

## **BY-LAW NO. 1**

A by-law relating generally to the transaction of the business and affairs of **CFA SOCIETIES CANADA INC.**

### **CONTENTS** **SECTION ONE – INTERPRETATION**

1.1 **DEFINITIONS** - In the By-laws 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, and any statute or regulations that may be substituted, as amended from time to time;

"**Appoint**" includes "elect" and vice versa;

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

"**Board**" means the board of directors of the Corporation;

"**By-laws**" means this By-law and all other by-laws of the Corporation from time to time enacted by the Corporation and being in force and effect;

"**CAC**" means the Canadian Advocacy Council, formerly a committee of CFA Institute and Member Societies of CFA Institute in Canada, now a committee of the Corporation;

"**Canadian Region Presidents Council Representative**" shall mean the individual Appointed, from time to time, by the Canadian Region of the CFA Institute Presidents Council.

"**Chair**" means the Person described in **Section 6.2**;

"**Consensus**" means the absence of dissent and includes the process of systematically narrowing an issue until there is no dissent;

"**Corporation**" means the body corporate incorporated or continued under the Act and named in the Articles;

"**Director**" means an individual member of the Board;

"**Executive Committee**" means a committee of Persons described in **Section 5.1**;

"**First Directors**" means those individuals named as such in the Articles who comprise the first Board, together with those additional Directors, if any, Appointed by the aforementioned individuals;

**"Majority"** means, unless the context otherwise requires, fifty percent (50%), plus one (1);

**"Managing Director"** means the Person described in **Section 7.1**;

**"Meeting of Members"** includes an annual Meeting of Members or a Special Meeting of Members;

**"Member"** means a Person described in **Section 9.1**;

**"Member Representative"** means a Person described in **Section 9.8**;

**"Observer Member"** means a Person described in **Subsection 9.1(b)**;

**"Officer"** means a Person described in **Section 6.1**;

**"Ordinary Resolution"** means a resolution passed by not less than a Majority of the votes cast on that resolution;

**"Person"** includes an individual, partnership, association, body corporate, sole proprietorship, unincorporated association, trustee, executor, administrator or legal representative;

**"Proportionate Share"** means, for any particular Member, the proportion, expressed as a percentage, that the votes from time to time held by such Member, comprises of the total of all votes at such time;

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

**"Special Meeting of Members"** means any Meeting of Members other than an annual Meeting of Members;

**"Special Resolution"** means a resolution:

- (a) passed by not less than two-thirds (2/3) of the votes cast on that resolution; and
- (b) approved by the Majority of the Voting Members, without regard to the number of votes held by such Voting Members.

**"UMA"** means a unanimous member agreement, as defined in the Act;

**"Vice-Chair"** means the Person described in **Section 6.3**; and

**"Voting Member"** means a Person described in **Subsection 9.1(a)**.

1.2 **INTERPRETATION** - All terms which are contained in the By-laws and which are defined in the Act, but not defined in any by-law, shall have the meanings given to such terms in the Act; words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; words importing Persons include individuals,

bodies corporate, partnerships, trusts and unincorporated organizations. The insertion of headings in these By-laws is for convenience of reference only and shall not affect the construction or interpretation thereof.

## **SECTION TWO - BUSINESS OF THE CORPORATION**

2.1 **REGISTERED OFFICE** - The registered office and chief place of business of the Corporation shall be as designated by a Special Resolution of the Voting Members, from time to time.

2.2 **CORPORATE SEAL** - The Corporation may have a corporate seal in the form approved from time to time by the Board.

2.3 **FINANCIAL YEAR** - The fiscal year of the Corporation shall be as determined by a Special Resolution of the Board, from time to time.

2.4 **EXECUTION OF INSTRUMENTS** - Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the Corporation may be signed by any two members of the Executive Committee. 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 (if any) to the document. Any signing officer may certify a copy of any instrument, resolution, by-law or other document of the Corporation to be a true copy thereof.

2.5 **BANKING ARRANGEMENTS** - The banking business of the Corporation 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 may designate, appoint or authorize from time to time by Special Resolution. The banking business or any part of it shall be transacted by an Officer or Officers of the Corporation and/or other Persons as the Board may by Special Resolution from time to time designate, direct or authorize.

2.6 **VOTING RIGHTS IN OTHER CORPORATIONS** - The signing officers of the Corporation may execute and deliver proxies and/or arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such Person or Persons, as may be determined by the Officers executing such proxies and/or arranging for the issuance of voting certificates or such other evidence of the right to exercise such voting rights. In addition, the Board may from time to time direct the manner in which and the Person or Persons by whom any particular voting rights or class of voting rights may or shall be exercised.

