

Governance Policies for Advocis Chapters

The following Governance Policies for Advocis Chapters have been established in accordance with The Financial Advisors Association of Canada By-Law No. 2 Article V Chapters.

SECTION I **INTERPRETATIONS**

1.01 Definitions

- a. “TFAAC Board” means The Financial Advisors Association of Canada (TFAAC) Board of Directors;
- b. “Association” means the corporation without share capital formed under the laws of Canada under the name The Financial Advisors Association of Canada (“TFAAC”);
- c. “Chapter(s)” means such chapters, if any, of the Association as are established by the Directors, as set out in the TFAAC by-laws;
- d. “Chapter Leadership Council (CLC)” means the elected and appointed TFAAC volunteers charged with the governance and operational leadership of all Advocis chapters as set out in its Terms of Reference.
- e. “Chapter Board” means the individuals elected and appointed by the respective chapter for the purpose of leading that chapter;
- f. “Leader(s)” or “Chapter Leader(s)” means an individual(s) on a Chapter Board;
- g. “Committees” means committees of the Chapter Board, advisory committees or other committees, if any, established by the Leaders, as set out in these policies;
- h. “Policies” means rules, regulations, guidelines, directives, conditions, procedures or terms established by the CLC and approved by the TFAAC Board.
- i. “Regional Leaders” means the elected and appointed TFAAC volunteers of the Chapter Leadership Council holding a Regional Chair position.

SECTION II **CHAPTER ANNUAL MEETING**

2.01 Purpose of Chapter Annual Meeting

The Chapter Annual Meeting of members shall be held at such time in each year and such place as the Chapter Board may determine for the following purposes:

- a. reviewing and considering the report of the Chapter Board and of any committees which issue a separate report;
- b. receiving the financial report of the chapter as at the most recently completed fiscal year end, together with the statement of income and expenditures for such fiscal period;
- c. electing Leaders; and
- d. transacting any other business that may be properly brought before the meeting.

2.02 Notice of Chapter Annual Meeting

Notice of time and place of the Chapter Annual Meeting of members shall be given to members, at least twenty-eight (28) days and not more than sixty (60) days, before the time fixed for the holding of such meeting. This notice will only be given to those members entitled to such notice and who at the close of business on the record date is entered in the record of the Association as a member of the Chapter.

Notice of any special meeting shall state the business to be transacted at such meeting in sufficient detail to permit each member to form a reasonable judgment thereon. Any person entitled to notice may in any manner waive notice or otherwise consent to a meeting of members.

Notice shall be given in a manner consistent with Chapter communication procedures.

2.03 List of Members Entitled to Notice

For the Chapter Annual Meeting of members, the Chapter Board shall prepare a list of members entitled to receive notice of such meeting arranged in alphabetical order. This list shall be prepared not more than sixty (60) days and not less than twenty eight (28) days prior to the date of the Chapter Annual Meeting.

2.04 Persons Entitled to be Present

Any person is entitled to be present. However, the only persons entitled to vote at a Chapter Annual Meeting of members shall be those entitled to notice and their duly appointed proxy holders.

2.05 **Chair and Secretary**

The chair and secretary of any Chapter Annual Meeting of the members shall be determined by the Chapter Board.

2.06 **Quorum**

A quorum for the transaction of business at any meeting of members shall be based on the number of members entitled to vote as determined by Chapter size based on the following criteria:

- Chapters with 50 voting members or less: 5 voting members required for quorum
- Chapters with 51 to 250 voting members: 10 voting members required for quorum
- Chapters with 251 to 500 voting members: 15 voting members required for quorum
- Chapters with more than 500 voting members: 20 voting members required for quorum

2.07 **Right to Vote**

At any Chapter Annual Meeting of members in respect of which a list of members entitled to vote is prepared, every person named in such list, whether in person or represented by proxy, shall be entitled to one (1) vote at such meeting.

