



**BYLAWS OF  
L'ASSOCIATION CANADIENNE DE VERIFICATION  
THE AUDITING ASSOCIATION OF CANADA /  
as amended**

In this Bylaw and all other Bylaws of the Corporation, unless the context otherwise requires:

**"Act"** means the *Canada Not-For-Profit Corporations Act* S.C. 2009, c.23 including the Regulations made pursuant to the Act, and any statute or regulations that may be substituted, as amended from time to time.

**"Association"** means the Auditing Association of Canada Inc.; with its head office located in the Town of Whitby, of the Province of Ontario, Canada.

**"Articles"** means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Association.

**"Board"** means the Board of Directors of the Association and "Director" means a member of the Board.

**"Bylaw"** means this Bylaw and any other Bylaw of the Association as amended and which are, from time to time, in force and effect.

**"Director"** means a member elected to the Board of Directors of the Auditing Association of Canada Inc., defined under Article VII.

**"Meeting of members"** includes an annual meeting of members or a special meeting of members.

**"Member"** means a member of the Auditing Association of Canada Inc., admitted under Article VI.

**"Member in Good Standing"** means a member that has paid their annual dues and is not subject to disciplinary review.

**"Officers"** are individuals elected or appointed by the Board to carry out day-to-day business in accordance with their scope of authority as defined in the Bylaws or clearly stated in Board minutes or resolutions. The three most common Officers are the President, Treasurer and Secretary. Where Directors are appointed/elected as Officers the individual has two roles; as an Officer they act within their defined authority, as a Director they are responsible for such things as ensuring compliance with the organization's mission. The Board oversees the actions of the Officers.

**"Ordinary resolution"** means a resolution passed by a simple majority (more than 50%) of the votes cast on that resolution.

**"Proposal"** means a proposal submitted by a member of the Association that meets the requirements of section 163 (Shareholder Proposals) of the Act.

**"Regulations"** means the regulations made under the Act, as amended, restated or in effect from time to time.

**"Special meeting of members"** includes a meeting of any class or classes of members and a special meeting of all members entitled to vote at an annual meeting of members.

**"Special resolution"** means a resolution passed by a qualified majority of not less than two-thirds (2/3) of the votes cast on that resolution.

**Interpretation**

In the interpretation of this Bylaw, words in the singular include the plural and vice-versa, words in one gender include all genders, and "person" includes an individual, body corporate, partnership, trust and unincorporated organization.

## **Article I. Name**

- 1.1** This organization shall be known as the Auditing Association of Canada Inc., herein called the Association. As the Association is incorporated - any reference to the Corporation means Association.

## **Article II. Corporate Seal**

- 2.1** The seal, an impression whereof is stamped in the margin hereof, shall be the seal of the Association.

## **Article III. Adherence to Corporate Charter**

- 3.1** The Association is a not-for-profit organization dedicated to the promotion and development of the practice of environmental, health and safety auditing.
- 3.2** The Association is empowered to perform any and all acts which are defined in the Certificate of Incorporation and the Bylaws of the Auditing Association of Canada and shall do nothing which is inconsistent with their provisions and with resolutions incorporated in the minutes of the meetings of the Board of Directors.

## **Article IV General Provisions**

### **4.1 Invalidation of any Provisions of this Bylaw**

The invalidity or unenforceability of any provision of this Bylaw shall not affect the validity or enforceability of the remaining provisions of this Bylaw.

### **4.2 Execution of Documents**

Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the Association may be signed by any two (2) of its Officers or Directors. In addition, the Board may from time to time direct the manner in which and the person or persons by whom a particular document or type of document shall be executed. Any person authorized to sign any document may affix the corporate seal to the document. Any signing Officer may certify a copy of any instrument, resolution, Bylaw or other document of the Association to be a true copy thereof.

Authorized signing Officers are expressly designated, and include the President, first and second Vice Presidents and Treasurer.

- 4.2.1** The determination of the Bylaws, policies, rules and procedures of the Association shall be vested in a Board of Directors.
- 4.2.2** These Bylaws may be amended or repealed at any regular or special meeting of the Association by a two-thirds (2/3) vote of Association Members present and voting, providing that written notice of the proposed change and of the meeting has been communicated at least thirty (30) days previous to the date of said meeting.

