

**Chartered Professional Accountants of Canada  
Annual and Special Meeting  
September 18, 2019**

**Proposed Amendments to By-Law Number 1**

- ACTION:** Approval of two proposed By-Law Amendments recommended by the CPA Canada Board of Directors, as noted below:
- Section 3.2 (b) Individual Members – Amend to reflect “Canadian” Chartered Professional Accountant designation;
  - Deletion of Section 3.2 (c) and any references to Section 3.2 (c), as that section becomes obsolete following the approval of CPA Northwest Territories/Nunavut membership to CPA Canada.

The revised By-Law is appended to this data sheet for reference (blackline version and clean copy).

**Background**

**Proposed By-Law Amendment re Canadian Chartered Professional Accountant**

CPA Bermuda is creating a new class of membership within CPA Bermuda (Bermuda Only Membership), requiring an amendment to their By-Law and the Bermuda CPA Act. The proposed amendments would allow residents of Bermuda holding the Association of Chartered Certified Accountants qualification (ACCA Holders) and certified public accountants from the Philippines (Philippine CPAs) to become members of CPA Bermuda within the Bermuda Only Membership class.

In consultation with legal counsel, CPA Canada is fine with Bermuda proceeding with the proposed changes to their legislation, as CPA Canada’s By-Law states “Chartered Professional Accountant”, therefore, Certified Public Accountants or ACCAs do not qualify as Individual Members of CPA Canada.

However, in light of these changes to Bermudian legislation and to ensure clarity, it is being recommended that CPA Canada’s by-law be amended to reflect a “Canadian Chartered Professional Accountant” designation. In addition, several minor changes have been made to the section, as recommended by legal counsel, to ensure further clarity. The proposed amendment is reflected in section “3.2 (b) Individual Members” of the By-Law.

*Proposed By-Law Amendment re CPAC Membership Application by CPA Northwest Territories/Nunavut (CPA NTW/NU)*

On January 8, 2019, the legislative assemblies of Northwest Territories and Nunavut proclaimed parallel statutes that created the Chartered Professional Accountants of Northwest Territories and Nunavut. The Chartered Professional Accountants of Northwest Territories and Nunavut submitted an application for membership to CPA Canada, which was approved by the CPA Canada Board at their June 19, 2019 meeting. With Board approval of this membership application, section “3.2 (c) Deemed Individual Members” and any references to section 3.2 (c) become obsolete and should be removed from the By-Law.

**BY-LAW NUMBER 1**  
~~Amended Effective September 27, 2016~~

**A by-law relating generally to the transaction of the affairs of**

**Chartered Professional Accountants of Canada / Comptables professionnels agréés du Canada**

**BE IT ENACTED** as a by-law of Chartered Professional Accountants of Canada / Comptables professionnels agréés du Canada as follows:

**ARTICLE 1**  
**DEFINITIONS**

**1.1 Definitions** - In this by-law and in all other by-laws of the Corporation, unless the context otherwise requires:

- (a) **“Annual Meeting”** means an annual meeting of the Members;
- (b) **“Annual Financial Statements”** means the comparative financial statements of the Corporation, as prescribed by the NFP Act;
- (c) **“Affiliate Member”** means an individual who is a member of the class of members designated in the Articles as Affiliate Members;
- (d) **“Articles”** means the articles, as that term is defined in the NFP Act, of the Corporation from time to time in force and effect;
- (e) **“Associate Member”** means an individual who is a member of the class of members designated in the Articles as Associate Members;
- (f) **“Board”** means the board of directors of the Corporation;
- (g) **“By-laws”** mean this by-law and all other by-laws of the Corporation from time to time in force and effect;
- (h) **“Certificate Holder Member”** means an individual who is a member of the class of members designated in the Articles as Certificate Members;
- (i) **“Chair”** means the Chair of the Board;
- (j) **“Corporation”** means Chartered Professional Accountants of Canada / Comptables professionnels agréés du Canada, a corporation incorporated as a corporation without share capital under the NFP Act;
- (k) **“CPA Regulatory Body”** includes (i) a body that regulates the professional activities of Chartered Professional Accountants in a particular jurisdiction in Canada or Bermuda and (ii) a body that is the successor of a merger of bodies that regulated the activities of two or more Legacy Designations in a particular jurisdiction in Canada or Bermuda;
- (l) **“Director”** means a director of the Corporation;

- (m) “**Existing MRA/RMA**” means an MRA/RMA that was applicable to an Individual Member immediately prior to becoming a Member;
- (n) “**Individual Member**” means an individual who is a member of the class of members designated in the Articles as Individual Members, ~~or is deemed to be an Individual Member pursuant to Section 3.2 (c);~~
- (o) “**Legacy Designation**” means an accounting designation of “chartered accountant”, “certified management accountant” or “certified general accountant” which is or was held by an Individual Member or a Director;
- (p) “**Legacy Member**” means a member of the class of members designated in the Articles as Legacy Members;
- (q) “**Members**” means those entities and individuals who are members of one (1) of the classes of members set out in the Articles and, for greater certainty, unless specifically noted otherwise in the By-laws, Members shall be understood to include Organization Members, Individual Members, Affiliate Members, Associate Members and Certificate Holder Members;
- (r) “**Meeting of Members**” means a meeting of Members and includes a Meeting of Organization Members, an Annual Meeting and a Special Meeting of Members;
- (s) “**Meeting of Organization Members**” means a meeting of Organization Members held for the purpose of electing directors of the Corporation;
- (t) “**MRA/RMA**” means a mutual recognition agreement or reciprocal membership agreement entered into with accounting organizations outside of Canada;
- (u) “**NFP Act**” means the *Canada Not-for-profit Corporations Act*, S.C. 2009, c. C-23 including the regulations made pursuant thereto, and any statute or regulations that may be substituted therefor, as amended from time to time;
- (v) “**Nominating and Governance Committee**” means the committee of the Board established as provided for in Section 6.2;
- (w) “**Officer**” means an officer of the Corporation appointed by the Board;
- (x) “**Organization Member**” means a member of the class of members designated in the Articles as Organization Members;
- (y) “**President**” means the President of the Corporation;
- (z) “**Public Directors**” means members of the Board who are not Chartered Professional Accountants and do not hold a Legacy Designation;
- (aa) “**Public Accountant**” has the meaning ascribed thereto in the NFP Act;
- (bb) “**Reorganization Date**” has the meaning ascribed thereto in the Articles;

- (cc) “**Reorganization Time**” has the meaning ascribed thereto in the Articles;
- (dd) “**Special Meeting of Members**” means a Meeting of Members other than an Annual Meeting or Meeting of Organization Members;
- (ee) “**Special Resolution**” means a resolution of Members passed by a majority of not less than two-thirds (2/3) of the votes cast on that resolution by Members entitled to vote on that resolution; and
- (ff) “**Vice Chair**” means the Vice Chair of the Board.

**1.2 Interpretation** - In the By-laws, unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be, and *vice versa*, and references to persons shall include individuals, firms and corporations. The division of the By-laws into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the By-laws. Whenever the words “include”, “includes” or “including” are used in the By-laws, unless the context otherwise requires, such words shall be deemed in each instance to be followed by the words “without limitation”. References in this By-law to Articles and Sections are to Articles and Sections of this By-law unless the context otherwise requires.

## **ARTICLE 2 GENERAL**

- 2.1 Financial Year** – The Board may from time to time by resolution determine the fiscal year of the Corporation.
- 2.2 Books and Records** – The Board shall ensure that all necessary books and records of the Corporation required by the By-laws or by any applicable statute or law are regularly and properly kept.
- 2.3 Corporate Seal** – The Corporation may, but need not, have a corporate seal. If the Corporation adopts a corporate seal, it shall incorporate the words “Chartered Professional Accountants of Canada” and “Comptables professionnels agréés du Canada” and shall be in such form as the Board may by resolution from time to time approve.
- 2.4 Interpretation of By-laws** – If a dispute arises concerning the true meaning or intent of any present or future By-law, the Board shall have the power to issue a conclusive interpretation.

## **ARTICLE 3 MEMBERS**

- 3.1 Membership** – The Corporation shall only have five classes of members: Organization Members, Individual Members, Affiliate Members, Associate Members and Certificate Holder Members.
- 3.2 Admission to Membership** –
  - (a) **Organization Members.** Only a body satisfying the following conditions may be admitted as an Organization Member:

- (i) it must be a CPA Regulatory Body;
- (ii) either
  - (A) its by-laws must state that, in order to be in good standing as a member of that body, a member of that body must be current in paying any fees as established by that body for its members and any applicable fees as established by the Corporation for Individual Members, or
  - (B) it must have established such other arrangements by agreement with the Corporation regarding the payment of fees of the Corporation as are satisfactory to the Board; and
- (iii) its admission as an Organization Member must be approved by the Board, in its discretion, which approval will be conditional upon, among other things, a determination by the Board that the body (A) has demonstrated an intent to act in a manner consistent with the principles set out in Article 4 of these By-laws to the extent the matters covered in Article 4 are applicable to the body, and (B) subscribes to the principles set out in the document entitled "A Framework for Uniting the Canadian Accounting Profession" as published on the website [www.cpacanada.ca](http://www.cpacanada.ca) as at October 31, 2012, provided that the Board shall not approve more than one Organization Member in any single regulatory jurisdiction,

and, upon such conditions having been met, the body shall thereby be deemed to be admitted as an Organization Member.

- (b) **Individual Members.** ~~All Individual Members shall be those~~ individuals who ~~are~~ become chartered professional accountant members, of an Organization Member in accordance with the entry requirements for the Canadian Chartered Professional Accountant designation, as determined by an such Organization Member, but only for so long as such individuals are, and continue to be, chartered professional accountant members in good standing of any such Organization Member ~~shall be Individual Members.~~ The status of ~~Individual Members~~ such individuals who meet the foregoing criteria and are members in good standing of an Organization Member and the status of ~~Individual Members~~ individuals who cease to be members in good standing of an Organization Member shall be communicated by written notification (including notification by electronic means) from the Organization Member to the Corporation in accordance with such policies and practices of the Corporation as exist from time to time.
- ~~(c) **Deemed Individual Members.** All individuals who are members in good standing of a provincial body that regulates the professional activities of a Legacy Designation in a particular jurisdiction in Canada and that has been approved by the Board for purposes of this paragraph shall be deemed to be and shall, for all purposes, be treated as Individual Members until such time as such individuals become Individual Members in accordance with Section 3.2 (b), cease to be members in good standing of a provincial body that regulate the professional activities of a Legacy Designation in a particular jurisdiction in Canada, or the Board rescinds its approval of the provincial body for purposes of this paragraph. The status of individuals who are~~

~~members in good standing of such a provincial body and the status of individuals who cease to be members in good standing of such a provincial body shall be communicated by written notification (including notification by electronic means) from such provincial body to the Corporation in accordance with such policies and practices of the Corporation as exist from time to time.~~

~~(d)~~ **(c) Affiliate Members.** Individuals who have been awarded and continue to hold a designation or credential issued by the Corporation that the Board has, after due consideration, determined and approved to be a designation or credential of sufficient substance to merit membership in the Corporation as an Affiliate Member shall be Affiliate Members. In determining and approving the holders of a designation or credential as meriting membership in the Corporation as Affiliate Members, the Board may establish that such membership is to terminate automatically upon the expiry of a period of time or upon the occurrence of an event or events, with or without prejudice to the right of a holder of such membership to apply for a new, continued or renewed membership, as determined by the Board. The status of individuals who have been awarded and continue to hold a designation or credential issued by the Corporation that the Board has, after due consideration, determined and approved to be a designation or credential of sufficient substance to merit membership in the Corporation as an Affiliate Member and the status of individuals who cease to hold such a designation or credential shall be determined by the Corporation, from its records, in accordance with such policies and practices of the Corporation as exist from time to time.

