



ICAI MICHIGAN

Constitution and Bylaws

Michigan Chapter of the Institute of Chartered Accountants of India

Table of Contents

CONSTITUTION	2
1. Name of the Entity	2
2. Objects of the Chapter	2
BYLAWS OF ICAI MICHIGAN	4
PART 1 – DEFINITIONS AND INTERPRETATION	4
PART 2 – MEMBERSHIP	4
PART 3 – GENERAL MEETINGS OF MEMBERS	6
PART 4 – DIRECTORS	10
PART 5 – DIRECTORS' MEETINGS	12
PART 6 – BOARD POSITIONS AND OFFICERS	13
PART 7 – OPERATIONS AND ACTIVITIES	15
PART 8 – REMUNERATION OF DIRECTORS AND SIGNING AUTHORITY	15
PART 9 – INSPECTION OF DOCUMENTS AND RECORDS	15
PART 10 - LOCATION	16
PART 11 – DISSOLUTION	16

CONSTITUTION

I. Name of the Entity

The name of the entity is “ICAI Michigan” (the “Chapter”).

2. Objects of the Chapter

The objects of the Chapter are:

- (a) To help, support, promote and foster a sense of community, loyalty, fellowship, fraternalism, partnership and professionalism among the members of The Institute of Chartered Accountants of India (ICAI) living in the United States of America
- (b) To conduct professional development seminars, training and education sessions for Chapter members as well members of other professional accounting bodies;
- (c) Conduct regular meetings involving members for exchange of information on topics of mutual interests, by organizing technical sessions on accounting, auditing, taxation, information technology or any other topics which may be of interest to the members;
- (d) To establish and maintain close relationship with ICAI, New Delhi, it's Chapters and other organizations that have similar interests to attain synergies;
- (e) To liaise, within the guidelines of the ICAI, with the professional bodies in USA e.g. AICPA and MACPA to increase and enhance the awareness of ICAI and its members to eventually promote mutual recognition and reciprocal arrangements;
- (f) To support and provide guidance to members who wish to attain North American professional accounting designations;
- (g) To provide financial assistance to post-secondary students in the accounting profession in form of scholarships and bursaries;

(h) Dissemination and informal consultation related to the development of accounting profession in different sectors by keeping members informed of the recent changes in accounting profession in USA, India and at an International level (Changes in accounting standards and regulations, corporate governance, and taxation or any other topic that may be relevant to the members);

(i) Facilitating and/ (or) assisting ICAI New Delhi in conducting various ICAI examinations in the North America region.

The operations of the Chapter are to be primarily carried out of Michigan.

BYLAWS OF ICAI Michigan

(the “Chapter”)

PART I – DEFINITIONS AND INTERPRETATION

Definitions

1.1 In these Bylaws:

“**Act**” means the “Non Profit Mutual Benefit Corporation Law” from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

“**Board**” means the Board of Directors of the Chapter;

“**Bylaws**” means these Bylaws as altered from time to time;

“**Ordinary Resolution**” has the meaning given in the Act;

“**Special Resolution**” has the meaning given in the Act.

Definitions in Act apply

1.2 The definitions in the Act apply to these Bylaws.

Conflict with Act or regulations

1.3 If there is a conflict between these Bylaws and the Act or the regulations under the Act, the Act or the regulations, as the case may be, shall prevail.

PART 2 – MEMBERSHIP

Admission to membership

2.1 There are two classes of membership in the Chapter: Voting membership and Non-Voting membership.

2.2 Eligibility for and Admission to Voting Membership

Any Person who is a resident of USA and is either an “Associate” or “Fellow” member of ICAI and signs the required application form and pays the annual membership dues may become a Voting Member.

2.3 Admission of Non-Voting Members in the Chapter

A Non-Voting Member is an individual who is eligible for non-voting membership and whose application for admission as a Non-Voting Member has been approved by the Board.

2.4 Eligibility for Non-Voting Membership of the Chapter

Any person who is a member of a professional accounting body (other than ICAI) or expresses an interest in the mission, vision and objects of the Chapter may apply for Non-Voting Membership of the Chapter.

2.5 Dues for Members of the Chapter

The Board will determine the annual membership dues for all Members. Dues for each calendar year are payable no later than March 31st of that year.

