



**New England**  
Society of CPAs

# Bylaws

# Table of Contents

<b>ARTICLE I Name; Purposes.....</b>	<b>3</b>	<b>ARTICLE VI Meetings of the Board.....</b>	<b>15</b>
Section 1.1 Name .....	3	Section 6.1 Place of Board Meetings .....	15
Section 1.2 Purpose .....	3	Section 6.2 Annual and Regular Meetings.....	15
<b>ARTICLE II Membership .....</b>	<b>4</b>	Section 6.3 Special Meetings .....	15
Section 2.1 Membership .....	4	Section 6.4 Notice.....	15
Section 2.2 Qualifications of Members. ....	4	Section 6.5 Quorum; Board Action.....	15
Section 2.3 Procedure to Become a Member. ....	5	Section 6.6 Action by Consent; Telephone Conference Meetings .....	16
Section 2.4 Removal .....	6	<b>ARTICLE VII Committees.....</b>	<b>17</b>
Section 2.5 Dues. ....	6	Section 7.1 Activation .....	17
Section 2.6 Resignation. ....	6	Section 7.2 Terms and Eligibility.....	17
Section 2.7 Termination. ....	6	Section 7.3 Minutes .....	17
Section 2.8 Reinstatement. ....	7	Section 7.4 Quorum and Voting at Meetings .....	17
<b>ARTICLE III Meeting Of The Members.....</b>	<b>8</b>	Section 7.5 Composition and Tenure.....	17
Section 3.1 Place .....	8	Section 7.6 Executive Committee .....	17
Section 3.2 Annual and Regular Meetings.....	8	Section 7.7 Governance Committee .....	18
Section 3.3 Special Meetings .....	8	Section 7.8 Professional Conduct and Discipline...18	
Section 3.4 Notice .....	8	<b>ARTICLE VIII Leadership Council.....</b>	<b>20</b>
Section 3.5 Chair of the Meeting.....	8	Section 8.1 Leadership Council.....	20
Section 3.6 Rules of Order.....	9	<b>ARTICLE IX Conflict of Interest .....</b>	<b>21</b>
Section 3.7 Quorum .....	9	Section 9.1 Conflict of Interest .....	21
Section 3.8 Voting .....	9	<b>ARTICLE X Indemnification .....</b>	<b>22</b>
Section 3.9 Voting by Proxy.....	9	Section 10.1 Indemnification for Directors and Officers .....	22
<b>ARTICLE IV Board Officers .....</b>	<b>10</b>	Section 10.2 Settlements .....	22
Section 4.1 Composition and Tenure.....	10	Section 10.3 Employees and Agents.....	23
Section 4.2 Elections/Appointments.....	10	Section 10.4 Non-Waiver of Other Rights .....	23
Section 4.3 Resignation or Removal.....	10	Section 10.5 Insurance .....	23
Section 4.4 Chair .....	10	Section 10.6 Definitions .....	23
Section 4.5 Chair-Elect.....	10	<b>ARTICLE XI Personal Liability.....</b>	<b>24</b>
Section 4.6 Vice-Chairs .....	10	Section 11.1 Personal Liability .....	24
Section 4.7 President and Chief Executive Officer..10		<b>ARTICLE XII Non-Discrimination .....</b>	<b>24</b>
Section 4.8 Treasurer .....	11	Section 12.1 Non-Discriminations .....	24
Section 4.9 Secretary/Clerk.....	11	<b>ARTICLE XIII Fiscal Year .....</b>	<b>25</b>
Section 4.10 Other Officers .....	11	Section 13.1 Fiscal year .....	25
Section 4.11 Compensation.....	11	<b>ARTICLE XIV Amendment .....</b>	<b>25</b>
Section 4.12 Vacancies .....	11	Section 14.1 Amendment .....	25
<b>ARTICLE V Board Of Directors .....</b>	<b>12</b>		
Section 5.1 Powers and Duties.....	12		
Section 5.2 Composition and Tenure.....	12		
Section 5.3 Qualification of Directors .....	13		
Section 5.4 Classes of Directors.....	13		
Section 5.5 Election; Term of Director .....	13		
Section 5.6 Vacancies .....	13		
Section 5.7 Resignation or Removal.....	14		

# Article I: Name; Purposes

**Section 1.1 Name.** The name of the corporation is The New England Society of Certified Public Accountants, Inc., a Massachusetts nonprofit corporation (the "Society"). The Society may conduct business under trade names, as determined by Board of Directors of the Society (the "Board") in its sole discretion.

**Section 1.2 Purpose.** The purpose of the Society shall be to (1) create a powerful regional voice of the accounting profession and improve efficiency without sacrificing strong local advocacy or the unique character of each Region (as defined in Section 2.2(a)); (2) unite for common purposes the members of the accounting profession; (3) promote and maintain high professional and moral standards; (4) safeguard the interests of Certified Public Accountants; (5) advance the art of accounting; (6) develop and improve accounting education; (7) encourage cordial relations among accountants; (8) participate in other activities consistent with these purposes; and (9) engage in any other activities for which a nonprofit corporation may be formed under Chapter 180 of the Massachusetts General Laws.

# Article II: Membership

**Section 2.1 Membership.** The Society shall have members consisting of the following classes: (a) Fellows, (b) Associates and (c) Honorary Members. Such members shall each be qualified and shall have the rights as set forth herein provided, however, that only Fellows shall have voting rights. Fellows' voting rights shall be exercised solely to elect the directors of the Board pursuant to Section 5.4 of these Bylaws. The term "Member" shall include both Fellows and Associates. For the avoidance of doubt, the term "Member" shall not include Honorary Members. An individual shall apply to become a Member pursuant to the procedures set forth herein.

