and its Constituent Society**, and (3) **CIC and its Constituent Societies Operating Agreement and Term Sheet**. These agreements should be reviewed and updated as needed yearly by the Finance Committee and the CIC Board.

### 4.1. CIC Board

The CIC is defined in its **By-laws** as an association of chemists, chemical engineers and chemical technologists and other related chemical disciplines that carries out its activities through societies, local sections, subject divisions, student chapters, and member resource groups.

The current Articles of the CIC allow for between 5 and 7 Directors. At the first meeting of the Board after an AGM, Board members will take their roles as Directors and/or Officers. In addition to the elected Directors and Officers, a second representative, such as the Vice-Presidents of each Society, may be invited to audit the CIC Board meetings (*ex officio* non-voting role). The Vice-Presidents may represent the Presidents, in their absence, to allow for quorum and decision making, including voting. Some National Team staff members may also be invited to Board meetings at the discretion of the Chair and Executive Director.

**Table 4.1** briefly outlines the positions on the CIC Board and the respective responsibilities of each position. Typically, each year at the AGM, the Past-chair rotates off the Board, the Chair becomes the Past-chair, the Vice-chair becomes the Chair, and a new Vice-chair is elected. In certain circumstances, the Chair may be renewed for a second and third year, in which case, the Past-chair and Vice-chair would also serve two or three years in their respective roles.

More information on the structures of Boards can be found in an article by Garber (1997) Operating Models of Boards, <https://literacybasics.ca/wp-content/uploads/2018/01/Governance-Models-Whats-Right-for-Your-Board.pdf>.

**Table 4.1** Positions and responsibilities of CIC Board. All CIC voting Directors are members of the CEF. Terms of Reference/Job Description for the positions (see SharePoint site) contain more information.

Position	Description	Term
Past-chair Director	Provides continuity for the Board, advises current Chair and Board members, recruits new Board members.	1 year
Chair Director and Officer	Chairs CIC Board Meetings, chairs CIC committees, serves as an Officer of the CIC, signatory for expenses of the ED and major debt obligations, delivers feedback, including annual performance review, to ED.	1 year
Vice-chair Director and Officer	Assists Chair, assumes role of Chair if Chair is unavailable, learns current issues of the organization.	1 year
Treasurer Director and Officer	Responsible for the Financial Affairs of the corporation and completes this role with help from the National Team and the Director or Manager of Finance, signs off on the annual financial audit and makes recommendations for the financial strategy.	3 years, renewable once (6 years maximum)
CSC Representative* Director	Represents needs of CSC Members and the CSC Board.	Duration of CSC Term
CShE Representative* Director	Represents needs of CShE Members and the CShE Board.	Duration of CShE Term
Director of Awards Director	Oversees the adjudication of all CIC awards with assistance from the NT, ensures consistency between CIC and the Societies with respect to Awards, ensures EDI principles are applied.	3 years, possibility of renewal for 1, 2 or 3 years
Executive Director Ex-officio Director and Officer	Manages operations of the NT, with accountability to the CIC Board, works with the Chair to develop agendas and move the strategic direction and tactical initiatives forward.	

\*Usually the President of the Society; according to the rules of each Society, the Vice-president may vote in place of the President, if the President is unable to vote.

In addition to activities that involve the whole CIC Board, there are several committees of the Board, which may be formed and dissolved as needed. The CIC Chair may attend meetings of any committee of the CIC Board in a non-voting role. Committee decisions and proposals are brought to the Board for discussion and

ultimately approval. Current Terms of Reference for all committees can be found on the CIC Board Sharepoint site, and these committees may include:

