

BY-LAW NO. 1

A by-law relating generally to the conduct of the affairs of

ACFE (ASSOCIATION OF CERTIFIED FRAUD EXAMINERS) GREATER TORONTO AREA (GTA) CHAPTER INC.

(hereinafter called the "**Corporation**")

Section 1. General

1.01 Definitions

In this by-law, unless the context otherwise requires:

- (a) "Act" means the *Not-for-Profit Corporations Act, 2010* (Ontario) and, where the context requires, includes the regulations made under it, as amended or re-enacted from time to time;
- (b) "Affiliate" means a class of membership in the Corporation that is comprised of interested parties who are not Certified Fraud Examiners of the NP Association in good standing and are not Associate Members of the NP Association in good standing who have been allowed by the Board to join this membership class. An Affiliate shall have no Corporation voting rights and shall not be eligible to hold any office of the Corporation;
- (c) "Associate Members" means an associate member of the NP Association and is not a Certified Fraud Examiner;
- (d) "Association" means the Association of Certified Fraud Examiners Inc., a corporation existing under the laws of the State of Texas;
- (e) "Annual Meeting" means an annual meeting of Members of the Corporation;
- (f) "Board" means the board of directors of the Corporation;
- (g) "By-laws" means this by-law (including the schedules to this by-law) and all other by-laws of the Corporation as amended and which are, from time to time, in force;
- (h) "Certified Fraud Examiner or CFE" means an individual who is a member of the NP Association in good standing who has completed the requirements of the NP Association to maintain and renew their CFE credential;
- (i) "Chair" means the chair of the Board and the person chairing a meeting of the Board or a meeting of Members;
- (j) "Committee Member" means an individual member of a committee of the Corporation who is a Member, Affiliate, or Student Affiliate of the Corporation;
- (k) "Corporation" means the corporation that has passed these by-laws under the Act or that is deemed to have passed these by-laws under the Act;

- (l) "Director" means an individual occupying the position of director of the Corporation by whatever name it is called;
- (m) "GTA" means Greater Toronto Area;
- (n) "'Lapse" means the termination of Membership;
- (o) "Member" means a class of membership in the Corporation that is comprised of Certified Fraud Examiners in good standing of the NP Association or Associate Members in good standing of the NP Association;
- (p) "Membership" means the collective membership of the Corporation and includes the three classes of membership, but shall not include Corporations and/or unincorporated entities;
- (q) "NP Association" means the Association of Certified Fraud Examiners, a non-profit corporation duly registered in the State of Texas;
- (r) "Officer" means an officer of the Corporation;
- (s) "ordinary resolution" means a resolution that is submitted to a meeting of the Members, or a meeting of the Board, and passed at such meeting, with or without amendment, by at least fifty percent (50%) of the votes cast;
- (t) "Past President" means the President & Chief Executive Officer who served immediately prior to the elected President & Chief Executive Officer and is a Certified Fraud Examiner in good standing and a Member who is in good standing;
- (u) "special resolution" means a resolution that is submitted to a special meeting of the Members, or a special meeting of the Board, duly called for the purpose of considering such resolution and passed at such special meeting, with or without amendment, by at least two-thirds (2/3) of the votes cast;
- (v) "Student Affiliate" is a class of membership in the Corporation that is comprised of interested full-time or part-time undergraduate or graduate students who are enrolled in a Canadian accredited community college or university and have not yet become a Certified Fraud Examiner or an associate member of the NP Association who have been allowed by the Board to join this membership class. A Student Affiliate shall have no Corporation voting rights and shall not be eligible to hold any office of the Corporation;
- (w) "Student Member" means a member in good standing of the NP Association who meets the qualifications for this NP Association membership class; and
- (x) "Vice-Chair" means the vice-chair of the Board who may be the person chairing a meeting of the Board or a meeting of Members in the absence of the Chair or the refusal of the Chair to so act.

1.02 Interpretation

Other than as specified in section 1.01, all terms contained in this By-law that are defined in the Act shall have the meanings given to such terms in the Act. Words importing the singular include the plural and vice versa, and words importing one gender include all genders.

1.03 Severability and Precedence

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. If any of the provisions contained in the By-laws are inconsistent with those contained in the articles or the Act, the provisions contained in the articles or the Act, as the case may be, shall prevail.

1.04 Purpose

The purpose of the Corporation is to help reduce the incidence of fraud and other financial crimes by (a) delivering best-in-class training and education to Certified Fraud Examiners, (b) fostering a dynamic and interactive local network of anti-fraud professionals, and (c) encouraging the next generation of anti-fraud professionals.

1.05 Head Office

The headquarters of the Corporation shall be at a place designated by the Board and shall appear on the Corporation website.

1.06 Execution of Contracts

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

1.07 Trademarks

The Association owns all federal and common law trademarks in the following marks: (1) "Association of Certified Fraud Examiners"; (2) "ACFE"; (3) "Certified Fraud Examiner"; (4) "CFE"; (5) the Seal of the Association of Certified Fraud Examiners; and (6) the ACFE Logo. The use of these trademarks and of any other trademarks owned by the Association (collectively referred to herein as "**ACFE Marks**") by the Corporation is governed by the Trademark License Agreement executed by the Corporation and the Association, the terms of which are incorporated into these By-laws. Except as provided in the Trademark License Agreement, no other use of the Association's trademarks by the Corporation is permitted without the prior written permission of the Association.

