



**CONSOLIDATION OF BY-LAW NO. 1**

As amended by by-laws no. 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 and 27

A By-law relating generally to the conduct of the affairs of The Canadian Institute of Chartered Business Valuators

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April 23, 2026

BE IT ENACTED AND IT IS HEREBY ENACTED as a new By-law No. 1 of THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS (hereinafter called the "Institute") as follows:

## **1.0 MEMBERSHIP AND OTHER AFFILIATION**

### **1.1 MEMBERSHIP CLASSES**

Subject to the Articles, there shall be one class of Members in the Institute. Membership in the Institute shall be available only to individuals interested in furthering the Institute's purposes and who have applied for and been accepted into membership in the Institute by ordinary resolution of the Board of Directors or in such other manner, and subject to such other criteria, as may be determined by the Board of Directors from time to time.

## **12 MEMBERS**

- a) The Board of Directors may by resolution from time to time admit as a Member of the Institute any individual of good character and reputation who has:
- i. agreed to uphold the Code of Ethics;
  - ii. he/she has a degree from a post-secondary academic institution or university in Canada or another country which has authority to grant degrees and is recognized by the Board of Directors (provided however that the Board may, at its discretion, waive this requirement for any specific applicant);
  - iii. passed the Institute's membership qualification examination within the previous five year period;
  - iv. maintained their affiliation as a Registered Student in good standing continuously during the period subsequent to passing the membership qualification examination to admission as a Member;
  - v. a minimum of 1,500 hours of suitable experience, as such shall be determined by the Board of Directors from time to time, obtained in a five year period which includes the date on which he/she passes the membership qualification examination; provided however that in the case of an individual who is a Registered Student on September 19, 2012 and who remains a Registered Student in good standing to and including the date that he/she passes the membership qualification examination, the valuation experience can be obtained within the period

of five years preceding the date that he/she first writes the membership qualification examination;

- vi. provided to the Accreditation Committee the signed recommendation of a Member who has reviewed the valuation experience of such individual and the attestation as to their valuation experience by either such Member or the employer of the individual applying for membership where such individual does not work under the direction and guidance of a Member;
  - vii. provided to the Accreditation Committee such evidence of previous business valuation experience as the Accreditation Committee may reasonably require;
  - viii. completed and filed with the Institute the form of application for Member Committee; and
  - ix. paid the requisite application fee in respect of Member affiliation as may be determined from time to time by the Board of Directors.
- b) An individual will be eligible to write the membership qualification examination required for membership in the Institute if the applicant satisfies all of the following requirements:
- i. he/she has passed such mandatory and elective course in The Program of Studies in Business and Securities Valuation or received exemptions for certain courses as shall be determined by the Board of Directors from time to time;
  - ii. paid the requisite application fee in respect of the membership qualification examination as may be determined from time to time by the Board of Directors; and
  - iii. he/she satisfies such criteria which may be determined by the Board of Directors from time to time.
- c) The Board of Directors is authorized to grant membership in the Institute to any individual who has attained eminence in the field of business valuation. Such Members shall enjoy all the rights and privileges and be subject to the obligations of Members. Any individual granted membership in such a manner shall be entitled to represent himself/herself in all capacities as a Member without reference to the method by which membership was granted.

## **13 FELLOWS**

- a) The Board of Directors may grant to any Member the honorary designation, “Fellow of The Canadian Institute of Chartered Business Valuators,” subject to and in compliance with the Fellowship Policy in effect at that time.
- b) The Board of Directors will create and maintain a Fellowship Policy which shall provide guidelines on the granting of the designation, “Fellow of The Canadian Institute of Chartered Business Valuators,” including criteria and procedures for designation of Fellows.
- c) The power conferred on the Board of Directors in paragraph 1.3(a) includes the power to grant the Fellowship designation posthumously.
- d) Any Member granted the Fellowship designation shall enjoy all the rights and privileges and be subject to the obligations of Members, and shall not in any respect be a different class of Member.

## **14 LIFE MEMBERS**

- a) The Board of Directors may designate Members who have attained eminence in the field of business valuation and who have retired from active practice as a business valuator as Life Members. The designation of a Member as a Life Member shall be revocable upon a resolution of the Board of Directors or upon request of the Life Member. Any such revocation shall not affect the Life Member’s ability to re-instate his/her membership in the Institute.
- b) A Life Member shall represent himself/herself as a Life Member.
- c) Any Member granted the Life Membership designation shall enjoy all the rights and privileges and be subject to the obligations of Members, and shall not in any respect be a different class of Member.

## **15 CERTIFICATE OF MEMBERSHIP**

- a) Every Member is entitled to receive a Certificate of Membership which shall be in such form as the Board of Directors may from time to time determine. A Member, subject to the terms of the By-laws, shall be entitled to hold the Certificate as long as he/she remains a Member in good standing.
- b) Certificates of Membership issued by the Institute remain the property of the Institute and shall be returned to the Institute forthwith in the event of resignation or termination of Membership for any reason (other than death).

- c) All Certificates of Membership shall be issued under the seal of the Institute and attested to by the Chair or the Vice-Chair, and by the Secretary.

## **1.6 DESIGNATIONS OF MEMBERS**

- a) Any Member shall be entitled to use either and both of the following designations in respect of his/her Member affiliation in the Institute:
  - i. Chartered Business Valuator; or
  - ii. Expert en Évaluation d'entreprises.
- b) Any Member shall be entitled to use either and both of the following designations in respect of his/her Member affiliation in the Institute:
  - i. CBV; or
  - ii. EEE.
- c) Any Member who has been granted the honorary designation "Fellow of The Canadian Institute of Chartered Business Valuators" shall be entitled to use either and both of the designations "FCBV" and "FEEE" in respect thereof.
- d) The Board of Directors shall be entitled from time to time to approve (and withdraw approval of) the use of the CBV, EEE, FCBV or FEEE designations of the Institute in combination with any designation of any other professional institute or body.

## **1.7 MEMBERSHIP TRANSFERABILITY**

A Member's membership in the Institute may not be transferred.

## **1.8 REGISTERED STUDENTS**

- a) Any individual who wishes to be a Registered Student of the Institute shall apply for admittance subject to the terms and conditions determined by the Board of Directors from time to time. The Institute may, in its sole discretion, admit as a Registered Student of the Institute any individual who meets the terms and conditions for admittance. The Institute may reject any applicant who, in its sole discretion, is considered to not be of good character and reputation.
- b) Only a Registered Student shall be eligible to enroll in courses in The Program of Studies in Business and Securities Valuation (or any successor program of studies of the Institute established towards membership).
- c) A Registered Student shall be subject to the Code of Ethics, the Practice Standards and

the By-laws of the Institute and shall abide by any other terms and conditions set for Registered Students as may be determined from time to time by the Board of Directors.

- d) A Registered Student is not a Member and shall not have any of the rights of Members.

## **19 REGISTERS OF MEMBERS AND REGISTERED STUDENTS**

- a) The Institute shall keep a register in which shall be entered the names of all Members, including all Fellows and all Life Members, and shall note those that are not in good standing. Subject to applicable law, the Institute shall respond to enquiry from the public as to whether an individual is a Member, including Fellows and Life Members, in good standing.
- b) The Institute shall keep a register in which shall be entered the names of all Registered Students, and shall note those that are not in good standing. Subject to applicable law, the Institute shall respond to enquiry from the public as to whether an individual is a Registered Student in good standing.

## **20 FEES**

### **21 ANNUAL MEMBERSHIP FEE**

Each Member shall pay an annual membership fee in such amount as the Board of Directors may from time to time determine.

### **22 REGISTERED STUDENT FEE**

Each Registered Student shall pay a student fee in such amount as the Board of Directors may from time to time determine.

### **23 SPECIAL ASSESSMENT FEES**

From time to time there may be levied on the Members and/or Registered Students such special assessment fees in such amounts and for such purposes as the Board of Directors may from time to time determine.

### **24 WAIVERS, REDUCTIONS, EXEMPTIONS AND DEFERRALS OF FEES AND SPECIAL ASSESSMENTS**

- a) The Board of Directors shall be entitled to waive, reduce, exempt or defer annual fees or other fees and special assessments of any Member and/or Registered Student, including without limitation:

- i. a Member may be exempted from the payment of the annual fee and special assessments in respect of a particular calendar year if during the year the Member has both passed the Membership Entrance Exam and been admitted to Membership.
- b) A Life Member shall be exempt from the payment of the annual fees and special assessments.

## **25 OTHER**

The Institute shall be entitled to levy fees and charge interest in respect of any fee or special assessments that is not paid when due in such amount as the Board of Directors may from time to time determine.

## **26 SPECIAL ASSESSMENT FEES ON NEW MEMBERS**

From time to time there may be levied on the new Members in the year in which they are admitted to membership such special assessment fees in such amounts and for such purposes as the Board of Directors may from time to time determine.

# **30 PRACTICE STANDARDS**

## **31 PRACTICE STANDARDS**

The Board of Directors shall be entitled from time to time to issue Practice Standards which shall contain proposed minimum standards for the practice of business valuations by the Members.

## **32 ADHERENCE TO PRACTICE STANDARDS**

- a) Members shall exercise due care in their practice of business valuations and shall comply with and adhere to all Practice Standards. Compliance with Practice Standards shall be regarded as a minimum standard of care to be practised by Members and shall not necessarily be taken to be compliance with all obligations of care required of Members under the Code of Ethics and applicable law.
- b) Failure by a Member to comply with and adhere to Practice Standards shall be a breach of the Member's ethical obligations and shall entitle the Institute to take all action considered appropriate by the Board of Directors under the Discipline Procedures set forth in Article 5.

### **33 OBSERVANCE OF PRACTICE GUIDELINES**

The Institute issues from time to time practice guidelines and recommendations, including but not limited to Practice Bulletins (hereafter referred to as Practice Guidelines), to provide greater detail or interpretation on the practical application of Practice Standards. Members and Registered Students are advised to comply with all Practice Guidelines. Compliance with Practice Guidelines shall not necessarily be taken to be compliance with all obligations of care required of Members and Registered Students and applicable law

### **34 EXPOSURE DRAFTS**

The Board of Directors shall publish proposed practice standards in Exposure Drafts which shall include a statement of the scope and intention of the proposed practice standards and shall set a date by which the Members may provide comments, if any. The Board of Directors shall be entitled to circulate as many revisions to Exposure Drafts as it shall consider appropriate in order to obtain all relevant comments of the Members.

### **35 APPROVAL OF PRACTICE STANDARDS**

Practice Standards shall be effective on the date that they are approved by the Board of Directors, which shall not occur until such Practice Standards (or Practice Standards which are substantially similar to the Practice Standards considered by the Members in Exposure Drafts) have been circulated among Members for comment.

### **36 NOTIFICATION**

The Board of Directors shall cause the Institute to notify the Members of approved Practice Standards following their approval by the Board.

## **4.0 MANDATORY CONTINUING PROFESSIONAL DEVELOPMENT**

### **4.1 MANDATORY CONTINUING PROFESSIONAL DEVELOPMENT**

A Member, or Registered Student who has passed the membership qualification examination, shall undertake professional development activities in accordance with the standards and policies established by the Board of Directors (“Continuing Professional Development”).

## **42 CONTINUING PROFESSIONAL DEVELOPMENT COMMITTEE**

The Board of Directors shall:

- a) appoint a Continuing Professional Development Committee to determine and recommend guidelines and requirements for Continuing Professional Development and to monitor performance of Continuing Professional Development; and
- b) establish from time to time the following:
  - i. the activities qualifying as Continuing Professional Development;
  - ii. the minimum hours of Continuing Professional Development expected on an annual basis;
  - iii. the manner by which Continuing Professional Development activities shall be reported to the Institute;
  - iv. a review of compliance with reporting requirements;
  - v. the Members or the classes of Members who may be exempted from the requirements of Continuing Professional Development from time to time.

## **43 REPORTING ON CONTINUING PROFESSIONAL DEVELOPMENT**

The Continuing Professional Development Committee shall report annually to the Board of Directors on the Continuing Professional Development Program, including recommendations and findings of the Committee.

# **5.0 CODE OF ETHICS, COMPLAINTS, CHARGES AND DISCIPLINARY PROCEEDINGS**

## **5.1 COMPLIANCE WITH BY-LAWS, CODE OF ETHICS AND PRACTICE STANDARDS**

The Institute has adopted a Code of Ethics that provides the essential principles and enduring ethical standards by which Members and Registered Students are expected to discharge their professional responsibilities to, and conduct their relationships with, other Members and Registered Students, other professionals, the Institute and the public. Members and Registered Students shall comply with the By-laws, Code of Ethics and the Practice Standards at all times.

## 52 MAINTENANCE OF DISCIPLINARY PROCEDURE

- a) The Institute shall maintain a procedure to receive, consider, investigate and adjudicate complaints made against Members and Registered Students regarding allegations of breaches of the By-laws, the Code of Ethics or the Practice Standards.
- b) The operation and conduct of the complaints and disciplinary procedure shall be within the authority of the Conduct and Discipline Committee (the “CDC”), the Chair of the CDC (the “CDC Chair”), and the President and CEO of the Institute (“President and CEO”) as set forth herein.
- c) The CDC shall comprise a minimum of three persons and a maximum of fifteen. The names of the persons serving on the CDC shall remain confidential at all times.
- d) The CDC Chair shall be appointed by the Board of Directors for a term not to exceed three years. The CDC Chair may be a director of the Institute. A person appointed as the CDC Chair may be re-appointed for successive terms.
- e) The CDC Chair shall appoint up to fourteen additional persons, one of whom is permitted but not required to be a layperson, to serve on the CDC for a term not to exceed three years. Any person appointed as a member of the CDC may be re-appointed for successive terms.
- f) The CDC Chair shall report to the Board of Directors on the activities of the CDC on a confidential basis.
- g) A member of the CDC shall cease to be a member of the CDC if he/she resigns as a Member, or is suspended or terminated as a Member.
- h) In the event that there is no CDC Chair, or the CDC Chair is conflicted from acting or is unwilling or unable to act at the relevant time, any functions stated to be performed by the CDC Chair herein shall be performed by another member of the CDC as determined by resolution of the CDC.
- i) In the event that there is no President and CEO, or if the President and CEO is conflicted from acting or is unwilling or unable to act at the relevant time, any functions stated to be performed by the President and CEO herein shall be performed by such other person as shall be designated by the Chair of the Board of Directors.
- j) Following the receipt of a complaint, the CDC Chair shall appoint three to nine CDC members to constitute a panel for such Complaint (the “Panel”). The CDC Chair shall be entitled to appoint himself/herself to serve on a Panel. Any member of the CDC who is unable or unwilling to serve on the Panel for that Complaint shall not accept

such appointment, and the CDC Chair may appoint another member of the CDC to serve on the Panel. The CDC Chair shall designate a member of the Panel to serve as the chair of the Panel (the "Panel Chair"). The CDC Chair shall be entitled to serve as the Panel Chair.

- k) CDC members shall act reasonably and promptly in identifying and avoiding any potential conflicts of interest that arise prior to or during the course of acting as members of the CDC under this Article 5. CDC members shall refrain from acting in a conflict of interest once a conflict has been discovered.
- l) Any member of a Panel who, following their appointment to the Panel, determines that he/she may be conflicted in acting on that Panel, shall notify the CDC Chair upon such determination, and shall resign from continuing on such Panel. If such conflicted member is the Panel Chair, the CDC Chair shall appoint a new Panel Chair to act from among the members of the Panel.
- m) The CDC Chair shall be entitled at any time to appoint another member of the CDC to serve on a Panel if a Panel member resigns, ceases to be eligible to serve on the Panel, or vacates the Panel for any reason.
- n) The quorum for meetings of a Panel shall be three (3) members of the Panel in person or by conference telephone.
- o) Decisions of a Panel shall require the approval of a majority of its members voting at a duly held meeting, or all of its members by resolution or instrument in writing. In the case of an equality of votes, the Panel Chair, in addition to his/her original vote, shall have a second or casting vote.
- p) In the event that a Complaint is received in respect of alleged conduct of the CDC Chair, the CDC Chair shall take no part in, or have any involvement with, any aspect of such Complaint, and the Chair of the Board of Directors shall appoint another member of the CDC to act as CDC Chair in respect of such Complaint.
- q) In the event that a Complaint is received in respect of alleged conduct of another member of the CDC, that CDC member shall take no part in, or have any involvement with, any aspect of such Complaint.