2.6 Standing of Members of the Chapter

All Members are deemed to be in good standing except for Members who have failed to pay their annual membership dues by March 31st in each year. Notwithstanding anything to the contrary, a newly admitted member, who has been nominated for election to the Board, by at least two members in good standing, will be deemed to be a Member in good standing provided such Member's annual membership dues have been paid prior to the commencement of any meeting upon which the proposed election of such Person to become a Director occurs.

Duties of Members of the Chapter

2.7 Every member must uphold the constitution of the Chapter and must comply with these Bylaws.

Ceasing to be a Member of the Chapter

2.8 Membership in the Chapter terminates when:

- (a) the member resigns by tendering his or her resignation in writing to the Chair or Secretary of the Chapter;
- (b) the member is no longer in good standing;
- (c) the member dies; or
- (d) the member is expelled from the Chapter in accordance with sub section 2.9 of the bylaws or by a special resolution of the members passed in a general meeting.

Discipline and expulsion of Member from the Chapter

2.9 The Board has the right to terminate or expel a Member, after appropriate due diligence and if the Board is satisfied that the Member has been working against the interests of the Chapter and/or profession, indulging in misconduct, unlawful activities or any other reason as determined by the Board.

Before a member of a Chapter is disciplined or expelled under subsection 2.9 or the Bylaws, the Board must:

- (a) send to the member written notice of the proposed discipline or expulsion, including reasons, and
- (b) give the member a reasonable opportunity to make representations to the Board respecting the proposed discipline or expulsion.

No distribution of Income to Members

2.10 The activities of the Chapter shall be carried on without purpose of gain for its member(s), and no part of any income of the Chapter shall be made payable or otherwise available for the personal benefit of the member(s) thereof, and any profits or other accretions to the Chapter shall be used for promoting its purposes.

PART 3 – GENERAL MEETINGS OF MEMBERS

Time and place of general meeting

3.1 The annual general meeting of the Chapter shall be held at such time and place as the Board may determine.

3.2 Any general meeting of the members that is not an annual general meeting may be held at the time and place in the State of Michigan as the Board determines.

Notice of general meeting of members

3.3 Written notice of the date, time and location of a general meeting must be sent to every member of the Chapter at least 14 days before the meeting and not more than 60 days before the meeting. Email notification to the registered email address provided by the member on the application form shall meet the requirements under this subsection.

Order of business at general meeting

3.4 The order of business at a general meeting is as follows:

- (a) elect an individual to Chair the meeting, if necessary;
- (b) determine that there is a quorum;
- (c) approve the agenda;
- (d) approve the minutes from the last general meeting;
- (e) deal with unfinished business from the last general meeting;
- (f) if the meeting is an annual general meeting,
- (i) receive the financial statements of the Chapter for the previous financial year, and the auditor's report, if any, on those statements,
- (ii) receive any other reports of Directors' / Committees activities and decisions since the previous annual general meeting,
- (iii) elect or appoint Directors, and
- (iv) appoint an auditor, if any;
- (g) deal with new business, including any matters about which notice has been given to the members in the notice of meeting;
- (h) terminate the meeting.

Ordinary business at general meeting

3.5 At a general meeting, the following business is ordinary business:

- (a) adoption of rules of order;
- (b) consideration of any financial statements of the Chapter presented to the meeting;
- (c) consideration of the reports, if any, of the Directors or auditor;
- (d) election or appointment of Directors;
- (e) appointment of an auditor, if any;
- (f) business arising out of a report of the Directors not requiring the passing of a special resolution.

Notice of special business

3.6 A notice of a general meeting must state the nature of any business, other than ordinary business, to be transacted at the meeting in sufficient detail to permit a member receiving the notice to form a reasoned judgment concerning that business.

Chair of general meeting

3.7 The following individual is entitled to preside as the Chair of a general meeting:

- (a) the individual, if any, appointed by the Board to preside as the Chair;
- (b) if the Board has not appointed an individual to preside as the Chair or the individual appointed by the Board is unable to preside as the Chair,
 - (i) the Chair of the Board,
 - (ii) the Vice-Chair, if the Chair is unable to preside as the Chair, or
 - (iii) the Secretary, if the Vice Chair is unable to preside as the Chair, or
- (iv) one of the other Directors present at the meeting, if the Chair, The Vice Chair and Secretary are unable to preside as the Chair.

Alternate Chair of general meeting

3.8 If there is no individual entitled under these Bylaws who is able to preside as the Chair of a general meeting within 15 minutes from the time set for holding the meeting, the voting members who are present must elect an individual present at the meeting to preside as the Chair.