Section 2. Directors

2.01 Number of Directors

The Board shall consist of an odd number of Directors, and a minimum of three (3) Directors, each of whom shall be a member or associate member in good standing of the NP Association and a Member in good standing of the Corporation. The number of Directors may be changed from time to time by special resolution of the Board.

2.02 Election and Term

Elections for open positions on the Board shall be held at the Annual Meeting. The elections will be held no later than six (6) months after the fiscal year-end.

Each Member in good standing who is entitled to vote under the provisions of these By-laws shall receive at least forty-five (45) days' notice of the Annual Meeting and election, an explanation of the nomination and election process, and a nomination form for nominating Members to fill any open positions on the Board. Members may self-nominate, and all nomination forms must be received by the Corporation no later than thirty (30) days prior to the Annual Meeting.

Members in good standing who are entitled to vote under the provisions of these By-laws will be given the opportunity to vote by proxy prior to the Annual Meeting in the form set forth in Schedule G, which shall be provided fifteen (15) days prior to the Annual Meeting. To be included in the election process, completed proxies must be received by the Corporation no later than five (5) calendar days prior to the Annual Meeting.

Elections for Directors will take place by secret written ballot at the Annual Meeting. If the Annual Meeting is held electronically, elections will take place by an anonymous poll question. The nominated candidate(s) for the Board receiving the most votes shall be elected. The results of the election will be announced at the Annual Meeting by the Board and confirmed by email to the Association and to the Directors.

Directors will serve for a term from the date of the meeting at which they are elected or appointed until no later than the fourth (4th) anniversary of such date and shall hold office until their successors are duly appointed or elected. The exception is where a Director is elected or appointed to fill a vacancy on the Board, in which case the term of office shall be the unexpired portion of the term of office of the Director that has been replaced. There is no restriction on the number of terms that a Director can serve.

Each Director shall be an individual at least eighteen (18) years of age, shall be mentally competent, and shall not be an undischarged bankrupt.

2.03 Duties and Powers of the Board

The Board's decisions shall be final, unless otherwise specifically provided for in these By-laws. The Board shall perform any and all duties imposed on them collectively or individually by law, the articles, the NP Association Chapter Handbook, or these By-laws. The Board shall supervise all Officers, Members, Affiliates, and agents of the Corporation to assure their duties are performed properly.

The Board may from time to time establish policies, procedures, and codes of professional conduct of Members and Affiliates.

The Board shall make available all financial records of the Corporation to the Association, or to the NP Association upon reasonable request and within a reasonable timeframe given the extent of the request. Upon request, the Board shall make available the annual financial statements as presented at the Annual Meeting to any Member.

2.04 Vacancies

The office of a Director shall be vacated immediately:

- (a) if the Director resigns office by written notice to the secretary, which resignation shall be effective at the time it is received by the secretary or at the time specified in the notice, whichever is later;
- (b) if the Director dies or becomes bankrupt;
- (c) if the Director is found to be incapable of managing property by a court or under Ontario law; or
- (d) if, at a meeting of the Members, a resolution is passed by at least a majority of the votes cast by the Members removing the Director before the expiration of the Director's term of office.

2.05 Filling Vacancies

When a vacancy on the Board is filled, it shall be filled as follows:

- (a) a quorum of Directors may fill a vacancy among the Directors;
- (b) if there is not a quorum of Directors or there has been a failure to elect the minimum number of Directors set out in the articles, the Directors in office shall, without delay, call a special meeting of Members to fill the vacancy and, if they fail to call such a meeting, the meeting may be called by any Member;
- (c) if the vacancy occurs as a result of the Members removing a Director, the Members may fill the vacancy by a majority vote of Members present and any Director elected to fill the vacancy shall hold office for the remainder of the removed Director's term; and
- (d) the Board may by an ordinary resolution, fill any vacancy by a majority vote, and the appointee shall hold office for the remainder of the unexpired portion of the term of the vacating Director. After that, the appointee shall be eligible to be elected as a Director.

2.06 Committees

Subject to the limitations on delegation set out in the Act, the Board may establish any committee it determines necessary for the execution of the Board's responsibilities. The Board shall determine the composition and terms of reference for any such committee, including the

appointment of non-director volunteers who are Members, Affiliates, or Student Affiliates. The Board may dissolve any committee by ordinary resolution at any time.

Each Committee Member shall serve on a committee until a successor is appointed or the committee is terminated. A Committee Member may cease to serve on such committee if the committee is terminated, or if the Committee Member dies, ceases to qualify, resigns, or is removed as a Committee Member. A person appointed to fill a vacancy on a committee shall serve for the unexpired portion of the terminated Committee Member's term. Any Committee Member may be removed by the person(s) authorized to appoint such Committee Member with or without cause.

2.07 Remuneration of Directors

The Directors and Committee Members shall serve as such without remuneration and no Director or Committee Member shall directly or indirectly receive any profit from occupying the position of Director; provided that:

- (a) Directors and Committee Members may be reimbursed for reasonable expenses they incur in the performance of their Directors' and Committee Members' duties; and
- (b) Directors and Committee Members may be paid remuneration and reimbursed for expenses incurred in connection with services they provide to the Corporation in their capacity other than as Directors and Committee Members, provided that the amount of any such remuneration or reimbursement is: (i) considered reasonable by the Board; (ii) approved by the Board for payment by ordinary resolution passed before such payment is made; and (iii) in compliance with the conflict of interest provisions of the Act.