## **53 COMPLAINTS AGAINST MEMBERS AND REGISTERED STUDENTS**

- a) Any person (the "Complainant") may lay a complaint against a Member or a Registered Student (the "Respondent") regarding an alleged breach of the Bylaws, the Code of Ethics and/or the Practice Standards (the "Complaint"). For greater certainty, a Complainant may be an employee, agent, or representative of the

Institute. Any complaints made by an employee, agent, or representative of the Institute may be based on, among other things, the correspondence, emails, recordings, and notes taken of any meetings or conversations with any such employee, agent, or representative and the Respondent.

- b) A Complaint shall be made or referred to the President and CEO.
- c) A Complaint must be in writing and contain all reasonable documentation and particulars, including sufficient particulars regarding the grounds of the Complaint and to identify the Complainant.
- d) In the event that the Institute receives information from a person which relates to an alleged breach of the Bylaws, the Code of Ethics and/or the Practice Standards by a Member or a Registered Student, but is not otherwise in compliance with clause 5.3(c), the Institute may (but is not obliged to) request that person to provide the information in the proper form of a Complaint in accordance with clause 5.3(c). In any event, the President and CEO shall have the discretion, but is under no obligation, to treat all such information as a Complaint for the purposes of the By-laws.
- e) The Panel Chair shall review the Complaint, along with all information and documents received from the Complainant in respect of same, as well as any other relevant material, to determine if the Complaint is in the public interest to pursue (the "Initial Review"). A Complaint may not be accepted if the matters raised in the Complaint are outside the scope of the Institute, are trivial or vexatious, raise non-substantial allegations of non-compliance, or if the Complaint has been otherwise advanced for improper, malicious, or bad faith purposes. In making this determination, the Panel Chair (or the Panel) may have regard to the seriousness of the allegations, the supporting particulars provided, and any other relevant circumstances. At the Panel Chair's option, a meeting of the Panel may be convened to conduct the Initial Review. No notification of the Complaint is sent to either the Complainant or the Respondent at this time.
- f) Where a Complaint, or related Complaints arising from the same or substantially similar facts or circumstances, pertains to two or more Members and/or Registered Students, then as part of the Initial Review, the Panel Chair (or the Panel) shall determine which Member(s) and/or Registered Student(s) should be treated as a Respondent for the purposes of this Article 5, and whether any further steps undertaken pursuant to this Article 5 should be pursued jointly or separately.
- g) Upon completion of the Initial Review, if the Panel Chair (or the Panel) determines that the Complaint is not in the public interest to pursue in accordance with clause 5.2(e), the Panel Chair shall advise the Complainant in writing that no further action shall be taken

based on the information provided. In such instance, no notification shall be sent to the Respondent. Otherwise, the Panel Chair shall accept the complaint as a Complaint, advise the Respondent that the Complaint has been referred to the Panel for review, and provide the Respondent with a copy of the Complaint, along with all relevant information and documents received from the Complainant in respect of same.

- h) Upon the acceptance of the Complaint, the Panel Chair shall inform the Complainant that the Complaint has been referred to the Panel for review and that a copy of the Complaint, along with all relevant information and documents received from the Complainant in respect of same, has been sent to the Respondent. The Panel Chair shall request the Complainant to provide whatever material or information as the Complainant believes necessary to support the Complaint. All relevant material and information provided by the Complainant shall be made available to the Respondent.
- i) The Panel Chair shall request the Respondent to provide whatever material or information as the Respondent believes necessary to respond to the Complaint. If at any point prior to the decision to lay or not lay any charges, the Panel determines that the Complainant and/or the Respondent might have further information or documentation regarding the Complaint, the Panel shall be entitled (but is not obliged) to request the Complainant and/or the Respondent to provide any such further information or documentation.
- j) A Complainant's failure to provide timely information or documentation regarding the Complaint as may be reasonably requested from time to time may result in the Complaint being dismissed or the processing of the Complaint being suspended until such time as the requested information or documentation is provided.
- k) The Respondent shall provide prompt and complete responses to any requests from the CDC, Panel Chair, Panel, or the investigator (as set out further below) in respect of the Complaint.
- l) The Panel Chair shall convene a meeting of the Panel. Upon reviewing the Complaint and the related information and documentation provided by the Respondent and the Complainant, the Panel shall determine if any further investigation into the Complaint is required. The Panel may also determine at this stage that an investigation is not required in the circumstances and that it will proceed directly to its determination as to whether the Complaint should lead to further disciplinary measures pursuant to this Article 5.
- m) If the Panel determines that an investigation is required, the Panel shall appoint one or more investigators (who have no conflict of interest with respect to the Complaint)

with the relevant professional experience for the matter at hand. Such investigators need not be Members.

- n) The investigator(s) shall conduct an investigation of the Complaint as instructed by the Panel Chair, including gathering such information from the Complainant, the Respondent, and such other persons as is reasonably necessary for the Panel to determine if the Complaint should lead to further disciplinary measures under this Article 5.
- o) The investigator(s) shall prepare and deliver a written report to the Panel with respect to the investigation.
- p) If the Panel, after considering the Complaint, along with all related information and documentation, including the report of the investigator(s) (if any), determines that there are insufficient grounds for pursuing the Complaint as a basis for further disciplinary measures under this Article 5, the Panel, by its Panel Chair, shall promptly give notice to the Respondent and the Complainant of the decision. In such event, the Complaint and all relevant material, information, reports and other facts collected in respect of the Complaint shall be filed in the Respondent's file maintained by the Institute. In such an instance, no such material, information, reports or other facts or the Complaint or decision of the Panel shall be available to the public, and shall not be used by the Institute for any purpose other than as it relates to the Complaint that was made. The Panel shall not publish, distribute, or otherwise report its reasons for its decision to the Respondent, the Complainant, or the public.
- q) If the Panel, after considering the Complaint, along with all related information and documentation, including the report of the investigator(s) (if any), determines that there are sufficient grounds for laying a charge of one or more breaches of the By-laws, Code of Ethics and/or Practice Standards, the Panel, by its Panel Chair, on behalf of the CDC shall:
  - i. prepare the charge(s) setting out all alleged breaches (collectively, the "Charge") and instruct the President and CEO to serve notice of the Charge upon the Respondent;
  - ii. instruct the President and CEO to inform the Complainant of the decision to lay a Charge; and
  - iii. request the Chair of the Board of Directors to appoint a Discipline Tribunal Chair.
- r) At any time following the laying of a Charge, the CDC shall be entitled to withdraw or

amend such Charge, and/or to add one or more new charges, where the CDC determines that doing so would be in the public interest and on terms that would not be unduly prejudicial to the Respondent. In the event one or more Charges are varied or added, the Respondent shall be subject to all the same rights and obligations under this Article 5.

- s) Upon receipt of the Charge, the Respondent shall be entitled to agree to the Charge in whole or in part. The Panel shall have the authority to accept the agreement of the Respondent and to agree with the Respondent as to the sanctions to be imposed. Upon such agreement, the Panel shall be dismissed and the Panel Chair shall notify the Discipline Tribunal Chair, and the Discipline Tribunal shall thereupon be adjourned. The Panel Chair shall notify the President and CEO of the agreed upon Charge and agreed upon sanctions and such action shall be thereupon taken by the President and CEO as is required in the circumstances. The Complaint, the Charge and all related information, documents, investigation report (if any), and other facts collected in respect of the Complaint, along with the agreement of the CDC and the Respondent, shall be filed in the Respondent's file maintained by the Institute, provided however that only such material, information, reports and facts as shall be agreed upon in the agreement as suitable for disclosure to the public shall be available to the public.
- t) Except as set out in this Article 5, the Complainant shall not be entitled to receive any notices, updates, or any other communications regarding, or to otherwise be consulted with respect to, the Complaint.
- u) Except as set out in this Article 5 or as may be ordered by a court of competent jurisdiction, the name of the Complainant and details of the Complaint shall be held in confidence and not disclosed to any person.
- v) Notwithstanding any other provision contained in the By-laws, allegations of academic dishonesty made against a Registered Student, including by the Institute, shall be addressed by the Institute pursuant to its policies, and not under the procedures and processes contained in Article 5, and may result in, among other things, the suspension or termination of the Registered Student as determined by the Institute in its sole discretion.

## **54 COMPOSITION AND POWERS OF DISCIPLINE TRIBUNAL**

- a) Annually, and so often as the Board of Directors shall consider it necessary, the Board of Directors shall appoint one or more Members, each of whom shall be authorized to convene a disciplinary tribunal and to be Chair of any Discipline Tribunal (the "Discipline Tribunal Chair") to be convened under the By-laws until such appointment expires or is terminated.

- b) The Board of Directors may at any time revoke the authorization of any Member appointed under paragraph 5.4(a), and may appoint another Member to take the place of the Member whose authorization has been revoked.
- c) If a Member appointed under paragraph 5.4(a) resigns, ceases to be a Member or is unable or unwilling to act, the Board of Directors may appoint another Member to take the place of that Member.
- d) The Discipline Tribunal Chair shall appoint two Members in good standing, or one other Member in good standing and one layperson, to serve on the Discipline Tribunal, none of whom shall be a member of the Board of Directors at the time of their appointment. A Discipline Tribunal shall not be invalid to conduct its functions if the Discipline Tribunal Chair or any other person is unable or unwilling to continue to serve on such Discipline Tribunal, provided that there shall be at least two persons then serving on the Discipline Tribunal. Vacancies in the Discipline Tribunal may be filled by the Discipline Tribunal from among Members and laypersons where such appointment would not unduly prejudice the Respondent.
- e) The Discipline Tribunal Chair and the members of the Discipline Tribunal appointed in accordance with this Article shall constitute the Discipline Tribunal and shall have the powers necessary to perform the functions imposed upon it by the By-laws.
- f) Notwithstanding the preceding provisions, no person shall serve on a Discipline Tribunal who is aware or becomes aware of any reason that would disqualify him or her by reason of:
  - i. prior familiarity with the matter;
  - ii. intimate acquaintance with the Respondent or the Complainant;
  - iii. membership in or association with a firm or an associated firm to which the Respondent or the Complainant belongs at the time of the Charge or during the period relevant to the Charge, or which was involved in the matter out of which the Charge arose;
  - iv. any involvement with either the investigation that led to the charge being made or the matter out of which the Charge arose, or
  - v. any other matter that would give rise to a reasonable belief that that person might be biased in any way, either in favour or against the Respondent charged.

- g) The Discipline Tribunal may choose a person qualified to practise law in the province or territory in which the hearing is to be held to sit with it and to advise it on points of law, or the interpretation of the procedures set out in this Section 5.4, interpretation of any other By-law or the Code of Ethics or any other matter as may be referred to him or her by the Discipline Tribunal Chair. The person appointed to act as advisor shall not have a vote as a member of the Discipline Tribunal.

## **55 INITIAL PROCEEDINGS**

- a) The Discipline Tribunal Chair shall inform the Panel Chair and the Respondent that the Discipline Tribunal has been appointed and of its composition.
- b) The Discipline Tribunal Chair shall request written submissions from the Respondent and the Panel as to the date of the proposed hearing (the “Hearing”).
- c) After review of the submissions made, and after giving consideration to any other relevant matter, the Discipline Tribunal Chair shall fix the date for the Hearing, consistent with fairness to the Respondent, to the Panel, to the reasonable convenience of the witnesses that may have to be heard, and to the members of the Discipline Tribunal.
- d) The Discipline Tribunal Chair shall inform the Respondent and the Panel of the date of the Hearing.
- e) The Panel shall, not less than sixty (60) days before the date fixed for the Hearing, provide the Respondent with reasonable written particulars of the evidence that will be introduced on behalf of the CDC, including the names and qualifications of any expert witnesses.
- f) The Respondent shall, not less than thirty (30) days before the date fixed for the Hearing, provide the Panel with reasonable written particulars of the evidence that will be introduced on behalf of the Respondent, including the names and qualifications of any expert witnesses.

## **56 CONDUCT OF THE HEARING**

- a) The Hearing held before the Discipline Tribunal shall be conducted in English or in French, to be determined by the Discipline Tribunal Chair.
- b) The Hearing shall be subject to the laws of the Province of Ontario.
- c) The Hearing shall be conducted in the City of Toronto, Ontario. Parties and witnesses may attend the Hearing remotely.

- d) The parties to the proceedings before the Discipline Tribunal shall be the Respondent and the CDC, as represented by the Panel. The Complainant shall not have standing before the Discipline Tribunal.
- e) The Hearing shall not be open to the public or the Complainant, unless the Panel and the Respondent otherwise agree.
- f) The Panel shall be represented by the Panel Chair, the President and CEO or such other person as the Panel may designate. Such representative of the Panel shall be responsible for presenting the evidence on behalf of the Panel to support the Charge, the arguments to support the allegations that the By-laws, Code of Ethics and/or Practice Standards, as applicable, have been breached, and any submissions on the sanctions to be imposed.
- g) The Respondent may personally appear before the Discipline Tribunal or may appoint any person to act on his/her behalf.
- h) The Panel and the Respondent shall be entitled to present oral and written evidence at the Hearing. All evidence shall be provided under oath.
- i) A video and/or audio recording of the oral evidence and oral submissions shall be taken. A copy of the recording shall be provided to each of the Discipline Tribunal, Panel and Respondent at the conclusion of the Hearing, or as soon thereafter as is reasonably practicable.
- j) The Panel shall present its evidence first, and the Respondent shall have the right to examine the witnesses who give evidence on behalf of the Panel. The Panel shall have the right to examine the witnesses who give evidence on behalf of the Respondent. The right of either party to re-examine any witness shall be at the discretion of the Discipline Tribunal.
- k) The Discipline Tribunal may admit as evidence at the Hearing, whether or not given or proven under oath or affirmation or admissible as evidence in a court of law, any oral testimony and any document or other thing relevant to the subject matter of the proceeding and may act on such evidence. Nothing is admissible in evidence at the Hearing that would be inadmissible in a court of law by reason of privilege under the law of evidence.
- l) The Discipline Tribunal shall decide on all questions pertaining to the conduct of the Hearing and any other matter that may have to be decided in the course of the Hearing.

- m) The Discipline Tribunal Chair shall have power to ensure that the Hearing is conducted in an orderly and proper fashion and shall have the power to exclude any person who fails to behave appropriately.

## **57 DECISION OF THE DISCIPLINE TRIBUNAL**

- a) The Discipline Tribunal may deliver its decision at the conclusion of the Hearing or a reasonable time thereafter. The decision shall be given in writing to each of the Institute, the Panel and the Respondent.
- b) The Discipline Tribunal may dismiss the charge, find the Charge proved in whole or in part, or find the Charge not proved, but a different Charge proved.
- c) If the Discipline Tribunal finds the Charge (or a different Charge) proved, the Discipline Tribunal may decline to impose any sanctions or may impose, separately or in combination, sanctions which may include:
- i. an order that the Member's membership in the Institute be terminated;
  - ii. an order that the Registered Student's status with the Institute be terminated;
  - iii. an order that the Member's membership in the Institute and the right to use any designation indicating membership in the Institute be suspended for such period as the Discipline Tribunal may specify;
  - iv. an order that the Registered Student's status with the Institute be suspended for such period as the Discipline Tribunal may specify;
  - v. an order that conditions be imposed on any application for membership in the Institute;
  - vi. an order that the Respondent practise only under the supervision of a designated Member who agrees to act as supervisor for such period and under such terms as the Discipline Tribunal may specify;
  - vii. an order that the Respondent take steps to improve his/her professional competence, which order may either specify the actions to be taken by the Respondent or provide that the actions taken by the Respondent shall be such as satisfy the President and CEO or such other person as the Discipline Tribunal may designate;
  - viii. an order that the Respondent keep such records of his/her practice as the

Discipline Tribunal considers desirable to be kept;

- ix. an order that the Respondent pay a fine to the Institute;
  - x. an order that the Respondent pay costs to the Institute;
  - xi. an order that reimbursement of all or part of the fees and/or disbursements paid by the Complainant to the Respondent be made to the complainant in such amount as the Discipline Tribunal may determine; and/or
  - xii. a reprimand.
- d) The Discipline Tribunal shall be entitled to provide for additional sanctions which shall take effect in the event that the Respondent shall not abide in full or in part with any or all of any sanctions imposed by the Discipline Tribunal.
- e) The Institute shall publish a summary of the issues reviewed by the Discipline Tribunal and the sanctions imposed in any or all of the newsletter of the Institute, the website of the Institute and in such other publication as shall be appropriate for the giving of notice to the Members and Registered Students of matters considered by the Discipline Tribunal and its decision, if the sanctions include termination or suspension of a Member or Registered Student. Such publication shall:
- i. disclose the name of the person disciplined; and
  - ii. be made at the conclusion of the appeal period referred to in Section **58** or following the disposition of any appeal.
- f) When the sanctions do not include termination or suspension of a Member or Registered Student, the Institute shall publish a summary of the issues reviewed by the Discipline Tribunal and the sanctions imposed in any or all of the newsletter of the Institute, the website of the Institute and in such other publication as shall be appropriate for the giving of notice to the Members and Registered Students of matters considered by the Discipline Tribunal and its decision. Such publication shall:
- i. not disclose the name of the person disciplined or their geographic location; and
  - ii. be made at the conclusion of the appeal period referred to in Section 5.8 or following the disposition of any appeal.
- g) Notwithstanding the provisions of paragraph 5.7(e), the Discipline Tribunal may, at its discretion, order that publication, on a named basis, be expanded to include such non-

Institute publications as it deems necessary.

