Update to Bylaws on Article 17 - Audit Requirements

We Are Updating Article 17

Ontario's *Not-for-Profit Corporations Act (ONCA)* sets the rules for how organizations like TLCA must review their finances each year. Depending on our annual revenue, ONCA may require:

- a full audit,
- a review engagement (a lighter, less expensive review), or
- no external review at all, if our revenue is low and members agree.

Because TLCA's revenue changes from year to year, this bylaw update gives members the flexibility to choose the level of financial review that makes the most sense each year—while still meeting all legal requirements.

What This Change Means

- Members continue to receive annual financial statements.
- Members vote each year on the level of financial review.
- Oversight remains strong and transparent.
- TLCA avoids unnecessary costs in low-revenue years.
- If our revenue increases, we automatically follow the rules that apply.

Special Resolution – Article 17

Special Resolution:

That Article 17 (Audit) of the TLCA Bylaws be repealed and replaced with the following wording, and that all remaining references to the former Audit Committee throughout the bylaws be deleted to reflect the 2022 AGM decision discontinuing the Audit Committee and to align with ONCA requirements:

Article 17 – Financial Review and Appointment of Auditor

1. **Annual Financial Statements**
   The Corporation will prepare annual financial statements each year and make them available to Members as required by the Ontario Not-for-Profit Corporations Act, 2010 ("ONCA").

2. **Appointment of Auditor or Reviewer**
   At each Annual Meeting, the Members will decide, by ordinary resolution, whether to:
   (a) appoint an auditor,
   (b) appoint a person authorized to conduct a review engagement, or
   (c) waive the appointment, if permitted by ONCA.

3. **Level of Financial Review Required**
   The type of financial review the Corporation must have is determined by ONCA based on the Corporation's annual revenue.

4. **Vacancies**
   If the appointed auditor or reviewer resigns or is unable to act, the Board may appoint a qualified replacement until the next Annual Meeting, unless ONCA requires the Members to approve the appointment.

5. **Audit or Finance Committee**
   The Board may establish an Audit or Finance Committee to assist with financial oversight. This committee does not replace any audit or review engagement required under ONCA.

Effective Date
This amendment takes effect immediately upon approval of this Special Resolution by the Members.

Authorization to Implement
Any director or officer is authorized to make any changes necessary to give full effect to this Special Resolution, including updating, consolidating, and filing the amended bylaws and any related documents as required under ONCA.