~~(e)~~**(d) Associate Members.** Individuals who have been awarded and continue to hold a designation or credential issued by the Corporation that the Board has, after due consideration, determined and approved to be a designation or credential of sufficient substance to merit membership in the Corporation as an Associate Member shall be Associate Members. In determining and approving the holders of a designation or credential as meriting membership in the Corporation as Associate Members, the Board may establish that such membership is to terminate automatically upon the expiry of a period of time or upon the occurrence of an event or events, with or without prejudice to the right of a holder of such membership to apply for a new, continued or renewed membership, as determined by the Board. The status of individuals who have been awarded and continue to hold a designation or credential issued by the Corporation that the Board has, after due consideration, determined and approved to be a designation or credential of sufficient substance to merit membership in the Corporation as an Associate Member and the status of individuals who cease to hold such a designation or credential shall be determined by the Corporation, from its records, in accordance with such policies and practices of the Corporation as exist from time to time.

~~(f)~~**(e) Certificate Holder Members.** Individuals who have been awarded and continue to hold a certificate issued by the Corporation that the Board has, after due consideration, determined and approved to be a certificate of sufficient substance to merit membership in the Corporation as an Certificate Holder Member shall be Certificate Holder Members. In determining and approving the holders of a certificate as meriting membership in the Corporation as Certificate Holder

Members, the Board may establish that such membership is to terminate automatically upon the expiry of a period of time or upon the occurrence of an event or events, with or without prejudice to the right of a holder of such membership to apply for a new, continued or renewed membership, as determined by the Board. The status of individuals who have been awarded and continue to hold a certificate issued by the Corporation that the Board has, after due consideration, determined and approved to be a certificate of sufficient substance to merit membership in the Corporation as an Certificate Holder Member and the status of individuals who cease to hold such a certificate shall be determined by the Corporation, from its records, in accordance with such policies and practices of the Corporation as exist from time to time.

**3.3 Fees** – The Corporation may establish, charge and collect fees from one (1) or more classes of Members, subject to the following:

- (a) annual fees shall accrue from the first day of each fiscal year of the Corporation;
- (b) if an Individual Member is a member in good standing of more than one (1) Organization Member, the Individual Member may designate one (1) of such Organization Members as his or her principal Organization Member, and no Individual Member will be subject to paying additional fees to the Corporation solely as a result of being a member of more than one (1) Organization Member; and
- (c) fees may vary between classes and within a class of Members as determined by the Board in its discretion.

**3.4 Termination of Membership** – Membership in the Corporation automatically terminates upon any of the following:

- (a) the death or dissolution of the Member;
- (b) the automatic termination of the membership in accordance with its terms or, where such terms provide for a continuance or renewal of such membership, such continuance or renewal is not exercised or is exercised, but the conditions for continuance or renewal are not satisfied;
- (c) the effective date of a withdrawal from membership in accordance with Sections 3.6, 3.7, 3.8, 3.9 or 3.10; or
- (d) the removal, by resolution of the Board, of any Member for any reason which the Board in its sole discretion deems to be in the interests of the Corporation, including violation of any provisions of the Articles, By-laws or any policies or practices of the Corporation in effect from time to time.

**3.5 Transfer of Membership** - Membership in the Corporation is not transferable.

**3.6 Withdrawal by an Organization Member** - An Organization Member may withdraw from the Corporation upon written notice given to the Corporation by the Organization Member not less than eighteen (18) months prior to the effective date of its withdrawal. Notwithstanding that



such a notice of intention to withdraw has been given, the withdrawing Organization Member will remain an Organization Member with all rights and obligations associated therewith, until the effective date of its withdrawal.

- 3.7** **3.7 Withdrawal by an Individual Member** - An Individual Member will be deemed to have withdrawn from the Corporation in the event that: ~~(i) the Individual Member ceases to be a member in good standing of an Organization Member or;~~ (ii) ~~if the Individual Member is an Individual Member of the type referred to in Section 3.2(e)3.2(e) and, (A) such Individual Member ceases to be a member in good standing of a provincial body that regulates the professional activities of a Legacy Designation in a particular jurisdiction in Canada and that has been approved by the Board for purposes of Section 3.2(e)3.2(e), or (B) the Board rescinds its approval of the provincial body of which the Individual Member is a member for purposes of Section 3.2(e)3.2(e).~~
- 3.8** **Withdrawal by an Affiliate Member** - An Affiliate Member will be deemed to have withdrawn from the Corporation in the event that: (i) the Affiliate Member ceases to hold the designation or credential issued by the Corporation that the Board has, after due consideration, determined and approved to be a designation or credential of sufficient substance to merit membership in the Corporation as an Affiliate Member; (ii) the Board rescinds its approval of the designation or credential held by the Affiliate Member as a designation or credential of sufficient substance to merit membership in the Corporation as an Affiliate Member; (iii) the Affiliate Member has been found by the Corporation to have failed to be in compliance with any code of conduct or similar standard established by the Corporation which is applicable to Affiliate Members; or (iv) the designation or credential giving rise to membership in the Corporation as an Affiliate Member ceases to exist or be supported by the Corporation.
- 3.9** **Withdrawal by an Associate Member** - An Associate Member will be deemed to have withdrawn from the Corporation in the event that: (i) the Associate Member ceases to hold the designation or credential issued by the Corporation that the Board has, after due consideration, determined and approved to be a designation or credential of sufficient substance to merit membership in the Corporation as an Associate Member; (ii) the Board rescinds its approval of the designation or credential held by the Associate Member as a designation or credential of sufficient substance to merit membership in the Corporation as an Associate Member; (iii) the Associate Member has been found by the Corporation to have failed to be in compliance with any code of conduct or similar standard established by the Corporation which is applicable to Associate Members; or (iv) the designation or credential giving rise to membership in the Corporation as an Associate Member ceases to exist or be supported by the Corporation.
- 3.10** **Withdrawal by a Certificate Holder Member** - A Certificate Holder Member will be deemed to have withdrawn from the Corporation in the event that: (i) the Certificate Holder Member ceases to hold the certificate issued by the Corporation that the Board has, after due consideration, determined and approved to be a certificate of sufficient substance to merit membership in the Corporation as a Certificate Holder Member; (ii) the Board rescinds its approval of the certificate held by the Certificate Holder Member as a certificate of sufficient substance to merit membership in the Corporation as a Certificate Holder Member; (iii) the Certificate Holder Member has been found by the Corporation to have failed to be in compliance

with any code of conduct or similar standard established by the Corporation which is applicable to Certificate Holder Members; or (iv) the certificate giving rise to membership in the Corporation as an Certificate Holder Member ceases to exist or be supported by the Corporation.

#### **ARTICLE 4 PROTECTION OF LEGACY DESIGNATION RIGHTS**

**4.1 General Member Protection** – In carrying on its operations, the Corporation shall conduct its affairs in accordance with the following:

- (a) all Members will receive the same support and access to services, privileges and courses provided by the Corporation regardless of that Member's Legacy Designation;
- (b) no preference will be given or provided to Members based on their Legacy Designation; and
- (c) an appropriate level of investment will be maintained in research/publications for the support and development of professional accountants in business and the territories of management and management accounting as fields of practice reflective of the percentage of Individual Members practicing in these areas.

**4.2 Mutual Recognition Agreements** – In negotiating MRA/RMAs (whether new or previously existing), the Corporation shall seek to:

- (a) provide MRA/RMA access to all Individual Members, regardless of their Legacy Designations;
- (b) ensure that Individual Members who are covered by an Existing MRA/RMA are not disadvantaged or deprived of the benefits of an Existing MRA/RMA; and
- (c) ensure that all new and renewal MRA/RMAs will be negotiated with a view to achieving access for all Individual Members or (on what is intended to be a temporary basis) to supplementing MRA/RMA arrangements with reasonable and appropriate transition support for Individual Members who are deemed by MRA/RMA counterparties to require supplementary credentialing.

**4.3 Professional Standards** –

- (a) When participating in the development of additional professional standards to be applicable to Individual Members having a Legacy Designation, including new continuing professional development standards, the Corporation will strive to preclude bias against any Individual Member on the basis of Legacy Designation.
- (b) If and when any changes to professional standards are proposed, economic viability will be assessed from the perspective of both the Organization Members and the Individual Members, and the Corporation will promote appropriate transition support being made available to Individual Members with Legacy Designations who may be impacted by such changes to professional standards.
- (c) Any decision by the Corporation that is necessary in respect of any of the following actions will require approval by seventy-five per cent (75%) of the Organization

Members representing seventy-five per cent (75%) of the Individual Members, provided that if approval would have been unanimous but for one (1) Organization Member withholding approval resulting in the requisite percentage of Individual Members represented not being met, the decision will be deemed to have been approved:

- (i) approval of any substantive change to the Chartered Professional Accountant certification model and subsequent development of Chartered Professional Accountants, including management accounting and financial reporting as foundational components within the certification model, maintenance of rigor in the Chartered Professional Accountant program so that all Existing MRA/RMAs can be maintained, changes to the approved path or experience verification practical experience requirements, and changes which materially affect access to the chartered professional accountancy profession;
- (ii) any decision to issue, support or promote any designation other than Chartered Professional Accountant; and
- (iii) any decision that would reduce the Corporation's commitment to support the setting of accounting, auditing or assurance standards or reduce the existing level of support for the setting of such standards.

Evidence of the approval by Organization Members of any decision by the Corporation in respect of the actions listed in this Section 4.3(c) will be submitted to the Corporation in writing.

**4.4 Operational Prohibitions** – The Corporation will not do any of the following:

- (a) support or promote a Legacy Designation, a holder of a Legacy Designation, or students/candidates from a Legacy Designation positively or negatively relative to one (1) or more other Legacy Designations;
- (b) support the development or expansion of any education or professional development program which is focused on a group of Individual Members who are differentiated by their Legacy Designation;
- (c) represent directly or implicitly to any party or government that the competence and skills of one Individual Member (or group of Individual Members) are superior or inferior to another based solely on the Legacy Designation(s) involved;
- (d) sustain the role of an Individual Member in any function while precluding access to that function by an Individual Member with another Legacy Designation based solely upon the specific Legacy Designation involved; and
- (e) remove any honours or awards previously bestowed upon any Individual Member.

**4.5 Amendment** - In addition to any other approvals that may be required by the NFP Act, this Article 4 may not be amended or repealed without the approval of at least seventy-five per cent (75%) of the Directors.

**ARTICLE 5  
MEMBERS' MEETINGS**

- 5.1 Place and Date of Meetings** – Subject to the Articles, an Annual Meeting or any other Meeting of Members shall be held on such day in each year and at such time and place as the Board may determine.
- 5.2 Quorum** – At all Annual Meetings and Special Meetings of Members, the quorum shall be twenty-five (25) Members present in person or by proxy. At all Meetings of Organization Members, the quorum shall be a majority of Organization Members.
- 5.3 Chairing Meetings** – The Chair, or in the Chair's absence, the Vice Chair shall be the chair at all Meetings of Members. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the Members present and entitled to vote shall choose one (1) of their number to be the chair of the meeting.
- 5.4 Notice of Members Meetings** - Written notice of the time and place of all Meetings of Members shall be given to the Directors, the Public Accountant and each Member entitled to vote at such Meetings of Members and whose name is entered in the register of Members at the close of business on such date as the Board may fix as the record date for notice (which shall be 21 to 60 days before the date of the Meeting of Members) or, if no record date for notice is fixed, at the close of business on the day preceding the day on which notice is given.