### **4.3 Bylaws and Effective Date**

Subject to the articles, the Board of Directors may, by resolution, make, amend or repeal any Bylaws that regulate the activities or affairs of the Association. Any such Bylaw, amendment or repeal shall be effective from the date of the resolution of Directors until the next meeting of members where it may be confirmed, rejected or amended by the members by ordinary resolution. If the Bylaw, amendment or repeal is confirmed or confirmed as amended by the members it remains effective in the form in which it was confirmed. The Bylaw, amendment or repeal ceases to have effect if it is not submitted to the members at the next meeting of members or if it is rejected by the members at the meeting.

This section does not apply to a Bylaw that requires a special resolution of the members according to subsection 197(1) (fundamental change) of the Act because such Bylaw amendments or repeals are only effective when confirmed by members (4.2.2).

## **Article V Financial**

### **5.1 Financial Year End**

The Association's fiscal year is January 1 to December 31.

### **5.2 Banking Arrangements**

The banking business of the Association shall be transacted at such bank, trust company or other firm or corporation carrying on a banking business in Canada or elsewhere as the Board of Directors may designate, appoint or authorize from time to time by resolution. The banking business or any part of it shall be transacted by an Officer or Officers of the Association and/or other persons as the Board of Directors may by resolution from time to time designate, direct or authorize.

### **5.3 Borrowing Powers**

The Directors of the Association may NOT without authorization of the members by special resolution,

- a) borrow money on the credit of the Association;
- b) issue, reissue, sell, pledge or hypothecate debt obligations of the corporation;
- c) give a guarantee on behalf; and
- d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the corporation, owned or subsequently acquired, to secure any debt obligation of the corporation.

### **5.4 Annual Financial Statements**

**5.4.1** The Association's financial statements will undergo an external review engagement by a Public Accountant annually. Acceptance of the prior year's report will be by a vote of the membership.

At the Annual General Meeting the Public Accountant, tasked with undertaking the review engagement, will be nominated. Members must appoint a Public Accountant for the coming fiscal year by ordinary resolution at each annual meeting. Members may waive appointment by annual unanimous resolution. The Public Accountant must conduct a review engagement, but members may pass an ordinary resolution to require an audit instead.

**5.4.2** The Association shall make available, to members, annual financial statements and documents provided in subsection 172(1) (Annual Financial Statements) of the Act. Copies will be available at the Annual General Meeting, and upon request.

Copies will be made available to members free of charge.

Members will be notified that such documents are available.

## **Article VI Association Membership**

### **6.1 Membership**

The Association membership shall consist of those duly admitted as defined in the Bylaws of the Association.

### **6.2 Membership Classes/Voting Rights**

Classes of members in the Association shall be established by the Board of Directors and incorporated in the minutes of the meetings of the Board of Directors. Classes of members may be revised, from time to time, based on a review by the Board of Directors.

Subject to the articles, there shall be two classes of members in the Association, namely, Class A members and Class B members. Class A members are full members of the association: each Class A voting member is entitled to receive notice of, attend and vote at all meetings of members and each such Class A voting member shall be entitled to one (1) vote at such meetings. Class B members are student non-voting members who are not entitled to receive notice of, attend or vote at meetings of the members of the Corporation.

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendments to this section of the Bylaws if those amendments affect membership rights and/or conditions described in paragraphs 197(1)(e), (h), (l) or (m).

### **6.3 Membership Transferability**

Membership cannot be transferred from one individual to another.

**6.4** Pursuant to Section 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendment to add, change or delete this section of the Bylaws

### **6.5 Membership Dues**

Members will be notified of the membership dues payable by them. Any dues that are not paid within the timeframe specified (typically 45 days) of the membership renewal date, will have a late fee applied. Typically, if the dues are not paid within 90 days of the renewal date, members shall have their membership rendered inactive. Inactive members shall cease to be members of the Association.

Membership dues are reviewed annually by the Board of Directors. The Board of Directors approves any changes to the dues.

### **6.6 Membership Termination**

Membership in the Association shall cease and terminate upon:

- a) nonpayment of annual or special dues or fees;
- b) the member's term of membership expiring;
- c) a member failing to maintain any qualifications for membership described in the section on membership conditions of these Bylaws;
- d) the member resigning by delivering a written resignation to a representative of the Board of the Association in which case such resignation shall be effective on the date specified in the resignation;
- e) the member being expelled in accordance with the discipline of members section, or is otherwise terminated in accordance with the articles or Bylaws;
- f) a vote of three-quarters (3/4) of the members at an annual general meeting provided that any such member shall be granted an opportunity to be heard at such meeting;
- g) the member's death; or
- h) the Corporation being liquidated or dissolved under the Act.