- h) If the sanctions include the termination of the Member's membership, the name of the Member and location of practice shall be disclosed in such publication or publications distributed in the geographic area of the Member's current or former practice or employment or in such other manner as the Discipline Tribunal may determine to be appropriate.
- i) The decision of the Discipline Tribunal and the sanctions imposed, if any, the Complaint, the Charge and all relevant material, information, reports and other facts collected in respect of the Complaint and the Hearing shall be filed in the Respondent's file maintained by the Institute; provided however that only such material, information, reports, facts, the complaint, the Charge and the decision of the Discipline Tribunal and the sanctions imposed as shall be ordered by the Discipline Tribunal to be available for disclosure to the public shall be available to the public.
- f) If the sanctions imposed by the Discipline Tribunal include an order for the termination of the Member's membership in the Institute or termination of the Registered Student's status with the Institute, the Discipline Tribunal Chair shall notify the Chair of the Board of Directors of such order upon notification of the sanctions to the Respondent.

## **5.8 RIGHT OF APPEAL**

- a) Annually, and so often as the Board of Directors shall consider it necessary, the Board of Directors shall appoint one or more Members, each of whom shall be authorized to convene an appeal board (an "Appeal Board") and to be Chair of any Appeal Board (the "Appeal Board Chair") to be convened under the By-laws until such appointment expires or is terminated.
- b) The Board of Directors may at any time revoke the authorization of any Member appointed under paragraph 5.8(a), and may appoint another Member to take the place of the Member whose authorization has been revoked.
- c) If a Member appointed under paragraph 5.8(a) resigns, ceases to be a Member or is unable or unwilling to act, the Board of Directors may appoint another Member to take the place of that Member.
- d) The Respondent and/or the Panel (the "Appellant") may appeal all or any portion of the decision of the Discipline Tribunal by delivery of notice of such appeal (a "Notice of Appeal") to the President and CEO and to the Panel or Respondent (as the case may be) (the "Other Party") within twenty (20) days of the notification of the decision of the

Discipline Tribunal.

- e) Upon receipt of a Notice of Appeal, the President and CEO shall request the Chair of the Board of Directors to appoint an Appeal Board Chair from among the Members appointed under paragraph 5.8(a) and authorized to convene an Appeal Board.
- f) The Appeal Board Chair shall appoint two other Members in good standing, or one other Member and one layperson, to serve on the Appeal Board. An Appeal Board shall not be invalid to continue to conduct its functions if the Appeal Board Chair or other Appeal Board member becomes unable or unwilling to continue to serve on such Appeal Board, provided that at all times there shall be at least two persons then serving on the Appeal Board. Vacancies in the Appeal Board may be filled by the Appeal Board from among Members and laypersons. If there are no Members serving on the Appeal Board, the Board of Directors shall fill the vacancies in the Appeal Board from among Members and laypersons. Members serving on an Appeal Board shall not be members of the Board of Directors at the time of their appointment or for so long as they serve on an Appeal Board.
- g) The Appeal Board Chair and the members of the Appeal Board appointed in accordance with Article shall constitute the Appeal Board and shall have the powers necessary to perform the functions imposed upon it by the By-laws.
- h) No person shall serve on an Appeal Board who would be disqualified by reason of paragraph 5.4(f) or otherwise has had prior involvement with the Complaint as a Discipline Tribunal Chair or Discipline Tribunal member, an investigator or as a witness at related proceedings before the Discipline Tribunal.
- i) The Appeal Board Chair shall notify the Respondent and the Panel Chair on behalf of the CDC that the Appeal Board has been appointed and of its composition.
- j) All submissions to the Appeal Board shall be in writing. No oral submissions shall be heard. No new evidence may be introduced by either the Respondent or the Panel. No person other than the Respondent and the Panel, or their respective representatives, shall be entitled to make submissions to the Appeal Board.
- k) The Appeal Board shall be provided with a copy of the transcripts of the proceedings heard before the Discipline Tribunal, if available, the exhibits presented and the decision of the Discipline Tribunal.
- l) The Appellant shall provide three copies of his/her written submission to the Appeal Board Chair within thirty (30) days of the notification under paragraph 5.8(d).

- m) Upon receipt of the submissions from the Appellant, the Appeal Board Chair shall forward a copy to the Other Party which shall have thirty (30) days from the date of receipt of the Appellant's submissions to provide three copies of its written submissions to the Appeal Board Chair.
- n) Upon receipt of the submissions from the Other Party, the Appeal Board Chair shall forward a copy to the Appellant who shall have ten (10) days from the date of receipt of the Other Party's submissions to provide a written rebuttal to the submissions of the Other Party. Such rebuttal shall not contain new arguments or submissions.
- o) Upon receipt of the rebuttal of the Appellant, if any, or the expiry of the time allowed for such rebuttal, the Appeal Board Chair shall distribute copies of the written submissions and rebuttal and other documents to the Appeal Board and set a date on which the Appeal Board shall meet. Such meeting may be by conference telephone.
- p) Upon review of the submissions and rebuttal, the Appeal Board may dismiss the Charge and rescind the sanctions imposed by the Discipline Tribunal, find the Charge in whole or in part proved, or find all or part of the Charge not proved, but a lesser charge proved.
- q) If the Appeal Board finds the Charge (or another lesser charge) proved, it shall review the sanctions imposed by the Discipline Tribunal and may ratify the sanctions imposed by the Discipline Tribunal, reduce or otherwise amend the sanctions imposed by the Discipline Tribunal or may impose, separately or in combination, additional sanctions as set out in paragraph 5.7(c). The Appeal Board may order that any fine or costs payable to the Institute be increased to allow for the costs of the appeal if initiated by the Respondent.
- r) If the sanctions imposed by the Discipline Tribunal include an order for the termination of the Member's membership in the Institute or an order that the Registered Student's status with the Institute be terminated, and this sanction has been confirmed by the Appeal Board, the Appeal Board Chair shall notify the Chair of the Board of Directors of the decision of the Appeal Board relating to such sanction.

## **5.9 FAILURE TO ABIDE BY SANCTIONS**

If the CDC has reason to believe that a Respondent has not abided with sanctions agreed upon with the Panel, or imposed by a Discipline Tribunal or Appeal Board, the CDC shall be entitled to call upon the Discipline Tribunal Chair to convene a Discipline Tribunal to conduct a hearing to determine if the Respondent has not abided in full or in part with any or all of any sanctions agreed upon in an agreement between the Respondent and the CDC (on behalf of the Institute) pursuant to paragraph 5.3(r) or imposed by the original Discipline

Tribunal or the Appeal Board. The newly convened Discipline Tribunal shall conduct such hearing in accordance with the procedures set forth in Article 5.

## **5.10 CONTINUING JURISDICTION**

- a) Subject to subsection (c) a person remains subject to the continuing jurisdiction of the Institute in respect of an investigation or disciplinary proceeding arising from his/her conduct while a Member, even if the person resigns as a Member or if membership in the Institute is revoked.
- b) Subject to subsection (d) a person remains subject to the continuing jurisdiction of the Institute in respect of an investigation or disciplinary proceeding arising from his/her conduct while a Registered Student, even if the person resigned his/her status as a Registered Student, or his/her status as a Registered Student is revoked.
- c) No investigation shall be commenced respecting the conduct of a person who resigns as a Member or whose membership is revoked unless the conduct comes to the attention of the Institute before the sixth anniversary of the resignation or revocation.
- d) No investigation shall be commenced respecting the conduct of a person who resigns as a Registered Student or whose status as a Registered Student is revoked unless the conduct comes to the attention of the Institute before the sixth anniversary of the resignation or revocation.
- e) A Member whose membership is suspended remains subject to the continuing jurisdiction of the Institute for all purposes under the By-laws.
- f) A Registered Student whose status is suspended remains subject to the continuing jurisdiction of the Institute for all purposes under the By-laws.

## **6.0 TERMINATION OR SUSPENSION**

### **61 TERMINATION ON DEATH, RESIGNATION OR TERMINATION**

- a) Membership of a Member shall terminate upon the death of, or written resignation of, or termination of, the Member, or otherwise in accordance with the By-laws.
- b) Status as a Registered Student shall cease upon the death of, or written resignation of, or termination of the status of, the Registered Student, or otherwise in accordance with the By-laws.

## CIRCUMSTANCES FOR SUSPENSION OR TERMINATION AND RELATED NOTICE

- a) Any Member who fails to pay the applicable annual fee or any fine or cost reimbursement ordered under Article 5 or special assessments at or before the time specified by the Board of Directors for payment thereof may be suspended and/or terminated as a Member of the Institute. Notice of such proposed suspension shall be given by the Institute to the Member (the "First Notice"). If the applicable amount due is not paid within 30 days of the First Notice, the Institute shall be entitled to give a further notice (the "Second Notice") to the Member that the Member is suspended effective as of the date of the Second Notice, and of proposed termination as a Member if the applicable amount is not paid within 30 days of the Second Notice. Notice of such suspension and proposed termination shall be given to the Board of Directors. If the applicable amount due is not paid within 30 days of the Second Notice, the Institute shall be entitled to give a final notice (the "Notice of Termination") to the Member that he/she is terminated as a Member for failure to pay amounts due, and termination shall be effective as of the date of such Notice of Termination.
- b) Any Registered Student who fails to pay the applicable student fee or any fine or cost reimbursement ordered under Article 5 or special assessments at or before the time specified by the Board of Directors for payment thereof may be suspended and/or terminated as a Registered Student of the Institute. Notice of such proposed suspension shall be given by the Institute to the Registered Student (the "First Notice"). If the applicable amount due is not paid within 30 days of the First Notice, the Institute shall be entitled to give a further notice (the "Second Notice") to the Registered Student that he/she is suspended effective as of the date of the Second Notice, and of proposed termination of his/her affiliation as a Registered Student of the Institute if the applicable amount is not paid within 30 days of the Second Notice. Notice of such suspension and proposed termination shall be given to the Board of Directors. If the applicable amount due is not paid within 30 days of the Second Notice, the Institute shall be entitled to give a final notice (the "Notice of Termination") to the Registered Student that he/she is terminated as a Registered Student for failure to pay amounts due, and such termination shall be effective as of the date of such Notice of Termination.
- c) Any Registered Student who has not passed the membership qualification examination and who fails to take at least one Course in the Program of Studies in Business and Securities Valuation in the previous 12 month period shall be terminated as a Registered Student of the Institute upon notice (the "Notice of Termination") to the Registered Student that he/she is terminated as a Registered Student for failure to take at least one such Course, and such termination shall be effective as of the date of such Notice of Termination.

- d) Any Registered Student who has passed the membership qualification examination and who has not been admitted as a Member of the Institute within three years of the date of passing the membership qualification examination shall be terminated as a Registered Student of the Institute upon notice (the "Notice of Termination") to the Registered Student that he/she is terminated as a Registered Student for failure to be admitted as a Member of the Institute within the allotted time period, and such termination shall be effective as of the date of such Notice of Termination.
- e) Any Member who fails to complete satisfactory Continuing Professional Development, in accordance with the Continuing Professional Development requirements, may be suspended and/or terminated as a Member. Notice of such proposed suspension shall be given by the Institute to the Member (the "First Notice"). If the required Continuing Professional Development is not completed and the report filed within 6 months of the First Notice, the Institute shall be entitled to give a further notice (the "Second Notice") to the Member that the Member is suspended effective as of the date of the Second Notice, and of proposed termination as a Member if the Continuing Professional Development is not completed and the report filed within 30 days of the Second Notice. If the required Continuing Professional Development is not completed and the report filed within 30 days of the Second Notice, the Board of Directors shall be entitled to instruct the Institute to give a final notice (the "Notice of Termination") to the Member that he/she is terminated as a Member for failure to comply with Continuing Professional Development, and termination shall be effective as of the date of such Notice of Termination.
- i. Any Member who wishes to dispute the interpretation of the Institute that as a result of its audit of compliance with the Mandatory Continuing Professional Development that the Member has not completed satisfactory Continuing Professional Development, upon which a First Notice or Second Notice under section 6.2(e) is based, shall be entitled to petition the Chair of the Board of Directors for a re-consideration of the Continuing Professional Development in question (a "Review Petition"). A copy of the Review Petition shall be given to the President of the Institute. Upon delivery of a Review Petition to the Chair, all dates for action in section 6.2(e) shall be suspended, and the Chair shall nominate a review committee of 3 persons selected from the Board of Directors (the "Review Committee"). The Chair shall select a chair from among those 3 directors (the "Review Chair"). The Review Chair shall give notice thereof to the Member (the "Notice"). The Member shall submit written submissions to the Review Chair within 30 days of the Notice, failing which the Review Committee shall uphold the decision of the Institute that the submitted Continuing Professional Development is not satisfactory. The Review Committee shall request written submissions by the President of the Institute within 30 days of the Notice. The Review

Committee shall issue a binding non reviewable decision of the matter within 30 days of the receipt of the last submission. The Review Committee shall be required to either approve the submitted Continuing Professional Development as satisfactory or find the submitted Continuing Professional Development to not be satisfactory. Upon the Review Committee issuing its decision, all suspended actions shall resume. “

- f) Any Member who fails to report in accordance with the Continuing Professional Development requirements may be suspended and/or terminated as a Member. Notice of such proposed suspension shall be given by the Institute to the Member (the “First Notice”). If the report is not filed within 30 days of the First Notice, the Institute shall be entitled to give a further notice (the “Second Notice”) to the Member that the Member is suspended effective as of the date of the Second Notice, and of proposed termination as a Member if the report is not filed within 6 months of the Second Notice. Notice of such suspension and proposed termination shall be given to the Board of Directors. If the report is not filed within 6 months of the Second Notice, the Institute shall be entitled to give a final notice (the “Notice of Termination”) to the Member that he/she is terminated as a Member for failure to comply with reporting requirements, and termination shall be effective as of the date of such Notice of Termination.
- f. 1) Any Member who fails to report in accordance with the Practice Inspection requirements may be suspended and/or terminated as a Member. Notice of such proposed suspension shall be given by the Institute to the Member (the “First Notice”). If the report is not filed within 30 days of the First Notice, the Institute shall be entitled to give a further notice (the “Second Notice”) to the Member that the Member is suspended effective as of the date of the Second Notice, and of proposed termination as a Member if the report is not filed within 6 months of the Second Notice. Notice of such suspension and proposed termination shall be given to the Board of Directors. If the report is not filed within 6 months of the Second Notice, the Institute shall be entitled to give a final notice (the “Notice of Termination”) to the Member that he/she is terminated as a Member for failure to comply with reporting requirements, and termination shall be effective as of the date of such Notice of Termination.
- f. 2) Any Registered Student who fails to report in accordance with the Practice Inspection requirements may be suspended and/or terminated as a Registered Student. Notice of such proposed suspension shall be given by the Institute to the Registered Student (the “First Notice”). If the report is not filed within 30 days of the First Notice, the Institute shall be entitled to give a further notice (the “Second Notice”) to the Registered Student that the Registered Student is suspended effective as of the date of the Second Notice, and of proposed termination as a Registered Student if the report is not filed within 6 months of

the Second Notice. Notice of such suspension and proposed termination shall be given to the Board of Directors. If the report is not filed within 6 months of the Second Notice, the Institute shall be entitled to give a final notice (the "Notice of Termination") to the Registered Student that he/she is terminated as a Registered Student for failure to comply with reporting requirements, and termination shall be effective as of the date of such Notice of Termination.