A declaration of the President or of any other person authorized to give notice of a Meeting of Members, that notice has been given pursuant to the By-laws shall be sufficient and conclusive evidence of the giving of such notice.

For the purpose of this Section 5.4, notice shall be given in one or more of the following manners:

- (a) by mail, courier or personal delivery to each Member entitled to vote at such Meeting of Members and to those persons entitled to receive notice of such Meeting of Members, during a period of 21 to 60 days before the day on which the Meeting of Members is to be held;
- (b) by publication
  - (i) at least once in each of the three weeks immediately before the day on which the Meeting of Members is to be held in one or more newspapers circulated in the municipalities in which the majority of the Members reside as shown by their addresses in the register of Members, or
  - (ii) at least once in a publication of the Corporation that is sent to all Members, during a period of 21 to 60 days before the day on which the Meeting of Members is to be held; or
- (c) by telephonic, electronic or other communication facility to each Member entitled to vote at such Meeting of Members and to those persons entitled to receive notice of such Meeting of Members, during a period of 21 to 35 days before the day on which the Meeting of Members is to be held, provided that a Member entitled to such notice may

request that the notice be given to such Member by non-electronic means in which case one of the other non-electronic methods of giving notice provided for in this Section 5.4 may be used.

A Special Resolution is required to make any amendment to the By-laws to change the manner of giving notice to Members entitled to vote at a Meeting of Members.

- 5.5 Secretary for Meetings of Members** – The chair of a Meeting of Members may appoint a person to act as secretary for such meeting who shall be responsible for the preparation and maintenance of minutes of proceedings and for circulating notices, agenda and minutes.
- 5.6 Voting** – Unless the NFP Act, the Articles or the By-laws provide otherwise, at any Meeting of Members, each Member who has the right to vote and is present in person or by proxy shall be entitled to one (1) vote on each question.
- 5.7 Votes to Govern** – At any Meeting of Members, every question shall, unless otherwise required by the NFP Act, the Articles or the By-laws or otherwise by law, be determined by the majority of the votes of Members duly cast on the question by Members authorized to vote thereon.
- 5.8 Ballot** – If a ballot is required or demanded (including in the case of a class vote which may require a ballot), the ballot shall be held in such manner as the chair of the meeting shall direct. A demand for a ballot may be withdrawn at any time prior to the holding of the ballot.
- 5.9 Absentee Voting** – Subject to compliance with the NFP Act, in addition to voting in person in accordance with Sections 5.6 and 5.7, every Member may vote by any of the following means:
- (a) **Proxies.** At any Meeting of Members, a proxy holder, who must be a Member and who has been duly appointed by a Member, shall be entitled to exercise, subject to any restrictions expressed in the instrument appointing him or her, the same voting and other rights that such Member appointing him or her would be entitled to exercise if present at that Meeting of Members. A proxy shall be in writing and executed by the Member. A proxy may be in such form as the Board from time to time prescribes or in such other form as the chair of the Meeting of Members may accept as sufficient, and shall be deposited with the secretary of the Meeting of Members before any vote is called under its authority, or at such earlier time and in such manner as the Board may prescribe.
  - (b) **Telephonic, Electronic or other Communication Facility.** A Meeting of Members may be held entirely by means of such telephone, electronic or other communication facility that permits all participants to hear or otherwise communicate adequately with each other during the meeting, if so determined by the person who called the meeting and if the Corporation has a system that:
    - (i) enables the votes to be gathered in a manner that permits their subsequent verification; and
    - (ii) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each Member or group of Members voted.

- (c) **Mailed-in Ballot.** A Member may, if the written notice of the applicable meeting of Meeting of Members so permits, vote by mailed-in ballot, if the Corporation has a system that:
  - (i) enables the votes to be gathered in a manner that permits their subsequent verification; and
  - (ii) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each Member voted.
- (d) **Deemed Presence** – A Member participating in the Meeting of Members by any of the foregoing means set out in clause (a), (b) or (c) above is deemed for the purposes of the By-laws and the NFP Act to be present at the Meeting of Members.
- (e) **Amendment** – A Special Resolution is required to make any amendment to the By-laws to change this method of voting by Members not in attendance at a Meeting of Members.

**5.10 Casting Vote** – In the case of an equality of votes cast at any Meeting of Members, whether upon a show of hands, a ballot, the results of telephonic or electronic voting or other voting process permitted hereunder, or any combination of the foregoing, the chair of the meeting shall not have a second or casting vote and the question shall be deemed not to have been passed.

## **ARTICLE 6 DIRECTORS**

### **6.1 Number of Directors/Composition of the Board.**

- (a) The Board shall be established in accordance with the following:
  - (i) Within the minimum and maximum number of Directors provided for in the Articles, the Board shall consist of a minimum of twelve (12) Directors and a maximum of sixteen (16) Directors. The number of Directors within such range shall initially be fixed at twelve (12), and may be changed by the Board, subject to approval by the Organization Members. For the purposes of the foregoing, the approval of the Organization Members requires the approval of seventy-five per cent (75%) of the Organization Members representing seventy-five per cent (75%) of the Individual Members provided that if approval would have been unanimous but for one (1) Organization Member withholding approval resulting in the requisite percentage of Individual Members represented not being met, the Organization Members will be deemed to have given the approval.

Evidence of the approval by Organization Members of any decision listed in this Section 6.1(a)(i) will be submitted to the Corporation in writing.

- (ii) The individuals to be nominated and elected for the twelve (12) positions on the Board will, except for the Public Directors and the Chair and Vice Chair, be selected so as to provide a cross-section of input and perspective based upon the geographical region in which Members reside, in accordance with the following table:

<b>Region</b>	<b>Nominees</b>
British Columbia	1
Alberta	1
Western	1
Ontario	2
Québec	2
Atlantic	1
Chair	1
Vice Chair	1
Public Directors	2
<b>Total</b>	<b>12</b>

For the purposes of the foregoing table and this Section 6.1(a)(ii), the “**British Columbia region**” consists of British Columbia and Yukon, the “**Alberta region**” consists of Alberta, Northwest Territories and Nunavut, the “**Western region**” consists of Saskatchewan and Manitoba, and the “**Atlantic region**” consists of New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, and Bermuda, and each reference to a Director of a specific region (e.g. British Columbia Director) means the position of Director for which such region is entitled to nominate one (1) or more Directors.

- (iii) The Organization Members in the British Columbia region will collectively be entitled to nominate one (1) Individual Member who is a resident of the British Columbia region for election as the British Columbia Director.
- (iv) The Organization Members in the Alberta region will collectively be entitled to nominate one (1) Individual Member who is a resident of the Alberta region for election as the Alberta Director.
- (v) The Organization Members in the Western region will collectively be entitled to nominate one (1) Individual Member who is a resident of the Western region for election as the Western Director.
- (vi) The Organization Member in the Ontario region will be entitled to nominate two (2) Individual Members who are resident in the Ontario region for election as Ontario Directors.
- (vii) The Organization Member in the Québec region will be entitled to nominate two (2) Individual Members who are resident in the Québec region for election as Québec Directors.
- (viii) The Organization Members in the Atlantic region will collectively be entitled to nominate one (1) Individual Member who is resident in the Atlantic region for election as the Atlantic Director.

- (ix) In the event that any of the nominations provided for in clauses (iii) through (viii) above cannot be made due to there being no Organization Member in the relevant region, the nomination(s) otherwise allocated to such region(s) shall be as determined by the Board.
- (x) The Board shall nominate the individuals for election as Chair, Vice Chair and Public Directors.
- (xi) All nominations made by Organization Members and the Board are to be submitted in writing to the President not less than ten (10) days in advance of the Meeting of Organization Members at which the nominees are to be elected as Directors. Nominations will not be accepted in any other form or manner or at any other time.
- (xii) The nominations submitted in writing to the President by the Organization Members and the Board will be the only nominations in respect of which the Organization Members will be entitled to vote at a Meeting of Organization Members.
- (xiii) In order to qualify to be nominated, to be elected and to serve as a Director (other than as a Public Director), Chair or Vice Chair, an individual must be an Individual Member. The following individuals are precluded from being nominated, elected or serving as Directors: any employee of the Corporation or of any Organization Member; any spouse or common law partner of any employee or director of the Corporation or of any Organization Member; any director of any Organization Member; and, subject to the Directors then in office making a determination that a conflict of interest would not exist, any individual who is a member, director, officer or employee of any federal, provincial or other governmental authority, body, tribunal, commission or agency with responsibility for, jurisdiction over or authority in respect of, the accounting profession in Canada or any part thereof.

**6.2 Nominating and Governance Committee** – The Corporation will have a committee of the Board that will be known as the “**Nominating and Governance Committee**”, the terms of reference and composition of which will be determined by the Board from time to time.

**6.3 Election and Term** –

- (a) Subject to the Articles and Section 6.1, the Organization Members shall elect the Directors at a Meeting of Organization Members to be held on the date of and immediately prior to each Annual Meeting.
- (b) The terms of Chair and Vice Chair as Directors shall be substantially the same as their terms as Officers as provided in Section 8.2.
- (c) Subject to Section 6.3(e), each Director, other than the Chair and the Vice Chair, shall be elected for a term expiring immediately following the termination of the third Annual Meeting following the date of his or her election or until his or her successor is elected



or appointed, provided that any Director who was elected or appointed to complete the unexpired term of a former Director shall be elected for the remainder of such unexpired term.

- (d) Directors shall be eligible for re-election provided that no Director may serve as a Director for more than two (2) full three (3) year terms calculated from and after, and without reference to any election as a Director prior to, the Reorganization Date. In calculating the initial three (3) year terms of the Directors following the Reorganization Date, the abbreviated terms set out in clauses (i) and (ii) of Section 6.3(e) shall be deemed to be full three (3) year terms. A term as Chair or Vice Chair shall not be included in determining the two (2) full three (3) year terms maximum.
- (e) Notwithstanding Section 6.3(c), in order to provide for a staggered Board and the retention of Directors such that approximately one-third (1/3) of the Directors, other than the Chair and the Vice Chair, retire on the date of any Annual Meeting, the Directors who are elected immediately following the Reorganization Date shall serve terms as follows:
  - (i) each of the British Columbia Director, one (1) Ontario Director and the Atlantic Director will be elected for terms expiring immediately following the termination of the first Annual Meeting following the date of his or her election or until his or her successor is elected or appointed;
  - (ii) each of the Alberta Director, one (1) Québec Director and one (1) Public Director will be elected for terms expiring immediately following the termination of the second Annual Meeting following the date of his or her election or until his or her successor is elected or appointed;
  - (iii) each of the Western Director and the remaining Ontario Director, Québec Director and Public Director will be elected for terms expiring immediately following the termination of the third Annual Meeting following the date of his or her election or until his or her successor is elected or appointed; and
  - (iv) following the conclusion of the abbreviated terms of office set out in clauses (i) and (ii) above, Directors will be elected, subject to Section 6.1(a), to serve terms as provided in Sections 6.3(c) and (d).

The nominees as Ontario Director, Québec Director and Public Director to serve each of the foregoing terms shall be determined in each case by the person nominating the relevant Directors.