### **6.7 Membership Termination - Effect of**

Subject to the articles, upon any termination of membership, the rights of the member, including any rights in the property of the Association, automatically cease to exist.

### **6.8 Discipline of Members**

The Board shall have authority to suspend or expel any member from the Association for any one or more of the following grounds:

- a) violating any provision of the articles, Bylaws, Code of Ethics or written policies of the Association;
- b) carrying out any conduct which may be detrimental to the Association as determined by the Board in its sole discretion; and/or
- c) for any other reason that the Board in its sole and absolute discretion considers to be reasonable, having regard to the purpose of the Association.

In the event that the Board determines that a member should be expelled or suspended from membership in the Association, the President, or such other Officer as may be designated by the Board, shall provide twenty (20) days' notice of suspension or expulsion to the member and shall provide reasons for the proposed suspension or expulsion. The member may make written submissions to the President, or such other Officer as may be designated by the Board, in response to the notice received within such twenty (20) day period. In the event that no written submissions are received by the President, the President, or such other Officer as may be designated by the Board, may proceed to notify the member that the member is suspended or expelled from membership in the Association. If written submissions are received in accordance with this section, the Board will consider such submissions in arriving at a final decision and shall notify the member concerning such final decision within a further twenty (20) days from the date of receipt of the submissions. The Board's decision shall be final and binding on the member, without any further right of appeal.

## **6.9 Honorary Membership**

Upon receipt of nomination by two Members in good standing of the Association, the Board in accordance with such rules and procedures, as it may from time to time deem appropriate, may confer or deny the status of Honorary Member upon any former Member of the Association and determine the privileges of and duties attaching to Honorary Membership.

Honorary members have all rights and privileges of Class A members.

## **Article VII Board of Directors**

### **7.1 Number of Directors**

The Board of Directors shall be constituted as follows:

- a) Directors elected from Members in good standing. The number of Directors may be established and revised from time to time by ordinary resolution of the Board of Directors as deemed appropriate to represent Association Membership and to support Association initiatives. The number of Directors is determined such that the total number of Members of the Board of Directors, including those Members identified in (b) and (c) is not less than nine (9) or more than twenty-one (21).
- b) The Executive of the Association, which are the President, First Vice- President, Second Vice-President, Secretary and Treasurer, also includes any other Directors elected by the Board of Directors to sit on the Executive. The Executive Director position is ex-officio and is a non-voting position that is appointed by the Board of Directors
- c) The most recent Association Past President, not holding any elective office in the Association and who is still a Member in good standing of the Association.

### **7.2 Election/Appointment of Officers**

The Board designates the offices of the Corporation.

The President, first and second Vice Presidents Officers are elected by the Board. The Secretary and Treasurer Officers are appointed by the Board. The results of election and appointment are recorded in the minutes of meeting. The term of office for the President and Vice Presidents is two (2) years unless otherwise approved by the Board. At the end of the President's term, they assume the role of immediate past president, and with Board approval the First Vice president assumes the role of President, the Second Vice President assumes the role of First VP and a new second VP is elected from and by the Board of Directors.

The Board specifies the duties of Officers and, subject to the Act, delegate to such Officers the power to manage the affairs of the Association. A Director may be appointed to any office of the Corporation. An Officer may, but need not be, a Director unless these Bylaws otherwise provide. Two or more offices may be held by the same person.

### 7.3 Term of Office of Directors

Directors shall be elected for a term of three (3) years by the Members at the Annual General Meeting (AGM) of the Members. No Director may generally serve for more than nine (9) consecutive years except upon special request to the membership at the AGM and if approved by a majority of association members in attendance. The extension shall not exceed one extra term of three (3) years.

For transitional periods and subsequent years, the term of each position is documented in the slate of nominations as presented to the Members at the time of election.

Any Director wishing to change their position on the Board can do so prior to the end of their three (3) year term by seeking a new nomination for the different position. Up to one-third of the Board of Directors may be elected by the members at the AGM in order to facilitate continuity of the board and its business.