2.08 **Proxy**

Every member entitled to vote at a Chapter Annual Meeting of members may appoint a proxy holder to attend at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. Proxy holders must be a member. A proxy shall be in writing and executed by the member. The Chapter Board may specify in the notice calling a meeting of members a time (preceding the time of such meeting by not more than ten (10) calendar days) before which time the proxy to be used at such meeting shall be deposited. The proxy shall only be acted upon if, prior to the time so specified, it shall have been deposited with the Chapter Board or with a Chapter Board Leader or agent thereof specified in such notice, or if no such time is specified in such notice, unless it has been received by the said secretary or by the chairperson of the meeting or any adjournment thereof prior to the time of voting.

2.09 **Votes to Govern**

At any Chapter Annual Meeting of members, every item requiring a vote shall, be determined by a majority of votes cast from those members entitled to vote on the item. The chair shall not be entitled to vote, save and except in the case of an equality of votes, in which case the chair of the meeting shall be entitled to a casting vote.

2.10 **Method of Voting**

- a. Any item requiring a vote at a Chapter Annual Meeting of members shall be decided by a show of hands, unless a poll or ballot is required or demanded as hereinafter provided. Upon the show of hands, every member who is entitled to vote and is present or represented by a proxy shall have one (1) vote. Whenever a vote by a show of hands shall have been taken upon an item, unless a ballot thereon is so required or demanded, a declaration by the chair of the Chapter Annual Meeting that the vote upon the item has been carried or not carried and an entry to that effect in the minutes shall be *prima facie* evidence of the fact without proof of the number or the proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the question, and the result of the vote so taken shall be the decision of the members upon the said question.
- b. On any item proposed for consideration at a Chapter Annual Meeting of members, whether or not a show of hands has been taken thereon, any member entitled to vote on such item, whether present in person or represented by proxy, may require or demand a poll or ballot. A poll or ballot so demanded or required shall be taken in such manner as the chair of the meeting shall direct. The member who so requests or demands a poll or ballot may withdraw such a requirement or demand at any time prior to the taking of the poll or ballot. If a poll or ballot is taken, each member entitled to vote, whether present in person or by proxy, shall have one (1) vote and the result of the poll or ballot so taken shall be the decision of the members upon the question.
- c. The CLC is authorized to establish a Policy for electronic voting for use in connection with any meeting of members, and to establish such rules, conditions and procedures as the CLC deems appropriate for such Policy.

2.11 **Rescheduling**

Prior to the Chapter Annual Meeting of members said meeting may be rescheduled to a fixed time and place provided that notice is given of the new date and time in accordance with the above policy on Notice of Meeting.

At the time of the meeting, members present entitled to vote at such meeting, whether present in person or represented by proxy, and regardless of whether a quorum is present at such meeting, may adjourn the meeting to a fixed time and place, giving notice only to those members entitled to vote and present at such meeting or represented by proxy.

2.12 **Meeting by Teleconference and Other Electronic Means**

A Chapter Annual Meeting may be held by Teleconference or Other Electronic means provided that the chapter has:

- a. Obtained a majority of the members of the Chapter consent (either at a meeting of members by simple resolution or by consents signed individually by a majority of the members), that a Chapter Annual Meeting of members may be held by teleconference or other electronic means
- b. Has technology in place that permits each member to communicate adequately with each other, and :
- c. Has obtained the approval of the CLC

2.13 **Minutes of Meetings and Availability**

The designated Secretary of the Chapter Annual Meeting or such other designated person shall prepare and retain all minutes of the Chapter Annual Meeting. Such minutes shall be available to the members of the Chapter whereby such minutes are made available not later than 90 days after the applicable meeting.

SECTION III
CHAPTER BOARD

3.01 **Number of Leaders**

The property and business of the Chapter shall be managed by a Chapter Board. The Board shall be comprised of not less than five (5) and no more than fourteen (14) Leaders. The number of Leaders between five (5) and fourteen (14) shall be determined by each Chapter Board as required.

3.02 **Composition of the Chapter Board**

A Chapter Board will make sure that their duly elected chapter leadership can deliver the operational expectations as per the Chapter Operational Policies. Chapter Board Leaders may hold one or more of the positions indicated below.