## **SECTION THREE - ACCOUNTS**

3.1 **RECORDING OF MONIES** - All monies received by the Corporation shall be deposited in the Corporation's bank account as nearly as possible from day to day and all payments shall be made by cheque, electronic funds transfer or like payments, from the Corporation's bank account, provided that nothing in this **Section 3.1** shall inhibit the Corporation from establishing reserve funds and transferring monies from and to such funds.

3.2 **ACCOUNTING RECORDS** - The Board shall cause accounts to be kept of the assets and liabilities of the Corporation, of all monies received by the Corporation, of all monies invested by the Corporation and of all monies distributed by the Corporation and of the matters in respect of

which credits and expenditures take place. The books of the Corporation shall be kept at the registered office of the Corporation or at such other place as the Board may designate, from time to time. The Corporation may, instead of sending copies of the annual financial statements and other documents referred to in Subsection 172(1) of the Act to the Members, publish a notice to the Members stating that the annual financial statements and documents provided in Subsection 172(1) are available at the registered office of the Corporation and any Member may, on request, obtain a copy free of charge at the registered office or by prepaid mail.

3.3 **FINANCIAL REPORT** - A Person designated for that purpose by the Board shall, at least once in every year and more often if deemed proper by the Board, place before the Board a statement of receipts and disbursements and a balance sheet.

3.4 **APPOINTMENT OF AUDITORS OR ACCOUNTANTS** - The Voting Members, at the annual Meeting of Members, shall, after considering any recommendations of the Board, and in addition to transacting such other business as referred to in **Section 9.9**, Appoint an independent chartered professional accountant or a firm of independent chartered professional accountants to be either the auditor(s) or the accountant(s) of the Corporation for the coming year and to audit or otherwise comment and report on all of the accounts, records, and financial affairs of the Corporation at the next annual meeting of the Board and Members (or, if permitted by the Act, to dispense with such Appointment).

#### **SECTION FOUR – DIRECTORS**

4.1 **NUMBER OF DIRECTORS AND QUORUM** - Until changed in accordance with the Act, the Board shall consist of a minimum of three (3) Directors and a maximum of twenty (20) Directors. The quorum for the transaction of business at any meeting of the Board shall consist of seventy-five percent (75%) of the Board, or such other number of Directors as the Board may from time to time determine.

4.2 **OBSERVERS** - The Canadian Region Presidents Council Representative, the chair of the CAC, the Managing Director and such other Persons who from time to time are designated by the Board, shall be:

- (a) entitled to receive notice of, and to attend, meetings of the Board;
- (b) entitled to receive all information which is received by the Board;
- (c) Appointed to terms consistent with the manner set out for the Board, in **Section 4.4**; and
- (d) subject to any term limits which are imposed by these By-laws, with respect to Directors,

but shall not be:

- (e) entitled to vote at meetings of the Board; or
- (f) a Director or a member of the Board.

4.3 **QUALIFICATION** - Directors of the Corporation must meet the following qualifications:

- (a) be an individual;
- (b) be eighteen (18) or more years of age;
- (c) not be of unsound mind, nor have been so found by a court in Canada or elsewhere;
- (d) not have the status of an undischarged bankrupt;
- (e) be a CFA Charterholder, and maintain the status of being a CFA Charterholder at all times;
- (f) have a minimum of three (3) years' experience as volunteer or board member of a Member Society of CFA Institute in Canada (provided that this qualification criterion shall not apply to a Director who is elected by CFA Institute); and
- (g) meet such other qualification criteria as may be prescribed by rules, regulations or policies unanimously passed by the Board, from time to time.

#### **4.4 ELECTION AND TERM OF OFFICE**

- (a) The First Directors shall all be considered to be elected Directors and shall each be Appointed for a term expiring at the first annual Meeting of Members.
- (b) Following the expiration of the term of the First Directors, the Board shall be elected by the Voting Members and shall serve for a term of two (2) years, or until its successors are elected or Appointed, provided that as part of the elections pursuant to this **Subsection 4.4(b)**:
  - (i) not more than one-half (1/2) of the Directors shall be elected for a term of twelve (12) months; and
  - (ii) the remaining Directors shall be elected for a term of twenty-four (24) months.
- (c) At each subsequent annual Meeting of Members there shall be elected a number of Directors equal to the number of Directors whose term of office expires at the close of such meeting and each Director so elected shall hold office for a term of twenty-four (24) months.
- (d) A Director whose term of office has expired shall be eligible for re-election at the annual meeting of the Members, provided that Directors shall serve a maximum of two (2) consecutive terms (and further provided that service as a First Director shall not count against these term limits).