- g) Any Registered Student who has passed the membership qualification examination and who fails to complete satisfactory Continuing Professional Development, in accordance with the Continuing Professional Development requirements, may be suspended and/or terminated as a Registered Student. Notice of such proposed suspension shall be given by the Institute to the Registered Student (the "First Notice"). If the required Continuing Professional Development is not completed and the report filed within 6 months of the First Notice, the Institute shall be entitled to give a further notice (the "Second Notice") to the Registered Student that the Registered Student is suspended effective as of the date of the Second Notice, and of proposed termination as a Registered Student if the Continuing Professional Development is not completed and the report filed within 30 days of the Second Notice. If the required Continuing Professional Development is not completed and the report filed within 30 days of the Second Notice, the Board of Directors shall be entitled to instruct the Institute to give a final notice (the "Notice of Termination") to the Registered Student that he/she is terminated as a Registered Student for failure to comply with Continuing Professional Development requirements, and termination shall be effective as of the date of such Notice of Termination.
- i. Any Registered Student who wishes to dispute the interpretation of the Institute that as a result of its audit of compliance with the Mandatory CPD that the Registered Student has not completed satisfactory Continuing Professional Development, upon which a First Notice or Second Notice under section 6.2(e) is based, shall be entitled to petition the Chair of the Board of Directors for a re-consideration of the Continuing Professional Development in question (a "Review Petition"). A copy of the Review Petition shall be given to the President of the Institute. Upon delivery of a Review Petition to the Chair, all dates for action in section 6.2(e) shall be suspended, and the Chair shall nominate a review committee of 3 persons selected from the Board of Directors (the "Review Committee"). The Chair shall select a chair from among those 3 directors (the "Review Chair"). The Review Chair shall give notice thereof to the Registered Student (the "Notice"). The Registered Student shall submit written submissions to the Review Chair within 30 days of the Notice, failing which the Review Committee shall uphold the decision of the Institute that the submitted Continuing Professional Development is not satisfactory. The Review

Committee shall request written submissions by the President of the Institute within 30 days of the Notice. The Review Committee shall issue a binding non reviewable decision of the matter within 30 days of the receipt of the last submission. The Review Committee shall be required to either approve the submitted Continuing Professional Development as satisfactory or find the submitted Continuing Professional Development to not be satisfactory. Upon the Review Committee issuing its decision, all suspended actions shall resume.

- h) Any Registered Student who has passed the membership qualification examination and who fails to report in accordance with the Continuing Professional Development requirements may be suspended and/or terminated as a Registered Student. Notice of such proposed suspension shall be given by the Institute to the Registered Student (the "First Notice"). If the report is not filed within 30 days of the First Notice, the Institute shall be entitled to give a further notice (the "Second Notice") to the Registered Student that the Registered Student is suspended effective as of the date of the Second Notice, and of proposed termination as a Registered Student if the report is not filed within 6 months of the Second Notice. Notice of such suspension and proposed termination shall be given to the Board of Directors. If the report is not filed within 6 months of the Second Notice, the Institute shall be entitled to give a final notice (the "Notice of Termination") to the Registered Student that he/she is terminated as a Registered Student for failure to comply with reporting requirements, and termination shall be effective as of the date of such Notice of Termination.
- i. A Member or Registered Student shall be deemed to have been suspended in each of the following events:
  - ii. upon becoming a Bankrupt;
  - iii. where the Member or Registered Student is found to be guilty or pleads guilty to a criminal offense or a violation of the provisions of any securities legislation in effect in any jurisdiction;
  - iv. where the Member or Registered Student is suspended or expelled from membership in another professional body or institute; or
  - v. upon order of a court of competent jurisdiction or appointment of a proper authority under applicable law declaring that the Member or Registered Student is incapable of managing his/her own property or his/her personal care, or is mentally incompetent or is of unsound mind.

Such suspension shall be deemed to occur as at the date of the event giving rise to the deemed suspension. Membership or Registered Student status, as the case may be, may

be reinstated in accordance with the provisions of the By-laws. Notice of such suspension shall be given to the Member or Registered Student, as the case may be, by the Institute upon the event giving rise to the deemed suspension coming to the attention of the Institute.

### **63 NOTICE TO INSTITUTE OF BANKRUPTCY AND OTHER EVENTS**

Notice shall be given by a Member or Registered Student or his/her legal personal representative, as the case may be, to the Institute:

- a) upon becoming a Bankrupt,
- b) upon being found guilty or pleading guilty to a criminal offence or a violation of the provisions of any securities legislation in effect in any jurisdiction,
- c) upon being reprimanded, suspended or expelled from membership in another professional organization or institute, or otherwise sanctioned by such organization or institute; or
- d) upon order of a court of competent jurisdiction or appointment of a proper authority under applicable law declaring that the Member or Registered Student is incapable of managing his/her property or his/her personal care, or is mentally incompetent or is of unsound mind.

Notice to the Institute shall be given by notice to the President and CEO in writing within 15 days of the event. Such notice shall include a copy of any applicable assignment, order, charge, sanction, proposal or notice, and such other information and documentation as the President and CEO shall consider necessary and appropriate. If the Member or Registered Student is subject of a disciplinary charge by, or an investigation or proceeding with, a regulatory or judicial body or a professional organization or institute, such Member or Registered Student shall not act to restrict disclosure of information to the Institute by any such regulatory or judicial body or professional organization or institute.

### **64 STATUS OF MEMBERS AND REGISTERED STUDENTS WHILE UNDER SUSPENSION**

- a) A suspended Member shall not hold himself or herself out as a Member in good standing, and shall not exercise or enjoy any of the rights or entitlements of membership.
- b) A suspended Registered Student shall not hold himself or herself as a Registered Student in good standing.
- c) The Board of Directors shall be entitled in its discretion to relieve or establish conditions

for any suspended Member including reporting and disclosure requirements, notifications to existing clients, practice restrictions, restrictions on use of designations and the like. Notwithstanding that membership is suspended, such Member shall pay all annual fees and special assessments to the Institute during the period of suspension and shall be subject to all By-laws, rules and regulations applicable to Members generally.

- d) The Board of Directors shall be entitled in its discretion to relieve or establish conditions for any suspended Registered Student including reporting and disclosure requirements, notifications to existing clients, practice restrictions, restrictions on use of designations and the like. Notwithstanding that their status as a Registered Student is suspended, such Registered Student shall pay all fees and special assessments to the Institute during the period of suspension and shall be subject to all By-laws, rules and regulations applicable to Registered Students generally.

## **65 TERMINATION OF SUSPENDED MEMBERS/REGISTERED STUDENTS**

- a) If a suspended Member/Registered Student fails to honour any of the conditions established by the Board of Directors in connection with such suspension, the Board of Directors shall be entitled in its discretion to terminate the membership of the suspended Member or to terminate the status of the Registered Student.
- b) The membership of any Member whose rights and entitlements of membership have been suspended for any reason under the By-laws, other than pursuant to an order of the Discipline Tribunal or Appeal Board, shall, unless the provisions of another By-law are applicable, automatically be terminated as a Member as of the third anniversary date of the suspension unless, prior to that date, the Member commences the appropriate application for re-instatement to membership in good standing.
- c) Any Registered Student whose rights and entitlements of affiliation have been suspended for any reason under the By-laws, other than pursuant to an order of the Discipline Tribunal or Appeal Board, shall, unless the provisions of another By-law are applicable, automatically be terminated as a Registered Student as of the third anniversary date of the suspension unless, prior to that date, the Registered Student commences the appropriate application for re-instatement to Registered Student status.

## 66 APPLICATION FOR RE-INSTATEMENT

- a) Any Member or Registered Student who has ceased to be a Member or Registered Student as a result of resignation, or is terminated by reason of non-payment of fees, fines, cost re-imbursement or special assessments or failure to comply with the Institute's mandatory Continuing Professional Development requirements (as applicable) or failure to comply with the Institute's mandatory practice inspection reporting requirements (as applicable), and against whom there is no charge outstanding under the By-laws, shall be entitled to apply to the Institute for re-instatement as a Member or Registered Student status, as the case may be.
- b) Where a complaint is made against a Member or Registered Student subsequent to re-instatement in respect of conduct or alleged conduct by such Member or Registered Student relating to a breach of the By-laws, Code of Ethics or Practice Standards alleged to have occurred during the time between the Member's or Registered Student's resignation, suspension or termination and his/her re-instatement, the complaint shall be reviewed by the Conduct and Discipline Committee pursuant to the By-laws and on completion of such review, the Conduct and Discipline Committee may pursue any course of action available to it in accordance with the provision of the By-laws.
- c) A Member or Registered Student who resigns before any disciplinary proceedings initiated against him/her has been resolved shall be obligated to reimburse the Institute for costs incurred in respect of such disciplinary proceedings. Such Member or Registered Student is prohibited from seeking re-instatement of his/her Membership or reapplying for status with the Institute, respectively. Notice of such resignation, including terms of charges laid and payments to be made to the Institute, may be published by the Institute in public newspapers, through a press release, in the Institute's newsletter and on the Institute's website as the Board of Directors deems appropriate under the circumstances.
- d) Any Member whose membership in the Institute is suspended by operation of paragraph 6.2(f) or 6.2(f.1) (but not terminated under Section 6.5 or otherwise) and against whom there is no charge outstanding under the By-laws, may apply in writing to the Institute to have his/her membership re-instated.
- e) Any Registered Student whose status is suspended by operation of paragraph 6.2(f.2) or paragraph 6.2(h) (but not terminated under section 6.5 or otherwise) and against whom there is no charge outstanding under the By-laws, may apply in writing to the Institute to have his/her status re-instated.
- f) Any Member whose membership is terminated for a reason other than as set out in

paragraph 6.6(a) shall not be entitled to apply for re-instatement as a Member or apply for membership or Registered Student status at any time. Any Registered Student whose status is terminated for a reason other than as set out in paragraph 6.6(a) shall not be entitled to apply for re-instatement as a Registered Student or apply for status as a Registered Student or for membership in the Institute at any time.

- g) Upon receipt of an application for re-instatement, the President and CEO shall notify the Board of Directors, which by its Chair, shall thereupon establish a sub-committee of three (3) directors to form a panel (the "Panel") and shall nominate a Chair for such Panel. The President and CEO shall forward the application, together with such other relevant material as shall be available to the President and CEO, to the Chair of the Panel for review by the Panel. The Panel shall thereupon prepare a confidential report and recommendation for action to be taken by the Board of Directors.
- h) If the Panel while conducting its investigation become aware of:
  - i. any preliminary investigation and enquiry by the CDC into the professional conduct of the applicant pursuant to the By-laws, or
  - ii. any act, omission, matter or thing on the part of the applicant that the CDC is empowered to investigate and enquire into pursuant to a Complaint under the By-laws,

the Panel may continue, terminate or suspend its investigation but, in the case of clause 6.6(h)(ii), shall bring such act, omission, matter or thing to the attention of the CDC for investigation and enquiry as a complaint pursuant to the By-laws.

- i) Where an investigation or enquiry by the CDC referred to in paragraph 6.6(h) results in a charge being made against the applicant, the disposition of which by the CDC causes the applicant to be suspended or terminated from membership or affiliation as a Registered Student, as the case may be, before the Panel concludes its investigation, the Panel shall not proceed further with its investigation and the application made for re-instatement shall be terminated and be of no further effect.
- j) Upon consideration by the Board of Directors of the report and recommendation of the Panel with respect to a former Member, the Board is authorized to refuse or grant re-instatement of membership and to prescribe the conditions upon which the re-instatement may be granted. Such conditions may include the payment of all arrears of fees, fines, costs re-imburement and special assessments, a fee for re-instatement and such other conditions as the Board of Directors may deem appropriate.
- k) Upon consideration by the Board of Directors of the report and recommendation of the Panel with respect to a suspended Member, the Board is authorized to:

- i. maintain the suspension of such Member,
- ii. terminate the membership of such Member, or
- iii. cease the suspension and re-instate the membership of such Member.

If membership is to be re-instated, such Member shall pay all fees, fines, cost reimbursements and special assessments to the Institute accrued but unpaid, if any, during the period of suspension and shall be subject to all By-laws, rules and regulations applicable to Members generally.

- l) Upon consideration by the Board of Directors of the report and recommendation of the Panel with respect to a former Registered Student, the Board is authorized to refuse or grant re-instatement of the status and to prescribe the conditions upon which the re-instatement may be granted. Such conditions may include the payment of all arrears of fees, fines, costs reimbursement and special assessments, a fee for re-instatement and such other conditions as the Board of Directors may deem appropriate.
- m) Upon consideration by the Board of Directors of the report and recommendation of the Panel with respect to a suspended Registered Student, the Board is authorized to:
  - i. permit the Registered Student to maintain his/her status with the Institute, or to maintain such status subject to fulfilment of any conditions which the Board of Directors believes to be appropriate in the circumstances; or
  - ii. suspend the status of the Registered Student who is a Bankrupt, including eligibility to attempt any Institute examinations:
    - 1. until such date as the Institute is provided with acceptable documentation as evidence that the bankruptcy has been discharged, or
    - 2. for such other period of time as the Panel determines to be appropriate in the circumstances.
    - 3. approve for admission to membership if the Registered Student is a Bankrupt but has successfully fulfilled all the requirements determined by the Board of Directors for admission to membership upon:
    - 4. acceptable documentation being filed with the Institute as evidence that the bankruptcy has been discharged; and

5. the Panel is satisfied that the Registered Student has complied with any conditions determined.
  - iii. maintain the suspension of such Registered Student;
  - iv. terminate the status of such Registered Student; or
  - v. cease the suspension of the status of such Registered Student.
- n) In arriving at its decision under paragraph 6.6(k) or paragraph 6.6(m), the Panel or the Board of Directors shall have regard to such considerations as it may deem appropriate, including:
- i. the circumstances of the suspension and whether the applicant is competent to carry on the practice of business valuations;
  - ii. the nature of any outstanding disciplinary order issued by the Institute or any other professional body or institute, and the state of compliance therewith by the applicant;
  - iii. the circumstances of the bankruptcy, including whether the applicant has been discharged from bankruptcy (if applicable);
  - iv. the circumstances and disposition of the criminal offense or the securities law violation or the suspension or expulsion by another professional body or institute, as the case may be.
- o) The President and CEO shall notify the applicant of the decision of the Board of Directors, and conditions imposed (if any), under paragraphs 6.6(j), 6.6(k), 6.6(l) or 6.6(m), as the case may be.
- p) The membership of a Member or the status of a Registered Student shall be revoked by the Board of Directors upon notice to the Board of Directors of an Order of a Tribunal under Section 5.7 of this By-law (after the appeal period has expired), or by Order of an Appeal Board under Section 5.8 of this By-law.
- q) Notwithstanding section 6.6(g), upon receipt of an application for re-instatement by a Member, the President and CEO shall be entitled to re-instate a suspended Member as a Member in good standing where the Member has been suspended under section 6.2(f) or section 6.2(f.1) where:
- (i) the Member has filed all required reports with the Institute and paid all fees and re-instatement processing fees set by the Institute, and

- (ii) the Member has not previously been suspended or terminated as a Member or Registered Student of the Institute for any reason.
- r) Notwithstanding section 6.6(g), upon receipt of an application for re-instatement by a Registered Student, the President and CEO shall be entitled to re-instate a suspended Registered Student as a Registered Student in good standing where the Registered Student has been suspended under section 6.2(f.2) or section 6.2(h) where:
  - (i) the Registered Student has filed all required reports with the Institute and paid all fees and re-instatement processing fees set by the Institute, and
  - (ii) the Registered Student has not previously been suspended or terminated as a Registered Student of the Institute for any reason.

## **67 PUBLICATION OF NOTICE OF SUSPENSION OR TERMINATION**

- a) The Institute shall give notice of suspension or termination of membership of a Member within a reasonable period of time following the suspension or termination. Notice may include the location of current or former practice of the Member. Notice shall be published in the newsletter of the Institute and on its website. Subject to the directions of a Discipline Tribunal under Article 5 (if any), notice shall be published by the Institute in national and regional newspapers and publications, through a press release or otherwise as the Board of Directors deems appropriate under the circumstances.
- b) The Institute shall give notice of suspension or termination of status of a Registered Student within a reasonable period of time following the suspension or termination. Notice may include the location of current or former practice of the Registered Student. Notice shall be published in the newsletter of the Institute and on its website. Subject to the directions of a Discipline Tribunal under Article 5 (if any), notice shall be published by the Institute in national and regional newspapers and publications, through a press release or otherwise as the Board of Directors deems appropriate under the circumstances.

## **68 NO RIGHTS ON TERMINATION**

All rights of a Member, including any rights in the property of the Institute, cease to exist on termination of his/her membership.

# **7.0 DIRECTORS**

## **7.1 BOARD OF DIRECTORS**

- a) The affairs of the Institute shall be managed by the Board of Directors who may exercise all such powers and do all such acts and things as may be exercised or done by the

Institute and are not by the Act, the Articles, the By-laws or any resolution of the Institute or by statute expressly directed or required to be done by the Institute at a meeting of Members. All matters to be approved by the Board of Directors shall be passed by resolution of a majority of the directors present at a duly constituted meeting of the Board.

- b) Subject to any unanimous Member agreement, the Board of Directors shall be responsible for the governance of the Institute and to manage, or supervise the management of, the activities and affairs of the Institute.
- c) The Board of Directors may, from time to time, develop and adopt charters of the Board of Directors setting out in greater detail its roles and responsibilities that are not addressed in paragraph 7.1(b).