- (f) The term of a Director shall be terminated and the Director shall be deemed to have resigned as a Director in the event of any of the following:
  - (i) the Director no longer meets the requirements for a director as provided for in the NFP Act;
  - (ii) the Director is removed pursuant to Section 130 of the NFP Act;

- (iii) the Director no longer meets the requirements for a Director as provided for in the By-laws; and
- (iv) the Organization Member that nominated such Director ceases to be an Organization Member.

**6.4 Vacancy** – The Board shall have the authority to appoint a Director upon a mid-term vacancy occurring, provided that the Board will fill any vacancy of a regional Director based upon the recommendation of the relevant region.

**6.5 Director Independence** – Each Director shall, when acting in his or her capacity as a Director, act in the best interests of the Corporation so as to fulfill its purpose and to foster and develop its national role. No Director, when acting in his or her capacity as a Director, shall act as a representative of any particular Member, including any Member which may have nominated or voted for such Director.

## **ARTICLE 7 DIRECTORS' MEETINGS**

**7.1 Calling of Meetings** – Board meetings may be formally called by the Chair at such time and place as the Chair shall from time to time determine. Any four (4) Directors may request the Chair to call a meeting of the Board to be held at the head office of the Corporation, or such other place as the Chair may determine. Upon receipt of such request, the Chair shall call such a meeting to be held within thirty (30) days of receipt of such request.

**7.2 Notice of Meeting** – Notice of the time and place of each meeting of the Board and the general nature of the business to be dealt with at such meeting shall be given to each Director at least seven (7) days before the date of the meeting in the manner provided for in Section 11.1. With the consent of a majority of the Directors present at any meeting of the Board, any new or additional business, except the making of changes to the Articles, the By-laws or fees, may be introduced and dealt with at such meeting even though notice of such business has not been given.

**7.3 Notice of Adjournment** – Notice of the resumption of an adjourned meeting of the Board is not required if the time and place of the resumption of an adjourned meeting is announced at the original meeting.

**7.4 Number of Meetings** – There shall be a minimum of four (4) meetings per year of the Board or such greater number of meetings as is determined, from time to time, by the Board.

**7.5 Quorum** – At all meetings of the Board, two-thirds (2/3) of the Directors in office at the time of the meeting shall constitute a quorum for the transaction of business.

**7.6 Regular Meetings** – The Board may appoint a day or days in any month or months for regular meetings at an hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings of the Board shall be sent to each Director forthwith after being passed, but no other notice shall be required for any such regular meeting except if the NFP Act requires the purpose thereof or the business to be transacted to be specified in the notice. A meeting of the Board may also be held, without notice, immediately following each Annual Meeting.

- 7.7 Chairing Meetings** – The Chair or, in the absence or at the request of the Chair, the Vice Chair, shall be the chair at all meetings of the Directors. If no such Officer is present within fifteen (15) minutes from the time fixed for holding the meeting, the Directors present and entitled to vote shall choose one (1) of their number to be the chair of the meeting.
- 7.8 Secretary for Meetings of Directors** – The chair of a meeting of Directors may appoint a person to act as secretary for such meeting who shall be responsible for the preparation and maintenance of minutes of proceedings and for circulating notices, agenda and minutes.
- 7.9 Voting** – At any meeting of the Board, each Director is authorized to exercise one (1) vote. Except as otherwise set out herein, questions arising at any meeting of the Board shall be decided by a majority of votes.
- 7.10 Casting Vote** – In the case of an equality of votes at any Board meeting, the chair of the meeting shall not have a second or casting vote and the question shall be deemed not to have been passed.

## **ARTICLE 8 OFFICERS**

- 8.1 Chair and Vice Chair** – The Chair and Vice Chair shall be such persons who are elected to such positions pursuant to the provisions of Article 6 and the Chair and Vice Chair shall have such powers and perform such duties as are respectively assigned to them under the By-laws and by the Board from time to time.
- 8.2 Term of Chair and Vice Chair** – The Chair and Vice Chair shall take office as Officers immediately following the termination of the meeting of the Board at which they are appointed and shall hold office until the termination of the second Annual Meeting following the meeting of the Board at which they are appointed or until their successors are appointed.
- 8.3 Appointment** – The Board shall appoint from time to time a President and may appoint such other Officers as the Board may determine, including one (1) or more assistants to any of the Officers so appointed. The Board may specify the duties of and, in accordance with the By-laws and subject to the NFP Act, delegate to such Officers powers to manage the activities and affairs of the Corporation. Except as otherwise provided in the By-laws: (i) an Officer may (but need not be) a Director; (ii) except for the holding of the positions of Chair and Vice Chair, one (1) person may hold more than one (1) office; and (iii) more than one (1) person may hold an office.
- 8.4 Duties of Officers** –
- (a) **President** – The President shall be the chief executive officer of the Corporation and shall, subject to the authority of the Board, have general management of the activities and affairs of the Corporation and such other powers and duties as specified by the Board.
  - (b) **Other Officers** – The powers and duties of all other Officers shall be such as the terms of their engagement call for or the Directors prescribe. Any of the powers and duties of an Officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the Board otherwise directs.

- 8.5 Variations of Powers and Duties** – The Board may, from time to time, and subject to the provisions of the NFP Act, vary, add to or limit the powers and duties of any Officer.
- 8.6 Term of Office** – The Board, in its discretion, may remove any Officer, other than the Chair or Vice Chair, without prejudice to such Officer’s rights under any employment contract or in law. Otherwise, each Officer shall hold office until such Officer’s successor is appointed, or until such Officer’s earlier resignation.
- 8.7 Remuneration of Officers** – The Officers shall be paid such remuneration for services rendered in their capacity as Officers as the Board may from time to time determine, except that no Officer who is also a Director (other than the Chair and the Vice-Chair) shall be entitled to receive remuneration for acting as such. Officers shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in the exercise of the duties of their respective offices. The remuneration of any employees or agents shall be such as the terms of their engagement call for or as the Board may specify.
- 8.8 Agents and Attorneys** – The Corporation, by or under the authority of the Board, shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the power to sub-delegate) of management, administration or otherwise as may be thought fit.
- 8.9 Vacancies** – The office of an Officer shall automatically be vacated upon:
- (a) such Officer’s resignation, which resignation shall be effective at the time the written resignation is received by the Chair or the President, or at the time specified in the resignation, whichever is later;
  - (b) such Officer being removed by the Board;
  - (c) the election or appointment of a successor to the office of that Officer becoming effective;
  - (d) such Officer ceasing to be a Director, where the Officer is required to be a Director;
  - (e) such Officer’s death; or
  - (f) such Officer being declared incapable by a court in Canada or in another country.

If an office shall become vacant in any of the above-noted circumstances, the Board may appoint a qualified person to fill such vacancy for the remainder of the term of such office.

## **ARTICLE 9 DISCLOSURE OF INTEREST**

- 9.1** Failure by a Director to make a declaration of his or her interest in a contract, transaction, matter or decision as required by the NFP Act shall constitute grounds for termination of his or her position as a Director.

**ARTICLE 10**  
**EXECUTION OF DOCUMENTS, BANKING AND BORROWING**

**10.1 Signatories** – The following are the only persons authorized to sign any document on behalf of the Corporation, other than in the usual and ordinary course of the Corporation’s business:

- (a) any two (2) Officers or any one (1) Officer with any one (1) Director; or
- (b) any individual or individuals appointed by resolution of the Board to sign a specific document or that type of document or generally on behalf of the Corporation.

Any document so signed may, but need not, have the corporate seal applied, if there is one.

**10.2 Facsimile Signatures** – The signatures of any person authorized to sign on behalf of the Corporation, may, if specifically authorized by resolution of the Board, be written, printed, stamped, engraved, lithographed or otherwise mechanically reproduced. Anything so signed shall be as valid as if it had been signed manually, even if that person has ceased to hold office when anything so signed is issued or delivered, until revoked by resolution of the Board.

**10.3 Banking** – The banking business of the Corporation shall be transacted with such banks, trust companies or other firms or corporations carrying on a banking business in Canada, or elsewhere as may from time to time be designated by or under the authority of the Board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the Board may, from time to time, prescribe or authorize.

**ARTICLE 11**  
**NOTICE**

**11.1 Procedure for Sending Notices** – Any notice (which term includes any communication or document) to be given, sent, delivered or served pursuant to the NFP Act, the By-laws or otherwise to a Member, Director or Public Accountant of the Corporation shall be sufficiently given if sent to the principal address of the applicable person as last shown in the Corporation’s records. A notice so delivered shall be deemed to have been received when it is delivered. A notice so mailed shall be deemed to have been received at the time it would be delivered in the ordinary course of mail unless there are reasonable grounds for believing that the addressee did not receive the notice or document at that time or at all. A notice sent by means of electronic, transmitted or recorded communication shall be deemed to have been received when so sent. The President may change or cause to be changed the recorded address of any Member, Director or Public Accountant of the Corporation in accordance with the information believed by him or her to be reliable.

**11.2 Computation of Time** – In computing the date when notice must be given under any provision requiring a specified number of days’ notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

**11.3 Waiver of Notice** –

- (a) If the NFP Act or the By-laws require notice to be given, any Member, Director, Officer or Public Accountant may waive his or her personal notice, and the waiver will remedy any procedural defects.

- (b) A meeting of the Board, or a committee of the Board, may be held without the required notice if all the Directors or members of such committee are present in person or, if absent, waive notice of or otherwise consent to such meeting being held. At such meeting any business may be transacted which the Board or a committee of the Board may transact.
- (c) A Meeting of Organization Members may be held without the required notice if all of the Organization Members, respectively, are present in person or are represented by proxy, or, if absent, waive notice of or otherwise consent to such meeting being held. At such meeting any business may be transacted which the Organization Members may transact.

**11.4 Error or Omission in Notice** – No error or omission in giving notice of any meeting of Directors or Meeting of Members, or any adjournment thereof to any Director, Member or Public Accountant of the Corporation, or the non-receipt of the notice by any such person where the Corporation has provided notice in accordance with the By-laws, or any error in any notice not affecting its substance, shall invalidate any meeting to which the notice pertained or otherwise founded on such notice or make void any resolutions passed or proceedings taken thereat, and any Member or Director may ratify, approve and confirm any or all proceedings taken thereat.

#### **ARTICLE 12 PUBLIC ACCOUNTANT**

**12.1** The Corporation will take all necessary measures, including making an application to court, to comply with or seek relief from the requirement in the NFP Act that the Corporation's Public Accountant be independent of the Corporation.

#### **ARTICLE 13 ANNUAL FINANCIAL STATEMENTS**

**13.1** The Corporation may, instead of sending copies of the Annual Financial Statements to the Members, publish a notice to its Members stating that the Annual Financial Statements are available at the registered office of the Corporation and any Member may, on request, obtain a copy of the Annual Financial Statements free of charge at the registered office or by prepaid mail or by electronic mail.

#### **ARTICLE 14 PROTECTION AND INDEMNITY**

**14.1 Indemnity** – Subject to the limitations contained in the NFP Act, but without limiting the right of the Corporation to indemnify any individual under the NFP Act or otherwise to the full extent permitted by law, the Corporation shall indemnify each Director or Officer or former Director or Officer or another individual who acts or acted at the Corporation's request as a director or an officer or in a similar capacity of another entity (and each such Director's, Officer's or other individual's respective heirs, executors, administrators, or other legal personal representatives and his or her estate and effects), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity, provided that the individual to be indemnified:

- (a) acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Corporation's request; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that the individual's conduct was lawful.