### 7.4 Proposals Nominating Directors at Annual Members' Meetings

All Class A members in good standing are eligible to vote in the election of the Board of Directors. Election of the Association Board of Directors shall take place at the Annual General Meeting (AGM) or other meeting as allowed by Section 9.2. An election by secret ballot shall be required only if the number of nominees exceeds the number of positions to be filled. The Directors shall be elected by a plurality of ballots so cast. In the event of a tie, the President or the presiding Officer shall cast the deciding vote.

A call for expressions of interest shall be issued by the Board prior to the AGM. Interested parties will be instructed to indicate their interest and provide any other documentation that the Board may require.

**Nomination of Directors:** An initial Slate of Nominations shall be made by the Nomination Committee no later than 30 days prior to the date of the election of the Board of Directors, and, in addition, nominations may be made from the floor if the election is held at a general meeting of the Membership. Notice of the Call for Nominees to the Board of Directors shall be sent to all Members in good standing at least 60 days prior to the next AGM.

### 7.5 Duties of Board and Executive/Description of Offices

Unless otherwise specified by the Board (which may, subject to the Act modify, restrict or supplement such duties and powers), the offices of the Association, shall have the following duties and powers associated with their positions:

**Chair of the Board:** The chair of the board shall be the President. The chair of the board, if any, shall, when present, preside at all meetings of the Board of Directors and of the members. The chair shall have such other duties and powers as the board may specify.

**7.5.1 The Association President** shall be the executive head of the Association. The President shall:

- a) Serve as chair of the board;
- b) Have general supervision of the affairs of the Corporation;
- c) Be the main point of contact for the Members and general public unless otherwise specified;
- d) When present, preside at all Executive, Board and membership meetings of the Association, and any other committees as determined by the Board. Typically the President is not required to preside at sub-committee meetings;
- e) Be responsible for the enforcement of the Bylaws of the Association and the resolutions and proceedings of the Board of Directors of the Association;
- f) Keep the members informed on the affairs of the Association;
- g) Consult with the Board of Directors of the Association, as required by this Bylaw and when necessary, concerning the business of the Association and its activities;
- h) Ensure the development of long term plans and alignment of annual operating plans with the long term plans;

- i) Implement the strategic plans and policies of the Association;
- j) Ensure that all necessary books and records of the Association required by the Bylaws or by any applicable statute are regularly and properly kept;
- k) Hold signing authority at the Association's banking institution together with any other Director as determined by the Board of Directors;
- l) Sign all contracts of material nature; and
- m) Confirm annually the existence of Director and Officer Liability and General Liability insurance coverage for the Association.

**7.5.2 The Association First Vice-President shall:**

- a) Have such duties and powers as may be prescribed by the Board of Directors.
- b) In the absence or disability of the Association President, perform the duties of the Association President.

**7.5.3 The Association Second Vice-President shall:**

- a) Have such duties and powers as may be prescribed by the Board of Directors.
- b) In the absence or disability of the Association President and First Vice-President, perform the duties of the Association President.

**7.5.4 The Association Executive Director shall be appointed by the Board of Directors and have such duties and powers as may be prescribed by the Board of Directors. The Board of Directors may fix such remuneration for the Executive Director as is considered reasonable. Approval of remuneration strategy by a majority vote of the Board is required to set the value of remuneration.**

**7.5.5 The Association Secretary shall:**

- a) Perform those duties delegated by the Association President or prescribed by the Board of Directors.
- b) Make reports as required by the Board of Directors.
- c) Attend and be the secretary of meetings of the board, members and committees of the board. (Note: subcommittees may appoint their own secretary).
- d) Give, or cause to be given, as and when instructed, notices to members, Directors, the public accountant and members of committees;
- e) Record the names of the Members present at any business meeting of the Association and of the Board and the minutes of all proceedings, which shall be transcribed and authenticated by resolution of the Board of Directors; and
- f) Be the custodian of all books, papers, records, documents and other instruments belonging to the Corporation - maintain records, papers, books and documents and all other property of the Association which may have come into their possession or may have been compiled or created during their term of office.