## **72 QUALIFICATION OF DIRECTORS**

- a) Each director shall be twenty-one (21) or more years of age. Except for those directors specifically elected as lay directors, each director shall be a Member of the Institute. Each director shall conduct himself at all times in both private life and professional practice in a manner which will maintain the good reputation and integrity of the profession of business valuations and the Institute and their ability to serve the public interest.
- b) The following individuals are disqualified from being a director of the Institute:
  - i. a person who has the status of a Bankrupt;
  - ii. a person who has been found guilty or pleaded guilty to a criminal offence or a violation of the provisions of any securities legislation in effect in any jurisdiction,
  - iii. a person who has been suspended or expelled from membership in another professional body or institute, or
  - iv. a person who has been declared, by order of a court of competent jurisdiction or appointment of a proper authority under applicable law, to be incapable of managing his/her property or his/her personal care, or to be mentally incompetent or to be of unsound mind.

## **73 NUMBER OF DIRECTORS**

- a) The Board of Directors shall consist of the number of directors specified in the Articles. If a minimum and maximum number of directors is provided for in the Articles, the Members may, from time to time by ordinary resolution, fix the number of directors and

the number of directors to be elected at annual meetings of the Members, or the Members may delegate those powers to the Board of Directors.

- b) If the Institute is a soliciting corporation under the Act, the Institute shall have at least three directors, at least two of whom are not officers or employees of the Institute or its affiliates.

## **74 ELECTION OF DIRECTORS GENERALLY**

- a) Except as set forth in Section 7.5 in connection with the election of regional directors, directors shall be elected in a general meeting of Members on a show of hands unless a poll is demanded and, if a poll is demanded; such election shall be by ballot.
- b) Nominations by Members for election of Members and non-Members to the Board of Directors (other than those to be elected pursuant to Section 7.5) shall be submitted to the Secretary of the Institute not later than March 31 of the year in which the election is to occur. All nominations shall be signed by three (3) Members (not including the nominee) and shall be accompanied by a written Consent of the nominee.
- c) The Board of Directors shall be entitled to appoint a Nomination Committee which shall assume responsibility for the nomination of suitable candidates for election to the Board of Directors in addition to those candidates which may be nominated by the Members and those to be elected pursuant to Section 7.5. The Nomination Committee shall consist of not less than five (5) persons and shall include the Chair, the two past Chairs, the Vice Chair and the President and CEO of the Institute if such persons are willing and able to so serve. The Nomination Committee shall collect and solicit nominations for election of Members and non-Members to the Board of Directors and shall provide suitable biographical and professional information concerning each candidate to the Secretary to be distributed to the Members with Notice of the meeting.
- d) A director whose term expires at an annual meeting of Members at which directors are to be elected shall retire and, subject to the provisions of this By-law, shall be eligible for re-election. Retiring directors shall continue in office until their successors shall have been duly elected or appointed.
- e) In the event of any vacancy however caused occurring in the Board of Directors (except through an increase in the number of directors), such vacancy may, as long as there is a quorum of directors then in office, be filled by the Board of Directors from among the Members if the Board of Directors shall see fit to do so; otherwise such vacancy shall be filled at the next meeting of Members.
- f) The Board of Directors shall consist of a minimum of ten (10) directors and a maximum of fifteen (15) directors who shall be elected or appointed as follows:

- i. one (1) director shall be elected by Members in each Region where the conditions of such election have been satisfied under Section 7.5;
  - ii. up to three (3) directors who are not Members may be elected by all Members as lay directors (including, for certainty, Members entitled to elect directors under Section 7.5); and
  - iii. the remaining directors shall be elected by all of the Members (including, for greater certainty, Members entitled to elect directors under Section 7.5).
- g) The ballot for the election of a director shall be signed by the Member (or his/her duly authorized proxy). If a ballot is sent to the Institute by mail or by facsimile or other electronic transmission such ballot will only be valid if received by the date and time so specified by the Institute. Ballots shall be counted by the President and CEO (or such other individual as determined by the Board of Directors) and verified by another individual as determined by the Board of Directors.

## **7.5 ELECTION OF REGIONAL DIRECTORS**

- a) In an effort by the Institute to promote regional representation on the Board of Directors, Members whose principal place of business is in a Region (as defined in this Section 7.5) shall be entitled to petition the Institute for the right to conduct an election of one (1) director to the Board of Directors, such election to be only by Members whose principal place of business is in such Region. Such election shall be administered by the Institute in the manner set forth in the By-laws and as shall be approved by the Board of Directors.
- b) A petition for such election shall require the written endorsement of thirty (30) Members whose principal place of business is in the same Region. The Board of Directors, in its sole discretion, shall be entitled to reduce the number of endorsements required for a petition in any Region at any time and from time to time.
- c) "Region" for purposes of Section 7.5 shall mean any of the following up to May 31, 2022:
  - (i) the Province of British Columbia and the Territory of Yukon, collectively;
  - (ii) the Province of Quebec;
  - (iii) the Provinces of Newfoundland and Labrador, New Brunswick, Nova Scotia and Prince Edward Island collectively;

- (iv) the City of Toronto
- (v) the Province of Ontario, not including the City of Toronto;
- (vi) the Provinces of Alberta, Saskatchewan and Manitoba, and the Territories of Nunavut and Northwest Territories, collectively.

c.1) Effective June 1, 2022, “Region” for purposes of Section 7.5 shall mean any of the following:

- (i) the Province of British Columbia and the Territory of Yukon, collectively;
- (ii) the Province of Quebec;
- (iii) the Provinces of Newfoundland and Labrador, New Brunswick, Nova Scotia and Prince Edward Island collectively;
- (iv) the City of Toronto;
- (v) the Province of Ontario, not including the City of Toronto;
- (vi) the Provinces of Alberta, Saskatchewan and Manitoba, and the Territories of Nunavut and Northwest Territories, collectively.

c.2) Any director elected by Members of a Region shall remain as a director following May 31, 2022 for the remainder of his/her term notwithstanding that the Region may have changed its composition under clause 7.5(c.1)(iv) or clause 7.5(c.1)(v)”

- d) The right accorded under this Section 7.5 shall not expire at the end of the term of any director elected under this Section 7.5 unless the Board of Directors considers that another petition should be filed and notice thereof is given by the Secretary to the Members whose principal place of business is in such Region. Any such notice shall be given on or before December 31 of the calendar year preceding the next election.
- e) Nominations by Members for election of a Member to the Board of Directors in respect of a Region pursuant to this Section 7.5 shall be submitted to the Secretary of the Institute not later than March 31 of the year in which the election is to occur (or such other date as the Board shall specify). All nominations shall be signed by three (3) Members (not including the nominee) whose place of business is in such Region and shall be accompanied by a written Consent of the nominee.
- f) The election of a regional director may be undertaken by means of a ballot or by electronic voting, or a combination of ballots and electronic voting.

f.1) If a Member votes by ballot to elect a regional director, such ballot shall be signed by

the Member (or his/her duly authorized proxy) and sent to the Institute by mail, by facsimile, by email or other electronic transmission and will only be valid if received in the manner and by the date and time so specified by the Institute. Ballots shall be counted by the President and CEO (or such other person as determined by the Board of Directors) and verified by another person as determined by the Board of Directors.

- g) Prior to the end of the nominating period, the Institute shall disclose to the Members:
  - i. whether an election of a regional director for a Region shall take place by reason of the expiration of the term of the director elected for such Region, or his/her resignation or termination as the director elected for such Region,
  - ii. whether a petition for the election of a regional director for a Region has been received,
  - iii. the number of nominations received for each Region,
  - iv. the names of the nominees for each Region, and
  - v. suitable biographical and professional information concerning each such nominee.
- h) Only the name of the successful candidate will be announced, and not the number of ballots cast for such candidate, or for any other candidate.
- i) In the event of a tie for the election of a regional director, the successful candidate will be selected from amongst the tied candidates by lot conducted by the President and CEO (or such other person as determined by the Board of Directors).
- j) Members entitled to vote to elect a director in respect of a Region are not a separate class of Members and shall have no rights in addition to or different from other Members except in pursuance of section 7.5.

## **7.6 ELECTION OF LAY DIRECTORS**

- a) In an effort by the Institute to promote diverse representation on the Board of Directors, up to three (3) individuals who are not Members may be elected to the Board of Directors as "lay directors". Such number of lay directors shall be at the discretion of the Board of Directors. The Nomination and election of lay directors shall be administered by the Institute in the manner set forth in the By-laws and as shall be approved by the Board of Directors.
- b) In the event of any vacancy however caused occurring in the number of lay directors

(except through an increase in the number of directors), such vacancy may, as long as there is a quorum of directors then in office, be filled by the Board of Directors from among Members or non-Members if the Board of Directors shall see fit to do so; otherwise such vacancy shall be filled by election at the next meeting of Members.

## 7.7 TERM OF OFFICE

The term of office of a director (subject to the provisions, if any, of the Articles) shall be from the date of the meeting of Members at which the director is elected or appointed and shall continue until the annual meeting of Members in the third year after such election or appointment or until the successor of such director is elected or appointed; provided however that:

- a) the term of a director may be specifically set by the Board of Directors at or prior to the election of such director to be for a period from the date of the meeting at which the director is elected or appointed until the annual meeting in the next following year or until the annual meeting in the second year after such election or until the successor of such director is elected or appointed;
- b) the term of a director to be elected under Section 7.5 or Section 7.6 may be specifically set by the Board of Directors at or prior to the election of such director to be for a period from the date of the meeting at which the director is elected until the annual meeting in the next following year or until the annual meeting in the second year after such election or until the successor of such director is elected or appointed;
- c) any director appointed or elected to fill a vacancy on the Board of Directors shall hold office for the unexpired term of the director who ceased to be a director and who caused such vacancy;
- d) the term of a director elected under Section 7.5 shall commence at the next meeting of Members at which directors are elected under Section 7.4;
- e) no person shall be entitled to serve as a director for more than six (6) consecutive years, except that
  - i. any director who is elected for a term that would result in service beyond six (6) consecutive years shall be entitled to complete his/her term of service, and
  - ii. any director who is the Chair, Vice-Chair, Secretary or Secretary/Treasurer at the end of such service shall be entitled to serve one further third consecutive term of up to three (3) years, in succession to his/her immediately prior service;

- f) any person who served as a director but who is no longer entitled to serve as a director under paragraph 7.7(e) shall be entitled to serve again as a director after a thirty (30) month absence from the Board.

## **7.8 VACATION OF OFFICE OF DIRECTOR BY A DIRECTOR WHO IS A MEMBER**

- a) A director who is a Member ceases to hold office when he/she is not re-elected or is removed in accordance with the By-laws.
- b) The office of director shall automatically be vacated if the director:
  - i. becomes a Bankrupt;
  - ii. is found guilty or pleads guilty to a criminal offence or a violation of the provisions of any securities legislation in effect in any jurisdiction;
  - iii. is suspended or expelled from membership in another professional body or institute;
  - iv. is found by order of a court of competent jurisdiction or appointment of a proper authority under applicable law declaring that the director is incapable of managing his/her property or his/her personal care, or is mentally incompetent or is of unsound mind;
  - v. dies or resigns his/her office by delivering a written resignation to an officer of the Institute or Chair of the Board;
  - vi. breaches any of the By-laws, or is no longer qualified to serve as a director of the Institute; or
  - vii. ceases to be a Member. Such director or his/her legal or personal representatives shall notify the Institute by notice to the President and CEO in writing within 15 days of the event.
- c) The office of director shall automatically be vacated if, at a special meeting of Members, an ordinary resolution is passed by the Members (or the relevant class or group of Members, if applicable) that the director be removed from office.

## **7.9 VACATION OF OFFICE OF DIRECTOR BY A DIRECTOR WHO IS A LAY DIRECTOR**

- a) A lay director who is not a Member ceases to hold office when he/she is not re-elected or is removed in accordance with the By-laws.

- b) The office of director shall automatically be vacated if the director:
- i. becomes a Bankrupt;
  - ii. is found guilty or pleads guilty to a criminal offence or a violation of the provisions of any securities legislation in effect in any jurisdiction;
  - iii. is suspended or expelled from membership in another professional body or institute;
  - iv. is found by order of a court of competent jurisdiction or appointment of a proper authority under applicable law declaring that the director is incapable of managing his/her property or his/her personal care, or is mentally incompetent or is of unsound mind;
  - v. dies or resigns his/her office by delivering a written resignation to an officer of the Institute or Chair of the Board; or
  - vi. breaches any of the By-laws, or is no longer qualified to serve as a director of the Institute.

Such director or his/her personal representatives shall notify the Institute by notice to the President and CEO in writing within 15 days of the event.

- c) The office of a lay director shall automatically be vacated if, at a special meeting of Members, an ordinary resolution is passed by the Members (or the relevant class or group of Members, if applicable) that the director be removed from office.

## **7.10 FILLING VACANCIES AMONG DIRECTORS**

- a) The Board of Directors may fill a vacancy among the Board of Directors, except a vacancy resulting from an increase in the number or the minimum or maximum number of Board of Directors provided for in the Articles or a failure to elect the number or minimum number of Board of Directors provided for in the Articles.
- b) If there is not a quorum of Board of Directors or if there has been a failure to elect the number or minimum number of Board of Directors provided for in the Articles, the Board of Directors then in office shall without delay call a special meeting of Members to fill the vacancy and, if they fail to call a meeting or if there are no Board of Directors then in office, the meeting may be called by any Member.
- c) If a director elected by a Region vacates his/her office, the Board of Directors shall be

entitled to either fill the vacancy by resolution of the Board or grant to the Members entitled to vote to elect directors for that Region a right to fill such vacancy.

## **7.11 REMUNERATION OF DIRECTORS**

The Board of Directors shall serve without remuneration and no director shall directly or indirectly receive any profit from his/her position as such; provided that a director may be paid reasonable expenses incurred by him/her in the performance of his/her duties.

## **7.12 DELEGATION**

- a) Subject to the Articles, any By-law and any unanimous Member agreement:
- i. the Board of Directors may from time to time delegate to a director or a committee of Board of Directors, all or any of the powers conferred on the Board of Directors by the Act to such extent and in such manner as the Board of Directors shall determine at the time of each such delegation, except that the Board of Directors shall not delegate authority to:
    1. submit to the Members any question or matter requiring the approval of Members;
    2. fill a vacancy among the Board of Directors or in the office of public accountant or appoint additional Board of Directors;
    3. issue debt obligations except as authorized by the Board of Directors;
    4. approve any financial statements;
    5. adopt, amend or repeal By-laws; or
    6. establish or modify fees or assessments to be made, or dues to be paid, by Members;
  - ii. the powers specified in Section 15.8 may be delegated to a director, a committee of Board of Directors or an officer of the Institute.
- b) Any committee of the Board of Directors shall be entitled to establish its own rules of procedure, subject to direction of the Board of Directors from time to time. Any Member or lay person selected to serve on a committee of the Board of Directors shall serve at the discretion of the Board, and in the case of a Member, shall be entitled to serve on any such committee so long as the Member is a member in good standing. Any committee member may be removed from service on a committee by resolution of the

Board of Directors in its sole discretion.

## **7.13 BY-LAWS**

Pursuant to Section 152 of the Act:

- a) Unless the Articles or a unanimous Member agreement otherwise provides, the Board of Directors may, by resolution, make, amend or repeal any By-laws that regulate the activities or affairs of the Institute, except in respect of matters referred to in Section 19.1 of this By-law.
- b) The Board of Directors shall submit every By-law, amendment or repeal to the Members at the next meeting of Members, and the Members may, by ordinary resolution, confirm, reject or amend such By-law, amendment or repeal.
- c) Subject to Section 7.13(e) of this By-law, the By-law, amendment or repeal is effective from the date of the resolution of the Board of Directors. If the By-law, amendment or repeal is confirmed, or confirmed as amended, by the Members it remains effective in the form in which it was confirmed.
- d) The By-law, amendment or repeal ceases to have effect if it is not submitted by the Board of Directors to the Members as required under Section 7.13(b) of this By-law or if it is rejected by the Members.
- e) If a By-law, an amendment or a repeal ceases to have effect, a subsequent resolution of the Board of Directors that has substantially the same purpose or effect is not effective until it is confirmed, or confirmed as amended, by the Members.

## **8.0 MEETINGS OF DIRECTORS**

### **8.1 CALLING OF MEETINGS**

Meetings of the Board of Directors may be called by the Chair, any Vice-Chair or any two directors at any time. If the Institute has only one director, that director may call and constitute a meeting of the Board of Directors.