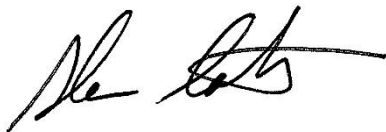
**14.2 Indemnities Not Limiting** – The provisions of this Article 14 shall be in addition to and not in substitution for or limitation of any rights, immunities and protections to which a person is otherwise entitled.

**ARTICLE 15  
EFFECTIVE DATE OF BY-LAW**

**AMENDMENT AND REPEAL OF FORMER BY-LAWS**

- 15.1 Effective Date** – This By-law shall be effective as at and from the Reorganization Time.
- 15.2 Amendments to By-laws** – Any amendment to be made to this By-law requires the approval of the Board and such approval of the Members as is required by the NFP Act.
- 15.3 Former By-laws May Be Repealed** - The Board may repeal one or more by-laws by passing a by-law that contains provisions to that effect.
- 15.4 Effect of Repeal of By-laws** – The repeal of any By-law in whole or part shall not in any way affect the validity of any act done or right, privilege, obligation or liability acquired or incurred thereunder prior to such repeal.

**MADE** by the Board on the 12th day of September, 2016.



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Alain Côté, FCPA, FCA  
Chair



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Joy Thomas, FCPA, FCMA  
President

**CONFIRMED** by the Legacy Members on the 22nd day of September, 2016.

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THE CANADIAN INSTITUTE OF  
CHARTERED ACCOUNTANTS

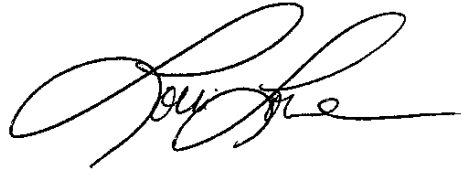
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THE SOCIETY OF MANAGEMENT  
ACCOUNTANTS OF CANADA



By:

\_\_\_\_\_  
Lenard Boggio, FCPA, FCA  
Chair



By:

\_\_\_\_\_  
Lorri Lowe, FCPA, FCMA  
Chair



By:

\_\_\_\_\_  
Tashia Batstone, FCPA, FCA  
President & CEO



By:

\_\_\_\_\_  
Joy Thomas, FCPA, FCMA  
President & CEO



**BY-LAW NUMBER 1**  
~~Amended Effective September 27, 2016~~

**A by-law relating generally to the transaction of the affairs of**

**Chartered Professional Accountants of Canada / Comptables professionnels agréés du Canada**

**BE IT ENACTED** as a by-law of Chartered Professional Accountants of Canada / Comptables professionnels agréés du Canada as follows:

**ARTICLE 1**  
**DEFINITIONS**

**1.1 Definitions** - In this by-law and in all other by-laws of the Corporation, unless the context otherwise requires:

- (a) **“Annual Meeting”** means an annual meeting of the Members;
- (b) **“Annual Financial Statements”** means the comparative financial statements of the Corporation, as prescribed by the NFP Act;
- (c) **“Affiliate Member”** means an individual who is a member of the class of members designated in the Articles as Affiliate Members;
- (d) **“Articles”** means the articles, as that term is defined in the NFP Act, of the Corporation from time to time in force and effect;
- (e) **“Associate Member”** means an individual who is a member of the class of members designated in the Articles as Associate Members;
- (f) **“Board”** means the board of directors of the Corporation;
- (g) **“By-laws”** mean this by-law and all other by-laws of the Corporation from time to time in force and effect;
- (h) **“Certificate Holder Member”** means an individual who is a member of the class of members designated in the Articles as Certificate Members;
- (i) **“Chair”** means the Chair of the Board;
- (j) **“Corporation”** means Chartered Professional Accountants of Canada / Comptables professionnels agréés du Canada, a corporation incorporated as a corporation without share capital under the NFP Act;
- (k) **“CPA Regulatory Body”** includes (i) a body that regulates the professional activities of Chartered Professional Accountants in a particular jurisdiction in Canada or Bermuda and (ii) a body that is the successor of a merger of bodies that regulated the activities of two or more Legacy Designations in a particular jurisdiction in Canada or Bermuda;
- (l) **“Director”** means a director of the Corporation;

- (m) “**Existing MRA/RMA**” means an MRA/RMA that was applicable to an Individual Member immediately prior to becoming a Member;
- (n) “**Individual Member**” means an individual who is a member of the class of members designated in the Articles as Individual Members.
- (o) “**Legacy Designation**” means an accounting designation of “chartered accountant”, “certified management accountant” or “certified general accountant” which is or was held by an Individual Member or a Director;
- (p) “**Legacy Member**” means a member of the class of members designated in the Articles as Legacy Members;
- (q) “**Members**” means those entities and individuals who are members of one (1) of the classes of members set out in the Articles and, for greater certainty, unless specifically noted otherwise in the By-laws, Members shall be understood to include Organization Members, Individual Members, Affiliate Members, Associate Members and Certificate Holder Members;
- (r) “**Meeting of Members**” means a meeting of Members and includes a Meeting of Organization Members, an Annual Meeting and a Special Meeting of Members;
- (s) “**Meeting of Organization Members**” means a meeting of Organization Members held for the purpose of electing directors of the Corporation;
- (t) “**MRA/RMA**” means a mutual recognition agreement or reciprocal membership agreement entered into with accounting organizations outside of Canada;
- (u) “**NFP Act**” means the *Canada Not-for-profit Corporations Act*, S.C. 2009, c. C-23 including the regulations made pursuant thereto, and any statute or regulations that may be substituted therefor, as amended from time to time;
- (v) “**Nominating and Governance Committee**” means the committee of the Board established as provided for in Section 6.2;
- (w) “**Officer**” means an officer of the Corporation appointed by the Board;
- (x) “**Organization Member**” means a member of the class of members designated in the Articles as Organization Members;
- (y) “**President**” means the President of the Corporation;
- (z) “**Public Directors**” means members of the Board who are not Chartered Professional Accountants and do not hold a Legacy Designation;
- (aa) “**Public Accountant**” has the meaning ascribed thereto in the NFP Act;
- (bb) “**Reorganization Date**” has the meaning ascribed thereto in the Articles;
- (cc) “**Reorganization Time**” has the meaning ascribed thereto in the Articles;

- (dd) “**Special Meeting of Members**” means a Meeting of Members other than an Annual Meeting or Meeting of Organization Members;
- (ee) “**Special Resolution**” means a resolution of Members passed by a majority of not less than two-thirds (2/3) of the votes cast on that resolution by Members entitled to vote on that resolution; and
- (ff) “**Vice Chair**” means the Vice Chair of the Board.

**1.2 Interpretation** - In the By-laws, unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be, and *vice versa*, and references to persons shall include individuals, firms and corporations. The division of the By-laws into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the By-laws. Whenever the words “include”, “includes” or “including” are used in the By-laws, unless the context otherwise requires, such words shall be deemed in each instance to be followed by the words “without limitation”. References in this By-law to Articles and Sections are to Articles and Sections of this By-law unless the context otherwise requires.

## **ARTICLE 2 GENERAL**

- 2.1 Financial Year** – The Board may from time to time by resolution determine the fiscal year of the Corporation.
- 2.2 Books and Records** – The Board shall ensure that all necessary books and records of the Corporation required by the By-laws or by any applicable statute or law are regularly and properly kept.
- 2.3 Corporate Seal** – The Corporation may, but need not, have a corporate seal. If the Corporation adopts a corporate seal, it shall incorporate the words “Chartered Professional Accountants of Canada” and “Comptables professionnels agréés du Canada” and shall be in such form as the Board may by resolution from time to time approve.
- 2.4 Interpretation of By-laws** – If a dispute arises concerning the true meaning or intent of any present or future By-law, the Board shall have the power to issue a conclusive interpretation.

## **ARTICLE 3 MEMBERS**

- 3.1 Membership** – The Corporation shall only have five classes of members: Organization Members, Individual Members, Affiliate Members, Associate Members and Certificate Holder Members.
- 3.2 Admission to Membership** –
  - (a) **Organization Members.** Only a body satisfying the following conditions may be admitted as an Organization Member:
    - (i) it must be a CPA Regulatory Body;

- (ii) either
  - (A) its by-laws must state that, in order to be in good standing as a member of that body, a member of that body must be current in paying any fees as established by that body for its members and any applicable fees as established by the Corporation for Individual Members, or
  - (B) it must have established such other arrangements by agreement with the Corporation regarding the payment of fees of the Corporation as are satisfactory to the Board; and
- (iii) its admission as an Organization Member must be approved by the Board, in its discretion, which approval will be conditional upon, among other things, a determination by the Board that the body (A) has demonstrated an intent to act in a manner consistent with the principles set out in Article 4 of these By-laws to the extent the matters covered in Article 4 are applicable to the body, and (B) subscribes to the principles set out in the document entitled “A Framework for Uniting the Canadian Accounting Profession” as published on the website [www.cpacanada.ca](http://www.cpacanada.ca) as at October 31, 2012, provided that the Board shall not approve more than one Organization Member in any single regulatory jurisdiction,

and, upon such conditions having been met, the body shall thereby be deemed to be admitted as an Organization Member.

- (b) **Individual Members.** Individual Members shall be those individuals who become chartered professional accountant members of an Organization Member in accordance with the entry requirements for the Canadian Chartered Professional Accountant designation, as determined by such Organization, but only for so long as such individuals are, and continue to be, chartered professional accountant members in good standing of any such Organization Member. The status of such individuals who meet the foregoing criteria and are members in good standing of an Organization Member and the status of individuals who cease to be members in good standing of an Organization Member shall be communicated by written notification (including notification by electronic means) from the Organization Member to the Corporation in accordance with such policies and practices of the Corporation as exist from time to time.
- (c) **Affiliate Members.** Individuals who have been awarded and continue to hold a designation or credential issued by the Corporation that the Board has, after due consideration, determined and approved to be a designation or credential of sufficient substance to merit membership in the Corporation as an Affiliate Member shall be Affiliate Members. In determining and approving the holders of a designation or credential as meriting membership in the Corporation as Affiliate Members, the Board may establish that such membership is to terminate automatically upon the expiry of a period of time or upon the occurrence of an event or events, with or without prejudice to the right of a holder of such membership to apply for a new, continued or renewed membership, as determined by the Board. The status of individuals who have been awarded and continue to hold a designation or credential issued by the Corporation that the Board has, after due consideration, determined and

approved to be a designation or credential of sufficient substance to merit membership in the Corporation as an Affiliate Member and the status of individuals who cease to hold such a designation or credential shall be determined by the Corporation, from its records, in accordance with such policies and practices of the Corporation as exist from time to time.

