

BY- LAWS
OF
NEW ENGLAND PEER REVIEW, INC.

ARTICLE I
MEETINGS OF MEMBERS

Section 1. Definition of Members

Members of the Corporation shall be defined as the Maine Society of CPAs, the Rhode Island Society of CPAs and the Vermont Society of CPAs.

Section 2. Place of Meeting

All meetings of the of the Corporation shall be held at the principal office of the Corporation in the City of Manchester, State of New Hampshire, or at such other places as may from time to time be fixed by the Board of Directors or as shall be specified or fixed in the respective notices or waivers of notice thereof.

Section 3. Annual Meetings

The annual meeting shall be held not more than ninety (90) days after the close of the fiscal year of the Corporation, on such date and at such hour as may be fixed by the Board of Directors and stated in the notice of such meeting or on such other date and at such time as shall be stated in the notice of the meeting or otherwise specified by the President. The Members of the Corporation will be invited to attend the annual meeting, however attendance is not mandatory. The Executive Director shall serve by a written notice, either by mail or electronically, not less than seven (7) before such meeting, addressed to each Member at each Member's respective principal place of business.

Section 4. Special Meetings

A special meeting of the Members for any purpose or purposes, unless otherwise prescribed by statute, may be called at any time by the Chairman of the Board, if any, the President, or a Vice President, or by a majority of the Board of Directors, or upon written application therefor to the Secretary by at least one Member. Written notice of such meeting, stating the purpose for which it is called, shall be served personally, or by mail, not less than ten (10) nor more than fifty (50) days before the date set for such meeting. If mailed, it shall be directed to every Member at each Member's respective principal place of business; but at any meeting at which all Members shall be present, or of which all Members not present have waived notice in writing, the giving of notice as above—required may be foregone. No

business other than that specified in the call for the meeting shall be transacted at any special meeting of the Members.

Section 5. Quorum

At each meeting of the Members, the presence, in person or by proxy, of a majority of the Members, shall constitute a quorum for the transaction of business except where otherwise provided by law or by the Articles of Agreement of the Corporation or any amendment thereto. In the absence of a quorum at any meeting or any adjournment thereof, the Members of the Corporation present in person or by proxy shall have the power to adjourn the meeting from time to time, until additional Members necessary to constitute a quorum shall be present or represented. At any such adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the meeting as originally called. Notice of any adjourned meeting of the Members shall not be required to be given, except when expressly required by law.

Section 6. Voting

- a) Each Member of the Corporation shall, except as otherwise provided by law or by the Articles of Agreement of the Corporation, at every meeting of the Members be entitled to one vote in person or by proxy.
- b) At any meeting of Members at which a quorum is present, a majority represented thereat in person or by proxy shall decide any question brought before such meeting unless a larger or different vote or proportion is required by law or by the Articles of Agreement of the Corporation or by these By-laws.
- c) All voting shall be by voice vote, except that a written ballot may be used when so requested by a majority of the Members present at the meeting. If a written ballot shall be used, each ballot shall state the name of the Member voting, and if such ballot be cast by proxy, the name of the proxy.

Section 7. Members' Action Without Meeting

Any action which, under any provision of the New Hampshire Business Corporation Act, may be taken at a meeting of Members may be taken without such a meeting if consent in writing, setting forth the action so taken or to be taken, is signed severally or collectively by all of the Members. The Secretary shall file such consent or consents with the minutes of the meetings of the Members.

ARTICLE II

BOARD OF DIRECTORS

Section 1. General Powers

The property, affairs and business of the Corporation shall be controlled and managed by the Board of Directors. Without limiting the generality of the foregoing, such control shall include the power to: establish, implement and oversee proper policies and procedures necessary to the functioning of the Peer Review Program as promulgated by the AICPA; hire employees, professional, clerical and secretarial; enter into employment agreements with employees were deemed advisable; determine levels of employee compensation, including wages, salaries, bonuses and other fringe benefits; terminate the employment of an employee; determine condition of employment, including hours of work, work responsibility, vacation time, and sick leave; authorize the purchase or rental of property, determine annual dues and review fees to be charged to participating firms and determine all policies of the Corporation with regard to the conduct of the business of the Corporation. The Board of Directors may from time to time delegate particular responsibilities to specified officers or Committees of the Corporation as it shall deem advisable. They may adopt such rules and regulations for the conduct of their meeting and the management of the Corporation not inconsistent with these By—laws, the Corporation’s Articles of Agreement, or the laws of the State of New Hampshire as they may deem proper.

Section 2. Classes and Voting Rights

There shall be two (2) classes of Directors, Directors ex officio and appointed Directors. The number of Directors ex officio shall be three (3), and the number of appointed Directors shall be a minimum of eight (8) and a maximum of (10). The Executive Director of each Member shall be a Director ex officio of the Corporation. Directors ex officio shall not be entitled to vote or participate in the management or affairs of the Corporation. The appointed Directors of the Corporation shall be appointed in the manner provided in Section 5 hereof. Appointed Directors shall have the full right to vote and participate in the management and affairs of the Corporation.

Section 3. Number and Qualifications of Appointed Directors

The number of Appointed Directors of the Corporation shall be not less than eight (8), nor more than ten (10), each of whom shall be of lawful age, a duly licensed Certified Public Accountant and an owner, shareholder, partner, manager or person with equivalent supervisory responsibilities who is currently active in public practice in the accounting or auditing function of a Firm enrolled in a practice—monitoring program of the AICPA, which has received a report with a rating of “pass”, or its equivalent, from such program on its most recently completed peer review. The number of Directors may be increased or diminished by action of a majority of the Board of Directors at any regular or special meeting, except that no such action shall be effective to remove any Director then in office.