**7.5.6 The Association Treasurer shall:**

- a) Ensure that full and accurate accounts of all financial transactions are kept for a period of no less than seven (7) years including receipts and disbursements of the Association in proper books of account;
- b) Prepare a preliminary budget based on input from the Executive Committee for submission and approval to the Board of Directors;
- c) Deposit all monies and other valuable effects in the name of, and under the credit of the Association in such financial institution as may, from time to time, be designated for the purpose by the Board;
- d) Disburse the funds of the Association under the direction of the Board, keeping proper vouchers;

- e) Render to the Board at regular meetings thereof, or when required, an account of all transactions as Treasurer and of the financial position of the Association;
- f) Annually nominate the Public Accountant to undertake the review engagement, and arrange for a vote of members to approve by ordinary resolution the Public Accountant for the coming fiscal year per section 5.4 above. (Note: Members may waive appointment by annual unanimous resolution);
- g) Arrange the annual external review engagement (or audit – as determined by membership) of the financial statements of the Association. (Note: the Public Accountant must conduct review engagement, but members may pass an ordinary resolution to require an audit instead;
- h) Arrange for acceptance of the Auditor’s Report by a vote of the membership;
- i) Perform such other duties as may arise, from time to time, as required by the Board; and
- j) Oversee the routine activities of the Chartered (Public) Accountant.

**7.6** If at any meeting of the Association or of the Board of Directors, the Association President is absent or no one authorized to perform the duties of the President is present, then a Vice-President or Secretary or both as may be needed shall be appointed for the meeting by a majority vote of the Directors present and voting.

**7.7** The **Association Directors** shall:

- a) Be responsible for establishing Bylaws, policies, rules and procedures of the Association;
- b) Approve the auditors, audit fee, and acceptance of the Auditor’s report;
- c) Prepare a long-term plan with annual updates setting out the mission, vision, and long-term goals of the Association;
- d) Approve the annual operational plans and budget as prepared by the Executive;
- e) Arrange the Annual General Meeting of the Membership;
- f) Arrange the appointment or election of the Board of Directors;
- g) Regularly attend Board of Directors meetings and participate as set out in the Bylaws; and
- h) Provide guidance to the Association Executive Director.

**7.8** **Notice of Meeting of Board of Directors**

Notice of the time and place for the holding of a meeting of the Board shall be given in the manner specified to every Director of the Association not less than 7 days before the time when the meeting is to be held.

The Board will appoint specific dates and times for regular meetings. Those meetings held by teleconference will include call in information. Board members will be notified of the schedule of meetings for the coming year on or before the final meeting of the prior schedule. Changes to the schedule may be made as required. Board members will be informed of changes not less than 7 days prior to the revised meeting - unless otherwise agreed to by the Directors present.

Notice of a meeting shall not be necessary if all of the Directors are present, and none objects to the holding of the meeting, or if those absent have waived notice of or have otherwise signified their consent to the holding of such meeting. Notice of an adjourned meeting is not required if the time and place of the adjourned meeting is announced at the original meeting. Unless the Bylaw otherwise provides, no notice of meeting need specify the purpose or the business to be transacted at the meeting except that a notice of meeting of Directors shall specify any matter referred to in subsection 138(2) (Limits on Authority) of the Act that is to be dealt with at the meeting.

No other notice shall be required for any such regular meeting except if subsection 136(3) (Notice of Meeting) of the Act requires the purpose thereof or the business to be transacted to be specified in the notice.



## **7.9 Method of Giving Any Notice**

Any notice (which term includes any communication or document), other than notice of a meeting of members or a meeting of the Board of Directors, to be given (which term includes sent, delivered or served) pursuant to the Act, the articles, the Bylaws or otherwise to a member, Director, Officer or member of a committee of the Board or to the public accountant shall be sufficiently given:

- a) if delivered personally to the person to whom it is to be given or if delivered to such person's address as shown in the records of the Corporation or in the case of notice to a Director to the latest address as shown in the last notice that was sent by the Association in accordance with section 128 (Notice of Directors) or 134 (Notice of change of Directors) and received by the Director;
- b) if mailed to such person at such person's recorded address by prepaid ordinary or air mail;
- c) if sent to such person by telephonic, electronic or other communication facility at such person's recorded address for that purpose; or
- d) if provided in the form of an electronic document in accordance with Part 17 of the Act.

A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any member, Director, Officer, public accountant or member of a committee of the board in accordance with any information believed by the secretary to be reliable. The declaration by the secretary that notice has been given pursuant to this Bylaw shall be sufficient and conclusive evidence of the giving of such notice. The signature of any Director or officer of the Corporation to any notice or other document to be given by the Corporation may be written, stamped, type-written or printed or partly written, stamped, type-written or printed.