### **8.2 PLACE OF MEETING AND NOTICE**

- a) Meetings of the Board of Directors may be held either at the registered office of the Institute or, with the consent of the Chair or a Vice-Chair, at any other place within or outside of Canada. A meeting of the Board of Directors may be convened by the Chair or a Vice-Chair or any two directors at any time and the Secretary by direction of the

Chair or a Vice-Chair or any two directors shall convene a meeting of directors.

- b) Notice of the time and place of any meeting of the Board of Directors shall be given to each director not less than seven (7) days, except in the case of notice being delivered by fax or electronic mail in which case notice shall be two (2) days, (exclusive of the day on which the notice is given but inclusive of the day for which notice is given) before the meeting is to take place; provided always that meetings of the Board of Directors may be held at any time without formal notice if all the directors are present or those absent have waived notice or have signified their consent in writing addressed to the Secretary to the meeting being held in their absence. Notice of any meeting or any irregularity in any meeting or in the notice thereof may be waived by any director.
- c) For the first meeting of the Board of Directors to be held immediately following the election of directors at an annual or special general meeting of the Members or for a meeting of the Board of Directors at which a director is appointed to fill a vacancy in the Board, no notice of such meeting need be given to the director or directors so elected or appointed in order for the meeting to be duly constituted, provided that a quorum of the Board is present.
- d) Notice of an adjourned meeting is not required if the time and place of the adjourned meeting is announced at the original meeting. 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 Sections 7.12(a)(i) of this By-law.
- e) The Board of Directors shall meet at least once a year and such meeting shall be held in conjunction with an annual meeting of Members.

### **83 PARTICIPATION IN MEETINGS BY ELECTRONIC MEANS**

If all of the directors present at the meeting have consented, a meeting of the Board of Directors or of a committee of the Board of Directors may be held by means of such telephone, electronic or other communication facilities as permit all of the directors present at the meeting have consented, a meeting of the Board of Directors or of a committee of the Board of Directors may be held by means of such telephone, electronic or other communication facilities as permit all individuals participating in the meeting to communicate adequately with each other simultaneously and instantaneously during the meeting, and a director participating in such a meeting by such means is deemed to be present at that meeting for all purposes.

### **84 QUORUM**

A majority of the directors shall form a quorum for the transaction of business.

## **8.5 VOTING**

Except as may be otherwise specified in this By-law or unless otherwise required by the Act or the Articles, at all meetings of the Board of Directors or a committee of the Board of Directors, every question shall be decided by a majority vote of the directors present at the meeting. In case of an equality of votes, the Chair of the meeting, in addition to his/her original vote, shall have a second or casting vote.

## **8.6 RESOLUTIONS IN WRITING**

A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of the Board of Directors or a committee of the Board of Directors is as valid as if it had been passed at a meeting of the Board of Directors or such committee of the Board of Directors.

## **8.7 REGULAR MEETINGS**

The Board of Directors may appoint a day or days in any month or months for regular meetings of the Board of Directors at a place and hour to be named. A copy of any resolution of the Board of Directors fixing the place and time of such regular meetings of the Board of Directors shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except if Section 136(3) (Notice of Meeting) of the Act requires the purpose thereof or the business to be transacted to be specified in the notice.

## **8.8 ADJOURNED MEETINGS**

Any meeting of the Board of Directors may be adjourned to any time and from time to time and such business may be transacted at such adjourned meeting as might have been transacted at the original meeting from which such adjournment took place providing a quorum is present at the adjourned meeting. Notice of an adjourned meeting of the Board of Directors is not required to be given if the time and place of the adjourned meeting is announced at the original meeting.

# **9.0 LIABILITY AND PROTECTION OF REPRESENTATIVES**

## **9.1 STANDARD OF CARE**

a) Every director and officer, in exercising their powers and discharging their duties to the

Institute, shall:

- i. act honestly and in good faith with a view to the best interest of the Institute; and
- ii. exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

## 92 INDEMNIFICATION

- a) Subject to Section 9.3, the Institute shall indemnify and hold harmless every Representative out of such insurance as shall be obtained by the Institute from time to time under the terms of such insurance from and against Losses which such Representative sustains or incurs by reason of Authorized Acts reasonably incurred by the Representative because of his/her association with the Institute or other entity, except such Losses as are occasioned by his/her own act, neglect or default if such act, neglect or default is both wilful and wrongful.
- b) Subject to Section 9.3, in addition to any insurance available to the Institute or the Representative under paragraph 9.2(a), the Institute shall indemnify and hold harmless every Representative from and against all Losses which such Representative sustains or incurs by reason of Authorized Acts reasonably incurred by the Representative because of his/her association with the Institute or other entity, except such Losses as are occasioned by his/her own act, neglect or default if such act, neglect or default is both willful and wrongful.
- c) Subject to Section 9.2(b) and Section 9.3, the Board of Directors may from time to time cause the Institute to indemnify and hold harmless any Representative who has undertaken or is about to undertake any liability on behalf of the Institute and to secure such Representative from and against Losses related thereto by mortgage and charge upon the whole or any part of the real and individual property of the Institute by way of security, and any action from time to time taken by the Board of Directors under this paragraph shall not require approval or confirmation by the Members.
- d) Subject to Section 9.3, the Institute shall indemnify a director or officer of the Institute, a former director or officer of the Institute, or another individual who acts or acted at the Institute's request as a director or officer, or an individual acting in a similar capacity for another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative investigative or other proceeding in which the individual is involved because of that association with the Institute or other entity.
- e) Subject to Section 9.3, a director, officer or an employee of the Institute may receive

indemnification for their expenses incurred on behalf of the Institute as director, officer or an employee.

- f) No Representative shall be liable for:
- i. the acts, receipts, neglects or defaults of any other Representative;
  - ii. joining in any receipt or act for conformity;
  - iii. any Loss happening to the Institute through the insufficiency or deficiency of title to any property acquired by order of the Board of Directors;
  - iv. the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Institute shall be placed out or invested;
  - v. any Loss arising from the Bankruptcy, insolvency or tortuous act of any individual, including any individual with whom or which any moneys, securities or effects shall be lodged or deposited;
  - vi. any Loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Institute;
  - vii. any Loss or misfortune whatever which may happen in the execution of the duties of his/her respective office or trust or in relation thereto;
- unless the same shall happen by or through his/her own act, neglect or default if such act, neglect or default is both wilful and wrongful.

## **93 LIMITATION ON INDEMNITY**

The Institute shall not indemnify a Representative under this Article 9 unless:

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

## **94 ADVANCE OF COSTS**

Upon request of the Representative, the Institute shall advance money to a Representative

for the costs, charges and expenses of a proceeding referred to in Section 9.2, but the Representative shall repay the money to the Institute if the Representative does not fulfil the conditions set out in Section 9.2 and Section 9.3.

## **95 RIGHT TO INDEMNITY**

The Institute shall, with the approval of a court of competent jurisdiction, indemnify a Representative under Article 9, or advance moneys under Section 9.4, in respect of an action by or on behalf of the Institute, an affiliate or other entity to obtain a judgment in its favour, to which the Representative is made a party because of the Representative's association with the Institute or other entity as described in Section 9.2(b), against all Losses reasonably incurred by the Representative in connection with such action, if the Representative fulfils the conditions set out in Section 9.3 of this By-law.

## **96 INDEMNITY AGREEMENTS**

The Institute may from time to time enter into agreements pursuant to which the Institute shall indemnify one or more persons in accordance with the provisions of this Article 9 and Section 151 of the Act.

## **97 FOR THE PROTECTION OF DIRECTORS AND OFFICERS**

- a) No present or former director or officer of the Institute shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any Loss happening to the Institute through the insufficiency or deficiency of title to any property acquired by order of the Board of Directors or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Institute shall be placed out or invested or for any Loss arising from the Bankruptcy, insolvency or tortuous act of any person, including any person with whom or which any moneys, securities or effects shall be lodged or deposited or for any Loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Institute or for any other Loss or misfortune whatever which may happen in the execution of the duties of his/her respective office or trust or in relation thereto unless the same shall happen by or through his/her own act, neglect or default if such act, neglect or default is both wilful and wrongful.
- b) The directors for the time being of the Institute shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Institute except such as have been submitted to and authorized or approved by the Board of Directors.

- c) If any director or officer of the Institute shall be employed by or shall perform services for the Institute otherwise than as director or officer, or shall be a partner, shareholder, director, officer, employee or member of a person which is engaged by or performs services for the Institute or sells goods to the Institute, the fact of his/her being a director or officer of the Institute shall not disentitle such director or officer or such person, as the case may be, from receiving proper remuneration or payment for such services or goods.
- d) No Member or Registered Student shall have any cause of action, claim, suit, proceeding or lawful complaint against the Institute, the Board of Directors, a committee of the Board of Directors or any Board of Directors or any committee thereof, or any other Member, Registered Student or other Representative for any reason whatsoever by reason of any Authorized Act.
- e) The Board of Directors shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Institute, except such as have been submitted to and authorized or approved by the Board of Directors.

## **98 DEFINITIONS IN ARTICLE 9**

- a) For purposes of this Article 9:
  - i. "Representative" shall include each present and former director, officer, employee, committee member or chair, trustee, volunteer, investigator, member or chair of a discipline tribunal, member or chair of a panel, agent, representative or contractor of the Institute or other individual who has undertaken or is about to undertake any act on behalf of the Institute (and each of his/her heirs, executors and administrators, and estate and effects, respectively).
  - ii. "Claim" means:
    - 1. a written or oral demand for Damages or non-monetary relief;
    - 2. a civil proceeding commenced by the service of a notice of action, statement of claim or similar proceeding;
    - 3. a formal administrative or regulatory proceeding commenced by the filing of a notice of hearing or formal investigative order or similar document;

against any Representative arising from an Authorized Act. "Claim" also means a criminal or penal proceeding commenced by the laying of an

information or similar proceeding against any Representative for an Authorized Act.

- iii. "Authorized Act" means any actual or alleged act, breach of duty, neglect, error, misstatement, misrepresentation, omission or other act done or attempted by a Representative (including without limitation any tort or breach of contract, defamation, libel, slander) in the discharge of any duty, responsibility, undertaking or assignment performed or undertaken on behalf of the Institute or in furtherance of duties or obligations under the By-laws or Code of Ethics or any matter claimed against the Representative by reason of his/her status as a Representative.
- iv. "Loss" includes loss, costs, charges, expenses, Damages and Defence Costs resulting from a Claim in respect of any civil, criminal, administrative, investigate or other proceeding, including an amount paid to settle an action or proceeding.
- v. "Defence Costs" means legal, accounting, forensic, adjusting, investigating, expert or appeal fees, expenses and disbursements incurred for the defence of Claims for which indemnification is provided by this Article 9. Defence Costs does not include lost or deferred salaries, wages, overhead or benefits of any Representative.
- vi. "Damages" includes compensatory damages, punitive or exemplary damages, fines and penalties ordered or rendered by a court, tribunal or other authorized body which the Representative is legally obligated to pay as a result of a judgment or settlement, including court costs, pre and post-judgement interest.

## **10.0 DISCLOSURE OF INTEREST**

### **10.1 DISCLOSURE OF INTEREST BY DIRECTORS AND OFFICERS**

A director or an officer of the Institute shall disclose to the Institute, in writing or by requesting to have it entered in the minutes of meetings of Board of Directors or of committees of Board of Directors, the nature and extent of any interest that the director or officer has in a material contract or material transaction, whether made or proposed, with the Institute, if the director or officer:

- a) is a party to the contract or transaction;

- b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or
- c) has a material interest in a party to the contract or transaction.

## **10.2 TIME OF DISCLOSURE**

- a) The disclosure required by Section 10.1 shall be made, in the case of a director:
  - i. at the meeting of the Board of Directors or committee of the Board of Directors at which a proposed contract or transaction is first considered;
  - ii. if the director was not, at the time of the meeting referred to in Section 10.2(a)(i), interested in the proposed contract or transaction, at the first meeting of the Board of Directors or committee of the Board of Directors after the director becomes so interested;
  - iii. if the director becomes interested after a contract or transaction is made, at the first meeting of the Board of Directors or committee of the Board of Directors after the director becomes so interested; or
  - iv. if an individual who is interested in a contract or transaction later becomes a director, at the first meeting of the Board of Directors or committee of the Board of Directors after the individual becomes a director.
- b) The disclosure required by Section 10.1 shall be made, in the case of an officer who is not a director:
  - i. immediately after the officer becomes aware that the contract, transaction, proposed contract or proposed transaction is to be considered or has been considered at a meeting of the Board of Directors or committee of the Board of Directors;
  - ii. if the officer becomes interested after a contract or transaction is made, immediately after the officer becomes so interested; or
  - iii. if an individual who is interested in a contract or transaction later becomes an officer, immediately after the individual becomes an officer.

## **10.3 FOR TRANSACTIONS NOT REQUIRING DIRECTOR OR MEMBER APPROVAL**

If a material contract or material transaction, whether entered into or proposed, is one that, in the ordinary course of the Institute's activities, would not require approval by the Board of

Directors or Members, a director or an officer shall, immediately after they become aware of the contract or transaction, disclose in writing to the Institute, or request to have entered in the minutes of meetings of the Board of Directors or committee of the Board of Directors, the nature and extent of their interest.

#### **10.4 VOTING**

A director required to make a disclosure under Section 10.1 shall not vote on any resolution to approve the contract or transaction unless the contract or transaction:

- a) relates primarily to the director's remuneration as a director, an officer, an employee, an agent or a mandatory of the Institute or an affiliate;
- b) is for indemnity or insurance; or
- c) is with an affiliate.

#### **10.5 CONTINUING DISCLOSURE**

For the purposes of this Article 10, a general notice to the directors declaring that a director or an officer is to be regarded as interested, for any of the following reasons, in a contract or transaction made with a party, is a sufficient declaration of interest in relation to the contract or transaction:

- a) the director or officer is a director or an officer, or acting in a similar capacity, of a party referred in Sections 10.1(ii) or 10.1(iii);
- b) the director or officer has a material interest in the party; or
- c) there has been a material change in the nature of the director's or the officer's interest in the party.

#### **10.6 ACCESS TO DISCLOSURES**

The Members shall be entitled to examine the portions of any minutes of meetings of the Board of Directors or of committees of the Board of Directors that contain disclosures under this Article 10, and of any other documents that contain those disclosures, during the Institute's usual business hours.

#### **10.7 CONTRACTS NOT INVALID**

A contract or transaction for which disclosure is required under Section 10.1 is not invalid, and the director or officer is not accountable to the Institute or its Members for any profit realized from the contract or transaction, because of the director's or officer's interest in the

contract or transaction or because the director was present or was counted to determine whether a quorum existed at the meeting of the Board of Directors or of the committee of the Board of Directors that considered the contract or transaction, if:

- a) disclosure of the interest was made in accordance with this Article 10;
- b) the Board of Directors approved the contract or transaction; and
- c) the contract or transaction was reasonable and fair to the Institute when it was approved.

## **10.8 CONFIRMATION BY MEMBERS**

Even if the conditions of Section 10.7 are not met, a director or an officer, acting honestly and in good faith, is not accountable to the Institute or to its Members for any profit realized from a contract or transaction for which disclosure is required under this Article 10, and the contract or transaction is not invalid by reason only of the interest of the director or officer in the contract or transaction, if:

- a) the contract or transaction is approved or confirmed by special resolution at a meeting of the Members;
- b) disclosure of the interest was made to the Members in a manner sufficient to indicate its nature and extent before the contract or transaction was approved or confirmed; and
- c) the contract or transaction was reasonable and fair to the Institute when it was approved or confirmed.

## **11.0 MEETINGS OF MEMBERS**

### **11.1 ANNUAL MEETINGS**

- a) The annual meeting of the Members shall be held at any place within Canada at such time and place as the Board of Directors may by resolution determine.
- b) Pursuant to Section 160 of the Act, the Board of Directors shall call an annual meeting of Members not later than 15 months after holding the preceding annual meeting but no later than 6 months after the end of the Institute's preceding financial year.
- c) At every annual meeting of Members, in addition to any other business that may be transacted:

- i. the report of the Board of Directors, if any, the financial statements, and the report of the public accountant, if any, shall be presented to the Members;
- ii. if any audit is required, the Members shall appoint a public accountant to audit the accounts of the Institute for report to the Members at the next annual meeting of Members; and
- iii. directors shall be elected (provided that the term of one or more directors has expired in the year of such annual meeting of Members).

## **11.2 GENERAL AND SPECIAL GENERAL MEETINGS**

Other meetings of the Members, whether general or special general, may be convened by order of the Chair or Vice-Chair, or by the Board of Directors, to be held at any date and time and at any place, provided that any such meeting called for the purpose of electing one or more directors shall be held at a place and time determined by the Board of Directors within Canada.