- (d) **Associate Members.** Individuals who have been awarded and continue to hold a designation or credential issued by the Corporation that the Board has, after due consideration, determined and approved to be a designation or credential of sufficient substance to merit membership in the Corporation as an Associate Member shall be Associate Members. In determining and approving the holders of a designation or credential as meriting membership in the Corporation as Associate Members, the Board may establish that such membership is to terminate automatically upon the expiry of a period of time or upon the occurrence of an event or events, with or without prejudice to the right of a holder of such membership to apply for a new, continued or renewed membership, as determined by the Board. The status of individuals who have been awarded and continue to hold a designation or credential issued by the Corporation that the Board has, after due consideration, determined and approved to be a designation or credential of sufficient substance to merit membership in the Corporation as an Associate Member and the status of individuals who cease to hold such a designation or credential shall be determined by the Corporation, from its records, in accordance with such policies and practices of the Corporation as exist from time to time.
- (e) **Certificate Holder Members.** Individuals who have been awarded and continue to hold a certificate issued by the Corporation that the Board has, after due consideration, determined and approved to be a certificate of sufficient substance to merit membership in the Corporation as a Certificate Holder Member shall be Certificate Holder Members. In determining and approving the holders of a certificate as meriting membership in the Corporation as Certificate Holder Members, the Board may establish that such membership is to terminate automatically upon the expiry of a period of time or upon the occurrence of an event or events, with or without prejudice to the right of a holder of such membership to apply for a new, continued or renewed membership, as determined by the Board. The status of individuals who have been awarded and continue to hold a certificate issued by the Corporation that the Board has, after due consideration, determined and approved to be a certificate of sufficient substance to merit membership in the Corporation as a Certificate Holder Member and the status of individuals who cease to hold such a certificate shall be determined by the Corporation, from its records, in accordance with such policies and practices of the Corporation as exist from time to time.

**3.3 Fees** – The Corporation may establish, charge and collect fees from one (1) or more classes of Members, subject to the following:

- (a) annual fees shall accrue from the first day of each fiscal year of the Corporation;

- (b) if an Individual Member is a member in good standing of more than one (1) Organization Member, the Individual Member may designate one (1) of such Organization Members as his or her principal Organization Member, and no Individual Member will be subject to paying additional fees to the Corporation solely as a result of being a member of more than one (1) Organization Member; and
- (c) fees may vary between classes and within a class of Members as determined by the Board in its discretion.

**3.4 Termination of Membership** – Membership in the Corporation automatically terminates upon any of the following:

- (a) the death or dissolution of the Member;
- (b) the automatic termination of the membership in accordance with its terms or, where such terms provide for a continuance or renewal of such membership, such continuance or renewal is not exercised or is exercised, but the conditions for continuance or renewal are not satisfied;
- (c) the effective date of a withdrawal from membership in accordance with Sections 3.6, 3.7, 3.8, 3.9 or 3.10; or
- (d) the removal, by resolution of the Board, of any Member for any reason which the Board in its sole discretion deems to be in the interests of the Corporation, including violation of any provisions of the Articles, By-laws or any policies or practices of the Corporation in effect from time to time.

**3.5 Transfer of Membership** - Membership in the Corporation is not transferable.

**3.6 Withdrawal by an Organization Member** - An Organization Member may withdraw from the Corporation upon written notice given to the Corporation by the Organization Member not less than eighteen (18) months prior to the effective date of its withdrawal. Notwithstanding that such a notice of intention to withdraw has been given, the withdrawing Organization Member will remain an Organization Member with all rights and obligations associated therewith, until the effective date of its withdrawal.

**3.7 Withdrawal by an Individual Member** - An Individual Member will be deemed to have withdrawn from the Corporation in the event that the Individual Member ceases to be a member in good standing of an Organization Member

**3.8 Withdrawal by an Affiliate Member** - An Affiliate Member will be deemed to have withdrawn from the Corporation in the event that: (i) the Affiliate Member ceases to hold the designation or credential issued by the Corporation that the Board has, after due consideration, determined and approved to be a designation or credential of sufficient substance to merit membership in the Corporation as an Affiliate Member; (ii) the Board rescinds its approval of the designation or credential held by the Affiliate Member as a designation or credential of sufficient substance to merit membership in the Corporation as an Affiliate Member; (iii) the Affiliate Member has been found by the Corporation to have failed to be in compliance with any code of conduct or similar standard established by the Corporation which

is applicable to Affiliate Members; or (iv) the designation or credential giving rise to membership in the Corporation as an Affiliate Member ceases to exist or be supported by the Corporation.

**3.9 Withdrawal by an Associate Member** - An Associate Member will be deemed to have withdrawn from the Corporation in the event that: (i) the Associate Member ceases to hold the designation or credential issued by the Corporation that the Board has, after due consideration, determined and approved to be a designation or credential of sufficient substance to merit membership in the Corporation as an Associate Member; (ii) the Board rescinds its approval of the designation or credential held by the Associate Member as a designation or credential of sufficient substance to merit membership in the Corporation as an Associate Member; (iii) the Associate Member has been found by the Corporation to have failed to be in compliance with any code of conduct or similar standard established by the Corporation which is applicable to Associate Members; or (iv) the designation or credential giving rise to membership in the Corporation as an Associate Member ceases to exist or be supported by the Corporation.

**3.10 Withdrawal by a Certificate Holder Member** - A Certificate Holder Member will be deemed to have withdrawn from the Corporation in the event that: (i) the Certificate Holder Member ceases to hold the certificate issued by the Corporation that the Board has, after due consideration, determined and approved to be a certificate of sufficient substance to merit membership in the Corporation as a Certificate Holder Member; (ii) the Board rescinds its approval of the certificate held by the Certificate Holder Member as a certificate of sufficient substance to merit membership in the Corporation as a Certificate Holder Member; (iii) the Certificate Holder Member has been found by the Corporation to have failed to be in compliance with any code of conduct or similar standard established by the Corporation which is applicable to Certificate Holder Members; or (iv) the certificate giving rise to membership in the Corporation as an Certificate Holder Member ceases to exist or be supported by the Corporation.

#### **ARTICLE 4 PROTECTION OF LEGACY DESIGNATION RIGHTS**

**4.1 General Member Protection** – In carrying on its operations, the Corporation shall conduct its affairs in accordance with the following:

- (a) all Members will receive the same support and access to services, privileges and courses provided by the Corporation regardless of that Member's Legacy Designation;
- (b) no preference will be given or provided to Members based on their Legacy Designation; and
- (c) an appropriate level of investment will be maintained in research/publications for the support and development of professional accountants in business and the territories of management and management accounting as fields of practice reflective of the percentage of Individual Members practicing in these areas.

**4.2 Mutual Recognition Agreements** – In negotiating MRA/RMAs (whether new or previously existing), the Corporation shall seek to:

- (a) provide MRA/RMA access to all Individual Members, regardless of their Legacy Designations;
- (b) ensure that Individual Members who are covered by an Existing MRA/RMA are not disadvantaged or deprived of the benefits of an Existing MRA/RMA; and
- (c) ensure that all new and renewal MRA/RMAs will be negotiated with a view to achieving access for all Individual Members or (on what is intended to be a temporary basis) to supplementing MRA/RMA arrangements with reasonable and appropriate transition support for Individual Members who are deemed by MRA/RMA counterparties to require supplementary credentialing.

**4.3 Professional Standards** –

- (a) When participating in the development of additional professional standards to be applicable to Individual Members having a Legacy Designation, including new continuing professional development standards, the Corporation will strive to preclude bias against any Individual Member on the basis of Legacy Designation.
- (b) If and when any changes to professional standards are proposed, economic viability will be assessed from the perspective of both the Organization Members and the Individual Members, and the Corporation will promote appropriate transition support being made available to Individual Members with Legacy Designations who may be impacted by such changes to professional standards.
- (c) Any decision by the Corporation that is necessary in respect of any of the following actions will require approval by seventy-five per cent (75%) of the Organization Members representing seventy-five per cent (75%) of the Individual Members, provided that if approval would have been unanimous but for one (1) Organization Member withholding approval resulting in the requisite percentage of Individual Members represented not being met, the decision will be deemed to have been approved:
  - (i) approval of any substantive change to the Chartered Professional Accountant certification model and subsequent development of Chartered Professional Accountants, including management accounting and financial reporting as foundational components within the certification model, maintenance of rigor in the Chartered Professional Accountant program so that all Existing MRA/RMAs can be maintained, changes to the approved path or experience verification practical experience requirements, and changes which materially affect access to the chartered professional accountancy profession;
  - (ii) any decision to issue, support or promote any designation other than Chartered Professional Accountant; and
  - (iii) any decision that would reduce the Corporation's commitment to support the setting of accounting, auditing or assurance standards or reduce the existing level of support for the setting of such standards.



Evidence of the approval by Organization Members of any decision by the Corporation in respect of the actions listed in this Section 4.3(c) will be submitted to the Corporation in writing.

**4.4 Operational Prohibitions** – The Corporation will not do any of the following:

- (a) support or promote a Legacy Designation, a holder of a Legacy Designation, or students/candidates from a Legacy Designation positively or negatively relative to one (1) or more other Legacy Designations;
- (b) support the development or expansion of any education or professional development program which is focused on a group of Individual Members who are differentiated by their Legacy Designation;
- (c) represent directly or implicitly to any party or government that the competence and skills of one Individual Member (or group of Individual Members) are superior or inferior to another based solely on the Legacy Designation(s) involved;
- (d) sustain the role of an Individual Member in any function while precluding access to that function by an Individual Member with another Legacy Designation based solely upon the specific Legacy Designation involved; and
- (e) remove any honours or awards previously bestowed upon any Individual Member.

**4.5 Amendment** - In addition to any other approvals that may be required by the NFP Act, this Article 4 may not be amended or repealed without the approval of at least seventy-five per cent (75%) of the Directors.

**ARTICLE 5  
MEMBERS' MEETINGS**

**5.1 Place and Date of Meetings** – Subject to the Articles, an Annual Meeting or any other Meeting of Members shall be held on such day in each year and at such time and place as the Board may determine.

**5.2 Quorum** – At all Annual Meetings and Special Meetings of Members, the quorum shall be twenty-five (25) Members present in person or by proxy. At all Meetings of Organization Members, the quorum shall be a majority of Organization Members.

**5.3 Chairing Meetings** – The Chair, or in the Chair's absence, the Vice Chair shall be the chair at all Meetings of Members. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the Members present and entitled to vote shall choose one (1) of their number to be the chair of the meeting.

**5.4 Notice of Members Meetings** - Written notice of the time and place of all Meetings of Members shall be given to the Directors, the Public Accountant and each Member entitled to vote at such Meetings of Members and whose name is entered in the register of Members at the close of business on such date as the Board may fix as the record date for notice (which shall be 21 to 60 days before the date of the Meeting of Members) or, if no record date for notice is fixed, at the close of business on the day preceding the day on which notice is given.

A declaration of the President or of any other person authorized to give notice of a Meeting of Members, that notice has been given pursuant to the By-laws shall be sufficient and conclusive evidence of the giving of such notice.

For the purpose of this Section 5.4, notice shall be given in one or more of the following manners:

- (a) by mail, courier or personal delivery to each Member entitled to vote at such Meeting of Members and to those persons entitled to receive notice of such Meeting of Members, during a period of 21 to 60 days before the day on which the Meeting of Members is to be held;
- (b) by publication
  - (i) at least once in each of the three weeks immediately before the day on which the Meeting of Members is to be held in one or more newspapers circulated in the municipalities in which the majority of the Members reside as shown by their addresses in the register of Members, or
  - (ii) at least once in a publication of the Corporation that is sent to all Members, during a period of 21 to 60 days before the day on which the Meeting of Members is to be held; or
- (c) by telephonic, electronic or other communication facility to each Member entitled to vote at such Meeting of Members and to those persons entitled to receive notice of such Meeting of Members, during a period of 21 to 35 days before the day on which the Meeting of Members is to be held, provided that a Member entitled to such notice may request that the notice be given to such Member by non-electronic means in which case one of the other non-electronic methods of giving notice provided for in this Section 5.4 may be used.

A Special Resolution is required to make any amendment to the By-laws to change the manner of giving notice to Members entitled to vote at a Meeting of Members.