## **7.10 Calling of Meetings of Board of Directors**

In addition to regularly scheduled meetings, meetings of the Board may be called by President, Vice President or any two (2) Directors at any time.

## **7.11 Meeting Frequency**

The Board of Directors shall meet no less than four (4) times per year at such times and places as it may elect. Attendance at meeting may be in person, by conference call, or live video meetings. Notice of the meetings of the Board of Directors shall be made by the President, or as the Board may otherwise direct, but no failure or defect of notice shall invalidate the meeting or any business transacted or action taken thereat.

## **7.12 Votes to Govern at Meetings of the Board of Directors**

At all meetings of the Board of Directors the majority vote of the Directors present and voting shall decide all issues except as provided elsewhere in these Bylaws.

## **7.13 Board Quorum**

The quorum for any Board of Directors meeting will be one-third (1/3) of the current duly elected Directors. In the event that quorum cannot be achieved, motions may be tabled but must be deferred for voting until quorum has been achieved at the next Board meeting.

If a quorum is present at the opening of a meeting of members, the members present may proceed with the business of the meeting even if a quorum is not present throughout the meeting.

#### **7.14 Vacancy**

The office of Director or Officer will be vacated if, at a special or annual general meeting of Members a resolution is passed by a majority of the Members present at the meeting that the Director be removed from office.

#### **7.15 Vacancy in Office**

The Board may remove, whether for cause or without cause, any Officer of the Association. Unless so removed, an Officer shall hold office until the earlier of:

- a) the officer's successor being appointed;
- b) the officer's resignation;
- c) such officer ceasing to be a Director (if a necessary qualification of appointment); or
- d) death.

If the office of any Director or Executive becomes vacant for any reason the Board of Directors is empowered to fill such office for the unexpired term.

**7.16** If the Membership in the Association of any Director or Executive shall for any reason terminate, their office shall automatically become vacant.

**7.17** Attendance by the Directors at regularly scheduled Board of Director meetings of the Association is required as part of maintaining a position on the Board.

- a) Any Director who fails to attend fifty percent (50%) of the scheduled Board of Director meetings in any 12 month period or 24 month period starting with election to the Board; or
- b) Any member of the Executive who fails to attend four (4) consecutive meetings (also starting with election to the Board) will cause a special vote of the Board of Directors to determine whether or not that Director should be removed from the Board.

Attendance records for new Board Members are kept starting on the first meeting after the AGM.

**7.18** Directors and Executives shall be eligible for re-election, unless barred by other provisions contained elsewhere in these Bylaws.

**7.19** The resignation of any Director or Executive shall be tendered in writing to the Board of Directors and may be acted on at any regular or special meeting of the Board.

**7.20 Remuneration:** Members of the Board of Directors shall not receive salaries or fees for their services, but may be reimbursed for expenses incurred in the performance of their duties subject to such approval as may be determined by the Board of Directors.

**7.21** The Board of Directors may appoint such **agents** and engage such **employees** as it shall deem necessary from time to time. Reasonable **remuneration** shall be fixed by the Board of Directors by resolution.

**7.22 Liability:** Every Director or officer of the corporation or other person who has undertaken or is about to undertake any liability on behalf of the corporation or any company controlled by it and their heirs, executors and administrators, and estate and effects, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the Association, from and against the following:

- a) All costs, charges, and expenses which such Director, Officer or other person sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against him, or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by him, in or about the execution of the duties of his office or in respect of any such liability;
- b) All other costs, charges, and expenses which the Director or Officer sustains or incurs in or about or in relation to the affairs thereof, **except** such costs, charges or expenses as are occasioned by his own willful neglect or default.

## Article VIII Committees of the Board of Directors

### 8.1 Committees of the Board of Directors

The Board of Directors may from time to time strike any committee(s) or advisory body as the Board of Directors deems necessary or appropriate, for such purposes, and such periods of time, and subject to the Act with such powers as the Board of Directors shall see fit, but shall not delegate to such committee(s) any of the powers of the Directors which must be exercised by the Board of Directors.

**8.1.1** Any member of any committee may be removed at the discretion of those appointing such Member.

**8.1.2** Aside from the Executive Committee all other committees will be sub-committees of the Board unless otherwise specified by the Board.

Any such committee may formulate its own rules of procedure, subject to such regulations or directions as the Board may from time to time make. Any committee member may be removed by resolution of the Board of Directors.