**4.5 REMOVAL OF DIRECTORS BY MEMBERS** - Subject to the provisions of the Act, the Voting Members may, by Ordinary Resolution passed at a Special Meeting of Members, remove any Director from office and the vacancy created by such removal may be filled at the same meeting, failing which it may be filled by the Directors.

**4.6 VACATION OF OFFICE** - A Director ceases to hold office when:

- (a) she or he dies;
- (b) she or he is removed from office by an Ordinary Resolution of the Voting Members, in accordance with **Section 4.5**;
- (c) she or he ceases to be qualified for election as a Director, in accordance with **Section 4.3** (including, without limitation, having the Director's CFA Charter revoked or suspended);
- (d) she or he is of unsound mind and has been found so by a Court in Canada or elsewhere;
- (e) she or he has the status of a bankrupt, or suspends payments, or makes a compromise with her or his creditors;
- (f) her or his written resignation is sent or delivered to the Corporation or, if a time is specified in such resignation, at the time so specified, whichever is later; or
- (g) she or he is not re-elected and her or his successor is elected.

4.7 **VACANCIES** - Subject to the provisions of the Act, a quorum of the Board may fill a vacancy in the Board. In the absence of a quorum of the Board, the Board shall forthwith call a Special Meeting of Members to fill the vacancy.

4.8 **ACTION BY THE BOARD** - Subject to the provisions of the Act, the Articles and any UMA, the Board shall have the full power in all things to manage and administer the business and affairs of the Corporation, which shall, for greater certainty, include the authorization for and on behalf of the Corporation to purchase stocks, bonds, debentures and other securities and to invest the funds of the Corporation therein (provided that any such purchase shall be in accordance with any investment policies of the Corporation, from time to time). Where there is a vacancy in the Board, the remaining Directors may exercise all the powers of the Board so long as a quorum remains in office.

4.9 **PARTICIPATION IN MEETINGS BY TELEPHONE AND OTHER MEANS** - If all the Directors consent, a Director may participate in a meeting of the Board or of a committee of the Board by means of such telephonic, electronic or other communication facilities that permit all Persons participating in the meeting to hear each other and a Director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the Board and of committees of the Board held while a Director holds office. At the commencement of each meeting by conference telephone or other permitted communications facility, each Director participating must clearly indicate her or his attendance and the secretary of the meeting shall maintain a record of the meeting of the Directors so participating.

4.10 **MEETINGS BY OTHER ELECTRONIC MEANS** - The Board may meet by other electronic means that permits each Director to communicate adequately with each other, provided that:

- (a) the Board has passed a Special Resolution addressing the mechanics of holding such a meeting and dealing specifically with how security issues should be handled, the procedures for establishing quorum and recording votes;
- (b) each Director has equal access to the specific means of communication to be used; and
- (c) each Director has consented in advance to meeting by electronic means using the specific means of communication proposed for the meeting.

4.11 **RESOLUTION IN WRITING** - Subject to the Act, a resolution in writing signed by all the Directors entitled to vote on that resolution at a meeting of the Board is as valid as if it had been passed at a meeting of the Board.

4.12 **PLACES OF MEETINGS** - Meetings of the Board may be held at any place in or outside of Canada.

4.13 **CALLING OF MEETINGS** - Meetings of the Board shall be held from time to time and at such place as the Chair may determine, provided that the Board shall meet no fewer than four (4) times annually.

4.14 **NOTICE OF MEETING** - Notice of the time and place of each meeting of the Board shall be given in the manner provided in **Section 10.1** to each Director not less than seven (7) days before the time when the meeting is to be held. A notice of meeting of Directors need not specify the purpose of the business to be transacted at the meeting, except where the Act requires such purpose of business to be specified. A Director may in any manner waive notice of, or otherwise consent to, a meeting of the Board. Except as provided herein, no public notice or advertising of any meeting of the Board shall be required.

4.15 **FIRST MEETING OF NEW BOARD** - Provided a quorum of Directors is present, each newly elected Board may, without notice, hold its first meeting immediately following the Meeting of Members at which such Board is elected.

4.16 **ADJOURNED MEETING** - If a meeting of Directors is adjourned for less than thirty (30) days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a meeting of Directors is adjourned by one or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting shall be given as for an original meeting.

4.17 **CHAIR** - The Chair shall be the chair of any meeting of the Board. If the Chair is not present, the Vice-Chair shall chair the meeting. If neither the Chair nor the Vice-Chair is present, the Directors present shall choose one of their number to be the chair.

4.18 **CONSENSUS AND VOTES TO GOVERN** - Subject to the Act and any UMA, at all meetings of Board every question shall be approved by Consensus of Board, in accordance with **Section 11.5**, except for decisions related to budgetary approval and the implementation of projects of the Corporation.