- a. President*
- b. Treasurer*
- c. Membership Chair*
- d. Program Chair*
- e. Advocacy Chair*
- f. Sponsorship Chair*
- g. Secretary
- h. Professional Development Chair
- i. Professional Conduct Chair
- j. Public Awareness Chair
- k. Communications Chair
- l. Best Practices Chair
- m. Institute Representative
- n. GAMA Representative
- o. Director at Large

*denotes mandatory position that all chapters must have filled.

One of the elected Leaders from the mandatory position may be designated to also fill the role of Vice President and will assume the duties of the President in his or her absence or if he or she cannot complete their term.

3.03 **Qualifications of the Leaders**

Leaders must be individuals with power under law to contract. The Leaders shall be members in good standing of the Chapter. Those holding mandatory positions as noted in section 3.02, must also be voting members of Advocis, except in the case that approval has been given by the CLC Regional Leader overseeing that chapter's region.

3.04 **Term**

Chapter Board Leaders shall hold office for one (1) year from the date of appointment or until their successors are appointed in their stead

3.05 **Ceasing to be a Leader**

A Chapter Board Leader may be removed from the Chapter Board:

- a. if at a Chapter Board meeting two-thirds of the Leaders of the Chapter decide that such person is removed from office;
- b. if such Leader has resigned such person's office by delivering a written resignation to the Chapter President;
- c. if such Leader is found by a court to be of unsound mind;
- d. on such Leader's death;
- e. if such Leader becomes bankrupt or suspends payment or compounds with such person's creditors; and/or
- f. if such Leader ceases to be a member of Advocis and/or such Leader membership in Advocis is suspended;

provided that if any vacancy shall occur for any reason in this paragraph contained, the Chapter Board, by majority vote, may, by appointment, fill the vacancy with a member of the Chapter to complete the balance of the term caused by the vacancy.

3.06 **Remuneration**

The Chapter Board shall serve as such without remuneration and no Leader shall directly or indirectly receive any profit from such position. Nothing herein contained shall be construed to preclude any Leader from serving the Association as an Officer, employee, independent contractor or in any other capacity and receiving compensation there for.

SECTION IV **CHAPTER LEADERS**

4.01 Accountabilities of Leaders

A chapter will make sure that their duly elected chapter leadership can deliver the following operational expectations and member benefits:

- a. **President:** Will be the overall Leader of the chapter organization, ultimately responsible for making sure that the chapter delivers all of the member benefits as outlined in the operational expectations and guidelines. Presidents are expected to participate in monthly Chair/Presidents' calls, regional teleconferences and regional meetings or have a suitable replacement. The President is responsible for the overall succession plan of their local board. President and treasurer cannot be the same person.
- b. **Treasurer:** The chapter shall designate a Leader to be responsible for keeping the financial records of the chapter. The treasurer will be responsible for entering chapter budget and financial activity into chapter bookkeeping. This Leader will present the chapter financial statements to the local executive and membership. President and treasurer cannot be the same person.
- c. **Membership:** The chapter will designate a Leader who will be responsible for attracting, recruiting and retaining members for the chapter. This Leader will make regular contact with existing member groups and with new potential member groups. This Leader will make regular reports of membership attraction and recruitment activity to the chapter executive and/or the national membership committee. This Leader will make regular reports and participate on teleconferences as required.
- d. **Program:** The chapter will designate a Leader to be responsible for organizing and promoting the professional development and general program of the chapter for the benefit of the membership. This Leader will provide feedback to the chapter executive regarding program content including any suggestions that will keep program vibrant and meaningful for membership in his or her area. The Program chair will also ensure that CE credits are secured for the content provided. The program Leader may also be responsible for special events run by the chapter for the benefit, education or promotion of the chapter membership or their community. Charitable events, sales congresses, sporting events, etc. are examples of special events that may be conducted by a chapter.
- e. **Advocacy:** The chapter will designate a Leader to be responsible for supporting the Regulatory Affairs of Advocis in the local area including contact with local political and financial Leaders.