## Section 2.2 Qualifications of Members.

**(a) Fellows.** A Fellow shall be a Certified Public Accountant, in good standing, licensed in any jurisdiction of the United States, including the District of Columbia and U.S. territories (each, a "jurisdiction"), including Maine, Massachusetts, New Hampshire, Rhode Island, or Vermont (each, a "Region" and collectively, the "Regions").

**(b) Associates.** An Associate shall be:

1. Any person not qualified to be a Fellow who (i) is in the employ of or supervised by a Fellow, or (ii) owns an equity interest in an entity practicing public accountancy whose other partners, shareholders and/or members include a Fellow;
2. A teacher or professor regularly engaged in the teaching of accounting as a faculty member of a degree granting institution;
3. An employee of a federal, state or local governmental unit engaged in accounting, auditing or taxation;
4. An individual regularly engaged as a corporate finance professional;
5. Any person who has passed the Uniform CPA Examination;
6. A person, in good standing, who holds a valid professional certification in an accounting or finance-related profession in a foreign country, provided that an Associate may hold himself/herself out to the public as a member and an Associate of the Society, but may not hold himself/herself out to the public as a Fellow; or
7. An individual professionally engaged in accounting, finance, auditing, taxation, advisory, assurance, risk management, compliance, financial reporting, controllership, data analytics, or related disciplines, regardless of employer type, including individuals employed in public accounting, industry, government, nonprofit organizations, academia, consulting, or other professional services.

**(c) Non-Voting Honorary Members.** An individual may become an Honorary Member upon the affirmative vote of two thirds of the members of the Board. The Board may assign to such Honorary Members such responsibilities, duties and privileges as the Board so determines. Honorary Members shall have no right to notice of any meetings, shall have no voting rights, shall not be considered for purposes of establishing a quorum, and, except as determined by the Board, shall have no other rights or responsibilities.

# Article II: Membership

## Section 2.3 Procedure to Become a Member.

**(a) Application.** Applications for membership and re-instatement of membership under Article II, Section 2.8(a) shall be made to the Society in writing. Each such application shall:

1. State the class of membership sought (Fellow or Associate);
2. Identify the Region with which the applicant will be affiliated, solely for voting purposes in connection with the election of Regional directors;
3. Set forth the qualifications of the applicant;
4. Be accompanied by an application fee; and
5. Contain a statement by the applicant that such person agrees to abide by the Code of Professional Ethics of the Society, which, unless the Board in its discretion directs otherwise, shall be the Code of Professional

Conduct of the American Institute of Certified Public Accountants, Inc. (the "AICPA").

For the avoidance of doubt, an applicant is not required to be affiliated with a Region to become a Member of the Society. An applicant who wishes to be affiliated with a Region for purposes of Regional director elections must reside in, be licensed or maintain their principal place of employment or business within the Region with which the applicant is affiliated. To serve as a Regional Director, a Member must be affiliated with that Region.

**(b) Application Fee.** There shall be application fees for Fellows and for Associates but not for Honorary Members, in such amounts as shall have been determined from time to time by the Board.

**(c) Application Review.** Once an employee of the Society who has been designated by the Board to review applications reviews an application for membership and determines that an individual meets the qualifications for membership pursuant to Article II, Section 2.2, such individual shall be granted membership status.

**(d) Notification.** A designated employee of the Society shall notify each applicant in writing as to whether such applicant has been qualified as a Member.

**(e) Reapplication.** An applicant who submits an application but fails to become a Member shall not have such reapplication for membership considered within one year from notification of a declination of membership.

**(f) Associate Qualifying as Fellow.** An Associate shall automatically become a Fellow upon becoming a Certified Public Accountant, in good standing, under the laws of any jurisdiction, provided that the Associate shall notify the Society in writing of such event and the Associate shall become a Fellow effective as of the date of receipt of such notice by the Society.

# Article II: Membership

**Section 2.4 Removal.** Members may be removed from membership at any time with or without cause in the sole discretion of the Board by a vote of two-thirds of the members of the Board.

**Section 2.5 Dues.**

**(a) Amount.** Each Member shall pay annual dues which shall be payable in advance on or before the first day of each fiscal year, for such fiscal year, in such amounts as shall have been determined by the Board. For purposes of determining dues and initiation fees, the Board may classify Fellows and Associates according to such factors as it deems to be relevant and prescribe dues and initiation fees of different amounts for each class so created.

**(b) Exemptions.** Honorary Members shall be exempt from payment of dues.

**(c) Remission or Refund.** The Board shall have authority in its sole discretion to remit or refund the dues of a Member, in whole or in part, if it is not contrary to the interests of the Society, for other causes. Individuals for whom dues are waived shall be treated as Honorary Members as provided in Section 2.2(c).

**(d) Interpretation.** In any case where there are doubts as to the amount of dues to be paid, or if strict application of the then existing dues schedule appears unfair, the Board shall determine which rate shall apply and its decision shall be final.

**Section 2.6 Resignation.**

**(a)** Subject to Article II, Section 2.6(b), any Member may resign at any time by giving notice of his or her resignation in writing and it shall be effective on the date of receipt.

**(b)** The resignation of a Member will not take effect if a complaint or charge is pending against the Member before the Joint Trial Board Division of the AICPA, unless the Board, in its sole discretion, allows that such resignation be accepted.

**Section 2.7 Termination.**

**(a)** A Member who fails to make any payments due the Society shall be sent a written request to pay the amount in arrears. If the debt remains unpaid one hundred twenty (120) days after the date of such request, the membership of the delinquent Member shall terminate and notice to that effect shall be sent to such Member's address.

**(b)** Termination for failure to pay dues shall not take effect if a complaint or charge is pending against the Member before the Joint Trial Board Division of the AICPA, unless the Board, in its sole discretion, allows for such termination.

**(c)** When an Associate no longer meets the qualifications for membership, his membership shall terminate at the close of the fiscal year in which such Associate fails to qualify.