- **Awards Committee**- Awards Directors of the CIC, CSC and CSChE, Chair of the Fellowship Committee and the CSC Director of EDI.
- **Executive Committee** - The CIC Board may choose a subset of CIC Board members to form an Executive Committee. It need not be the Officers and should be agreed upon at the first Board meeting after the AGM. The membership and responsibilities of this Committee are to be agreed upon by the CIC Board, as a whole. Typically, it has been the Chair (Chair), Vice-Chair, Treasurer and ED in a non-voting role.
- **Finance Committee** – The members of this committee are the CIC Treasurer (Chair), Treasurers of each Constituent Society, CIC Executive Director, CIC Director of Finance and Administration (or equivalent) and CIC Vice-Chair to oversee the financial affairs and review the audited financial statements.
- **Fellowship Committee** – At least four CIC Fellows appointed by the CIC Board of Directors to examine qualifications of Fellowship nominees and decide if the qualifications meet the requirements.
- **HR and Compensation Committee** – CIC Chair and Society Presidents. The Vice Chair in a non-voting member. The Treasurer and an HR consultant may also be consulted. This committee is responsible for management and compensation of the Executive Director. Input from members of the CIC Board and other stakeholders may be requested.
- **Nominating Committee** – CIC Vice Chair and/or Past-Chair with one or more designated Directors of each of the Constituent Societies. Responsible to identify nominees for Directors whose terms are coming to an end at the upcoming AGM and any appointments during the year.

#### 4.2. CSC and CSChE

The CSC ([www.cheminst.ca/about/about-csc/](http://www.cheminst.ca/about/about-csc/)) and CSChE ([www.cheminst.ca/about/about-csche/](http://www.cheminst.ca/about/about-csche/)) are Constituent Societies of the CIC and as such have their own by-laws and Boards. While these Societies share the common goals of the CIC, they may have different priorities.

#### 4.3 National Team

The National Team ([www.cheminst.ca/about/contact-the-cic-team/](http://www.cheminst.ca/about/contact-the-cic-team/)) includes the staff members who work on the CIC different programs and portfolios. The Team has an administrative role to handle sensitive information (email list) and provide continuity as board members change. The staff members report to the Executive Director. The specific roles may evolve over time but generally include financial, communications,

membership and partnership engagement, conference and event organization and management. Several members of the National Team work solely on The Canadian Journal of Chemical Engineering.

## 5. Common Interest Groups

Common Interest Groups (CIG) include Subject Divisions, Local Sections, Student Chapters, and Member Resource Groups.

### 5.1 Subject Divisions

Subject Divisions (<https://www.cheminst.ca/communities/divisions/>) are for Members having a common interest in special branches of the chemical sciences. Their operations and responsibilities are described in Section X of the CIC By-laws and charters. The Subject Divisions play a major role in organizing and chairing symposia at the annual conferences. Subject Divisions (**Table 5.1**) can be joined at any time but typically members request to join a Subject Division when applying for (or renewing) membership.

**Table 5.1** Subject Divisions and their allocation to the CIC, CSC or CSChE.

CIC	CSC	CSChE
Analytical Chemistry (AN)	Biological and Medicinal Chemistry (BM)	Energy (EG)
Biotechnology (BT)		Process Safety Management (PSM)
Catalysis (CA)	Inorganic Chemistry (IN)	
Chemistry Education (CE)	Organic Chemistry (OR)	Systems and Control (SC)
Environment (EN)	Physical, Theoretical and Computational Chemistry (PT)	
Green (GV)		
Macromolecular Science and Engineering (MS)	Technologists and Technicians (TT)	
Materials Chemistry (MT)		
Rubber Chemistry (RU)		
Surface Science* (SS)		

\* a joint CSC/Canadian Association of Physicists Division

### 5.2 Local Sections

Local Sections (LSs, [www.cheminst.ca/communities/sections/](http://www.cheminst.ca/communities/sections/)) were the nascent structures of organized chemistry in Canada and may be formed in any area or municipality with sufficient interest of Members. The first sections existed in Toronto (1901), Montreal (1907), Ottawa (1917), Vancouver (1917) and Shawinigan Falls (1921). Traditionally Members are assigned to a Local Section based on their residential address when they join. This model can be changed to meet the current needs of the Members. The LSs operate as described in Section IX of the CIC By-laws.