4.19 **CONFLICT OF INTEREST** - A Director or Officer who is a party to or who is a Director of or has a material interest in any Person who is a party to a material contract or proposed material contract with the Corporation shall disclose in writing to the Corporation or request to have

entered in the minutes of meetings of Directors of the Corporation the nature and extent of her or his interest at the time and in the manner provided by the Act. Any Director or Officer so interested shall not vote on any resolution to approve the contract, except in the manner and to the extent provided in the Act.

4.20 **REMUNERATION AND EXPENSES** - The Board may fix the remuneration of the employees of the Corporation and may formulate the policy of the Corporation in relation to the reimbursement of expenses. The Directors or Officers of the Corporation shall not receive any remuneration for the providing of their services; provided, however, by a decision of the Board of Directors, shall be entitled to be reimbursed for such expenses properly incurred by them in attending to the affairs of the Corporation. The Board may Appoint such Officers and engage such employees, solicitors, property managers, agents, consultants and developers and other Persons at such salaries or for such remuneration as the Board may deem proper or necessary and may incur such expenditures incidental to the conduct of the affairs of the Corporation and carry out its objects as may appear proper and the Board shall approve the payment of all such salaries, remuneration and expenditure.

### **SECTION FIVE – COMMITTEES**

5.1 **COMMITTEE OF DIRECTORS** - The Board may Appoint any number of committees of Directors and delegate to such committee powers permitted to be delegated to the committee by **Article 7**, provided that a Majority of the members of such committee shall be resident Canadians. Director committee members shall receive no remuneration for serving as such, but are entitled to reasonable expenses incurred in the exercise of their duty. Without limiting the generality of the foregoing, the Board shall Appoint an "**Executive Committee**", to take a more active role in the management of the Corporation, which Executive Committee shall be comprised of:

- (a) the Chair;
- (b) the Vice-Chair;
- (c) the Director Appointed by CFA Institute; and
- (d) three (3) Directors, selected by the Directors Appointed by Member Societies of CFA Institute in Canada, for a one-year term.

Subject to any UMA, the Executive Committee's authority and responsibility shall include the following matters:

- (e) hiring, terminating and oversight of the Corporation's Managing Director;
- (f) overseeing and approving governance of CAC and other committees or councils approved by the Board;
- (g) approving the admission of members of CAC and other committees or councils approved by the Board;
- (h) recommending and overseeing budgets of CAC and other committees or councils approved by the Board;



- (i) recommending national communication items, to Member Societies of CFA Institute in Canada;
- (j) investing the reserves of the Corporation, in accordance with such investment policies as may be in place, from time to time; and
- (k) such other authority and responsibility as the Board may determine, from time to time.

5.2 **TRANSACTION OF BUSINESS** - The powers of a committee of the Board may be exercised by Special Resolution at a meeting of the committee at which a quorum is present or by a resolution in writing signed by all the members of such committee who would have been entitled to vote at a meeting of the committee called to consider the subject matter of such resolution. Meetings of such committees shall be held from time to time and at such place as the Chair may determine, provided that the Executive Committee shall meet not fewer than once every month.

5.3 **PROCEDURE** - Unless otherwise determined by the Board, each committee shall have the power to:

- (a) fix its quorum, provided that quorum of the Executive Committee shall be seventy-five percent (75%) of its members;
- (b) elect its chair; and
- (c) regulate procedural matters related to the carrying on of its business, such as its notice and voting procedures.

5.4 **REMOVAL OF COMMITTEE MEMBER** - The removal of any Person from any office will also automatically result in the removal of such Person from all committees of the Board. The vacancy in each committee shall be filled by any Person replacing him in such office unless the Board otherwise determines. The Board in its discretion may by Special Resolution passed at a meeting of the Board, with or without cause, at any time, remove any member of any committee of the Board and may fill the vacancy created by such removal.

## **SECTION SIX – OFFICERS**

6.1 **APPOINTMENT** - The officers ("**Officers**") of the Corporation shall include the following Officers: Chair, Vice-Chair and such other Officers as the Board may, by By-law or Special Resolution, determine. The Board may specify the duties of any such Officers, in addition to those duties which are set out in the By-laws. One (1) Person may hold more than one (1) office. Officers of the Corporation shall be Appointed by a Special Resolution of the Board at the first meeting of the Board following the annual Meeting of Members.

6.2 **CHAIR** - The Chair shall be the Canadian Region Presidents Council Representative, and shall preside at all meetings of the Board, serve as the day-to-day contact for all national staff and perform such other duties as are incidental to such office, or as may, from time to time, be imposed upon her or him by the Board.