# Article II: Membership

**(d)** Membership in the Society shall be deemed automatically terminated upon a judgment of conviction imposed upon any Member for:

1. A crime punishable by imprisonment for more than one (1) year;
2. The willful failure to file any income tax return which the Member, as an individual taxpayer, is required by law to file;
3. The filing of a false or fraudulent income tax return on the Member's or a client's behalf; or
4. The willful aiding in the preparation and presentation of a false and fraudulent income tax return of a client.

**(e)** Material audit or assurance misconduct, including signing or permitting issuance of inappropriate audit or assurance reports.

**(f)** Membership in the Society shall be deemed automatically terminated should a Member's license to practice as a certified public accountant be terminated for any reason by any jurisdiction's board of public accountancy responsible for licensing such Member.

## **Section 2.8 Reinstatement.**

**(a)** Subject to sub-section (b) of this Section 2.8, a Member who has resigned or whose membership has terminated for failure to pay dues may apply for reinstatement and be reinstated by the same procedure required of any new applicant.

**(b)** A Member who has been removed under Article II, Section 2.4 or whose resignation has been accepted under Article II, Section 2.6(b) may apply, in writing, at any time after three (3) years from the effective date of such termination or resignation to the Board for reinstatement pursuant to Article II, Section 2.8(a). The Board may then schedule a hearing to determine whether the applicant should be reinstated. If an applicant for reinstatement under this paragraph is denied, the individual concerned may again apply for reinstatement at any time after two years from the date of such denial.

# Article III: Meeting of the Members

**Section 3.1 Place.** All meetings of the Members shall be held at such place or by means of remote or electronic communication as the Board of Directors shall have determined and as shall be stated in the notice of such meeting.

**Section 3.2 Annual and Regular Meetings.** The annual meeting of the Members of the Society shall be held in April or May of each year, at such hour and place as the Board designates, and shall be called by the Chair, Treasurer, Secretary or any two (2) directors. In the event the annual meeting is not held in such timeframe as provided herein, a special meeting in lieu of the annual meeting may be held with all the force and effect of an annual meeting. Additional meetings of the Members of the Society shall be held during the year at such date, hour and place as the Board may determine.

**Section 3.3 Special Meetings.** Special meetings of the Members of the Society shall be called by the Chair or by any director and shall be called by the Secretary, or in the case of the death, absence, incapacity or refusal of the Secretary, by any other officer, upon written request of at least 10% of the Members of the Society. In case none of the officers is able and willing to call a special meeting, the Supreme Judicial or Superior Court, upon application of the Members, shall have jurisdiction in equity to authorize one or more of such Members to call a meeting by giving such notice as is required by law.

**Section 3.4 Notice.** Written or electronic notice of each regular meeting of the Members of the Society, setting forth the day, time, place and agenda, shall be sent to each Member at least seven (7) days prior to such regular meeting. Written or electronic notice of each special meeting of the Members of the Society, setting forth the day, time, place and agenda, shall be sent to each Member at least forty-eight (48) hours prior to such regular meeting. The record date, and any related quorum or voting requirements applicable to the meeting, shall be stated in the notice with sufficient specificity to permit Member preparation, consistent with these Bylaws and applicable law. Notice shall be sent in a manner deemed appropriate by the Chair, or Secretary or any other officer of the Society. Whenever notice of a meeting is required to be given to a Member under applicable law, the Articles of Organization or these Bylaws, a written waiver thereof, executed before, at, or after the meeting by such Member and filed with the records of the meeting, shall be deemed equivalent to such notice. A signed waiver or participation or attendance at a meeting of a person entitled to notice constitutes waiver of notice, except where the person attends for the specific purpose of objecting to the lawfulness of the convening of the meeting.

**Section 3.5 Chair of the Meeting.** The Chair, or in the Chair's absence or at the Chair's direction, any officer of the Society shall call all meetings of the Members to order and shall act as chair of any such meetings. The Secretary of the Society or, in such officer's absence, an Assistant Secretary shall act as secretary of the meeting in accordance with Article IV. If neither the Secretary nor an Assistant Secretary is present, the chair of the meeting shall appoint a secretary of the meeting. Unless otherwise determined by the Board prior to the meeting, the chair of the meeting shall determine the order of business and shall have the authority in his or her discretion to regulate the conduct of any such meeting, including, without limitation, convening the meeting and adjourning

# Article III: Meeting of the Members

the meeting (whether or not a quorum is present), announcing the date and time of the opening and the closing of the polls for any vote of the Fellows to elect directors, imposing restrictions on the persons (other than members of record of the Society who are Fellows or their duly appointed proxies) who may attend any such meeting, establishing procedures for the dismissal of business not properly presented, maintaining order at the meeting and safety of those present, restricting entry to the meeting after the time fixed for commencement thereof and limiting the circumstances in which any person may make a statement or ask questions at any meeting of the Members.

**Section 3.6 Rules of Order.** The Board may adopt such rules and regulations for the conduct of the meeting of the Members as it shall deem appropriate. Unless otherwise determined by the Board prior to any meeting of the Members, the usual parliamentary practice shall prevail as provided in Robert's "Rules of Order."

**Section 3.7 Quorum.** Fifty (50) Fellows present in person or by proxy shall constitute a quorum, but a smaller number may adjourn the meeting from time to time without further notice until a quorum is present; in which case, notice shall be sent to each Member of the Society stating the time and place to which the meeting was adjourned.

**Section 3.8 Voting.** Fellows have the right to vote. At all meetings of the Members every Fellow present in person or by proxy, shall be entitled to one (1) vote; provided, however that the voting rights of Fellows shall be limited to the election of directors. Unless otherwise required by law or the Articles of Organization the election of directors shall be decided by a plurality of the votes cast by the Fellows present in person or represented by proxy at the meeting. Except as otherwise expressly provided by law, the Articles of Organization or these Bylaws, at all meetings of Members, the voting shall be, in the sole discretion of the Board, by voice vote and/or a ballot vote, whereupon such ballot vote may be by electronic transmission, which such ballot shall state the name of the Fellow voting, and, if such ballot be cast by a proxy, it shall also state the name of the proxy.