Section 3. Board Meetings

3.01 Calling of Meetings

The Board shall meet at least two (2) times a year. A special meeting may be called by the President & Chief Executive Officer, or by any two (2) Directors. At meetings of the Board, a majority of the total number of filled Director positions shall constitute a quorum for the transaction of business. The act of a majority of Directors present at any meeting at which a quorum is present shall be the act of the whole Board.

3.02 Regular Meetings

The Board may fix the place and time of regular Board meetings.

3.03 Notice

Notice of the time and place for the holding of a meeting of the Board shall be given in the manner provided in sSection 9 of this By-law to every Director not less than three (3) days before the date that the meeting is to be held. Notice of a meeting is not necessary if all of the Directors are present, and none objects to the holding of the meeting, or if those absent have waived notice or have otherwise signified their consent to the holding of such meeting.

3.04 Quorum

A quorum for a meeting of the Board is a majority of the filled Director positions.

3.05 Chair

The Chair shall preside at Board meetings. In the absence of the Chair, the Vice-Chair shall preside at Board meetings. In the absence of the Chair and Vice-Chair, the Directors present shall choose one of their number to act as the Chair.

3.06 Voting

Each Director has one vote. Questions arising at any Board meeting shall be decided by a majority of votes. In case of an equality of votes, the Chair of the meeting shall have a second or casting vote.

3.07 Attendance

Directors are required to attend at least fifty percent (50%) of all Board meetings. Any Director who has failed to attend the required number of meetings may be removed as a Director.

3.08 Participation by Telephone or Other Communications Facilities

A Board meeting may be held by telephone, electronic or other communication facilities that permit all persons participating in the meeting to communicate adequately with each other at the same time, and a Director participating by such means is deemed to be present at that meeting.

Section 4. Financial

4.01 Banking

The Board shall by ordinary resolution from time to time designate the bank in which the money, bonds or other securities of the Corporation shall be placed for safekeeping.

4.02 Financial Year

The financial year of the Corporation ends on December 31 in each year or on such other date as the Board may from time to time by ordinary resolution determine.

4.03 Year-End Financial Statements

The year end complete, unaudited financial statements are to be prepared and signed by the Treasurer & Chief Financial Officer, certified by the President & Chief Executive Officer, and delivered to the Board no later than three (3) months following year-end. The year-end financial statements shall be approved by the Board for presentation at the Annual Meeting.

4.04 Member and Participation Fees

Corporation fees will be established by the Board and updated from time-to-time. Membership fees may be billed on the Member's, Affiliate's, or Student Affiliate's annual anniversary date of when they joined or on a specific date as established by the Board. The Treasurer & Chief

Financial Officer shall be empowered to assess and collect such dues and shall ensure appropriate entries are made in the Corporation's accounting records.

Membership fees may be set at different rates for different classes of Membership at the discretion of the Board.

The Board may, in its sole discretion, waive the annual membership fee for Directors, and should this provision be enacted, such Directors are deemed to be Members in good standing. The Board may also waive any fees or portion thereof for current Directors who attend or participate in Corporation professional development activities or other Corporation events.

Section 5. Officers

5.01 Description of Officers

The Officers of the Corporation shall consist of (a) the "**President & Chief Executive Officer**" (b) the "**Executive Vice-President**" (c) the "**Secretary to the Board**" (d) the "**Treasurer & Chief Financial Officer**" and (e) the "**Senior Vice-President & Chief Learning Officer**" and may include (f) the "**Past-President,**" provided the Past President remains qualified as a Member of the Corporation in good standing, has been duly elected as a Director, and has expressed a desire to the incoming President & Chief Executive Officer to continue to contribute to the Corporation in this role. The Past President may be appointed the Chair or Vice-Chair of the Board.

5.02 Election and Term

The Board shall first elect from the newly-elected Directors, a President & Chief Executive Officer by secret ballot or by anonymous poll if electronic facilities are used, at its first meeting following the Annual Meeting. If the first meeting of the Board is not held immediately following the Annual Meeting, then notice of such meeting shall be delivered to the Directors at least three (3) days before such meeting. The candidate for President & Chief Executive Officer receiving the most votes shall be appointed. The results of the election will be announced by the Board by posting on the Corporation's website within seven (7) days of such election.

Subsequently, the President will provide a recommendation as to the Directors who have indicated a desire to fill a specific Officer position and the Board shall fill any vacant Officer positions described in section 5.01 by ordinary resolution at its first meeting following the Annual Meeting. The complete list of Directors and Officers appointed will be confirmed by the Board to the Association and to the Membership by a posting on the Corporation's website within seven (7) days of such appointment(s).

Officers shall serve four (4) year terms and shall hold office until their successors are duly appointed or elected. Officers may be re-appointed to successive terms in either the same or different office.

The same person may hold any two (2) or more offices.

The Board may appoint by ordinary resolution such other Officers (e.g., Officer Without Portfolio, Chief Technology Officer, Chief Liaison Officer, Chief Engagement & Mentorship Officer, etc.) and agents as it deems necessary, and who shall have such authority and shall perform such duties as the Board may prescribe from time to time.