Quorum required

3.9 Business, other than the election of the Chair of the meeting and the adjournment or termination of the meeting, must not be transacted at a general meeting unless a quorum of voting members is present.

Quorum for general meetings

3.10 Subject to the Act, the quorum for the transaction of business at a general meeting is lower of 1/3 of voting members or 10 voting members. Only members in good standing are allowed to vote at the general meeting.

Lack of quorum at commencement of meeting

3.11 If, within 30 minutes from the time set for holding a general meeting, a quorum of voting members is not present,

- (a) in the case of a meeting convened on the requisition of members, the meeting is terminated, and
- (b) in any other case, the meeting stands adjourned to an alternate date as determined by the Chair in consultation with the Board, and if, at the continuation of the adjourned meeting, a quorum is not present within 30 minutes from the time set for holding the continuation of the

adjourned meeting, the voting members who are present constitute a quorum for that meeting.

If quorum ceases to be present

3.12 If, at any time during a general meeting, there ceases to be a quorum of voting members present, business then in progress must be suspended until there is a quorum present or until the meeting is adjourned or terminated.

Adjournments by Chair

3.13 The Chair of a general meeting may, or, if so directed by the voting members at the meeting, must, adjourn the meeting from time to time and from place to place, but no business may be transacted at the continuation of the adjourned meeting other than business left unfinished at the adjourned meeting.

Notice of continuation of adjourned general meeting

3.14 It is not necessary to give notice of a continuation of an adjourned general meeting or of the business to be transacted at a continuation of an adjourned general meeting except that, when a general meeting is adjourned for 30 days or more, notice of the continuation of the adjourned meeting must be given.

Methods of voting

3.15 At a general meeting, voting must be by a show of hands, an oral vote or another method that adequately discloses the intention of the voting members, except that if, before or after such a vote, 2 or more voting members request a secret ballot or a secret ballot is directed by the Chair of the meeting, voting must be by a secret ballot.

Casting Vote

3.16 In the case of an equality of votes at a general meeting, the Chair shall have a casting or second vote in addition to the vote to which he or she may be entitled as a member.

Announcement of result

3.17 The Chair of a general meeting must announce the outcome of each vote and that outcome must be recorded in the minutes of the meeting.

Proxy voting not permitted

3.18 Voting by proxy is not permitted.

Matters decided at general meeting by ordinary resolution

3.19 A matter to be decided at a general meeting must be decided by ordinary resolution unless the matter is required by the Act or these Bylaws to be decided by special resolution or by another resolution having a higher voting threshold than the threshold for an ordinary resolution.

PART 4 – DIRECTORS

Qualification of Directors

4.1 Pursuant to the Act, a Person may not be nominated, elected or appointed to serve (or continue to serve) as a Director if he or she:

- (i) is less than eighteen (18) years of age;
- (ii) has been found by any court, in the USA or elsewhere, to be incapable of managing his or her own affairs;
- (iii) is an undischarged bankrupt; or
- (iv) has been convicted of a prescribed offence within the prescribed period, for which no pardon has been granted, in accordance with the Act. In addition to the foregoing, a Person may not be nominated, elected or appointed to serve (or continue to serve) as a Director if he or she is not a voting member in good standing unless such member is deemed to be in good standing in accordance with Bylaw 2.6.

Number of Directors on Board

4.2 The affairs of the Chapter shall be managed by a Board of no fewer than 5 and no more than 10 Directors, each of whom shall be a member in good standing of the Chapter.

Term, Election or appointment of Directors

4.3 The term of office for Elected Directors will normally be three (3) years. However, the Board may by Board Resolution determine that some or all vacant Elected Directors' positions will have a term of less than three (3) years, the length of such term to be determined by the Directors in their discretion.

For purposes of calculating the duration of an Elected Director's term of office, the term will be deemed to commence at the close of the annual general meeting at which such Elected Director was elected. If, however, the Elected Director was elected at an extraordinary general meeting his or her term of office will be deemed to have commenced at the close of the annual general meeting next following such an extraordinary general meeting. Elected Directors may be elected for consecutive terms.

Directors may fill casual vacancy on Board

4.4 The Board may, at any time, appoint a member as a Director to fill a vacancy that arises on the Board as a result of the resignation, removal, death or incapacity of a Director during the Director's term of office.