**Section 3.9 Voting by Proxy.** Fellows may vote to elect directors by written proxy dated not more than six (6) months before the meeting named therein, or any adjournment thereof, which shall be filed with the secretary of the meeting before being voted. Without limiting the manner in which a Fellow may authorize another person or persons to act for the Fellow as proxy pursuant to the General Laws of Massachusetts, the following shall constitute a valid means by which a Fellow may grant such authority: (1) a Fellow may execute a writing authorizing another person or persons to act for the Fellow as proxy, and execution of the writing may be accomplished by the Fellow by any reasonable means including, but not limited to, by facsimile or electronic signature; or (2) a Fellow may authorize another person or persons to act for the Fellow as proxy by transmitting or authorizing the transmission by means of electronic transmission to the person who will be the holder of the proxy, provided that any such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the Fellow.

# Article IV: Board Officers

**Section 4.1 Composition and Tenure.** The officers of the Society shall be Chair, two Vice-Chairs, one of whom may serve as the Chair Elect, as the Board may determine, the Treasurer, and Secretary/Clerk (the "Secretary") and may include such Assistant Secretaries, Assistant Treasurers and other officers as the Board in its discretion may determine, each of whom shall be elected by the Board. Each of the officers of the Society shall be a Member of the Society. Each officer shall hold office from the annual meeting of Members at which such officer is elected until the next annual meeting, or until election or appointment of such officer's successor. No individual may simultaneously hold more than one (1) officer position. The Board also may at any time create such other office as they shall determine.

**Section 4.2 Elections/Appointments.** The Board shall, in its sole discretion, appoint the officers of the Society. The officers of the Society shall serve at the sole discretion of the Board.

**Section 4.3 Resignation or Removal.** Any officer may resign at any time by giving his or her resignation in writing to any officer or director of the Society. Officers may be removed from their respective offices with or without cause by vote of a majority of the directors then in office.

**Section 4.4 Chair.** The Chair shall preside at all meetings of the Members of the Society and of the Board. The Chair shall abide by and enforce the Bylaws of the Society and shall perform duties designated elsewhere in these Bylaws and duties ordinarily pertaining to the Office of Chair or assigned by the Board.

**Section 4.5 Chair-Elect.** The Chair-Elect shall succeed to the office of Chair at the annual meeting following the annual meeting at which such person is elected Chair-Elect. If the Office of Chair becomes vacant by reason of death, resignation, removal, permanent disability or other cause permanently impairing the ability of the Chair to perform duties during the remainder of the Chair's term, the Chair-Elect shall thereupon succeed to that office. If the Chair is absent or is temporarily unable to act, the Chair-Elect shall act in the Chair's place.

**Section 4.6 Vice-Chairs.** Each Vice-Chair shall have such powers and perform such duties as may be assigned to the Vice-Chair from time to time by the Chair or the Board. The Board shall have a Vice Chair of Finance and a Vice Chair of Audit, who shall be responsible for oversight of the Society's finances and audit.

**Section 4.7 President and Chief Executive Officer.** The President shall be the Chief Executive Officer of the Society. The President and Chief Executive Officer shall be an employee of the Society and shall serve at the sole discretion of the Board of Directors. The President and Chief Executive Officer shall have general supervision over the business of the Corporation and other duties incident to the office of President and Chief Executive Officer, and any other duties as may be from time to time assigned to the President and Chief Executive Officer by the Board of Directors and subject to the control of the Board of Directors in each case. The President and Chief Executive Officer shall provide leadership and administrative staff support in the conception and development of objectives, plans, policies and budgets for consideration and adoption by the

# Article IV: Board Officers

Board. The President and Chief Executive Officer shall direct, evaluate and control the management and staff of the Society and shall report regularly to the Board on specific plans and on progress towards their attainment. The President and Chief Executive Officer serves ex officio as a non-voting participant in Board meetings.

**Section 4.8 Treasurer.** The Treasurer shall serve as a liaison to the Chief Financial Officer. The Chief Financial Officer and Treasurer shall have custody of all monies, securities, and valuable papers of the Society; shall collect all dues, fees, charges and assessments; shall deposit promptly all monies received in one or more banks or trust companies designated by the Board; shall pay all bills after approval thereof in the manner and form designated by the Board; shall keep a correct account of all receipts, disbursements and funds and render a report thereon annually or when requested by the Board; and shall perform other duties ordinarily pertaining to the office or delegated by the Chair. If the Treasurer is absent or is temporarily unable to act, the Board may appoint an Assistant Treasurer to act in the Treasurer's stead.

**Section 4.9 Secretary/Clerk.** The Secretary shall keep a record of the proceedings of the meetings of the Society and of the Board, shall issue all notices and calls for meetings, shall conduct the correspondence of the Society, and shall perform other duties designated elsewhere in these Bylaws and duties ordinarily pertaining to the office or as the Chair or Board may direct. If the Secretary is not present at a meeting or is temporarily unable to keep a record of the proceedings of a meeting, a person designated by the presiding officer of the meeting shall record its proceedings. If the Secretary is absent or is temporarily unable to act, the Board may appoint an Assistant Secretary to act in the Secretary's stead. Draft minutes of the proceedings of the meetings of the Board shall be prepared and distributed to the Board by the Secretary as soon as practicable following the meeting, in any event no later than seven (7) days prior to the next regular meeting of the Board. Notwithstanding the foregoing, failure to distribute draft minutes within such period shall not invalidate any Board action or proceeding. Board minutes shall be presented for approval at the next regular meeting of the Board. At all times, a registered agent shall be appointed pursuant to Massachusetts law. Provided that a registered agent has been appointed, any qualified director may serve as Secretary without residency restriction.