5.03 Office Held at Board's Discretion

Any Officer shall cease to hold office upon being removed as a Director or as a Member. Unless so removed, an Officer shall hold office until the earlier of: the Officer's successor being appointed, the Officer's resignation, or such Officer's death.

5.04 Duties

Officers shall be responsible for and have the authority to carry out the duties assigned to them.

5.05 Duties of the Chair

The Chair shall perform the duties described in sections 3.05 and 8.12 and such other duties as may be required by law or as the Board may determine from time to time.

5.06 Duties of the President & Chief Executive Officer

The President & Chief Executive Officer shall perform the duties described in Schedule A and such other duties as may be required by law or as the Board may determine from time to time.

5.07 Duties of the Executive Vice-President

The Executive Vice-President shall perform the duties described in Schedule B and such other duties as may be required by law or as the Board may determine from time to time.

5.08 Duties of the Secretary to the Board

The Secretary to the Board shall perform the duties described in Schedule C and such other duties as may be required by law or as the Board may determine from time to time.

5.09 Duties of the Treasurer & Chief Financial Officer

The Treasurer & Chief Financial Officer shall perform the duties described in Schedule D and such other duties as may be required by law or as the Board may determine from time to time.

5.10 Duties of the Senior Vice-President & Chief Learning Officer

The Senior Vice-President & Chief Learning Officer shall perform the duties described in Schedule E and such other duties as may be required by law or as the Board may determine from time to time.

5.11 Duties of the Past-President

If this position is filled, the Past-President shall perform the duties described in Schedule F and such other duties as may be required by law or as the Board may determine from time to time.

Section 6. Protection of Directors and Others

6.01 Corporation Liability

The Corporation shall be fully and solely responsible for its own legal and financial affairs and shall hold harmless the Association and the NP Association, by reason of its affiliation, from any lawsuits, damages, other expenses, or liabilities arising out of the activities of the Corporation.

6.02 Association Liability

The Corporation shall not be responsible nor liable for any lawsuits, damages, other expenses, or liabilities arising out of its affiliation with the Association and the NP Association or arising out of the activities of the Association and the NP Association.

6.03 Protection of Directors and Officers

The Directors and Officers of the Corporation shall not be personally liable for the debts, liabilities, or other obligations of the Corporation. No Director, Officer or Committee Member of the Corporation is to be liable for the acts, neglects, or defaults of any other Director, Officer, Committee Member, or employee of the Corporation or for joining in any receipt or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by resolution of the Board or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the money of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or Corporation with whom or which any moneys, securities or effects shall be lodged or deposited or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his or her respective office or trust provided that they have:

- (a) complied with the Act and the Corporation's articles and By-laws; and
- (b) exercised their powers and discharged their duties in accordance with the Act.

6.04 Insurance

The Association, the NP Association, or the Corporation shall procure directors & officers liability insurance for the Corporation either from the Association or a separate insurance provider, and the Corporation will pay all premiums for such insurance. The Corporation may also procure additional business and commercial liability insurance as deemed appropriate by the Board, and the Corporation will pay all premiums for such insurance.

6.05 Association Authority

In any disputes, the Association is the final authority. To the extent that these By-laws conflict with the by-laws or rules of the Association or the NP Association, the by-laws or rules of the Association or the NP Association shall control.

Section 7. Conflict of Interest

7.01 Conflict of Interest

A Director or Committee Member who is in any way directly or indirectly interested in a contract or transaction, or proposed contract or transaction, with the Corporation shall make the disclosure required by the Act. Except as provided by the Act, no such Director or Committee Member shall attend any part of a meeting of Directors or Committee Members or vote on any resolution to approve any such contract or transaction.

Section 8. Members

8.01 Membership

Membership in the Corporation shall consist of three (3) classes of Membership and will be available only to individuals interested in furthering the Corporation's purposes and who have applied for and been accepted into Membership in the Corporation in such other manner as may be determined from time to time by the Association and the Board.

A Membership in the Corporation automatically lapses if the Member, Affiliate, or Student Affiliate dies or resigns, fails to pay on their anniversary date the annual membership fee as set out in By-law No. 2, fails to maintain their CFE credential or their Associate Member status with the NP Association, or such Membership is otherwise terminated in accordance with the Act or these By-laws.

8.02 Membership from Other Chapters

The Board may decide whether to allow members or affiliates from another chapter to join as Members or Affiliates of the Corporation. Individual participation in one chapter may be transferred to another chapter, subject to the rules and regulations of both chapters and the Corporation.

8.03 Membership Classes

There are three (3) classes of membership in the Corporation: (a) "**Member**", (b) "**Affiliate**", and (c) "**Student Affiliate**":

- (a) Any certified fraud examiner of the NP Association in good standing, and any associate member of the NP Association in good standing may be a Member. Members may hold any office of the corporation and shall have voting rights. Associate members of the NP Association are granted Corporation voting rights and may hold any office of the corporation except that of President & Chief Executive Officer.
- (b) The Board, in its discretion, may allow other interested parties who are not certified fraud examiners of the NP Association and are not associate members of the NP Association to become Affiliates. Affiliates shall not be, nor represent themselves to be, Members, shall have no Corporation voting rights, and shall not be eligible to hold any office of the corporation.
- (c) The Board, at its discretion, may allow any full-time or part-time undergraduate or graduate student who is enrolled in a Canadian accredited community college or

university and have not yet become an associate member of the NP Association to be a Student Affiliate. Student Affiliates shall not be, nor represent themselves to be, Members, shall have no Corporation voting rights, and shall not be eligible to hold any office of the corporation.