6.3 **VICE-CHAIR** - The Vice-Chair shall be the Director Appointed by the CFA Society of Toronto, provided that, if that individual is unable or unwilling to serve as Vice-Chair, the Vice-

Chair shall be Appointed by Special Resolution of the Board from among its number (provided further that the Director Appointed by CFA Institute shall not be eligible to be Vice-Chair).

6.4 **POWERS AND DUTIES OF OTHER OFFICERS** - The powers and duties of all other Officers shall be such as the terms of their engagement call for or as the Board or the Chair may specify. Without limiting the generality of the foregoing, a Secretary-Treasurer, if appointed by the Board, shall be responsible for overseeing the creation of the financial report referred to in **Section 3.3**.

6.5 **VARIATION OF POWERS AND DUTIES** - The Board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any Officer.

6.6 **INABILITY OF OFFICER OR DIRECTOR TO PERFORM DUTIES** - Unless otherwise set out in these By-laws, if any Officer or Director is unable to perform her or his functions or discharge her or his duties as such Director or Officer, the Board may Appoint such other Director(s) or Officer(s) to perform the functions and/or to discharge the duties of that Director or Officer.

6.7 **TERM OF OFFICE** - The Board, in its discretion by Special Resolution, may remove any Officer, without prejudice to such Officer's rights under any employment contract. Otherwise, each Officer Appointed by the Board shall hold office until her or his successor is Appointed.

6.8 **DISCLOSURE OF INTEREST** - An Officer shall disclose her or his interest in any material contract or proposed material contract with the Corporation in accordance with **Section 4.19**.

## **SECTION SEVEN – DELEGATION**

7.1 **DELEGATION BY THE BOARD OF DIRECTORS** - Subject to **Section 7.2**, the Board may from time to time delegate to and retain a "**Managing Director**" (who shall be the executive director of the Corporation) or delegate to such one or more of the Directors and Officers of the Corporation, as may be designated by the Board, all or any of the powers conferred upon the Board pursuant to the Act or any Articles or By-laws of the Corporation, to such extent and in such manner as the Board shall determine at the time of each such delegation.

7.2 **EXCEPTION** - The Board shall not delegate any authority or power exclusively conferred on it by the Act.

## **SECTION EIGHT - PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

8.1 **LIMITATION OF LIABILITY** - No Director or Officer shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or employee, or for joining in any other act or conformity, or for any loss, damage or expense occurring to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any Person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by an error of judgment or oversight on her or his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of her or his office or in relation thereto, unless the same are occasioned by her or his own willful neglect or default; provided that nothing herein shall relieve any Director

or Officer from the duty to act in accordance with the Act or from liability for any breach of the provisions thereof.

8.2 **INDEMNITY** - Subject to the limitations contained in the Act, the Corporation may indemnify a Director or an Officer of the Corporation, a former Director or Officer of the Corporation or a Person who acts or acted at the Corporation's request as a Director or Officer of a body corporate of which the Corporation is or was a shareholder or creditor (or a Person who undertakes or has undertaken any liability on behalf of the Corporation or any such body corporate) and her or his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by her or him in respect of any civil, criminal or administrative action or proceeding to which she or he has made a party by reason of being or having been a Director or Officer of the Corporation or such body corporate (or having undertaken any such liability) if:

- (a) she or he acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, she or he had reasonable grounds for believing that her or his conduct was lawful,

and shall so indemnify such a Person as aforesaid who has been substantially successful in the defence of any civil, criminal or administrative action or proceeding to which she or he is made a party by reason of being or having been a Director or Officer of the Corporation or body corporate against all costs, charges and expenses reasonably incurred by her or him in respect of such acts or proceedings, notwithstanding subparagraphs (a) and (b) above.

8.3 **INSURANCE** - Subject to the limitations contained in the Act, the Corporation may purchase and maintain such insurance for the benefit of its Directors and Officers as such, as the Board may from time to time determine (including policies which are made available by CFA Institute).

## **SECTION NINE - MEMBERS**

9.1 **MEMBERSHIP** - Subject to the Articles, the Members of the Corporation shall consist of two classes of Members, namely:

- (a) Voting Members, which class shall consist of:
  - (i) the Member Societies of CFA Institute in Canada, from time to time; and
  - (ii) CFA Institute.
- (b) Observer Members, which class shall consist of:
  - (i) the Canadian Region Presidents Council Representative;
  - (ii) the chair of the CAC;
  - (iii) the Managing Director; and

- (iv) such other Persons who from time to time have submitted to the Board their written application for membership as an Observer Member, and who have been approved by the Board or by a Person authorized by the Board to approve membership applications.