**5.5 Secretary for Meetings of Members** – The chair of a Meeting of Members may appoint a person to act as secretary for such meeting who shall be responsible for the preparation and maintenance of minutes of proceedings and for circulating notices, agenda and minutes.

**5.6 Voting** – Unless the NFP Act, the Articles or the By-laws provide otherwise, at any Meeting of Members, each Member who has the right to vote and is present in person or by proxy shall be entitled to one (1) vote on each question.

**5.7 Votes to Govern** – At any Meeting of Members, every question shall, unless otherwise required by the NFP Act, the Articles or the By-laws or otherwise by law, be determined by the majority of the votes of Members duly cast on the question by Members authorized to vote thereon.

**5.8 Ballot** – If a ballot is required or demanded (including in the case of a class vote which may require a ballot), the ballot shall be held in such manner as the chair of the meeting shall direct. A demand for a ballot may be withdrawn at any time prior to the holding of the ballot.

**5.9 Absentee Voting** – Subject to compliance with the NFP Act, in addition to voting in person in accordance with Sections 5.6 and 5.7, every Member may vote by any of the following means:

- (a) **Proxies.** At any Meeting of Members, a proxy holder, who must be a Member and who has been duly appointed by a Member, shall be entitled to exercise, subject to any restrictions expressed in the instrument appointing him or her, the same voting and other rights that such Member appointing him or her would be entitled to exercise if present at that Meeting of Members. A proxy shall be in writing and executed by the Member. A proxy may be in such form as the Board from time to time prescribes or in such other form as the chair of the Meeting of Members may accept as sufficient, and shall be deposited with the secretary of the Meeting of Members before any vote is called under its authority, or at such earlier time and in such manner as the Board may prescribe.
- (b) **Telephonic, Electronic or other Communication Facility.** A Meeting of Members may be held entirely by means of such telephone, electronic or other communication facility that permits all participants to hear or otherwise communicate adequately with each other during the meeting, if so determined by the person who called the meeting and if the Corporation has a system that:
  - (i) enables the votes to be gathered in a manner that permits their subsequent verification; and
  - (ii) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each Member or group of Members voted.
- (c) **Mailed-in Ballot.** A Member may, if the written notice of the applicable meeting of Meeting of Members so permits, vote by mailed-in ballot, if the Corporation has a system that:
  - (i) enables the votes to be gathered in a manner that permits their subsequent verification; and
  - (ii) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each Member voted.
- (d) **Deemed Presence** – A Member participating in the Meeting of Members by any of the foregoing means set out in clause (a), (b) or (c) above is deemed for the purposes of the By-laws and the NFP Act to be present at the Meeting of Members.
- (e) **Amendment** – A Special Resolution is required to make any amendment to the By-laws to change this method of voting by Members not in attendance at a Meeting of Members.

**5.10 Casting Vote** – In the case of an equality of votes cast at any Meeting of Members, whether upon a show of hands, a ballot, the results of telephonic or electronic voting or other voting process permitted hereunder, or any combination of the foregoing, the chair of the meeting shall not have a second or casting vote and the question shall be deemed not to have been passed.

**ARTICLE 6  
DIRECTORS**

**6.1 Number of Directors/Composition of the Board.**

(a) The Board shall be established in accordance with the following:

- (i) Within the minimum and maximum number of Directors provided for in the Articles, the Board shall consist of a minimum of twelve (12) Directors and a maximum of sixteen (16) Directors. The number of Directors within such range shall initially be fixed at twelve (12), and may be changed by the Board, subject to approval by the Organization Members. For the purposes of the foregoing, the approval of the Organization Members requires the approval of seventy-five per cent (75%) of the Organization Members representing seventy-five per cent (75%) of the Individual Members provided that if approval would have been unanimous but for one (1) Organization Member withholding approval resulting in the requisite percentage of Individual Members represented not being met, the Organization Members will be deemed to have given the approval.

Evidence of the approval by Organization Members of any decision listed in this Section 6.1(a)(i) will be submitted to the Corporation in writing.

- (ii) The individuals to be nominated and elected for the twelve (12) positions on the Board will, except for the Public Directors and the Chair and Vice Chair, be selected so as to provide a cross-section of input and perspective based upon the geographical region in which Members reside, in accordance with the following table:

<b>Region</b>	<b>Nominees</b>
British Columbia	1
Alberta	1
Western	1
Ontario	2
Québec	2
Atlantic	1
Chair	1
Vice Chair	1
Public Directors	2
Total	12

For the purposes of the foregoing table and this Section 6.1(a)(ii), the “**British Columbia region**” consists of British Columbia and Yukon, the “**Alberta region**” consists of Alberta, Northwest Territories and Nunavut, the “**Western**

**region**” consists of Saskatchewan and Manitoba, and the “**Atlantic region**” consists of New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, and Bermuda, and each reference to a Director of a specific region (e.g. British Columbia Director) means the position of Director for which such region is entitled to nominate one (1) or more Directors.

- (iii) The Organization Members in the British Columbia region will collectively be entitled to nominate one (1) Individual Member who is a resident of the British Columbia region for election as the British Columbia Director.
- (iv) The Organization Members in the Alberta region will collectively be entitled to nominate one (1) Individual Member who is a resident of the Alberta region for election as the Alberta Director.
- (v) The Organization Members in the Western region will collectively be entitled to nominate one (1) Individual Member who is a resident of the Western region for election as the Western Director.
- (vi) The Organization Member in the Ontario region will be entitled to nominate two (2) Individual Members who are resident in the Ontario region for election as Ontario Directors.
- (vii) The Organization Member in the Québec region will be entitled to nominate two (2) Individual Members who are resident in the Québec region for election as Québec Directors.
- (viii) The Organization Members in the Atlantic region will collectively be entitled to nominate one (1) Individual Member who is resident in the Atlantic region for election as the Atlantic Director.
- (ix) In the event that any of the nominations provided for in clauses (iii) through (viii) above cannot be made due to there being no Organization Member in the relevant region, the nomination(s) otherwise allocated to such region(s) shall be as determined by the Board.
- (x) The Board shall nominate the individuals for election as Chair, Vice Chair and Public Directors.
- (xi) All nominations made by Organization Members and the Board are to be submitted in writing to the President not less than ten (10) days in advance of the Meeting of Organization Members at which the nominees are to be elected as Directors. Nominations will not be accepted in any other form or manner or at any other time.
- (xii) The nominations submitted in writing to the President by the Organization Members and the Board will be the only nominations in respect of which the Organization Members will be entitled to vote at a Meeting of Organization Members.

- (xiii) In order to qualify to be nominated, to be elected and to serve as a Director (other than as a Public Director), Chair or Vice Chair, an individual must be an Individual Member. The following individuals are precluded from being nominated, elected or serving as Directors: any employee of the Corporation or of any Organization Member; any spouse or common law partner of any employee or director of the Corporation or of any Organization Member; any director of any Organization Member; and, subject to the Directors then in office making a determination that a conflict of interest would not exist, any individual who is a member, director, officer or employee of any federal, provincial or other governmental authority, body, tribunal, commission or agency with responsibility for, jurisdiction over or authority in respect of, the accounting profession in Canada or any part thereof.

**6.2 Nominating and Governance Committee** – The Corporation will have a committee of the Board that will be known as the “**Nominating and Governance Committee**”, the terms of reference and composition of which will be determined by the Board from time to time.

**6.3 Election and Term** –

- (a) Subject to the Articles and Section 6.1, the Organization Members shall elect the Directors at a Meeting of Organization Members to be held on the date of and immediately prior to each Annual Meeting.
- (b) The terms of Chair and Vice Chair as Directors shall be substantially the same as their terms as Officers as provided in Section 8.2.
- (c) Subject to Section 6.3(e), each Director, other than the Chair and the Vice Chair, shall be elected for a term expiring immediately following the termination of the third Annual Meeting following the date of his or her election or until his or her successor is elected or appointed, provided that any Director who was elected or appointed to complete the unexpired term of a former Director shall be elected for the remainder of such unexpired term.
- (d) Directors shall be eligible for re-election provided that no Director may serve as a Director for more than two (2) full three (3) year terms calculated from and after, and without reference to any election as a Director prior to, the Reorganization Date. In calculating the initial three (3) year terms of the Directors following the Reorganization Date, the abbreviated terms set out in clauses (i) and (ii) of Section 6.3(e) shall be deemed to be full three (3) year terms. A term as Chair or Vice Chair shall not be included in determining the two (2) full three (3) year terms maximum.
- (e) Notwithstanding Section 6.3(c), in order to provide for a staggered Board and the retention of Directors such that approximately one-third (1/3) of the Directors, other than the Chair and the Vice Chair, retire on the date of any Annual Meeting, the Directors

who are elected immediately following the Reorganization Date shall serve terms as follows:

- (i) each of the British Columbia Director, one (1) Ontario Director and the Atlantic Director will be elected for terms expiring immediately following the termination of the first Annual Meeting following the date of his or her election or until his or her successor is elected or appointed;
- (ii) each of the Alberta Director, one (1) Québec Director and one (1) Public Director will be elected for terms expiring immediately following the termination of the second Annual Meeting following the date of his or her election or until his or her successor is elected or appointed;
- (iii) each of the Western Director and the remaining Ontario Director, Québec Director and Public Director will be elected for terms expiring immediately following the termination of the third Annual Meeting following the date of his or her election or until his or her successor is elected or appointed; and
- (iv) following the conclusion of the abbreviated terms of office set out in clauses (i) and (ii) above, Directors will be elected, subject to Section 6.1(a), to serve terms as provided in Sections 6.3(c) and (d).

The nominees as Ontario Director, Québec Director and Public Director to serve each of the foregoing terms shall be determined in each case by the person nominating the relevant Directors.

- (f) The term of a Director shall be terminated and the Director shall be deemed to have resigned as a Director in the event of any of the following:
  - (i) the Director no longer meets the requirements for a director as provided for in the NFP Act;
  - (ii) the Director is removed pursuant to Section 130 of the NFP Act;
  - (iii) the Director no longer meets the requirements for a Director as provided for in the By-laws; and
  - (iv) the Organization Member that nominated such Director ceases to be an Organization Member.

**6.4 Vacancy** – The Board shall have the authority to appoint a Director upon a mid-term vacancy occurring, provided that the Board will fill any vacancy of a regional Director based upon the recommendation of the relevant region.

**6.5 Director Independence** – Each Director shall, when acting in his or her capacity as a Director, act in the best interests of the Corporation so as to fulfill its purpose and to foster and develop its national role. No Director, when acting in his or her capacity as a Director, shall act as a representative of any particular Member, including any Member which may have nominated or voted for such Director.