- f. **Sponsorship:** The chapter will designate a Leader to be responsible for contacting local businesses and industry contacts to solicit their financial sponsorship of the ongoing programs and services to be provided to chapter members.
- g. **Secretary:** The chapter will ensure that minutes and records are kept of all annual, board, executive, and other meetings as applicable, and distributed as necessary. This person will also make all preparations for the chapter Annual General Meeting and elections.
- h. **Professional Development:** The chapter shall designate a Leader to be responsible for providing educational opportunities for members to obtain professional designations.
- i. **Professional Conduct:** The chapter will designate a Leader to be responsible for organizing and/or facilitating the dispute resolution process locally for disciplinary cases, as needed and work with National office staff on any other aspects of the investigation process, as required.
- j. **Public Awareness:** The chapter will designate a Leader to be responsible for helping the chapter maintain a positive community reputation by publicizing wherever possible the worthy deeds of chapter members. They will also promote the professionalism of its members among financial professionals in the chapter area and among the public at large.
- k. **Communications:** The chapter will designate a Leader to be responsible for the production of regular communication to inform members about upcoming events, provide educational content and promote the objectives of the chapter and Advocis.
- l. **Best Practices:** The chapter will designate a Leader to be responsible for being a resource to members on Best Practices Portal and facilitate the delivery of educational program to keep members aware of actions needed to comply with legislative issues and successful business practices.
- m. **Institute Rep and GAMA Canada Rep:** The chapter will identify individuals to promote the Institute designations and GAMA respectively.
- n. The duties of Directors at Large shall be such as the terms of their engagement call for or the Chapter Board requires of them.

4.02 Indemnity

Every Chapter Leader who has undertaken or is about to undertake any liability on behalf of the Chapter shall from time to time and at all times, be indemnified and saved harmless out of the funds of the Chapter, from and against:

- a. all costs, charges and expenses which such Leader sustains or incurs in or about any actions, suit or proceedings which is brought, commenced or prosecuted against such individual, or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by such individual, in or about the execution of the duties of such person's office or in respect of any such liability;
- b. all other costs, charges and expenses which such individual sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by such person's own willful neglect or default.

4.03 **Protection of Leaders**

TFAAC directors' liability insurance extends to all chapter leaders.

Any Leader shall not be liable for any act, receipt, neglect or default of any other Leader, or employee or for any loss, damage or expense happening to the Chapter through any deficiency of title to any property acquired by the Chapter or for any deficiency of any security upon which any moneys of the Chapter shall be invested or for any loss or damage arising from bankruptcy, insolvency or tortious act of any person including any person with whom any moneys, securities or effects shall be deposited or for any loss, conversion, or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Chapter or for any other loss, damage or misfortune which may happen in the execution of the duties of such person's respective role or trust unless such occurrence is as a result of such person's own willful neglect or default.

The Chapter Board shall not be responsible for any transaction entered into in the name of the Leaders, except such transactions that are submitted to and authorized by the Chapter Board.

If any Leader shall be employed by the Association or shall have an interest in a person who is employed by the Association, such Leader shall not be disentitled from receiving remuneration from such employment.

4.04 **Conflicts of Interest**

- a. Any Leader of the Chapter Board who:
 - i. is a party to a material contract or proposed material contract with the Association; or
 - ii. is a Leader of or has a material interest in any body corporate or business firm which is a party to a material contract or proposed

material contract with the Association, shall disclose in writing or have entered in the minutes, the nature and extent of such Leader's interest in such material contract or proposed material contract with the Association.

shall disclose in writing or have entered in the minutes, the nature and extent of such Leader's interest in such material contract or proposed material contract with the Association.

- b. The disclosure required by a. above, shall be made:
 - i. at the meeting at which a proposed contract is first considered;
 - ii. if the Leader was not then interested in a proposed contract, at the first meeting after said Leader becomes so interested; or
 - iii. if the Leader becomes interested after a contract is made at the first meeting held after the Leader becomes so interested.
- c. A Leader referred to in subparagraph a. above is liable to account for any profit made on the contract by the Leader or by a corporate entity or business firm in which the Leader has a material interest, unless:
 - i. the Leader disclosed his interest in accordance with subparagraphs a. or b. above;
 - ii. after such disclosure the contract was approved by the Chapter Board; and
 - iii. the contract was reasonable and fair to the Chapter at the time it was approved; and
 - iv. provided that a Leader who has made a declaration of such Leader's interest in a contract or a proposed contract and has not voted in respect of such contract contrary to the prohibition contained in subparagraph d. below, if such prohibition applies, is not accountable to the Chapter or any of its members or creditors by reason only of such Leader holding that office or of the fiduciary relationship thereby established, for any profit realized by such contract.
- d. For the purposes of this Section 4, a general notice to the Leaders by a Leader declaring that said Leader is a Director/Officer of or has a material interest in a body corporate or business firm and is to be regarded as interested in any

contract made therewith, is a sufficient declaration of interest in relation to any contract so made.