Each Voting Member shall be entitled to receive notice of, attend, and vote on each question arising at any Meeting of Members. The Observer Members shall be entitled to receive notice of and attend any Meeting of Members, but shall not be entitled to vote thereat.

9.2 **FEES AND DUES NON-REFUNDABLE** - Subject to any UMA, membership fees and related dues payable to the Corporation shall be as determined by Special Resolution of the Board, from time to time. Such fees and dues shall be non-refundable.

9.3 **MEMBERSHIP NON-TRANSFERABLE** - Subject to any UMA, the interest of a Member in the Corporation is not transferable, provided that in the case of an Observer Member who is an Observer Member by virtue of her or his office, such Observer Member's membership shall automatically be transferred to her or his successor in office, and the former Observer Member shall have no further rights, as such.

9.4 **TERM** - Membership in the Corporation is terminated when:

- (a) the Member is dissolved or otherwise ceases to be a Member Society of CFA Institute in Canada (in the case of Members which are Member Societies of CFA Institute in Canada);
- (b) the Member resigns, by delivering a resignation in writing to the Corporation, which resignation shall be effective on the date specified in the resignation; and
- (c) the Member is removed by the Board, in accordance with the terms and conditions set out in **Section 9.7**.

9.5 **RIGHTS ON TERMINATION** - Subject to the Articles and any UMA, upon any termination of membership, the rights of the Member, including any rights in the property of the Corporation, automatically cease to exist. A Member whose membership is terminated may reapply for membership in the Corporation.

9.6 **DISSOLUTION** - It is specifically provided that in the event of liquidation, dissolution or winding-up of the Corporation, all its remaining assets after payment of its liabilities shall be distributed to each Voting Member, such distribution to be on the basis of each Member's Proportionate Share.

9.7 **DISCIPLINE AND REMOVAL OF MEMBERS** - The Board shall have authority to suspend or expel any Member for any one or more of the following grounds:

- (a) violating any provision of the Articles, the By-laws, any UMA or written policies of the Corporation; or
- (b) carrying out any conduct that may be detrimental to the Corporation, as determined by the Board, in its sole discretion.

If the Board determines that a Member should be expelled or suspended from membership in the Corporation:

- (c) the Board, or such other Person or Persons 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;
- (d) the Member may make written submissions to the Board, or such other Person or Persons as may be designated by the Board, in response to the notice, provided that no submissions received after the expiration of such twenty (20) days' notice period shall not be considered by the Board, or such other Person or Persons as may be designated by the Board;
- (e) if no written submissions are received, the Board, or such other Person or Persons as may be designated by the Board, may proceed to notify the Member that the Member is suspended or expelled from membership in the Corporation;
- (f) if written submissions are received in accordance with this **Section 9.7**, the Board shall consider such submissions and the Board shall arrive at a final decision. Written notification of such final decision shall be provided, by the Board, to the Member, not more than twenty (20) days from the date of receipt of the Member's submissions; and
- (g) A decision to suspend or expel a Member in accordance with this **Section 9.7** shall be final and binding on the Member, without any further right of appeal.

9.8 **DESIGNATED REPRESENTATIVE** - For the purposes of receiving notice of meetings of Members, attending and voting at meetings of Members and for all other purposes relating to membership in the Corporation, a Member, if not an individual, shall from time to time designate an individual (the "**Member Representative**"), who satisfies the same qualifications as prescribed by **Section 4.3**, for Directors, to act as the representative of the Member, for such purposes.

9.9 **ANNUAL MEETINGS** - The annual Meeting of Members shall be held on such day in each year, and at such time, as the Board shall determine, provided that each annual meeting of the Members shall be held not more than the earlier of six (6) months after the financial year end of the Corporation, or fifteen (15) months after the preceding annual Meeting of Members, for the purposes of considering the financial statements and reports required by the Act to be placed before the annual Meeting of Members, the election of Directors, the Appointment or waiving the Appointment of auditors and for the transaction of such other business as may properly be brought before the meeting. Where any special business is to be transacted at a Meeting of Members, the notice of the meeting shall give sufficient information to Members to form a reasoned judgement on such business.

9.10 **SPECIAL MEETINGS** - The Board or the Chair shall have the power to call a Special Meeting of Members at any time. Special meetings of the Members shall also be held upon a requisition of the Members holding not less than five percent (5%) of the votes that may be cast at a meeting of Members.

9.11 **PLACE OF MEETINGS** - Meetings of Members shall be held at any place in or outside of Canada (provided that, if the meeting is held outside of Canada, all the Members entitled to vote at the meeting shall so agree).