**ARTICLE 7**  
**DIRECTORS' MEETINGS**

- 7.1 Calling of Meetings** – Board meetings may be formally called by the Chair at such time and place as the Chair shall from time to time determine. Any four (4) Directors may request the Chair to call a meeting of the Board to be held at the head office of the Corporation, or such other place as the Chair may determine. Upon receipt of such request, the Chair shall call such a meeting to be held within thirty (30) days of receipt of such request.
- 7.2 Notice of Meeting** – Notice of the time and place of each meeting of the Board and the general nature of the business to be dealt with at such meeting shall be given to each Director at least seven (7) days before the date of the meeting in the manner provided for in Section 11.1. With the consent of a majority of the Directors present at any meeting of the Board, any new or additional business, except the making of changes to the Articles, the By-laws or fees, may be introduced and dealt with at such meeting even though notice of such business has not been given.
- 7.3 Notice of Adjournment** – Notice of the resumption of an adjourned meeting of the Board is not required if the time and place of the resumption of an adjourned meeting is announced at the original meeting.
- 7.4 Number of Meetings** – There shall be a minimum of four (4) meetings per year of the Board or such greater number of meetings as is determined, from time to time, by the Board.
- 7.5 Quorum** – At all meetings of the Board, two-thirds (2/3) of the Directors in office at the time of the meeting shall constitute a quorum for the transaction of business.
- 7.6 Regular Meetings** – The Board may appoint a day or days in any month or months for regular meetings at an hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings of the Board shall be sent to each Director forthwith after being passed, but no other notice shall be required for any such regular meeting except if the NFP Act requires the purpose thereof or the business to be transacted to be specified in the notice. A meeting of the Board may also be held, without notice, immediately following each Annual Meeting.
- 7.7 Chairing Meetings** – The Chair or, in the absence or at the request of the Chair, the Vice Chair, shall be the chair at all meetings of the Directors. If no such Officer is present within fifteen (15) minutes from the time fixed for holding the meeting, the Directors present and entitled to vote shall choose one (1) of their number to be the chair of the meeting.
- 7.8 Secretary for Meetings of Directors** – The chair of a meeting of Directors may appoint a person to act as secretary for such meeting who shall be responsible for the preparation and maintenance of minutes of proceedings and for circulating notices, agenda and minutes.
- 7.9 Voting** – At any meeting of the Board, each Director is authorized to exercise one (1) vote. Except as otherwise set out herein, questions arising at any meeting of the Board shall be decided by a majority of votes.
- 7.10 Casting Vote** – In the case of an equality of votes at any Board meeting, the chair of the meeting shall not have a second or casting vote and the question shall be deemed not to have been passed.



## ARTICLE 8 OFFICERS

- 8.1 Chair and Vice Chair** – The Chair and Vice Chair shall be such persons who are elected to such positions pursuant to the provisions of Article 6 and the Chair and Vice Chair shall have such powers and perform such duties as are respectively assigned to them under the By-laws and by the Board from time to time.
- 8.2 Term of Chair and Vice Chair** – The Chair and Vice Chair shall take office as Officers immediately following the termination of the meeting of the Board at which they are appointed and shall hold office until the termination of the second Annual Meeting following the meeting of the Board at which they are appointed or until their successors are appointed.
- 8.3 Appointment** – The Board shall appoint from time to time a President and may appoint such other Officers as the Board may determine, including one (1) or more assistants to any of the Officers so appointed. The Board may specify the duties of and, in accordance with the By-laws and subject to the NFP Act, delegate to such Officers powers to manage the activities and affairs of the Corporation. Except as otherwise provided in the By-laws: (i) an Officer may (but need not be) a Director; (ii) except for the holding of the positions of Chair and Vice Chair, one (1) person may hold more than one (1) office; and (iii) more than one (1) person may hold an office.
- 8.4 Duties of Officers** –
- (a) **President** – The President shall be the chief executive officer of the Corporation and shall, subject to the authority of the Board, have general management of the activities and affairs of the Corporation and such other powers and duties as specified by the Board.
  - (b) **Other Officers** – The powers and duties of all other Officers shall be such as the terms of their engagement call for or the Directors prescribe. Any of the powers and duties of an Officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the Board otherwise directs.
- 8.5 Variations of Powers and Duties** – The Board may, from time to time, and subject to the provisions of the NFP Act, vary, add to or limit the powers and duties of any Officer.
- 8.6 Term of Office** – The Board, in its discretion, may remove any Officer, other than the Chair or Vice Chair, without prejudice to such Officer's rights under any employment contract or in law. Otherwise, each Officer shall hold office until such Officer's successor is appointed, or until such Officer's earlier resignation.
- 8.7 Remuneration of Officers** – The Officers shall be paid such remuneration for services rendered in their capacity as Officers as the Board may from time to time determine, except that no Officer who is also a Director (other than the Chair and the Vice-Chair) shall be entitled to receive remuneration for acting as such. Officers shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in the exercise of the duties of their respective offices. The remuneration of any employees or agents shall be such as the terms of their engagement call for or as the Board may specify.

**8.8 Agents and Attorneys** – The Corporation, by or under the authority of the Board, shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the power to sub-delegate) of management, administration or otherwise as may be thought fit.

**8.9 Vacancies** – The office of an Officer shall automatically be vacated upon:

- (a) such Officer's resignation, which resignation shall be effective at the time the written resignation is received by the Chair or the President, or at the time specified in the resignation, whichever is later;
- (b) such Officer being removed by the Board;
- (c) the election or appointment of a successor to the office of that Officer becoming effective;
- (d) such Officer ceasing to be a Director, where the Officer is required to be a Director;
- (e) such Officer's death; or
- (f) such Officer being declared incapable by a court in Canada or in another country.

If an office shall become vacant in any of the above-noted circumstances, the Board may appoint a qualified person to fill such vacancy for the remainder of the term of such office.

#### **ARTICLE 9 DISCLOSURE OF INTEREST**

**9.1** Failure by a Director to make a declaration of his or her interest in a contract, transaction, matter or decision as required by the NFP Act shall constitute grounds for termination of his or her position as a Director.

#### **ARTICLE 10 EXECUTION OF DOCUMENTS, BANKING AND BORROWING**

**10.1 Signatories** – The following are the only persons authorized to sign any document on behalf of the Corporation, other than in the usual and ordinary course of the Corporation's business:

- (a) any two (2) Officers or any one (1) Officer with any one (1) Director; or
- (b) any individual or individuals appointed by resolution of the Board to sign a specific document or that type of document or generally on behalf of the Corporation.

Any document so signed may, but need not, have the corporate seal applied, if there is one.

**10.2 Facsimile Signatures** – The signatures of any person authorized to sign on behalf of the Corporation, may, if specifically authorized by resolution of the Board, be written, printed, stamped, engraved, lithographed or otherwise mechanically reproduced. Anything so signed shall be as valid as if it had been signed manually, even if that person has ceased to hold office when anything so signed is issued or delivered, until revoked by resolution of the Board.

- 10.3 Banking** – The banking business of the Corporation shall be transacted with such banks, trust companies or other firms or corporations carrying on a banking business in Canada, or elsewhere as may from time to time be designated by or under the authority of the Board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the Board may, from time to time, prescribe or authorize.

## **ARTICLE 11 NOTICE**

- 11.1 Procedure for Sending Notices** – Any notice (which term includes any communication or document) to be given, sent, delivered or served pursuant to the NFP Act, the By-laws or otherwise to a Member, Director or Public Accountant of the Corporation shall be sufficiently given if sent to the principal address of the applicable person as last shown in the Corporation's records. A notice so delivered shall be deemed to have been received when it is delivered. A notice so mailed shall be deemed to have been received at the time it would be delivered in the ordinary course of mail unless there are reasonable grounds for believing that the addressee did not receive the notice or document at that time or at all. A notice sent by means of electronic, transmitted or recorded communication shall be deemed to have been received when so sent. The President may change or cause to be changed the recorded address of any Member, Director or Public Accountant of the Corporation in accordance with the information believed by him or her to be reliable.
- 11.2 Computation of Time** – In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.
- 11.3 Waiver of Notice** –
- (a) If the NFP Act or the By-laws require notice to be given, any Member, Director, Officer or Public Accountant may waive his or her personal notice, and the waiver will remedy any procedural defects.
  - (b) A meeting of the Board, or a committee of the Board, may be held without the required notice if all the Directors or members of such committee are present in person or, if absent, waive notice of or otherwise consent to such meeting being held. At such meeting any business may be transacted which the Board or a committee of the Board may transact.
  - (c) A Meeting of Organization Members may be held without the required notice if all of the Organization Members, respectively, are present in person or are represented by proxy, or, if absent, waive notice of or otherwise consent to such meeting being held. At such meeting any business may be transacted which the Organization Members may transact.
- 11.4 Error or Omission in Notice** – No error or omission in giving notice of any meeting of Directors or Meeting of Members, or any adjournment thereof to any Director, Member or Public Accountant of the Corporation, or the non-receipt of the notice by any such person where the Corporation has provided notice in accordance with the By-laws, or any error in any notice not affecting its substance, shall invalidate any meeting to which the notice pertained or otherwise

founded on such notice or make void any resolutions passed or proceedings taken thereat, and any Member or Director may ratify, approve and confirm any or all proceedings taken thereat.

**ARTICLE 12  
PUBLIC ACCOUNTANT**

- 12.1** The Corporation will take all necessary measures, including making an application to court, to comply with or seek relief from the requirement in the NFP Act that the Corporation's Public Accountant be independent of the Corporation.

**ARTICLE 13  
ANNUAL FINANCIAL STATEMENTS**

- 13.1** The Corporation may, instead of sending copies of the Annual Financial Statements to the Members, publish a notice to its Members stating that the Annual Financial Statements are available at the registered office of the Corporation and any Member may, on request, obtain a copy of the Annual Financial Statements free of charge at the registered office or by prepaid mail or by electronic mail.

**ARTICLE 14  
PROTECTION AND INDEMNITY**

- 14.1 Indemnity** – Subject to the limitations contained in the NFP Act, but without limiting the right of the Corporation to indemnify any individual under the NFP Act or otherwise to the full extent permitted by law, the Corporation shall indemnify each Director or Officer or former Director or Officer or another individual who acts or acted at the Corporation's request as a director or an officer or in a similar capacity of another entity (and each such Director's, Officer's or other individual's respective heirs, executors, administrators, or other legal personal representatives and his or her estate and effects), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity, provided that the individual to be indemnified:
- (a) acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Corporation's request; and
  - (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that the individual's conduct was lawful.
- 14.2 Indemnities Not Limiting** – The provisions of this Article 14 shall be in addition to and not in substitution for or limitation of any rights, immunities and protections to which a person is otherwise entitled.

**ARTICLE 15  
EFFECTIVE DATE OF BY-LAW**

**AMENDMENT AND REPEAL OF FORMER BY-LAWS**

- 15.1 Effective Date** – This By-law shall be effective as at and from the Reorganization Time.
- 15.2 Amendments to By-laws** – Any amendment to be made to this By-law requires the approval of the Board and such approval of the Members as is required by the NFP Act.
- 15.3 Former By-laws May Be Repealed** - The Board may repeal one or more by-laws by passing a by-law that contains provisions to that effect.
- 15.4 Effect of Repeal of By-laws** – The repeal of any By-law in whole or part shall not in any way affect the validity of any act done or right, privilege, obligation or liability acquired or incurred thereunder prior to such repeal.

**MADE** by the Board on the 12th day of September, 2016.



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Alain Côté, FCPA, FCA  
Chair



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Joy Thomas, FCPA, FCMA  
President

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**CONFIRMED** by the Legacy Members on the 22nd day of September, 2016.

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THE CANADIAN INSTITUTE OF  
CHARTERED ACCOUNTANTS

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THE SOCIETY OF MANAGEMENT  
ACCOUNTANTS OF CANADA



By: \_\_\_\_\_  
Lenard Boggio, FCPA, FCA  
Chair



By: \_\_\_\_\_  
Lorri Lowe, FCPA, FCMA  
Chair



By: \_\_\_\_\_  
Tashia Batstone, FCPA, FCA  
President & CEO



By: \_\_\_\_\_  
Joy Thomas, FCPA, FCMA  
President & CEO

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