## **11.3 NOTICE OF MEMBER MEETING**

Notice of the time and place of a meeting of Members shall be given to each Member entitled to vote at the meeting by the following means:

- a) by mail, courier or personal delivery to each Member entitled to vote at the meeting, during a period of 21 to 60 days before the day on which the meeting is to be held; or
- b) by telephonic, electronic or other communication facility to each Member entitled to vote at the meeting, during a period of 21 to 35 days before the day on which the meeting is to be held; or
- c) by affixing the notice, no later than 30 days before the day on which the meeting is to be held, to a notice board on which information respecting the Institute's activities is regularly posted and that is located in a place frequented by Members; or
- d) by publication:
  - i. at least once in each of the three weeks immediately before the day on which the meeting is to be held in one or more newspapers circulated in the municipalities in which the majority of the Members reside as shown by their addresses in the register of Members, or
  - ii. at least once in a publication of the Institute that is sent to all its Members, during a period of 21 to 60 days before the day on which the meeting is to be

held.

#### **11.4 OMISSION OF NOTICE**

The accidental omission to give notice of any meeting or the non-receipt of any notice by any Member or Members or by the auditor of the Institute shall not invalidate any resolution passed or any proceedings taken at any meeting of Members.

#### **11.5 VOTING**

- a) Each Member shall be entitled to receive notice of, attend and vote at all meetings of the Members.
- b) At all meetings of Members each Member shall be entitled to one vote. Every question submitted to any meeting of Members shall be decided in the first instance by votes given on a show of hands.
- c) At any meeting, unless a poll is demanded, a declaration by the Chair of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion.
- d) Subject to Article 19, at any meeting of Members every matter shall, unless otherwise provided by this By-law, the Articles or by the Act, be determined by a majority of the votes cast on the matter. 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 shall have, in addition to any original vote that he/she may be entitled to as a Member, a second or casting vote.

#### **11.6 CHAIR OF THE MEETING**

- a) The Chair of the Institute or, in the Chair's absence, the Vice-Chair or, in the Vice-Chair's absence, the President of the Institute, shall be the chair of any meeting of Members.
- b) In the absence of the Chair of the Institute, all Vice-Chairs and the President, the Members present at any meeting of Members shall choose another director as Chair of the meeting and if no director is present or if all directors present decline to act as Chair of the meeting, the Members present shall choose one of their number to be chair of the meeting.

## **11.7 POLLS**

If at any meeting a poll is demanded on the election of a Chair of the meeting or on the question of adjournment it shall be taken forthwith without adjournment. If a poll is demanded on any other question it shall be taken by ballot in such manner and either at once or later at the meeting or after adjournment as the Chair of the meeting directs. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A demand for a poll may be withdrawn.

## **11.8 ADJOURNMENTS**

- a) The Chair of the meeting may with the consent of any meeting adjourn the same from time to time and no notice of such adjournment need be given to the Members. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling same.
- b) Pursuant to Section 162(7) of the Act, if a meeting is adjourned for less than 31 days, it is not necessary for any Member to be notified of the adjourned meeting other than by announcement at the earliest meeting that is adjourned.

## **11.9 QUORUM**

Two (2) Members present in person or present electronically shall be a quorum at any meeting of Members for the choice of a Chair of the meeting and the adjournment of the meeting; for all other purposes (unless a greater number of Members are required to be present by the Act or by the Articles or By-laws) two (2) individuals present in person or present electronically representing personally or by duly appointed proxy not less than five per cent (5%) of the Members shall be a quorum. No business shall be transacted at any meeting unless the requisite quorum shall be present at the commencement of such business. 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.

## **11.10 PROXIES**

A proxy holder need not be a Member of the Institute. An instrument appointing a proxy shall be in writing. The Secretary of the Institute (or other duly authorized representative) shall send a form of proxy to each Member with the Notice of an annual or special meeting of Members; provided however that accidental failure or omission to send any such proxy to one (1) or more Members shall not affect the validity of any such notice of meeting. At any meeting of Members, a proxy duly and sufficiently appointed by a Member shall be entitled

to exercise, subject to any restrictions expressed in the instrument appointing the holder, the same voting rights that the Member appointing the proxy would be entitled to exercise if present at the meeting. Proxies sent to the Institute by facsimile transmission or electronic mail will only be valid if received by the Institute by the date and time so specified by the Institute.

## **11.11 PERSONS ENTITLED TO BE PRESENT**

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 Institute and such other persons who are entitled or required under any provision of the Act or Articles of the Institute 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.

## **11.12 RESOLUTIONS IN WRITING**

A resolution in writing signed by all the 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 the Members.

## **11.13 ELECTRONIC PARTICIPATION AND VOTING AT PHYSICAL MEETINGS**

- a) Any person entitled to attend a meeting of Members may participate in the meeting by means of telephonic, electronic, internet-based, video conference or other communication process or facility that permits all participants to communicate adequately with each other during the meeting, if the Institute makes available such a communication process or facility. A person so participating in a meeting is deemed to be present at the meeting.
- b) Any person participating in a meeting of Members pursuant to Section 11.14(a) and entitled to vote at such meeting may vote, and that vote may be held, by means of the telephonic, electronic, internet-based, video conference or other communication process or facility that the Institute has made available for that purpose if such process or facility complies with the requirements of Section 11.15.

## **11.14 MEETINGS HELD ENTIRELY BY ELECTRONIC MEANS**

- a) If directors or Members call a meeting of Members, those directors or Members, as the case may be, may determine that the meeting shall be held entirely or in part by means of telephonic, electronic, internet-based, video conference or other communication process or facility that permits all participants to communicate adequately with each other during the meeting.

- b) Upon request of the directors or Members who determine the communication for a meeting under section 11.14(a), the Institute shall exercise all reasonable efforts to secure telephonic, electronic, internet-based, video conference or other communication process or facility to accommodate the meeting.
- c) Accidental failure or omission to secure suitable communication process or facility or disruptions to communication processes or facilities before the meeting shall not affect the validity of any such meeting or votes cast therein, unless so determined by the President and CEO of the Institute, in his/her sole discretion, within 5 days of the meeting, in which case all business conducted at such meeting shall be of no effect.
- d) Disruptions to communication processes or facilities or during a meeting shall not affect the validity of such meeting or votes cast therein before the disruption.
- e) Disruptions to communication processes or facilities during a meeting shall not affect the validity of such meeting or votes cast therein, unless so determined by the President and CEO of the Institute, in his/her sole discretion, within 5 days of the meeting, in which case all business conducted at such meeting after the disruption shall be of no effect.
- f) The President and CEO of the Institute shall give Notice to all Members that a meeting or votes cast therein are of no effect within 7 days of such determination by the President and CEO under clause 11.14(c) or 11.14(e).
- g) The registered office of the Institute shall be deemed the place for meetings of Members which are held entirely by means of telephonic, electronic, internet-based, video conference or other communication process or facility notwithstanding that no Members, directors or other persons shall attend or be entitled to attend at such place for the meeting.

## **11.15 REQUIREMENTS FOR ELECTRONIC VOTING**

Voting may be carried out by means of telephonic, electronic, internet-based, video conference or other communication process or facility in accordance with Section 11.13 and Section 11.14 if the process or facility:

- a) enables the votes to be received and counted in a manner that permits their verification; and
- b) permits the tally of votes without identification how any Member or regional Member voted, as the case may be

## **11.16 ABSENTEE VOTING**

A Member entitled to vote at a meeting of Members may vote:

- a) by mailed-in ballot, or by telephonic, electronic, internet-based, video conference or other communication process or facility if the process or facility:
  - (i) enables the votes to be received and counted in a manner that permits their verification, and
  - (ii) permits the tally of votes without identification how any Member or regional Member voted, as the case may be.”
- b) by proxy, if the proxyholder and any alternate proxyholders are appointed in writing by the Member 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:
  - i. 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;
  - ii. a Member may revoke a proxy:
    - 1. by depositing an instrument in writing at the registered office of the Institute 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
    - 2. by depositing an instrument in writing 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; or
    - 3. in any other manner permitted by law.

If a form of proxy is created by a person other than the Member, the form of proxy shall comply with the requirements of the Act.

## **11.17 SCRUTINEERS**

The chair of any meeting of Members may appoint one or more persons to act as scrutineer(s) at such meeting and in that capacity to report to the chair such information as to attendance, representation, voting (including the collection, counting and reporting of results) and other matters at the meeting as the chair shall direct.

## **12.0 OFFICERS**

### **12.1 OFFICERS**

The Board of Directors shall annually or more often as may be required appoint a Chair and if deemed advisable one or more Vice-Chairs, and shall appoint a President and CEO and a Secretary and if deemed advisable, an Executive Vice President, a Chief Operating Officer, a Treasurer, one or more Assistant Secretaries and/or one or more Assistant Treasurers. None of the said officers except the Chair and the Vice-Chair need be members of the Board of Directors. Any two of the aforesaid offices may be held by the same person except those of Chair and Vice-Chair. The offices of Secretary and Treasurer may, in the discretion of the directors, be held by the same person who may but need not be known as the Secretary-Treasurer. The Board of Directors may also from time to time create and fill by election or appointment such honorary or other offices and shall prescribe such authority and duties to such offices as it shall see fit.

### **12.2 REMUNERATION AND REMOVAL OF OFFICERS**

The directors may fix the remuneration (if any) to be paid to officers of the Institute. Subject to applicable law governing the rights of employees, and in the absence of agreement to the contrary, all officers shall be subject to removal by resolution of the Board of Directors at any time with or without cause and with or without notice.

### **12.3 DELEGATION OF DUTIES OF OFFICERS**

In the case of the absence or inability to act of any officer of the Institute or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

### **12.4 CHAIR**

The Chair (or in the Chair's absence, the Vice-Chair) shall preside at all meetings of the Board of Directors and Members; the Chair shall sign such contracts, documents or instruments in writing as require the Chair's signature and shall have and perform all powers and duties incident to the Chair's office and such other powers and duties as may from time to time be assigned to the Chair by the Board of Directors.

### **12.5 PRESIDENT AND CHIEF EXECUTIVE OFFICER**

The President and CEO shall be the chief executive officer of the Institute. The President and CEO shall sign such contracts, documents or instruments in writing as require the

President and CEO's signature and shall have and perform all powers and duties incident to the President and CEO's office and such other powers and duties as may from time to time be assigned to the President and CEO by the Board of Directors.

## **12.6 VICE-CHAIR**

The Vice-Chair or, if more than one, the Vice-Chairs in order of seniority shall be vested with all the powers and shall perform all the duties of the Chair in the absence or inability or refusal to act of the Chair. The Vice-Chair or, if more than one, the Vice-Chairs shall sign such contracts, documents or instruments in writing as require his/her or their signatures and shall have such other powers and duties as may from time to time be assigned to him/her or them by the Board of Directors.

## **12.7 SECRETARY**

The Secretary shall, when present, act as secretary of all meetings of directors and Members, shall have custody and charge of the minute books and corporate seal of the Institute and the documents and registers referred to in the Act. The Secretary shall sign such contracts, documents or instruments in writing as require his/her signature and shall have such other powers and duties as may from time to time be assigned to him/her by the Board of Directors or as are incident to his/her office. All functions of the Secretary (other than the execution of contracts, documents and instruments in writing) may be delegated by the Secretary to competent employees of the Institute to perform in the ordinary course of their employment.

## **12.8 TREASURER**

Subject to the direction of the Board of Directors, the Treasurer shall have the care and custody of all the funds and securities of the Institute and shall deposit the same in the name of the Institute in such bank or banks or with such depositary or depositaries as the Board of Directors may direct. The Treasurer shall sign such contracts, documents or instruments in writing as require his/her signature and shall have such other powers and duties as may from time to time be assigned to him/her by the Board of Directors or as are incident to his/her office. All functions of the Treasurer (other than the execution of contracts, documents and instruments in writing) may be delegated by the Treasurer to competent employees of the Institute to perform in the ordinary course of their employment. The Treasurer may be required to give such bond for the faithful performance of his/her duties as the Board of Directors in its uncontrolled discretion may require and no director shall be liable for failure to require any bond or for the insufficiency of any bond or for any loss by reason of failure of the Institute to receive any indemnity thereby provided.

## **12.9 ASSISTANT SECRETARY AND ASSISTANT TREASURER**

The Assistant Secretary or, if more than one, the Assistant Secretaries in order of seniority, and the Assistant Treasurer or, if more than one, the Assistant Treasurers in order of seniority, shall respectively perform all the duties of the Secretary and Treasurer, respectively, in the absence or inability or refusal to act of the Secretary or Treasurer, as the case may be. The Assistant Secretary or Assistant Secretaries, if more than one, and the Assistant Treasurer or Assistant Treasurers, if more than one, shall sign such contracts, documents or instruments in writing as require his/her or their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may from time to time be assigned to them by the Board of Directors.

## **12.10 VACANCIES**

If the office of Chair, Vice-Chair, President and CEO, Secretary, Treasurer, Assistant Secretary or Assistant Treasurer or any one of such offices shall be or become vacant by reason of death, resignation, disqualification or otherwise the Board of Directors may elect or appoint an officer to fill such vacancy.

## **12.11 AUDITORS**

- a) The Members at each annual meeting shall appoint one or more auditors to hold office until the close of the next annual meeting of the Members, and, if an appointment is not so made, the auditor in office shall continue in office until a successor is appointed.
- b) A person, other than a retiring auditor, is not capable of being appointed auditor at an annual meeting unless notice in writing of an intention to nominate that person to the office of auditor has been given by a Member not less than fourteen days before the annual meeting; and the Institute shall send a copy of any such notice to the retiring auditor and to the person it is intended to nominate, and shall give notice thereof to the Members, either by advertisement or in any other mode provided by the By-laws, not less than seven days before the annual meeting.
- c) The Board of Directors may fill any casual vacancy in the office of auditor, but while the vacancy continues the surviving or continuing auditor, if any, may act.
- d) The Members, by a resolution passed by at least two-thirds of the votes cast at a general meeting of which notice specifying the intention to pass such a resolution was given, may remove any auditor before the expiration of his/her/its term of office, and shall by a majority of the votes cast at that meeting appoint another auditor in his/her/its stead for the remainder of his/her/its term.

- e) The remuneration of an auditor appointed by the Members shall be fixed by the Members or by the Board of Directors, if authorized so to do by the Members, and the remuneration of an auditor appointed by the Board of Directors shall be fixed by the Board of Directors.
- f) Where for any reason no auditor is appointed, the Registrar General of Canada may, on the application of any Member, appoint one or more auditors to hold office until the close of the next annual meeting and fix the remuneration to be paid by the Institute for his/her/its or their services.
- g) When an auditor is appointed as aforesaid, the Institute shall give him notice thereof forthwith in writing unless he/she/it held that office immediately prior to his/her/its appointment.
- h) No person shall be appointed as auditor of the Institute who is a director, officer or employee of the Institute or who is a partner, employer or employee of any such director, officer or employee.

## **13.0 COMMITTEES**

The Board of Directors may from time to time constitute such committees as it deems necessary to assist the directors in carrying on the affairs of the Institute and shall prescribe the duties of any such committees.

## **14.0 FINANCIAL STATEMENTS**

### **14.1 ANNUAL FINANCIAL STATEMENTS**

The Institute may, instead of sending copies of the annual financial statements and other documents referred to in Section 172(1) (Annual Financial Statements) of the Act to the members, give a notice to its members stating that the annual financial statements and documents provided in Section 172(1) of the Act are available at the registered office of the Institute and any member may, on request, obtain a copy free of charge at the registered office or by prepaid mail.

## **15.0 GENERAL**

### **15.1 REGISTERED OFFICE**

The Board of Directors may by resolution from time to time change the location of the registered office of the Institute within the province specified in the Articles.

### **15.2 SEAL**

The corporate seal of the Institute shall be such as the Board of Directors may by resolution from time to time approve.

### **15.3 VOTING SHARES AND SECURITIES IN OTHER COMPANIES**

All of the shares or other securities carrying voting rights of any other company or companies held from time to time by the Institute may be voted at any and all meetings of shareholders, bondholders, debenture holders or holders of other securities (as the case may be) of such other company or companies and in such manner and by such person or persons as the Board of Directors shall from time to time determine. The duly authorized officers of the Institute may also from time to time execute and deliver for and on behalf of the Institute proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the Board of Directors.

### **15.4 CHEQUES, DRAFTS, NOTES, ETC.**

All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons, whether or not officers of the Institute, and in such manner as the Board of Directors may by resolution from time to time designate.