Term of appointment of Director filling casual vacancy

4.5 A Director appointed by the Board to fill a vacancy ceases to be a Director at the end of the term of office of the individual whose departure from office created the vacancy.

4.6 Ceasing to be a Director

A Person will immediately cease to be a Director:

- (a) upon the date which is the later of:
 - (1) the date of delivering his or her resignation in writing to the Secretary or to the Address of the Chapter;
 - (2) the effective date of the resignation stated therein;
- (b) upon the expiry of his or her term;
- (c) upon the date such Person is no longer qualified pursuant to Bylaw 4.1;
- (d) upon his or her removal pursuant to bylaw 4.7; or
- (e) upon his or her death.

4.7 Removal of Director

- A Director may be removed from office at any time, by a special resolution of the membership.
- A Director may be removed by a special resolution of the Board in case he/she fails to attend three consecutive Board meetings without obtaining a leave of absence from either the Chair or the Vice Chair. The Secretary should be notified of the leave of absence before the commencement of the meeting. However, the Chair may grant more than three leaves of absence to any Member in special circumstances provided a resolution to that effect is passed at the meeting.
- A Director may also be removed by a special resolution of the Board if after appropriate due diligence and the Board is satisfied that the Director has been working against the interests of the Chapter and/or profession, indulging in misconduct, unlawful activities or any other reason as determined by the Board.

PART 5 – DIRECTORS’ MEETINGS

Calling Directors’ meeting

5.1 A Directors’ meeting may be called by the Chair or by any 2 other Directors.

Notice of Directors’ meeting

5.2 At least 7 days’ notice of a Directors’ meeting must be given unless all the Directors agree to a shorter notice period.

Proceedings valid despite omission to give notice

5.3 The accidental omission to give notice of a Directors’ meeting to a Director, or the non-receipt of a notice by a Director, does not invalidate proceedings at the meeting.

Conduct of Directors’ meetings

5.4 The Directors may regulate their meetings and proceedings as they believe to be appropriate. The Board may meet virtually or by physical presence.

Quorum of Directors

5.5 The quorum for the transaction of business at a Directors’ meeting is 3 or 40% of Directors, whichever is higher.

Resolutions

5.6 An ordinary Directors’ resolution may be passed by a simple majority vote. In the case of a tie, the Chair, in addition to his original vote, shall have a second vote.

5.7 A special Directors’ resolution may be passed if 2/3rd of the Directors vote in favour.

PART 6 – BOARD POSITIONS AND OFFICERS

Election or appointment to Board positions

6.1 Directors must elect from among themselves the following Board positions (officers), and a Director other than the Chair, may hold more than one position:

- (a) Chair;
- (b) Vice Chair;
- (c) Secretary;
- (d) Treasurer.

All officers must be Directors. Chair and Vice Chair shall not hold the same office for more than two (2) consecutive years.

Directors at large

6.2 Directors who are elected or appointed to positions on the Board in addition to the positions described in these Bylaws are elected or appointed as Directors at large.

Role of Chair

6.3 The Chair of the Board and is responsible for managing the other Directors in the execution of their duties by:

- i) Coordination of the activities of the other Directors and office bearers.
- ii) Appointment of all the sub-committees.
- iii) Appoint ad hoc committees to address short-term needs and issues.
- iv) Call special Board meetings at the request of not less than two Directors or whenever deemed necessary.
- v) Public and Media Relations on behalf of the Chapter.
- vi) Ensuring compliance with ICAI's guidelines for effective functioning of the Chapter.

Role of Vice Chair

6.4 The Vice Chair is responsible for carrying out the duties of the Chair if the Chair is unable to act.

Role of Secretary

6.5 The Secretary is responsible for carrying out the duties of the Chair if the Chair and Vice Chair are unable to act.

6.6 The Secretary is responsible for doing, or making the necessary arrangements for, the following:

- (a) issuing notices of general meetings and Directors' meetings;
- (b) taking minutes of general meetings and Directors' meetings;
- (c) keeping the records of the Chapter in accordance with the Act;
- (d) conducting the correspondence of the Board;
- (e) filing the annual report of the Chapter and making any other filings with the registrar under the Act;
- (f) ensure compliance with all regulatory requirements of laws in the USA;
- (g) maintain a register of all members in good standing.

Absence of Secretary from meeting

6.7 In the absence of the Secretary from a meeting, the Board must appoint another individual to act as Secretary at the meeting.