### 5.3 Student Chapters



Student chapters may exist at all Canadian post-secondary educational institutions, be they colleges or universities. As student leaders graduate, contact with student chapters may be lost and so it is encouraged to have a faculty member as the point of contact. There is no specific mention of Student Chapters in the CIC By-laws, however, they are described in both the CSC and CChE By-laws.

#### **5.4 Member Resource Groups**

Member Resource Groups (MRGs, <https://www.cheminst.ca/communities/mrgs/>) are formed of Members with shared identities, values, and vision, and provide opportunities for networking and support to their members. The high-level operating principles of an MRG are described in Section XIV of the CIC By-laws. MRGs self-manage and work closely with the CIC to provide continuity and integration of knowledge and events. The first MRG is known as CWIC: Canadians Working for Inclusivity in Chemical Sciences, Engineering and Technology. The Pride MRG is the second formed group.

## 6. Associated Groups

The CIC is associated with the CIC Chemical Education Fund, The Gendron Fund, and other external partners as described in the following Sections.

### 6.1 CIC Chemical Education Fund

The CIC Chemical Education Fund (CEF, <https://www.cheminst.ca/about/about-cef/>) is a registered charity set up to promote education in the fields of the chemical sciences, chemical engineering and chemical technology. The CEF funds educational activities, awards, and research for the direct benefit of both chemical science professionals of the future and the general public. The CEF has its own By-laws and Board of Directors. All voting CIC Board members are Members of the CEF and invited to the CEF Annual General Meeting.

### 6.2 The Gendron Fund (<https://www.cheminst.ca/awards/iupac-award/>)

The Gendron Fund has funded travel awards for young Canadian scientists since 1982. The funds are managed by the Canadian National Committee for IUPAC (CNC/IUPAC) on which several CSC Members serve. The awards are financed jointly by The Gendron Fund and by the CNC/IUPAC Company Associates.

### 6.3 External Partnerships

The CIC, CSC and CSChE have numerous partnerships with other organizations. These may involve organizations with whom we have a paid membership, an agreement/MOU, or an ongoing relationship. Partnership with other organizations in the chemical sciences may involve honouring membership rates at conferences and other events.

## References

[1] *Chemistry Canada 1970-1995*, edited by R.V.V. Nicholls, 1995.

[2] *Duties and Responsibilities of Directors of Not-For-Profit Organizations*, 3<sup>rd</sup> Edition, by Hugh M. Kelly, Q.C., CSAE Monograph Series.

## **Appendix A1. Definitions and Acronyms** (as abridged from the CIC By-laws)

**“Act”** - the Canada Not-for-Profit Corporations Act (CNCA)

**“Articles”** – the original or restated articles of incorporation of the Corporation

**“Board”** - the board of directors of the corporation

**“Common Interest Group (CIG)”** - refers to the Local Sections, Subject Division, Student Chapters and Member Resource Groups

**“Constituent Society/Societies”** - a corporation separate from the CIC, but affiliated, which addresses a distinct academic discipline relating to the purpose of the CIC

**“Chemical Institute of Canada (CIC)”** - an association of chemists, chemical engineers and chemical technologists and other related disciplines that carries out its activities through societies, local sections, subject divisions, and member resource groups

**“Canadian Society for Chemistry (CSC)”** - a Constituent Society of the CIC

**“Canadian Society for Chemical Engineering (CSChE)”** - a Constituent Society of the CIC

**“Director”** - a member of a Board\*

**“Local Section”** - a formal entity of the Corporation for Members living in an area or municipality which is designated by a suitable name indicative of the area

**“Member”** - a chemist, chemical engineer or chemical technologist who has applied and been accepted as a member of the CSC and/or CSChE. Membership fees apply for certain categories of membership. CIC Board members are also Members of the CIC Chemical Education Fund.