9.12 **PARTICIPATION IN MEETINGS BY TELEPHONE AND OTHER MEANS** - Any Person entitled to attend a meeting of the Members may participate in the meeting by means of a telephonic, an electronic or other communication facility that permits all participants to adequately communicate with each other during the meeting, if the Corporation makes such a communication facility available. A Person so participating in a meeting shall be deemed to be present at the meeting. The vote of any Member who participates in a meeting by other means pursuant to this **Section 9.12** shall be made by a verbal or electronic vote, as the case may be, provided that all votes shall be gathered in a manner that permits their subsequent verification, and permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each Member voted.

9.13 **MEETINGS BY OTHER ELECTRONIC MEANS** - The Members may meet by telephonic, electronic or by other communication facilities that permit each Member to communicate adequately with each other, provided that:

- (a) the Board has passed a Special Resolution addressing the mechanics of holding such a meeting and dealing specifically with how security issues should be handled, the procedures for establishing quorum and recording votes;
- (b) each Member has equal access to the specific means of communication to be used; and
- (c) each Member has consented in advance to meeting by telephonic, electronic or other communications facilities, using the specific means of communication proposed for the meeting.

9.14 **RESOLUTION IN WRITING** - Subject to the Act, a resolution in writing signed by all the Voting Members entitled to vote on that resolution at a Meeting of Members is as valid as if it had been passed at a Meeting of Members.

9.15 **NOTICE OF MEETINGS** - Notice of the time and place of each Meeting of Members, naming the time and place of assembly, shall be given to:

- (a) each Director;
- (b) the auditor, if any; and
- (c) each Voting Member who is on the record at the close of business on the date for notice,

in the manner provided in **Section 10.1**, by the following means:

- (d) by mail, courier or Personal delivery, during a period of twenty-one (21) to sixty (60) days before the day on which the Meeting of Members is to be held; or

- (e) by telephonic, electronic or other communication facility, during a period of twenty-one (21) to thirty-five (35) days before the day on which the Meeting of Members is to be held.

Notice of a Meeting of Members called for any purpose other than consideration of the financial statements and auditor's report, election of Directors and re-Appointment of the incumbent auditor shall state the general nature of the business to be transacted at it in sufficient detail to permit the Members to form a reasoned judgment thereon. Any Person entitled to notice may in any manner waive notice of or otherwise consent to a Meeting of Members.

9.16 **MEETINGS WITHOUT NOTICE** - A Meeting of Members may be held without notice at any time and place permitted by the Act:

- (a) if all the Members entitled to vote thereat are present in Person, waive notice of or otherwise consent to such meeting being held; and
- (b) if the Directors are present or waive notice of or otherwise consent to such meeting being held;

and at such meeting, any business may be transacted which the Corporation at a Meeting of Members may transact.

9.17 **CHAIR** - The chair of any Meeting of Members shall be the Chair, failing whom, the Vice-Chair, failing whom, the chair shall be Appointed by Special Resolution of the Members from among their number (provided further that the Member Representative appointed by CFA Institute shall not be eligible to be chair).

9.18 **PERSONS ENTITLED TO BE PRESENT** - The Members (through their Member Representatives), Directors, auditor of the Corporation and such other Persons, on such terms as may be approved by the Board, shall be entitled to be present at a Meeting of Members.

9.19 **QUORUM** - A quorum for the transaction of business at any Meeting of Members shall be seventy-five percent (75%) of the Voting Members. If a quorum is present at the opening of any Meeting of Members, the Members present may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of any Meeting of Members, the Members present may adjourn the meeting to a fixed time and place, but may not transact any other business.

9.20 **PROXIES** - Proxies shall not be permitted at meetings of Members.

9.21 **CONSENSUS AND VOTES TO GOVERN** - Subject to the Act and any UMA, at all meetings of Members every question shall be approved by Consensus of Voting Members, in accordance with **Section 11.5**, except for decisions related to budgetary approval and the implementation of projects of the Corporation.

9.22 **SHOW OF HANDS** - Subject to the provisions of a UMA or the Act, any question at a Meeting of Members shall be decided by a show of hands unless a ballot thereon is required or demanded as provided in **Section 9.23**. A declaration by the chair of the meeting that the vote upon the question has been carried by a particular Special Resolution or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any Special Resolution or

other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the Members upon the said question.

9.23 **BALLOTS** - On any question at a Meeting of Members, any Member entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chair of the meeting shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken, each Member present and entitled to vote, shall vote at the meeting upon the question, by ballot, and the result of the ballot so taken shall be the decision of the Members upon the said question.

9.24 **ADJOURNMENT** - If a Meeting of Members is adjourned for less than thirty (30) days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a Meeting of Members is adjourned by one or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting shall be given as for an original meeting.