**8.1.3 Committee Quorum** The majority of each committee shall constitute a quorum thereof.

**8.1.4 Committee Terms of Reference** The Board of Directors shall approve the Terms of Reference of any Committee established under this Bylaw and shall ensure the annual review of any such Terms of Reference.

### 8.2 Sub-Committees of the Board

Sub-committees will be formed as required by the Board.

**8.2.1 Committee Terms of Reference:** The Board of Directors shall approve the Terms of Reference of any Committee established under this Bylaw and shall ensure the annual review of any such Terms of Reference. **Sub-committees will be given a specific mandate from the Board and will report to the Board. Unless otherwise approved by the Board, sub-committees only have the right to provide recommendations for Board consideration.**

**8.2.2** Any member of any committee may be removed at the discretion of those appointing such Member.

**8.2.3 Sub-committee members will be chosen from Association members in good standing.** The President shall be an ex-officio member of all committees.

**8.2.4 Committee Chair:** The Board of Directors shall appoint a chairperson to head each such committee, and each such chairperson shall have the power to appoint members to and remove members from the committee headed by him or her.

**8.2.5** The chairpersons of such committees shall be chosen from among the Directors and Members of the Association.

**8.2.6 Committee Quorum:** The majority of each committee shall constitute a quorum thereof.

## Article IX Annual General Meetings

### 9.1 Notice of Annual General Members Meeting

The Annual General Meeting of the Association shall be held at such time and place and on such date as may be determined by the Board of Directors for the purpose of electing or appointing the Board for the following year as herein provided, to receive reports, and to transact other business as may be presented.

Notice of the meeting shall be communicated no less than thirty (30) days before the date of the meeting to each member entitled to vote at such meetings. Notice of each meeting of members must remind the member that he or she has the right to vote by proxy.

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendment to the Bylaws of the Corporation to change the manner of giving notice to members entitled to vote at a meeting of members.

## **9.2 Place of Members' Meeting**

The Board of Directors shall have the power to fix the time and place for each annual meeting and each special meeting of the Association.

Should the Board of Directors fail to fix a time and place for any annual meeting within a period of eleven (11) months after the last annual meeting, the Association President shall fix a time and place.

The annual or any other general or special meeting of the members may be held at the head office of the corporation, or at any place in Canada as the Board of Directors may determine, or by teleconference as the Board of Directors may determine.

## **9.3 Chair Members' Meetings**

In the event that the chair of the board (President) and the Vice Presidents are absent, the members who are present and entitled to vote at the meeting shall choose one of their number to chair the meeting.

## **9.4 Omissions and Errors**

The accidental omission to give any notice to any member, Director, Officer, member of a committee of the board or public accountant, or the non-receipt of any notice by any such person where the Association has provided notice in accordance with the Bylaws or any error in any notice not affecting its substance shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice.

## **9.5 Cost of Publishing Proposals for Annual Members' Meetings**

Members that submitted proposal(s) to be considered at the AGM shall pay the cost of including the proposal and any statement in the notice of meeting at which the proposal is to be presented unless otherwise provided by ordinary resolution of the members present at the meeting.

## **9.6 Persons Entitled to be Present at Members' Meetings**

The only persons entitled to be present at a meeting of members shall be those entitled to vote at the meeting, the Directors and the public accountant of the Association and such other persons who are entitled or required under any provision of the Act, articles or Bylaws of the Association to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or by ordinary resolution of the members.

## **9.7 Participation by Electronic Means at Members' Meetings**

The Association may choose to make available a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a meeting of members. A person participating in a meeting by such means is deemed to be present at the meeting. Notwithstanding any other provision of this Bylaw, any person participating in a meeting of members pursuant to this section who is entitled to vote at that meeting may vote, in accordance with the Act, by means of any telephonic, electronic or other communication facility that the Association has made available for that purpose.

## **9.8 Members' Meeting Held Entirely by Electronic Means**

If the Directors or members of the Association call a meeting of members pursuant to the Bylaws, those Directors or members, as the case may be, may determine that the meeting shall be held entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

## **9.9 Votes to Govern at Members' Meetings**

At any meeting of members every issue shall, unless otherwise provided by the articles or Bylaws or by the Act, be determined by a majority of the votes cast on the all issues except as provided elsewhere in these Bylaws. In case of an equality of votes either on a show of hands or on a ballot or on the results of electronic voting, the

chair of the meeting in addition to an original vote shall have a second or casting vote. A majority of members present in person or by proxy at a meeting will constitute a quorum.