8.04 Membership Fees

Members, Affiliates, and Student Affiliates shall pay the annual Membership fee as set out in By-law No. 2.

8.05 Discipline of Members

The Board shall have authority by ordinary resolution to suspend or expel any Member, Affiliate or Student Affiliate from the Corporation for any one or more of the following grounds:

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

No Member, Affiliate or Student Affiliate may be suspended or expelled unless it has first received written notice of the reasons for the proposed disciplinary action. The notice shall be delivered at least thirty (30) days before a hearing of the Board to address the disciplinary action. The Member, Affiliate or Student Affiliate shall be afforded an opportunity to respond to the proposed disciplinary action by a full hearing before a quorum of the Board before a final action is taken.

A disciplinary action under this section 8.05 is effective immediately upon adoption by the Board. A Member who has been suspended or expelled by the Corporation may appeal the decision to the board of regents of the NP Association.

8.06 Non-payment of Fees

Membership in the Corporation is terminated when any Member, Affiliate or Student Affiliate lets their membership lapse by failing to pay the annual Membership fee on their anniversary date. Members who have let their Membership lapse lose their voting rights until such time as they pay the required fee and once again become a Member in good standing.

The Board may provide the conditions and procedures under which the Corporation may reinstate a Member, Affiliate or Student Affiliate who has let their Membership lapse, or whose Membership was otherwise terminated, provided that such reinstatement does not conflict with these By-laws or the rules of the NP Association.

8.07 Report of Corporation Participation

The Corporation shall furnish annually to the Association, or upon request, a list containing the names, addresses, and any other contact information for all Members, Affiliates, and Student

Affiliates of the Corporation. The list shall indicate the Membership class of the person, such as a Member, Affiliate of the Corporation, or Student Affiliate.

8.08 Annual Meeting

The Annual Meeting shall be held on a day and at a place within Ontario fixed by the Board or electronically in accordance with section 8.16. The annual general meeting must take place no later than six (6) months following the Corporation's year end. Not less than twenty-one (21) days before each annual general meeting the Corporation shall give a copy of the documents referred to in subsection 84(1) of the Act to all Members who have informed the Corporation that they wish to receive a copy of those documents. The Corporation may, instead of sending copies of the annual financial statements and other documents referred to in subsection 84(1) of the Act to the Members, publish a notice to its Members stating that the annual financial statements and documents provided in subsection 84(1) of the Act are available and any Member may, on request, obtain a copy free of charge by prepaid mail.

The business transacted at the annual meeting shall include:

- (a) receipt of the agenda;
- (b) receipt of the minutes of the previous annual and subsequent special meetings;
- (c) consideration of the financial statements;
- (d) report of the auditor or person who has been appointed to conduct a review engagement;
- (e) reappointment or new appointment of the auditor or a person to conduct a review engagement for the coming year;
- (f) election of Directors; and
- (g) such other or special business as may be set out in the notice of meeting.

No other item of business shall be included on the agenda for annual meeting unless a Member's proposal has been given to the secretary prior to the giving of notice of the annual meeting in accordance with the Act, so that such item of new business can be included in the notice of annual meeting.

8.09 Special Meetings

The Directors may call a special meeting of the Members. The Board shall convene a special meeting on written requisition of not less than one-tenth (1/10) of the Members for any purpose connected with the affairs of the Corporation that does not fall within the exceptions listed in the Act or is otherwise inconsistent with the Act, within twenty-one (21) days from the date of the deposit of the requisition.

8.10 Notice

Subject to the Act, not less than forty-five (45) days written notice of any annual or special Members' meeting shall be given in the manner specified in section 9 to each Member and to the

auditor or person appointed to conduct a review engagement. Notice of any meeting where special business will be transacted must contain sufficient information to permit the Members to form a reasoned judgment on the decision to be taken. Notice of each meeting must remind the Member of the right to vote by proxy.

8.11 Quorum

A quorum for the transaction of business at a Members' meeting is five percent (5%) of the Members entitled to vote at the meeting as listed in the Corporation's Membership record, whether present in person or by proxy. If a quorum is present at the opening of a meeting of the Members, the Members present may proceed with the business of the meeting, even if a quorum is not present throughout the meeting.

8.12 Chair of the Meeting

The Chair shall be the Chair of the Members' meeting; in the Chair's absence, the Members present at any Members' meeting shall choose another Director as Chair and if no Director is present or if all of the Directors present decline to act as Chair, the Members present shall choose one of their number to Chair the meeting.

8.13 Voting of Members

Business arising at any Members' meeting shall be decided by a majority of votes unless otherwise required by the Act or the By-law provided that:

- (a) each Member shall be entitled to one vote at any meeting;
- (b) votes shall be taken by a show of hands among all Members present and the Chair of the meeting, if a Member, shall have a vote;
- (c) an abstention shall not be considered a vote cast;
- (d) before or after a show of hands has been taken on any question, the Chair of the meeting may require, or any Member may demand, a written ballot. A written ballot so required or demanded shall be taken in such manner as the Chair of the meeting shall direct;
- (e) if there is a tie vote, the Chair of the meeting shall require a written ballot, and shall have a second or casting vote; and
- (f) whenever a vote by show of hands is taken on a question, unless a written ballot is required or demanded, a declaration by the Chair of the meeting that a resolution has been carried or lost and an entry to that effect in the minutes shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion.