Role of Treasurer

6.8 The Treasurer is responsible for doing, or making the necessary arrangements for, the following:

- (a) receiving and banking monies collected from the members or other sources;
- (b) keeping accounting records in respect of the Chapter's financial transactions;
- (c) preparing financial reports for the Board to be presented at each Board meeting;
- (d) preparing the Chapter's financial statements and liaise with the auditors;
- (e) making the Chapter's filings respecting taxes and other regulations.

Indemnification of Directors and Eligible Parties

6.9 To the extent permitted by the Act, each Director and eligible party (as defined by the Act) will be indemnified by the Chapter against all costs, charges and expenses, including legal and other fees, actually and reasonably incurred in connection with any legal proceedings or investigative action, whether current, threatened, pending or completed, to which that person by reason of his or her holding or having held authority within the Chapter

- (a) is or may be joined as a party to such legal proceeding or investigative action; or
- (b) is or may be liable for or in respect of a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, such legal proceeding or investigative action.

Purchase of Insurance

6.10 The Chapter may purchase and maintain insurance for the benefit of any or all Directors, officers, employees, or agents against personal liability incurred by any such Person as Director, officer, employee, or agent.

PART 7 – OPERATIONS AND ACTIVITIES

7.1 The Board shall manage the affairs for the Chapter;

7.2 The Board shall meet at least four times in a fiscal year;

7.3 The Board will appoint an Advisory Committee each year. The Advisory Committee will comprise of past Chairpersons of the Chapter as well as other senior and eminent professional members. The Advisory Committee will closely work with the Board for raising the profile of the Chapter and providing advice on governance matters.

7. 4 The Board may appoint other committees consisting of Board members and other volunteers for managing specific tasks. These committee's shall operate under delegated authority of the Board;

PART 8 – REMUNERATION OF DIRECTORS AND SIGNING AUTHORITY

Remuneration of Directors

8.1 These Bylaws do not permit the Chapter to pay to a Director remuneration for being a Director, but the Chapter may, subject to the Act, pay remuneration to a Director for services provided by the Director to the Chapter in another capacity.

Signing authority

8.2 A contract or other record to be signed by the Chapter must be signed on behalf of the Chapter by the Chair together with Treasurer or Secretary.

PART 9 – INSPECTION OF DOCUMENTS AND RECORDS

Inspection of documents and records

9.1 The documents and records of the Chapter, including the financial and accounting records and the minutes of general meetings, committee meetings and meetings of the Board, will be open to the inspection of any Director at reasonable times and upon reasonable notice. A voting member in good standing is entitled, upon providing not less than fourteen (14) days' notice in writing to the Chapter, to inspect any of the following documents and records of the Chapter at the address of the Chapter during the Chapter's normal business hours:

- (a) the Constitution and these Bylaws, and any amendments thereto;
- (b) the statement of Directors and registered office of the Association;
- (c) minutes of any general meeting, including the text of each resolution passed at the meeting;
- (d) resolutions of the members in writing, if any;
- (e) annual financial statements relating to a past fiscal year that have been received by the members in a general meeting;
- (f) the register of Directors;
- (g) the register of members;
- (h) the Chapter's certificate of incorporation, and any other certificates, confirmations or records furnished to the Chapter by the Registrar;
- (i) copies of orders made by a court, tribunal or government body in respect of the Chapter;
- (j) the written consents of Directors to act as such and the written resignations of Directors; and
- (k) the disclosure of a Director or of a senior manager regarding a conflict of interest.

Except as expressly provided by statute or at law, a member will not be entitled or have the right to inspect any other document or record of the Chapter. However, subject to such policies as the Board may establish, a member in good standing may request, in writing delivered to the address of the Chapter, to inspect any other document or record of the Chapter and the Board may allow the member to inspect the document or a copy thereof, in whole or in part and subject to such redaction as the Board deems necessary, all in the Board's sole discretion.

Copies of documents which a Member is allowed to inspect may be provided on request by the Member for a fee to be determined by the Board, provided such fee does not exceed the limits prescribed in the Act.

PART 10 - LOCATION

10.1 The operations of the Chapter are to be primarily carried on in the United States of America.

PART 11 – DISSOLUTION

11.1 Upon the winding-up or dissolution of the Chapter, The Institute of Chartered Accountants of India, New Delhi office will be notified and the residual assets after extinguishing all obligations of the Chapter as approved by the Board and advised by ICAI will be turned over to a “qualified recipient” as defined in the Act.