**“Member Resource Group (MRG)”** - a formal entity of the Corporation for Members with a common vision or identity

**“National Team (NT)”** - collectively the employees and contractors of the CIC

**“Officer”** - an officer of a Corporation\*

**“Staff”** - a paid member of the National Team who is an employee or a contractor of the CIC

**“Society”** - either of the two constituent societies of the Corporation

**“Student Chapter”** - a formal entity of the Corporation formed of students at a Canadian post-secondary educational institution

**“Subject Division (SD)”** - a formal entity of the Corporation for members having a common interest in special branches of the Chemical Sciences

\*The difference between a Director and an Officer: a Director is the person who takes part in managing important business affairs, while Officers oversee daily aspects of a business. Officers are also directly involved in the daily management affairs of the business. An Officer can be a: CEO or ED, President/Chair, Vice-President/Vice-Chair, Treasurer. An Officer need not be a Director.

(<https://www.upcounsel.com/officer-vs-director>)



## Appendix A2. Director's and Officer's Insurance (letter from legal counsel)



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www.drache.ca

December 15, 2014

Chemical Institute of Canada 130 Slater  
Street, Suite 550  
Ottawa, Ontario, Canada K1P 6E2

Attention: Roland Andersson, Executive Director

Dear Roland,

I am writing further to your voice-mail regarding concerns expressed by some of the Directors of the Chemical Institute of Canada ("CIC") and related corporations with respect to potential liability.

Directors of a corporation such as the CIC and related corporations may face some personal liability arising from the application of various statutes and common law notwithstanding the existence of a corporation with separate legal personality. The liability of directors of not-for-profit corporations is based on the premise that they are the directing minds of the Corporation and, therefore, should be responsible in law for the misdeeds of the Corporation in certain instances.

The Directors have the duty to manage and supervise the activities and affairs of the Corporation. Directors and Officers are required under the *Canada Not-for-Profit Corporations Act* ("CNCA") to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances. These duties are judged on an objective standard of care. In other words, in determining whether a Director or Officer has breached his or her duty to the Corporation, the court will test the person's actions against that of a reasonably prudent person. As well, the Directors and Officers are required to comply with the CNCA and its Regulations, the Corporation's Articles and By-laws and any unanimous Member Agreement. Directors (but not Officers) are subject to additional duties under the Act. For example, the Directors must be informed about the Corporation's activities and to ensure the lawfulness of the Articles and the purposes of the Corporation. Directors who vote for or consent to a resolution authorizing any payment or distribution, or any payment of an indemnity contrary to the Act, are liable to repay the Corporation any money or property so paid or distributed. Directors are also liable to employees of the Corporation for up to six months' unpaid wages while they are Directors and for up to two years after leaving the Board.

In meeting their duties, Directors and Officers would not be liable if they have exercised the care, diligence and skill that a reasonably prudent person would have exercised in comparable circumstances, including reliance in good faith on reports prepared by professionals. Directors (but not Officers) may also rely on the Corporation's financial statements prepared by the Corporation's public accountant.

Both current and former Directors may be advanced defence costs and indemnified by the Corporation (this is provided for in the by-laws). However, indemnification is only permitted where a Director or Officer fulfilled his or her duty to act honestly and in good faith with a view to the best interests of the Corporation, and in the case of a criminal or administrative matter that is enforced by a monetary penalty, if there are reasonable grounds for believing that the conduct of the Director/Officer in question was lawful. In these circumstances, there is a right to indemnification provided that the Director or Officer in question has not been found by a court to have committed any fault or omitted to do anything they ought to have done.

The CNCA also permits the Corporation, should they choose to do so, to insure individuals for any liability incurred in their capacity as Directors or Officers. We understand that the CIC and the other corporations have put in place such insurance and that this insurance provides coverage similar to what is provided elsewhere in the sector. We always recommend that not-for-profit corporations keep their insurer/broker apprised any changes to the activities of the corporation or potential claims to ensure that the coverage is adequate.

Directors and Officers must also disclose any personal interest they may have in a material contract with the Corporation. If a Director or an Officer fails to make such a disclosure, the Corporation or a Member may apply to a court to request the contract be set aside and the Director repay any profits or gain realized on the contract.

I hope that the foregoing responds to your questions. If you have any further questions, please do not hesitate to contact me.

Yours truly,

**Drache Aptowitz LLP**

Per:



Karen J. Cooper



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