8.14 Adjournments

The Chair may, with the majority consent of any Members' meeting, adjourn the same from time to time and no notice of such adjournment need be given to the Members, unless the meeting is adjourned by one or more adjournments for an aggregate of thirty (30) days or more. 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 the same.

8.15 Persons Entitled to be Present

The only persons entitled to attend a Members' meeting are the Members, the Directors, the auditors of the Corporation (or the person who has been appointed to conduct a review engagement, if any) and others who are entitled or required under any provision of the Act or the articles to be present at the meeting. Any other person may be admitted only if invited by the Chair of the meeting or with the majority consent of the Members present at the meeting.

8.16 Participation by Telephone or Other Communications Facilities

Any meeting of Members or the Annual Meeting may be held by telephone, electronic or other communication facilities that permit all persons participating in the meeting to communicate adequately with each other at the same time, provide a poll mechanism for anonymous voting, and a Member participating by such means is deemed to be present at that meeting.

Section 9. Notices

9.01 Service

Any notice required to be sent to any Member or Director or to the auditor or person who has been appointed to conduct a review engagement shall be provided by telephone, delivered personally, or sent by prepaid mail, facsimile, email or other electronic means to any such Member or Director at their latest address as shown in the records of the Corporation and to the auditor or the person who has been appointed to conduct a review engagement at its business address, or if no address be given then to the last address of such Member or Director known to the secretary; provided always that notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto.

9.02 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 not, unless it is otherwise provided, be counted in such number of days or other period.

9.03 Error or Omission in Giving Notice

No error or accidental omission in giving notice of any Board meeting or any Annual Meeting shall invalidate the meeting or make void any proceedings taken at the meeting.

9.04 Books and Records

The Corporation will keep correct and complete books and records of account, and will also keep minutes of the proceedings of its Members, Officers, Board, and committees having any of the authority of the Board, and will keep a record giving the names of the Members entitled to vote either in paper form or electronically in an external cloud storage service (e.g., Google Drive, One Drive, Sync, etc.).

The Secretary to the Board shall be the keeper of all paper form books and records, and at each fiscal year-end, all such books and records in the possession of the Treasurer & Chief Financial Officer and any other Member of the Board shall be deposited with the Secretary to the Board for storage and retention. When an external cloud storage service is used, appropriate controls are to be implemented to ensure the President & Chief Executive Officer, the Executive Vice-President, the Treasurer & Chief Financial Officer, and the Secretary to the Board have proper access.

All books and records of the Corporation may be inspected by any Member, or its agent or attorney, for any proper purpose at any reasonable time. All requests would normally be forwarded to the Secretary to the Board.

Section 10. Dissolution

10.01 Dissolution of the Corporation

The vote to dissolve the Corporation must be by written ballot, or by anonymous poll if electronic facilities are used, and must be approved by a two-thirds (2/3) majority of the Members eligible to vote. The Association must be notified at least thirty (30) days prior to the vote and must be notified of the results immediately thereafter. Upon dissolution of the Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities shall be distributed to the ACFE Foundation or another charitable non-profit organization with similar goals as the ACFE Foundation (i.e., the promotion of education or research in the anti-fraud profession).

Upon dissolution, the Corporation shall destroy all unused letterhead, stationery, or other items bearing, in any form, the name "Association of Certified Fraud Examiners" or any other ACFE Marks, and the Corporation shall immediately and permanently cease to use, in any manner, the ACFE Marks for any purpose unless such use is approved in writing, in advance, by the Association. The Corporation shall also provide the Association with a list of Members at the time of dissolution, a report detailing the distribution of the assets of the Corporation, and a copy of the Certificate of Dissolution issued by the Province of Ontario.

10.02 NP Association Handbook

The Corporation and its Members, Officers, and Directors agree to abide by the provisions of the NP Association Chapter Handbook and such other rules or regulations which may from time to time be instituted by the Association.

Section 11. Adoption and Amendment of By-laws

11.01 Amendments to By-laws

The Members may from time to time amend this By-law by ordinary resolution.

The foregoing By-law is hereby confirmed by the Directors of the Corporation at a meeting duly held and properly constituted and upon which notice was properly given in accordance with the provisions of the Act this day of , 2023.

President & Chief Executive Officer

Secretary to the Board

Schedule A

Position Description of the President & Chief Executive Officer

Only a certified fraud examiner in good standing, who is a Member in good standing, may hold the office of President & Chief Executive Officer.

The President & Chief Executive Officer may be the Chair or Vice-Chair, shall be the Chief Executive Officer of the Corporation, and when present, may preside at all meetings of the Board.

The President & Chief Executive Officer has the necessary authority to effectively carry out the inherent responsibilities of the role. Generally, duties include:

- a) exercising leadership, supervision, and management of the affairs of the Corporation;
- b) consulting with and informing all other Officers and Directors, Members, and the Corporation with respect to all significant issues and events;
- c) appoint and remove any Committee Members established by the Board;
- d) providing an annual report to the Members and the Corporation;
- e) performing all duties incident to the offices of Chair, President & Chief Executive Officer, and those other duties that the Board may from time-to-time assign; and
- f) when the Senior Vice-President & Chief Learning Officer is not a certified fraud examiner, the President & Chief Executive Officer shall have overall responsibility and oversee the training, learning, and professional development area of the Corporation.