**Section 4.10 Other Officers.** Other officers, if created by the Board, shall have such powers as may be designated from time to time by the Board.

**Section 4.11 Compensation.** The Society shall not pay compensation to directors for services rendered to the Society in their capacity as directors, except that directors may be reimbursed for reasonable expenses incurred in the performance of their duties to the Society. A director may receive reasonable compensation for the performance of services provided to the Society in any capacity separate from their responsibilities as a director when so authorized by a majority of disinterested directors then in office.

**Section 4.12 Vacancies.** Vacancies in any office may be filled by the directors.

# Article V: Board of Directors

**Section 5.1 Powers and Duties.** The Board shall be the governing body of the Society. The Board shall administer the affairs of the Society, supervise its property and finances, create committees as it deems necessary and appropriate, and exercise such other powers and perform such other duties as may be designated in these Bylaws or voted by the Society.

**Section 5.2 Composition and Tenure.**

(a) The Board shall consist of no less than fifteen (15) and no more than twenty-three (23) directors. For the purpose of director election, the Society's operating territory shall be divided into five (5) Regions. At least two (2) individuals affiliated with each Region shall serve on the Board at all times.

(b) The directors from each Region shall have the right to designate one or more individuals to act in the place of the Region's director(s) at any meeting of the Board or any committee of the Board from which one or more of the Region's directors is absent (each, an "Alternate Regional Director"). An Alternate Regional Director shall possess the qualifications of a director. When attending a meeting in the place of the absent director, the Alternate Regional Director shall possess all of the rights, powers, and duties of the Region's director for that meeting, including the right to receive notice of the meeting, attend, participate, and vote, and be counted toward the quorum.

(c) The Secretary shall maintain a record of all Alternate Regional Directors. If the Secretary is notified by one or more of a Region's directors of an anticipated absence at least forty-eight (48) hours in advance of any Board or committee meeting, the Secretary shall make reasonable efforts to deliver notice of the meeting to the Alternate Regional Director(s).

(d) Directors shall serve three (3) year terms. Each director shall hold office until the annual meeting for the year in which such director's term expires and until such director's successor is elected and qualifies, unless such director shall sooner die, resign, be removed or become disqualified. A director may be re-elected to fill one or more additional terms provided that no director shall serve consecutively for more than three (3) successive three-year terms. A director who has served three (3) successive terms (or greater as provided in Section 5.2 of this Article V) shall take a one-year break from service. After such break from service, such director will be eligible for nomination and re-election to the Board for no more than an additional three (3) successive three-year terms. For purposes of the foregoing, the term "one year" may be construed, at the sole discretion of the Board, to be the majority of months in the year preceding the annual meeting of the Board .

(e) No Region shall constitute a majority of the directors of the Board; provided that if directors from a Region constitute a majority of the Board due to vacancies, resignations, removals, or other unforeseen circumstances, the Board may continue to exercise its powers and take action and shall, as promptly as practicable, take reasonable steps to ensure that directors are elected to fill Board vacancies in accordance with Section 5.6 or Section 5.7, as the case may be, prior

# Article V: Board of Directors

to the next annual meeting of the Members of the Society, at which directors are elected by the Fellows. The Board shall restore compliance with this Section at or before the next annual meeting.

**Section 5.3 Qualification of Directors.** Each Board director shall be a Member. A nominee to serve as a Region's director shall be affiliated with such Region, as reflected in the membership records of the Society, as provided in Section 2.3(a).

**Section 5.4 Classes of Directors.** The Board shall be and is divided into three (3) classes, as nearly equal in number as possible, designated: Class I, Class II and Class III. In case of any increase or decrease, from time to time, in the number of directors, the number of directors in each class shall be apportioned as nearly equal as possible. No decrease in the number of directors shall shorten the term of any incumbent director. Director classes shall be structured to maintain effective staggering across five (5) Regions.

**Section 5.5 Election; Term of Director.** At each annual meeting of the Members of the Society, directors shall (except as hereinafter provided for the filling of vacancies and newly created directorships) be elected by the Fellows. Only Members who are formally affiliated with a Region shall be entitled to serve as a director representing such Region, regardless of the Class of the director. Each director shall be elected by a plurality of the votes cast by the Fellows present in person or by proxy at any meeting of the Members of the Society held to elect directors and entitled to vote on such election of directors.

Each director shall serve for a term ending on the date of the third annual meeting following the annual meeting at which such director was elected; provided, that each director currently deemed to be Class I directors shall serve for an initial term expiring at the Society's next annual meeting of the Members of the Society following the effectiveness of these Bylaws; each director currently deemed to be Class II directors shall serve for an initial term expiring at the Society's second annual meeting of the Members of the Society following the effectiveness of this provision; and each director currently deemed to be a Class III director shall serve for an initial term expiring at the Society's third annual meeting of the Members of the Society following the effectiveness of this provision; and provided, further, that the term of each director shall continue until the election and qualification of a successor and be subject to such director's earlier death, resignation or removal. The directors may fill any vacancy in the Board prior to the annual meeting of the Members of the Society at any meeting; provided, however, that the term of office for a director elected between annual meetings of the Members of the Society shall be for the period remaining until the next annual meeting at which such class of directors will ordinarily be elected.

**Section 5.6 Vacancies.** A vacancy in the office of director shall be filled by the affirmative vote of a majority of the remaining directors, provided that the person selected to fill a vacancy relating to a Region must meet the regional qualifications in Section 5.3 for the specific Region for which the vacancy occurred and shall be chosen from the Region's Alternate Regional Directors. The director so chosen shall hold office for the unexpired term of the predecessor. Serving a portion of a term

# Article V: Board of Directors

shall not be included in the calculation of a director's maximum number of years of service under Section 5.2 of Article V.