#### **9.10 Absentee Voting at Members' Meetings**

Pursuant to Section 171(1) of the Act, a member entitled to vote at a meeting of members may vote by proxy by appointing in writing a proxy holder to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by it subject to the following requirements:

- a) a proxy is valid only at the meeting in respect of which it is given or at a continuation of that meeting after an adjournment;
- b) a member may revoke a proxy in writing. The document must be received by a member of the Board or Executive Director no later than the last business day preceding the day of the meeting, or the day of the continuation of that meeting after an adjournment of that meeting, at which the proxy is to be used, or with the chairperson of the meeting on the day of the meeting or the day of the continuation of that meeting after an adjournment of that meeting;
- c) a proxy holder has the same rights as the member by whom they were appointed, including the right to speak at a meeting of members in respect of any matter, to vote by way of ballot at the meeting, to demand a ballot at the meeting and, except where a proxy holder has conflicting instructions from more than one member, to vote at the meeting by way of a show of hands;
- d) if a form of proxy is created by a person other than the member, the form of proxy shall:
  - i. indicate, in bold-face type:
    - the meeting at which it is to be used;
    - that the member may appoint a proxy holder, other than a person designated in the form of proxy, to attend and act on their behalf at the meeting; and
    - instructions on the manner in which the member may appoint the proxy holder.
  - ii. contain a designated blank space for the date of the signature;
  - iii. provide a means for the member to designate some other person as proxy holder, if the form of proxy designates a person as proxy holder;
  - iv. provide a means for the member to specify that the membership registered in their name is to be voted for or against each matter, or group of related matters, identified in the notice of meeting, other than the appointment of a public accountant and the election of Directors;
  - v. provide a means for the member to specify that the membership registered in their name is to be voted or withheld from voting in respect of the appointment of a public accountant or the election of Directors; and
  - vi. state that the membership represented by the proxy is to be voted or withheld from voting, in accordance with the instructions of the member, on any ballot that may be called for and that, if the member specifies a choice under subparagraph (iv) or (v) with respect to any matter to be acted on, the membership is to be voted accordingly.
- e) a form of proxy may include a statement that, when the proxy is signed, the member confers authority with respect to matters for which a choice is not provided in accordance with subparagraph (d)(iv) only if the form of proxy states, in bold-face type, how the proxy holder is to vote the membership in respect of each matter or group of related matters;
- f) if a form of proxy is sent in electronic form, the requirements that certain information be set out in bold-face type are satisfied if the information in question is set out in some other manner so as to draw the addressee's attention to the information; and
- g) a form of proxy that, if signed, has the effect of conferring a discretionary authority in respect of amendments to matters identified in the notice of meeting or other matters that may properly come before the meeting must contain a specific statement to that effect.

Pursuant to Section 197(1) (Fundamental Change) of the Act, a special resolution of the members (and if Section 199 applies, a special resolution of each class of members) is required to make any amendment to the articles or Bylaws of the Corporation to change this method of voting by members not in attendance at a meeting of members.

### **9.11 Members Calling a Members' Meeting**

The Board of Directors shall call a special meeting of members in accordance with Section 167 of the Act, on written requisition of members carrying not less than 5% of the voting rights. If the Directors do not call a meeting within twenty-one (21) days of receiving the requisition, any member who signed the requisition may call the meeting.

## **Article X Mediation and Arbitration**

### **10.1 Mediation and Arbitration**

The rules of procedure at meetings of the Association, of the Board of Directors, and of Committees, shall be according to Roberts Rules of Order, so far as it is applicable when not inconsistent with these Bylaws. Disputes or controversies among members, Directors, Officers, committee members, or volunteers of the Association are as much as possible to be resolved in accordance with mediation and/or arbitration as provided in the section on dispute resolution mechanism of this Bylaw.

**10.2** The rules of procedure may be suspended by two-thirds (2/3) vote of those present and voting at any meeting.



**Sue Keane**  
**President**



**Tamara Hawkins**  
**Secretary**

Certified a true copy the Bylaws of the Auditing Association of Canada/L'Association Canadienne de Verification enacted by the Directors 15<sup>th</sup> Day of July 2015 and sanctioned by a vote of not less than 2/3 of the members present at a special general meeting of the Corporation held July 15, 2015