Schedule B

Position Description of the Executive Vice-President

The Executive Vice-President assists the President & Chief Executive Officer in the day-to-day operation and governance of the Corporation. The Executive Vice-President may be the Vice-Chair, shall report to the President & Chief Executive Officer, and report directly to the Board for compliance-related matters. The Executive Vice-President has the necessary authority to effectively carry out the inherent responsibilities of the role.

As the Corporation's Chief Compliance Officer, in coordination with the President & Chief Executive Officer, this position has significant responsibility and authority across all facets of the Corporation's operations to ensure proper internal controls and adherence to legislative, regulatory, and Corporation requirements.

The Executive Vice-President shall assume the duties of the President & Chief Executive Officer in the absence of the President & Chief Executive Officer. When the Executive Vice-President acts in place of the President & Chief Executive Officer, the Executive Vice-President shall have all the powers of and be subject to all the restrictions upon the President & Chief Executive Officer.

The Executive Vice-President shall be responsible for other duties that the President & Chief Executive Officer or the Board shall delegate from time to time.

The Executive Vice-President may be a certified fraud examiner, who is also a Member in good standing, or an associate member of the NP Association in good standing who is also a Member in good standing.

Notwithstanding the forgoing, if the office of President & Chief Executive Officer becomes vacant before the expiration of the term, the Executive Vice-President may not assume that position for the unexpired term unless the Executive Vice-President is a certified fraud examiner in good standing. If the Executive Vice-President is an associate member of the NP Association in good standing, the Board shall elect by the affirmative vote of a majority of the Board present a person who is a certified fraud examiner in good standing and a Member in good standing to complete the unexpired term of President & Chief Executive Officer.

Schedule C

Position Description of the Secretary to the Board

The Secretary to the Board shall report to the President & Chief Executive Officer and perform all duties incident to the office of Secretary to the Board.

The Secretary to the Board has the necessary authority to effectively carry out the inherent responsibilities of the role. Generally, duties include:

- a) to see that all notices are given in accordance with the provisions of these By-laws, or as may be required by law, including the Act:
- b) be custodian of the corporate records;
- c) prepare and maintain the minutes of the meetings of the members, of the Board and the Annual Meeting.
- d) ensure that the seal of the Corporation (if one exists) is affixed to all documents as authorized;
- e) maintain the membership records of the Corporation using an online not-for-profit organization platform; and
- f) perform other such duties as from time to time may be assigned by the President & Chief Executive Officer or by the Board.

The Secretary to the Board may be a certified fraud examiner, who is also a member of the Corporation in good standing, or an associate member of the NP Association in good standing who is also a member of the Corporation in good standing.

Schedule D

Position Description of the Treasurer & Chief Financial Officer

The Treasurer & Chief Financial Officer reports directly to the President and is responsible for all moneys received and all disbursements therefrom, as well as for preparing and maintaining all financial records of the Corporation. The Treasurer assists the president and the Board ensure the Corporation is in good fiscal health, and with the approval of the Board, may engage external professional assistance in executing part of their mandate.

The Treasurer & Chief Financial Officer has the necessary authority to effectively carry out the inherent responsibilities of the role. Generally, duties include:

- a) responsibility for the finances of the Corporation;
- b) the maintenance of all Corporation financial records, and in conjunction with the President and the Executive Vice-President;
- c) maintenance of internal control processes;
- d) ensuring all moneys received by the Corporation as well as disbursements therefrom are properly recorded and deposited for safekeeping to the credit of the Corporation;
- e) ensuring all taxes, including HST, are properly tracked and reported, and disbursements to the Canada Revenue Agency (CRA) are made on time;
- f) ensuring all disbursements are properly approved;
- g) ensuring the Board is regularly advised of the status of the accounting of funds; and
- h) otherwise perform appropriate duties to see that the assets of the Corporation are properly safeguarded.

The financial reporting requirements are detailed in section 4 above.

The Treasurer & Chief Financial Officer may be a certified fraud examiner and a Member in good standing or an associate member of the NP Association and the Corporation in good standing. An individual with an accounting designation is preferable.

Schedule E

Position Description of the Senior Vice-President & Chief Learning Officer

The Senior Vice-President & Chief Learning Officer shall report to the President & Chief Executive Officer and shall be the chair of any professional development committee that the Board may establish from time-to-time. This role shall be responsible for providing professional development opportunities to Members, Affiliates and certified fraud examiners who are non-Corporation members domiciled in the Corporation "catchment" area as defined by the ACFE Handbook and Guidelines for Local Chapters, which is updated by the Association from time-to-time.

The Senior Vice-President & Chief Learning Officer should be a certified fraud examiner; however, it is recognized there are instances when this role may be filled by a Member in good standing who is only an associate of the NP Association in good standing, in which case, the President & Chief Executive Officer, who must be a certified fraud examiner in good standing, shall have overall responsibility for the professional development area.

All Corporation professional development must be coordinated with and approved by the Association to ensure that Corporation professional development events do not compete with training conducted by the Association.