**Section 5.7** Resignation or Removal. The resignation of a member of the Board shall be tendered to the Board. Any member of the Board may be removed from office by the Board or the vote of two-thirds of the Fellows who reside within, or are formally affiliated with, such director's Region and who are present at a meeting of the Society, the call for which contained a notice of intent to consider such removal. The absence of any elected member of the Board from three (3) consecutive meetings shall be deemed a tender of such person's resignation, unless there is an explanation deemed satisfactory by the Board, in its sole discretion.

# Article VI: Meetings of the Board

**Section 6.1 Place of Board Meetings.** All meetings of the Board of Directors shall be held at such place or by means of remote or electronic communication, as the Board of Directors shall have determined and as shall be stated in the notice of such meeting.

**Section 6.2 Annual and Regular Meetings.** The annual meeting of the Board shall be held each year promptly after the annual meeting of the Members at which the Board is elected. In the event the annual meeting is not held as described above, a special meeting in lieu of the annual meeting may be held with all the force and effect of an annual meeting. Regular meetings may be held at such times as the directors may fix.

**Section 6.3 Special Meetings.** Special meetings of the Board may be called by the Chair or any other officer or director at other times throughout the year.

**Section 6.4 Notice.** Notice of not less than seven (7) days shall be given for regular meetings and the annual meeting. Forty-eight (48) hours' notice by mail, telegraph, telephone, e-mail or other electronic means or word of mouth shall be given for a special meeting. A notice or waiver of notice need not specify the purpose of any special meeting. Notice of a meeting need not be given to any director if a written waiver of notice, executed by him or her before or after the meeting, is filed with the records of the meeting, or to any director who attends the meeting without protesting prior thereto or at its commencement the lack of notice to him or her.

**Section 6.5 Quorum; Board Action.** A majority of the directors then in office shall constitute a quorum, but a smaller number may adjourn finally or from time to time without further notice until a quorum is present. If a quorum is present, a majority of the directors present may take any action on behalf of the Board except to the extent that a larger number is required by law, the Articles of Organization or these Bylaws. Directors shall not vote by proxy.

The following actions shall require the votes described below:

**(a)** Any transaction or series of related transactions (whether as a result of a merger, consolidation, reorganization, or otherwise) that result in a change to the number of seats of the Board allocated to any Region shall require the approval of the directors representing such Region, in addition to any other approvals required by these Bylaws, the Articles of Organization, or applicable law; and

**(b)** Any amendment to these Bylaws or the Articles of Organization that results in a change to the number of seats of the Board allocated to any Region shall require the approval of at least two thirds (2/3) of the members of the Board then in office, including the approval of the directors representing such Region.

# Article VI: Meetings of the Board

**Section 6.6 Action by Consent; Telephone Conference Meetings.** Any action required or permitted to be taken at any meeting of the directors may be taken without a meeting if all the directors consent to the action in writing and the written consents are filed with the records of the meetings of the directors. Such consents shall be treated, for all purposes, as a vote at a meeting. Fellows of the Board of the Society, or any committee designated thereby, may participate in a meeting of such Board or committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting.

# Article VII: Committees

**Section 7.1 Activation.** The Board may activate at any time any committee that the Board may establish and may appoint a chairperson and members of each such committee.

**Section 7.2 Terms and Eligibility.** Except as provided by these Bylaws, the chairperson and members of each active committee shall serve one-year terms on the committee to which they are appointed, unless removed and replaced prior to the end of such term at the discretion of the Board, and may be re-appointed, without limitation, for successive terms. Any committee to which the powers of the Board are delegated shall consist solely of directors.

**Section 7.3 Minutes.** Each committee shall keep regular minutes of its meetings and shall be presented for approval at the next regular meeting of the committee. Draft minutes for each committee meeting shall be prepared and distributed to the members of the committee as soon as practicable following the committee meeting no later than seven (7) days prior to the next committee meeting. Notwithstanding the foregoing, failure to distribute draft minutes within such period shall not invalidate any committee action or proceeding. A report of all material actions taken by each committee shall be made to the Board no later than the next meeting of the Board. Minutes of each committee and shall be available to any director for inspection.

**Section 7.4 Quorum and Voting at Meetings.** Except as otherwise provided by law, a majority of the members of any committee then in office shall constitute a quorum at all meetings of such committee. Members of any committee may be present at and participate in such meetings by telephone as provided in Article VI, Section 6.6. When a quorum is present at any committee meeting, the votes of a majority of the members present and voting shall be necessary and sufficient for approval of any matter brought before the meeting, except as otherwise provided by law or the Articles of Organization.

**Section 7.5 Composition and Tenure.** Unless otherwise provided in these bylaws, standing and special committees each shall consist of a chairperson and two or more members, appointed annually by the Chair. So long as each of such committees is in being, its members shall serve until their successors are appointed. Members of committees without Board delegated authority are not required to be directors or Members.

**Section 7.6 Executive Committee.**

(a) There shall be an Executive Committee which shall consist of the Chair, the Chair-Elect, the Vice-Chair(s), the Treasurer, the Secretary, and the President and Chief Executive Officer. For the avoidance of doubt, non-Members are not permitted to serve on the Executive Committee. Subject to the approval of the Board, and except as limited by law, including without limitation except for

the powers specified in Massachusetts General Laws, Chapter 156B, Section 55, the Executive Committee shall have the powers of the Board during the intervals between meetings of the Board. In general, the committee may act, on behalf of the Board, upon all matters except those which, in the opinion of the committee, should await the next meeting of the Board. All action so taken by the committee shall

# Article VII: Committees

be deemed the action of the Board. At each meeting of the Board, the committee shall report action taken by it since the previous meeting of the Board.