## **SECTION TEN - NOTICES**

10.1 **METHOD OF GIVING NOTICE** - Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the By-laws or otherwise to a Member, Director, Officer, auditor or member of a committee of the Board, shall be sufficiently given if delivered Personally to the Person to whom it is to be given or if delivered to her or his recorded address or if mailed to her or him at her or his recorded address by prepaid ordinary or air mail or if sent to her or him at her or his recorded address by any means of prepaid transmitted or recorded communication. 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 on the fifth (5<sup>th</sup>) day after deposit in a post office or public letter box; and a notice so sent by any means of transmitted and recorded communication shall be deemed to have been given on the date received as shown on the record of such transmission. The Board may change or cause to be changed the recorded address of any Member, Director, Officer, auditor or member of a committee of the Board in accordance with any information believed by the Board to be reliable.

10.2 **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.

10.3 **UNDELIVERED NOTICES** - If any notice given to a Member pursuant to **Section 10.1** is returned on two (2) consecutive occasions because the Member cannot be found, the Corporation shall not be required to give any further notices to such Member until it informs the Corporation in writing of its new address.

10.4 **WAIVER OF NOTICE** - Any Member, Director, Officer, auditor or member of a committee of the Board may at any time waive any notice, or waive or abridge the time for any notice required to be given to him under any provision of the Act, the regulations thereunder, the By-laws or otherwise and such waiver or abridgment shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing, except a waiver of notice of a Meeting of Members or of the Board, which may be given in any manner.



## **SECTION ELEVEN - GENERAL**

11.1 **AMENDMENT OF BY-LAWS** - Except where Subsection 197(1) of the Act requires a Special Resolution of the Voting Members, the By-laws of the Corporation may be repealed or amended by By-laws enacted by an Special Resolution of the Board at a duly constituted meeting of the Board and sanctioned by a Special Resolution of the Voting Members at a Meeting of Members duly called for the purpose of considering the said By-law.

11.2 **BOOKS AND RECORDS** - The Board shall see that all necessary books and records of the Corporation required by the By-laws of the Corporation or any applicable statute of law are regularly and properly kept, including, but not limited to, the financial records set out in **Section 3.2**.

11.3 **ELECTRONIC DOCUMENTS** - Unless prohibited by the Act, an electronic document or correspondence (such as email) satisfies a requirement that a document or correspondence be in writing, provided that:

- (a) the addressee has consented, in writing , to the receipt of electronic documents;
- (b) the addressee has provided an information system for its receipt of electronic documents, such as an email address; and
- (c) the electronic documents were sent to such an information system.

11.4 **RULES AND REGULATIONS** - The Board may prescribe such rules, regulations and policies not inconsistent with the Act, Articles, these By-laws or any UMA, relating to the management and operation of the Corporation as it deems expedient.

### 11.5 **CONSENSUS**

- (a) Except as otherwise provided in the Act or any UMA, at all meetings of the Members and the Board, every question shall be approved by Consensus of the Voting Members or the Board (as the case may be), as declared by the Chair.
- (b) If Consensus is not forthcoming on any question, the Chair may direct that the question shall be decided by a Special Resolution, or as required by the Act, the Articles or a UMA. Every question shall be decided in the first instance by a show of hands unless a poll is demanded by any Voting Member or member of the Board (as the case may be). Upon a show of hands, every Voting Member or member of the Board (as the case may be) shall have one vote, and unless a poll is demanded, a declaration by the Chair that a question has been affirmed or denied and an entry to that effect in the minutes of the Corporation shall be admissible in evidence as prima facie proof of the fact without proof of the number or proportion of the votes accorded in favour of or against such resolution. In case of an equality of votes at any meeting, whether upon a show of hands or at a poll, the Chair shall not be entitled to a second or casting vote.

11.6 **EFFECTIVE DATE** - Subject to the Act, this By-law shall come into force and will be effective as of and from the date of the Special Resolution of the Directors under **Section 11.1**.

11.7 **INTERPRETATION** - Each and every term, provision, clause and section of this By-law is expressly made and declared to be subject to and subservient to any agreement made, at any time whatsoever, between or among all the Members, including, without limitation, a UMA. The invalidity or unenforceability of any provision of these By-laws shall not affect the validity or enforceability of the remaining provisions of these By-laws.

***[The remainder of this page is left blank and a signature page follows.]***

The foregoing is a true copy of By-Law No. 1 of the Corporation, which became effective as of and from JULY 13, 2017.

  
\_\_\_\_\_  
Chair

  
\_\_\_\_\_  
Vice-Chair