The Senior Vice-President & Chief Learning Officer has the necessary authority to effectively carry out the inherent responsibilities of the role. Generally, duties include:

- lead the collaboration of the strategy, development, and execution of the Corporation's annual professional development curriculum and training activities that will assist in achieving the annual Continuing Professional Education (CPE) credits mandated by the Association of Certified Fraud Examiners, and in creating meaningful opportunities for networking;
- delivering four (4) training activities a year, which are at least one (1) hour in length. The National Association of State Boards of Accountancy (NASBA) requires that to receive one (1) hour of CPE, training programs shall be at least fifty (50) minutes long; and
- lead the development and management of the Corporation's e-Learning Platform on the Corporation's website, which provides access to training webinars, seminars, and other courses that have been recorded or otherwise obtained by the Corporation.

Schedule F

Position Description of the Past-President

The Past-President shall report to the President & Chief Executive Officer and may be appointed the Chair or Vice-Chair and when present, may preside at all meetings of the Board.

The Past-President shall be responsible for other duties that the President & Chief Executive Officer or the Board shall delegate from time to time.

Schedule G

Proxy Form of the Corporation

The undersigned voting Member of the Corporation hereby appoints _____, of the Corporation or failing the person appointed above, _____ of the Corporation, as the proxy of the undersigned to attend and act at the Annual Meeting of such Corporation to be held on the _____ day of _____, 20____ and at any adjournment or adjournments thereof in the same manner, to the same extent and with the same power as if the undersigned were present at the said meeting or such adjournment or adjournments thereof.

Dated this _____ day of _____, 20_____.

[Name of Member]

Signature of Member

**Schedule H
CONSENT TO ACT AS DIRECTOR**

**TO: ACFE (ASSOCIATION OF CERTIFIED FRAUD EXAMINERS) GREATER
 TORONTO AREA (GTA) CHAPTER INC. (the "Corporation")**

I, THE UNDERSIGNED, hereby:

- i) consent to being elected and to acting as a Director of the above Corporation, such consent to take effect immediately and to continue in effect until I give written notice to the Corporation revoking such consent or until I otherwise cease to be a Director of the Corporation;
- ii) consent to the holding of meetings by means of such telephone, electronic or other communication facilities as permit all persons participating in the meetings to communicate with each other simultaneously and instantaneously,
- iii) acknowledge the requirement that Directors attend at least fifty percent (50%) of all meetings of the Board, and any Director who has failed to attend the required number of meetings may be removed as a Director of the Corporation;
- iv) consent to share my name and contact information with other Committee Members, Members of the Board, administrative staff, and the ACFE in Austin, Texas, and to having my name listed on the Corporation's website;
- v) acknowledge (a) that Members and non-members in our catchment area provide the Association, the NP Association, and the Corporation with certain personal information, and (b) my understanding of the requirements under the *Personal Information Protection and Electronic Documents Act* (PIPEDA). I agree to keep all such personal information entrusted to the Corporation protected, confidential, and ensure that it is used solely for the purpose of conducting Corporation business. I pledge to uphold these legal requirements and acknowledge my understanding that misusing this information or allowing this information to be used for any purpose other than Corporation business will be considered a material breach and will result in disciplinary action, up to and including dismissal, and referral to the appropriate law enforcement agencies; and
- vi) certify that I am a Resident Canadian within the meaning of the *Business Corporations Act* (Ontario)* and that I shall notify the Corporation forthwith in the event of a change in such status.

This consent may be executed in any number of counterparts, and/or by facsimile or e-mail transmission of Portable Document Format ("PDF"), each of which shall constitute an original and all of which, taken together, shall constitute one and the same instrument.

[signature page follows]

EXECUTED as of the ____ day of ____ 20__.

(Print Name of Director)

(Signature of Director)

* **"Resident Canadian"** is defined under the *Business Corporations Act* (Ontario) as an individual who is:

- (a) a Canadian citizen ordinarily resident in Canada;
- (b) a Canadian citizen not ordinarily resident in Canada who is a member of a prescribed class of persons; or
- (c) a permanent resident within the meaning of the *Immigration and Refugee Protection Act* (Canada) and ordinarily resident in Canada.

BY-LAW NO. 2

A By-law establishing Membership Fees by

**ACFE (ASSOCIATION OF CERTIFIED FRAUD EXAMINERS) GREATER TORONTO AREA
(GTA) CHAPTER INC.**

(herein called the "**Corporation**")

BE IT ENACTED as a By-law of the Corporation as follows:

1. The set fee for the three (3) classes of Membership of the Corporation shall be passed from time to time by ordinary resolution of the Board.
2. Unless and until changed by ordinary resolution of the Board:
 - a. the annual fee to be a voting Member shall be seventy five dollars (\$75) plus HST;
 - b. the annual fee to be a non-voting Affiliate shall be fifty dollars (\$50) plus HST;
 - c. the annual fee to be a non-voting Student Affiliate shall be twenty dollars (\$20) plus HST.

The Board may from time to time in accordance with the Act amend or repeal and replace this By-law.

The foregoing By-law is hereby confirmed by the Directors of the Corporation at a meeting duly held and properly constituted and upon which notice was properly given in accordance with the provisions of the Act this day of , 2023.

President & Chief Executive Officer

Secretary to the Board