### **15.5 CUSTODY OF SECURITIES**

- a) All shares and securities owned by the Institute shall be lodged (in the name of the Institute) with a chartered bank or an investment dealer or a trust company or in a safety deposit box or, if so authorized by resolution of the Board of Directors, with such other depositaries or in such other manner as may be determined from time to time by the Board of Directors.
- b) All share certificates, bonds, debentures, notes or other obligations belonging to the Institute may be issued or held in the name of a nominee or nominees of the Institute (and if issued or held in the names of more than one nominee shall be held in the

names of the nominees jointly with right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

## **15.6 EXECUTION OF CONTRACTS, ETC.**

a) Contracts, documents or instruments which are for a term greater than two years or which bind the Institute to a financial commitment of greater than CDN \$150,000 or which are not in the ordinary or normal course of business of the Institute requiring the signature of the Institute shall be signed by:

- i. the Chair or a Vice-Chair together with the Secretary or the Treasurer, or
- ii. any two directors, or
- iii. the President and CEO together with any director

and all contracts, documents and instruments in writing so signed shall be binding upon the Institute without any further authorization or formality.

All other contracts, documents or instruments in writing requiring the signature of the Institute shall be signed by:

- iv. the President and CEO, or
- v. any two directors, or
- vi. any officer or other employee of the Institute as may be delegated by the President and CEO

and all contracts, documents and instruments in writing so signed shall be binding upon the Institute without any further authorization or formality.

The Board of Directors may by resolution from time to time appoint any officer or officers or any person or persons, on behalf of the Institute either to sign contracts, documents or instruments in writing generally or to sign specific contracts, documents or instruments in writing.

- b) The corporate seal of the Institute may when required be affixed to contracts, documents or instruments in writing signed as aforesaid or by any officer or officers, person or persons, appointed as aforesaid by the Board of Directors.
- c) The term “contracts, documents or instruments in writing” as used herein shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of

property, real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures or other securities and all paper writings.

- d) In particular without limiting the generality of the foregoing:
- i. the Chair or a Vice-Chair together with any officer, or
  - ii. the President and CEO together with any director, or
  - iii. any two directors, or
  - iv. any individual or individuals appointed by resolution of the Board of Directors, either generally or for specific transactions

are authorized to sell, assign, transfer, exchange, convert or convey any and all shares, share warrants, stocks, bonds, debentures or other securities owned by or registered in the name of the Institute and to sign and execute (under the corporate seal of the Institute or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, share warrants, stocks, bonds, debentures or other securities. For greater certainty, such persons in clauses (i) to (iv) shall be entitled to authorize any one person to execute the approved trading instructions with investment brokers from time to time.

## **15.7 FISCAL YEAR**

The fiscal period of the Institute shall terminate on the 31st day of December or on such other date as the Board of Directors may from time to time determine.

## **15.8 BORROWING POWERS**

Unless the Articles or a unanimous Member agreement otherwise provide, the Board of Directors may without authorization of the Members, from time to time:

- a) borrow money upon the credit of the Institute;
- b) issue, reissue, sell or pledge debt obligations of the Institute;
- c) subject to the Act, give a guarantee on behalf of the Institute to secure performance of an obligation of any person; and
- d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any

property of the Institute owned or subsequently acquired, to secure any obligation of the Institute.

## **16.0 NOTICES**

### **16.1 DELIVERY OF NOTICE OR DOCUMENTS BY THE INSTITUTE**

- a) Unless otherwise specifically provided in the By-laws, any notice or document required to be given or sent to a Member, Registered Student, director, officer and auditor by the Institute pursuant to the By-laws, may be given by personal service or may be sent by ordinary mail, by fax, by courier or by electronic mail.
- b) A notice or document given or sent pursuant to Section 16.1 shall be deemed to be properly addressed if addressed to the addressee at the latest mail, fax or electronic address of the addressee appearing in the records of the Institute.
- c) Each Member and Registered Student shall undertake to provide his/her current mailing address, fax number and electronic address (email) to the Institute at all times.

### **16.2 DELIVERY OF NOTICE OR DOCUMENTS TO THE INSTITUTE**

Unless otherwise specifically provided in the By-laws, any notice or document required to be given or sent to the Institute by a Member, Registered Student, director, officer and auditor pursuant to the By-laws, may be given by personal service on a director or officer of the Institute or may be sent by ordinary mail, by fax, by courier or by electronic mail, provided that anything required to be signed is signed, and that anything required to be received at the Institute, within a prescribed time or by a prescribed date, is received within such time or by such date.

### **16.3 ELECTRONIC SIGNATURE**

Unless otherwise specifically provided in the By-laws, any notice or document permitted or required to be signed may be signed by electronic signature, so long as the means of electronic signature permits a reliable determination by the Institute that the notice or document was created or communicated by or on behalf of the person permitted or required to sign the notice or document.

### **16.4 PROCEDURES FOR NOTICE**

- a) A notice or document given or sent in accordance with this By-law shall be deemed to be received, if given by personal service on the day it is given, and in all other cases three business days after the day it was sent, and any such notice given or sent shall be

effective on the day of its deemed receipt.

- b) A notice or document to be delivered by courier shall be delivered on a same-day or next business day basis.

## **16.5 SIGNATURES TO NOTICES**

The signature to any notice may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

## **16.6 COMPUTATION OF TIME**

Where a given number of days' notice or notice extending over any period is required to be given, the day of service or posting of the notice shall, unless it is otherwise provided, be counted in such number of days or other period.

## **16.7 PROOF OF SERVICE**

A certificate of the Chair of the meeting, the Chair, a Vice-Chair, the Secretary or the Treasurer or of any other officer of the Institute in office at the time of the making of the certificate as to facts in relation to the mailing or delivery of any notice to any Member, director, officer or auditor or publication of any notice shall be conclusive evidence thereof and shall be binding on every Member, director, officer or auditor of the Institute, as the case may be.

# **17.0 AMENDMENT OF BY-LAWS**

The By-laws or any of them may be repealed, amended or re-enacted by By-law passed by the Board of Directors and sanctioned by at least two-thirds of the votes cast, voting in person or by proxy, at a duly constituted special general meeting of Members duly called for considering the By-law; provided always that the repeal or amendment of By-laws not embodied in the letters patent issued to the Institute shall not be enforced or acted upon until the approval of the Minister of Industry Canada (or such other Minister or authority as shall be designated from time to time) has been obtained.

# **18.0 INTERPRETATION**

In all By-laws, the singular shall include the plural and the plural the singular; and the masculine shall include the feminine. Whenever reference is made in any By-law to any statute or section thereof, such reference shall be deemed to extend and apply to any

amendment or re-enactment of such statute or section thereof, as the case may be. The headings and the table of contents in the By-law are inserted for convenience of reference only and shall not affect the construction or interpretation of the provisions of this By-law.

## **19.0 FUNDAMENTAL CHANGES**

### **19.1 AMENDMENTS TO THE ARTICLES OR BY-LAWS**

Pursuant to Section 197(1) of the Act, a special resolution of the Members is required to make any amendment to the Articles or the By-laws of the Institute to:

- a) change the Institute's name;
- b) change the province in which the Institute's registered office is situated;
- c) add, change or remove any restriction on the activities that the Institute may carry on;
- d) create a new class or group of Members;
- e) change a condition required for being a Member;
- f) change the designation of any class or group of Members or add, change or remove any rights and conditions of any such class or group;
- g) divide any class or group of Members into two or more classes or groups and fix the rights and conditions of each class or group;
- h) add, change or remove a provision respecting the transfer of a membership;
- i) subject to Section 133 of the Act, increase or decrease the number of, or the minimum or maximum number of, directors fixed by the Articles;
- j) change the statement of the purpose of the Institute;
- k) change the statement concerning the distribution of property remaining on liquidation after the discharge of any liabilities of the Institute;
- l) change the manner of giving notice to Members entitled to vote at a meeting of Members;
- m) change the method of voting by Members not in attendance at a meeting of Members;  
or
- n) add, change or remove any other provision that is permitted by this Act to be set out in the Articles.

## 20.0 DEFINITIONS AND INTERPRETATION

### 20.1 DEFINITIONS

In this By-law, unless there is something in the subject matter or context inconsistent therewith, the following terms and expressions shall have the following meanings:

- a) “Accreditation Committee” means the Accreditation Committee of the Institute.
- b) “Act” means the Canada Not-for-profit Institutes Act S.C. 2009, c.23 including the Regulations made pursuant to the Act, and any statute that may be substituted, as amended from time to time.
- c) “affiliate” means an affiliated body corporate, and one body corporate shall be deemed to be affiliated with another body corporate if, and only if, one of them is the subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person.
- d) “Articles” means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Institute.
- e) “Approved by the Members” means a resolution duly passed by simple majority of the Members voting in individual or by proxy at a duly constituted annual or special general meeting of Members, and “Approval by the Members” shall have a corresponding meaning.
- f) “Bankrupt” means an individual who, under the Bankruptcy and Insolvency Act (Canada) (or any other statute for time being in force) (the “BIA”) or under any other similar statute of any other jurisdiction (a “Foreign Act”):
  - i. becomes insolvent or is unable to pay his/her debts or fails or admits in writing his/her inability generally to pay his/her debts as they become due;
  - ii. makes a general assignment, arrangement or composition with or for the benefit of his/her creditors;
  - iii. institutes or has instituted against him or her, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over him or her, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or

other similar law affecting creditors' rights, or a petition is presented for the sale or liquidation of his/her assets by him or her or such regulator, supervisor or similar official, or (B) has instituted against him or her a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for the sale or liquidation of his/her assets, and such proceeding or petition is instituted or presented by an individual or entity not described in (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for sale or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof;

- iv. seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for him or her or for all or substantially all of his/her assets;
  - v. has a secured party take possession of all or substantially all of his/her assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all his/her assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter;
  - vi. causes or is subject to any event with respect to him or her which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (i) to (v) above (inclusive); or
  - vii. takes any action in furtherance of, or indicating his/her consent to, approval of, or acquiescence in, any of the foregoing acts.
- g) "Board of Directors" and "Board" means the board of directors of the Institute.
- h) "By-law" means a by-law of the Institute and "By-laws" means, collectively, all of the by-laws of the Institute.
- i) "Business Day" means any day except a day that is a Saturday, a Sunday or a statutory holiday in the City of Toronto.
- j) "CDC" and "Conduct and Discipline Committee" means the Conduct and Discipline Committee of the Institute.
- k) "Chair" means the chair of the Board of Directors.

- l) “Code of Ethics” means the Code of Ethics of the Institute as it shall be passed from time to time.
- m) “Effective Date”, as it pertains to a By-law, subject to applicable law and the Act, means the date that the By-law is passed by the Board of Directors, provided however that the By-law shall have no further effect if the By-law is not confirmed by the Members no later than the next annual meeting of Members.
- n) “Institute” means The Canadian Institute of Chartered Business Valuators.
- o) “Member” means a member of the Institute, and includes Fellows and Life Members and such other individuals as shall be designated by the Board of Directors from time to time.
- p) “ordinary resolution” means a resolution passed by a majority of not less than 50% plus 1 of the votes cast on that resolution, or such greater majority as may be specified in the Articles.
- q) “proposal” means a proposal submitted by a member that meets the requirements of Section 163 of the Act.
- r) “Regulations” means the regulations made under the Act, as amended, restated or in effect from time to time.
- s) “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.
- t) “special resolution” means a resolution passed by a majority of not less than two-thirds of the votes cast on that resolution, or such greater majority as may be specified in the articles.
- u) “person” means and includes any individual, corporation, partnership, firm, joint venture, syndicate, association, trust, government, governmental agency or board or commission or authority, and other form of entity or organization.
- v) “Practice Standards” means the Practice Standards of the Institute as they shall be passed from time to time.
- w) “President and CEO” means the President and Chief Executive Officer of the Institute if such positions are combined. If the President is not also the Chief Executive Officer, then this shall mean the President alone.
- x) “re-instatement” means the process by which the suspension of a suspended Member is

lifted and the Member returns to status as a Member in good standing.

## **20.2 INTERPRETATION**

In the interpretation of this By-law, words in the singular include the plural and vice-versa, words in one gender include all genders, and “person” includes an individual, sole proprietorship, partnership, unincorporated organization, trust, and body corporate.

Other than as specified in Section 20.1 of this By-law, words and expressions defined in the Act have the same meanings when used in these by-laws.

## **20.3 HEADINGS AND TABLE OF CONTENTS**

The headings and table of contents in this By-law are inserted for convenience of reference only and shall not affect the construction or interpretation of the provisions of this By-law.

## **20.4 INVALIDITY OF ANY PROVISIONS OF THIS BY-LAW**

- a) The invalidity or unenforceability of any provision of this By-law shall not affect the validity or enforceability of the remaining provisions of this By-law.
- b) To the extent that any amendment to the Act results in a conflict between a provision of this By-law and a provision of the Act, the Board of Directors shall amend this By-law to make such conflicting provision conform with the Act. Pursuant to Section 17(3) of the Act, no act of the Institute, including a transfer of property to or by the Institute, is invalid by reason only that such act or transfer is contrary to the Act.

# **21.0 REPEAL OF FORMER BY-LAWS AND TRANSITION PROVISIONS**

## **21.1 REPEAL**

Upon this By-law coming into force, By-law No. 1 of the Institute, as amended, as passed by the Board of Directors and confirmed by the Members is hereby repealed; provided however, such repeal shall not affect the previous operation of such By-law or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under the validity of any contract or agreement made pursuant to such by-laws prior to such repeal. All officers and persons acting under such repealed By-law shall continue to act as if appointed under the provisions of this new By-law No. 1 and all resolutions of the members or board with continuing effect passed under such repealed By-law shall continue good and valid, until amended or repealed, except to the extent inconsistent with this new By-law No.

1 or the Act.

## **21.2 TRANSITION PROVISIONS**

Any complaint made, or investigation, proceeding or remedy related to disciplinary matters arising prior to the Effective Date of this new By-law 1 shall be continued and enforced, and any penalty or sanction may be imposed, as if the repealed By-laws had not been so repealed. Any complaint under Article 5.0 arising after such Effective Date shall be received and prosecuted under this new By-law 1 notwithstanding that any of the event(s) giving rise to the complaint may have occurred prior to such Effective Date.

## **21.3 TRANSITION PROVISIONS**

Any application for membership made prior to the Effective Date of this new By-law 1 shall be received and processed as if the repealed By-law had not been so repealed.

# **22.0 PRACTICE INSPECTION**

## **22.1 PRACTICE INSPECTION**

Each Member and Registered Student shall be subject to inspection of his/her business valuation practice and related activities by the Institute ("Practice Inspection") in accordance with the policies established by the Board of Directors (the "Policies").

## **22.2 PRACTICE INSPECTION COMMITTEE**

The Board of Directors shall appoint a committee of Members to oversee the Practice Inspection program to be called the Practice Inspection Committee (the "Committee"). The Committee shall recommend guidelines and requirements for Practice Inspection and monitor performance of the Practice Inspection program. The Board of Directors shall appoint a Chair for the Committee from among the members of the Committee.

## **22.3 REPORTING**

The Board of Directors shall establish from time to time the manner by which practice activities shall be reported by Members and Registered Students to the Institute under the Practice Inspection program.

## **22.4 REQUIREMENT TO COOPERATE**

A Member or Registered Student subject to Practice Inspection shall comply with the

Policies and cooperate fully with the Practice Inspection inspector (the “Inspector”) and the Committee.

## **22.5 ENTITLEMENTS OF PRACTICE INSPECTION COMMITTEE**

The Committee shall have the powers, duties and responsibilities set out in the Policies and, specifically, has the power to refer a matter as a complaint to the Conduct and Discipline Committee for investigation as a breach of the Bylaws, Code of Ethics and/or Practice Standards resulting from (A) the failure of a Member or Registered Student to comply with the Inspector or the Committee, or (B) any finding of a Practice Inspection.

**22.6** The Committee shall be entitled to negotiate a settlement agreement with any Member or Registered Student for breach of the Practice Inspection program for any of the sanctions that may be otherwise ordered by a Discipline Tribunal.

## **22.7 EXEMPTIONS**

The Board of Directors shall be entitled to exempt specific Members or Registered Students, and to establish the classes of Members or Registered Students who shall be exempt, from all or any of the requirements of Practice Inspection from time to time.

## **22.8 ESTABLISHMENT OF SPECIFIC POLICIES**

The Board of Directors shall be entitled to establish specific policies for the Practice Inspection program for work or practices of Members or Registered Students where access to such work or practices is restricted by law, government, administrative or regulatory restrictions or orders of a court of competent jurisdiction.

## **22.9 REPORTING TO BOARD OF DIRECTORS**

The Committee shall report annually to the Board of Directors on the Practice Inspection program, including recommendations and findings of the Committee.

April 23, 2026