**(b)** Any action taken by the Executive Committee pursuant to this Section 7.6 shall be subject to review and ratification by the Board if ratification is requested by at least two (2) directors. Upon such request, the action shall

be submitted to the Board for consideration at the next regular or special meeting of the Board, or by unanimous written consent, and shall remain effective unless and until modified or rescinded by the Board. Failure of the Board to ratify an action shall not, unless expressly determined by the Board, affect the validity of actions taken in reliance on such Executive Committee action prior to Board consideration.

## **Section 7.7 Governance Committee.**

**(a)** There shall be a Governance Committee. The general duties of the Governance Committee shall be to carry out the responsibilities delegated by the Board relating to the Society's director and officer nomination process and procedures, development and maintenance of the Society's corporate governance policies, practices and procedures, oversight of the Board and Board committee assessment process, and as otherwise delegated to the Governance Committee by the Board from time to time.

**(b)** The Governance Committee shall be responsible for nominating officer and director candidates, including Regional directors. At least thirty (30) days prior to the annual meeting of the Members, the chair of the Governance Committee shall transmit to the Board the names of persons nominated for election as directors, to be elected by the Fellows in accordance with Section 5.5. The Governance Committee shall include at least one director from each Region.

## **Section 7.8 Professional Conduct and Discipline.**

**(a)** Committee on Professional Ethics. There shall be a Committee on Professional Ethics. The general duties of the Professional Ethics Committee shall be to promote and maintain high professional, ethical and moral standards among the membership. The Professional Ethics Committee shall assist the Chair and the Board in the enforcement of this Section 7.8.

**(b)** Code of Professional Conduct and Discipline. The Society shall adopt as its Code of Professional Conduct (the "Code") the Code of Professional Conduct of the American Institute of Certified Public Accountants, Inc. (AICPA) in effect as of the date of adoption of

these Bylaws, except that in the case of any conflict between the Code and these Bylaws, these Bylaws shall prevail. The Code may be amended by a two-thirds vote of the Board provided that prior notice be given to all the members of the Board of the proposed amendments. The Board may make, or may authorize the Committee on Professional Ethics to make, subject to ratification of the Board, interpretive or case rulings construing the Code. The Code, and amendments thereto and interpretations thereof, shall be binding on the membership.

# Article VII: Committees

1. The disciplinary proceedings of the Society shall be governed by these Bylaws and by the Code as they may be hereafter amended (in accordance with sub-section (b) of this Section).
2. Whenever a Member of the Society, whether or not such person is a member of the AICPA, shall be charged with violating these Bylaws or the Code, such charge shall be initiated in accordance with the terms of any then existing agreement between the Society and the AICPA relating to ethics enforcement. If a hearing is required to dispose of such charge or charges, the hearing shall be conducted under the terms of the such agreement, and the then operative rules of the Joint Trial Board Division of the AICPA and the then operative joint ethics enforcement procedures in effect by virtue of the agreement between the Society and the AICPA.
3. All committees, boards, and other bodies of the Society are hereby empowered to carry the provisions of sub-section (b) of this Section into effect by acting jointly and in cooperation with the appropriate bodies of the AICPA under the agreements, rules and procedures in effect between the Society and the AICPA at the time of such action.
4. Membership in the Society shall be suspended without a hearing should any of the following occur:
  - i. Termination pursuant to Section 2.7.
  - ii. A Member's certificate as a certified public accountant, or license or permit to practice public accounting be suspended as a disciplinary measure by a Board of Accountancy, but, such suspension of membership in the Society shall terminate upon reinstatement of the certificate. membership in the Society shall be terminated without hearing should such certificate, license or permit be revoked, withdrawn, or canceled as a disciplinary measure by the said Board of Accountancy;
  - iii. A Member of the Society voluntarily agree to resolve any disciplinary proceedings on terms acceptable to the Committee on Professional Ethics.
5. Notice of the result of final action in every disciplinary matter that results in termination of the Member under sub-section (b)(2) or sub-section (b)(4) of this Section shall be published in a membership periodical of the Society. In the case of action taken under sub-section (b)(2) of this Section, the notice shall be in a form approved by the chairperson of the hearing panel, which took the last action in the matter. In the case of action taken under sub-section (b) (4) of this Section, the notice shall be in a form approved by the Board. In every case, the notice shall disclose the name of the Member involved if the hearing panel or the Board so decides by a majority of the members present and voting at the meeting or hearing at which the action is taken. No such publication shall be made until such decision shall have become effective according to any then governing rules.

## Article VII: Committees

6. Whenever, as a result of action involving the Committee on Professional Ethics or by operation of Section 7.8 of these Bylaws, a Member of the Society is voluntarily or involuntarily terminated, the Secretary of

the Society shall be required to promptly provide notice of the termination, along with copies of documentation reflecting the termination to the Board of Accountancy responsible for licensing such Member.

## Article VIII: Leadership Council

**Section 8.1 Leadership Council.** The Board shall establish a leadership council, to assist and advise on the development and operation of the Society. The members of the leadership council shall be appointed by the Board and shall be comprised of no more than thirty-five (35) members to serve for such term as the Board may from time to time deem desirable. At least one representative from each Region shall serve on the leadership council. The leadership council shall have no vote in the Society's matters, no authority to affect the Society's policies and may not act on behalf of the Society or bind it to any action. The leadership council shall act in an advisory capacity and may make recommendations and suggestions to the Board for consideration. Members of the leadership council may be invited by the Chair from time to time to attend meetings of the Board and may serve on committees of the Society. For the avoidance of doubt, members of the leadership council shall not be subject to term limits.