SECTION V **CHAPTER BOARD MEETINGS**

5.01 Meetings

Meetings of the Chapter Board may be held at any time and place to be determined by the Chapter Board provided that forty-eight (48) hours notice of such meeting shall be given to each Leader. There shall be at least one (1) meeting per year of the Chapter Board.

5.02 Voting

- a. Each Leader is authorized to exercise one (1) vote at all meetings of the Chapter Board. The Leader serving as chair of a meeting of the Chapter Board shall not be entitled to vote, save and except in the case of an equality of votes, in which case the chair shall be entitled to a casting vote, save and except in respect of a vote for the election of the chair.
- b. Any matter within the powers of the Chapter Board in the administration of the affairs of the Chapter shall be decided upon by the approval of a majority of the Leaders attending at a meeting of Leaders duly called and properly constituted.

5.03 Meeting by Teleconference and Electronic Means

- a. The Chapter Board may meet by teleconference provided that either a majority of the Chapter Board consents to a meeting by teleconference or meetings by teleconference have been approved by resolution passed by the Chapter Board at a meeting of the Chapter Board.
- b. The Chapter Board may meet by other electronic means that permits each Leader to communicate adequately with each other, provided that:
 - i. the Chapter Board have passed a resolution addressing the mechanics of holding such a meeting and dealing specifically with how security issues should be handled and the procedure for establishing a quorum and recording votes;
 - ii. a majority of Leaders have equal access to the specific means of communication to be used; and

- iii. a majority of Leaders have consented in advance to meeting by electronic means using the specific means of communication proposed for the meeting.

5.04 **Quorum**

A majority of Leaders in office, from time to time shall constitute a quorum for meetings of the Chapter Board. Any meeting of the Chapter Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Chapter Governance Policies.

SECTION VI
COMMITTEES

The Chapter Board may appoint committees whose members will hold their offices at the will of the Chapter Board. The Chapter Board shall determine the duties of such committees and shall include a Nominations Committee.

SECTION VII
EXECUTIVE COMMITTEE

7.01 **Number and Authority**

There may be an Executive Committee composed of up to six (6) Leaders and shall include the offices of President, Secretary and Treasurer and such other appointees as recommended by the Nominations Committee and approved by the Chapter Board. The Executive Committee shall have such authority to act on behalf of the Chapter Board at such times as the Chapter Board shall determine.

7.02 **Meetings**

Meetings of the Executive Committee shall be held at any time and place to be determined by the members of such committee provided that forty-eight (48) hours written notice of such meeting shall be given, other than by mail, to each member of the committee. Notice by mail shall be sent at least fourteen (14) days prior to the meeting. Fifty percent of the members of such committee plus one (1) shall constitute a quorum. An Executive Committee member may waive notice of such meeting, or otherwise consent to a meeting of the executive committee without the required written notice. No error or omission in giving notice of any meeting of the executive committee or any adjourned meeting of the executive committee of the Chapter Board shall invalidate such meeting or make void any proceedings taken thereat and any member of such committee may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat.

7.03 **Meetings by Telephone**

If all of the members of the Executive Committee present at such meeting consent, an Executive Committee member may participate in the meeting of the Executive Committee by means of telephone or other method of communication which permits all persons participating in the meeting to hear each other and the executive members participating in such meeting by such means are deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates.

SECTION VIII
MINUTES OF CHAPTER BOARD (AND EXECUTIVE COMMITTEE)

The minutes of the Chapter Board (and the minutes of the Executive Committee) shall not be available to the general membership of the Chapter but shall be available to the Leaders, each of whom shall receive a copy of such minutes.