# Article IX: Conflict of Interest

**Section 9.1 Conflict of Interest.** Except as otherwise provided by law or in the Articles of Organization, no contract or transaction between the Society and one or more of its directors or officers, or between the Society and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of or committee thereof which authorized the contract or transaction, or solely because his or their votes are counted for such purpose, if: (i) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board or the committee and the board or committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the disinterested directors entitled to vote thereon, and the contract or transaction as specifically approved in good faith by vote of such disinterested directors; or (iii) the contract or transaction is fair as to the Society as of the time it is authorized, approved or ratified, by the Board or a Board committee. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes the contract or transaction.

# Article X: Indemnification

**Section 10.1 Indemnification for Directors and Officers.** The Society shall, to the extent legally permissible, indemnify each person who serves or has served as a director or officer of the Society, and each person who is or was serving at the request of the Society as an officer or director of another organization (including any trust or other entity maintained pursuant to a retirement plan for employees of the Society), against all liabilities, costs and expenses (including, but not limited to, amounts paid in satisfaction of judgments, in settlement or as fines and penalties, and counsel fees and disbursements) reasonably incurred by or imposed upon him or her in connection with the defense or disposition of or otherwise in connection with or resulting from any action, suit or other proceeding, whether civil, criminal, administrative or investigative, before any court or administrative, legislative or investigative body, in which such person may be or may have been involved as a party or otherwise or with which such person may be or may have been threatened, while in office or thereafter, by reason of his or her being or having been such an officer or director, or by reason of any action taken or not taken in any such capacity; except that no indemnification shall be provided with respect to any matter as to which such person shall have been finally adjudicated by a court of competent jurisdiction not to have acted in good faith in the reasonable belief that his or her action was in the best interests of the Society or, if applicable, of the other organization of which he or she is or was serving as an officer or director at the Society's request. Expenses, including, but not limited to, counsel fees and disbursements, so incurred by any such person in defending any such action, suit or proceeding, may be paid from time to time by the Society in advance of the final disposition of such action, suit or proceeding, upon receipt of an undertaking by or on behalf of the person indemnified to repay the amounts so paid if it shall ultimately be adjudicated that indemnification of such expenses is not authorized hereunder, which undertaking shall be accepted without reference to the financial ability of such person to make repayment.

**Section 10.2 Settlements.** As to any matter disposed of by settlement by any such person, pursuant to a consent decree or otherwise, no such indemnification either for the amount of such settlement or for any other expenses shall be provided unless such settlement shall be approved by the Board and determined by the Board to be in the best interests of the Society, after notice that it involves such indemnification, (i) by vote of a disinterested majority of the whole Board then in office, or (ii) by vote of a majority of the whole Board then in office, but only if the Board shall have been furnished with an opinion of independent legal counsel to the effect that such settlement is in the best interests of the Society and that such person appears to have acted in good faith in the reasonable belief that his or her action was in the best interests of the Society. No such approval shall prevent the recovery from any such officer or director of any amounts paid to such person or on his or her behalf as indemnification in accordance with the preceding sentence if such person is subsequently adjudicated by a court of competent jurisdiction not to have acted in good faith in the reasonable belief that his or her action was in the best interests of the Society.

# Article X: Indemnification

**Section 10.3 Employees and Agents.** By the same procedures set forth in the preceding Sections, the Board may vote to extend indemnification provisions substantially similar to those rights and subject to those limitations described above to employees or agents of the Society who are not officers or directors or to persons serving at the Society's request as either employees or agents of another organization or in a capacity with respect to any employee benefit plan. By action of the Board, the Society may purchase and maintain insurance, in such amounts as the Board may from time to time deem appropriate, on behalf of employees or other agents of the Society.

**Section 10.4 Non-Waiver of Other Rights.** The right or grant of indemnification hereby provided shall not be exclusive of or affect any other rights to which any officer, director, employee or agent may be entitled or which may lawfully be granted to such person.

**Section 10.5 Insurance.** By action of the Board, notwithstanding any interest of the directors in such action, the Society shall purchase and maintain directors and officers liability insurance, in such amounts as the Board may from time to time deem appropriate, on behalf of any person who is or was an officer or director of the Society or who is or was serving at the request of the Society as an officer or director of another organization, or with respect to any employee benefit plan, against any liability incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the Society would have the power to indemnify such person against such liability.

**Section 10.6 Definitions.** As used herein, the terms "officer," "director," "employee" and "agent" include their respective executors, administrators and other legal representatives; an "interested" person is one against whom the action, suit or other proceeding on the same or similar grounds is then or had been pending or threatened; and a "disinterested" person is a person against whom no such action, suit or other proceeding is then or had been pending or threatened.

## Article XI: Personal Liability

**Section 11.1 Personal Liability.** The directors and officers of the Society shall not be personally liable for any debt, liability or obligation of the Society. All persons, corporations or other entities extending credit to, contracting with, or having any claim against the Society may look only to the funds and property of the Society for the payment of any such contract or claim, or for the payment of any debt, damages, judgment or decree, or of any money that may otherwise become due or payable to them from the Society.

## Article XII: Non-Discrimination

**Section 12.1 Non-Discriminations.** The Society is committed to a policy of equal opportunity. The Society complies with all applicable laws and regulations regarding employment and ensures that there will be no discrimination on the basis of race, color, religion, gender, sexual orientation, national origin, age, disability, ancestry or any other legally prohibited basis in its selection of directors, officers, employees or agents, applicants for employment, grant recipients or students. The Board and all officers and employees are required to implement this policy.

## Article XIII: Fiscal Year

**Section 13.1 Fiscal year.** The fiscal year of the Society shall begin on May 1 and end April 30 of the following year.

## Article XIV: Amendment

**Section 14.1 Amendment.** Unless otherwise provided, these Bylaws may be altered, amended or repealed, in whole or in part, by the affirmative vote of two-thirds of the members of the Board then in office at any meeting, the notice of which contains a statement of the proposed alteration or amendment. Notice of any meeting to consider a proposed amendment shall be delivered not less than fourteen (14) days prior to the date of such Board meeting.