Section 4. Term of Office

Each Director ex officio shall continue as a Director of the Corporation until such time as such Director ceases to be the Executive Director of a Member. Upon such cessation the succeeding Executive Director of such Member shall automatically become the Director ex officio representing such Member. Appointed Directors shall continue in office for a term of three (3) years and until his or her successor shall have been appointed and shall have been qualified, or until his or her death, resignation or removal in the manner hereinafter provided. Directors need not be residents of the State of New Hampshire.

Section 5. Manner of Appointment

- a) The Board of Directors shall consist of the three (3) ex officio Directors and a minimum of eight (8) with a maximum of ten (10) appointed Directors.
- b) Each of the three (3) members shall appoint two (2) Directors from their respective states, as their representatives, to a three (3) year term.
- c) New Hampshire will be represented by two (2) Directors who are CPAs licensed by the State of New Hampshire who shall be appointed by the remainder of the Board of Directors to a three (3) year term.
- d) The Board of Directors has the authority to appoint any other Directors up to the maximum allowed in Section 2.

Section 6. Successive Terms

Upon completion of a three (3) year term, an appointed Director may be reappointed to serve as an appointed Director, as provided in Article V hereof.

Section 7. Quorum and Manner of Acting

A majority of the total number of Directors entitled to vote and then holding office shall constitute a quorum for the transaction of business at any meeting except where otherwise provided by statute, the Corporation's Articles of Agreement or these By—laws, provided that at least one Director entitled to vote and appointed by each Member is present. Less than a quorum may adjourn the meeting. At all meetings of the Board of Directors, each Director present and entitled to vote shall have one vote. At all meetings of the Board of Directors, all questions, the manner of deciding which is not specifically regulated by statute or the Corporation's Articles of Agreement, shall be determined by a majority of the Directors present and entitled to vote at the meeting.

Section 8. Place of Meeting

The Board of Directors may hold its meetings and have one or more offices at such places within or without the State of New Hampshire as the Board from time to time may determine or, in the case of meetings, as shall be specified or fixed in the respective notices or waivers of notice thereof.

Section 9. Books and Records

The correct and complete books and records of account and minutes of the proceedings of Members and the Board of Directors shall be kept at the registered office of the Corporation.

Section 10. First Meeting.

The Board of Directors shall meet for the purpose of organization, the election of officers and the transaction of other business as soon as practicable after each annual appointment of Directors on the same day and at the same place at which regular meetings of the Board are held or as may be otherwise provided by resolution of the Board. Notice of such meeting need not be given. Such meeting may be held at any other time or place which shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors or in a consent and waiver of notice thereof signed by all the Directors.

Section 11. Regular Meetings

Regular meetings of the Board of Directors shall be held at such places and at such times as the Board shall from time to time by resolution determine. Notice of regular meetings need not be given.

Section 12. Special Meetings; Notice

Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board, if any, or by the President, or by the Secretary at the request of any four Directors at the time being in office. Notice of each such meeting shall be mailed to each Director, addressed to such Director at his or her residence or usual place of business, at least two days before the day on which the meeting is to be held, or shall be sent to him or her at such place by telegraph, cable, facsimile, radio or wireless, or be given personally or by telephone, not later than the day before the day on which the meeting is to be held. Every such notice shall state the time and place of the meeting, and shall state the agenda of items to be discussed at such meeting.

No business other than that specified in the agenda contained in the notice for the meeting shall be transacted at any special meeting of the Board of Directors, without the unanimous written consent of each of the Directors entitled to vote. Notice of any meeting of the Board need not be given to any Director, however, if waived by him or her in writing or by telegraph, cable, facsimile, radio or wireless, whether before or after such meeting be held, or if he or she shall be present at such meeting unless his or her attendance at the meeting is expressly for the purpose of objecting to the transaction of any business because the meeting is not lawfully convened; and any meeting of the Board shall be a legal meeting without any notice thereof having been given, if all of the Directors shall be present thereat.

Section 13. Resignations

Any Director of the Corporation may resign at any time by giving written notice to the Member which appointed such Director, with a copy of such notice to the President or to the Secretary of the Corporation. Such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 14. Removal of Directors

Any Director may be removed, either with or without cause, at any time, by the Member which appointed the Director, or by a majority vote of the Members.

Section 15. Vacancies

Any vacancy in the Board of Directors caused by death, resignation or removal may be filled by an appointment by the Member represented by the Director whose death, resignation or removal caused the vacancy. A Director appointed to fill a vacancy shall serve for the unexpired term of his or her predecessor in office. Any directorship to be filled by reason of an increase in the number of Directors may be filled by an equal appointment by each Member for a term of office continuing only until the next appointment of Directors by the respective Members.

Section 16. Compensation

Directors shall receive no compensation for attendance at regular or special meetings or for services rendered to the Corporation, but may be reimbursed for actual expenses incurred in attending regular or special meetings or incidental to services performed for the Corporation.

Section 17. Directors' Participation in Meeting By Telephone

A Director may participate in a meeting of the Board of Directors by means of conference telephone or similar communication equipment enabling all Directors participating in the meeting to hear one another. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

Section 18. Directors' Action Without Meeting

If all the Directors entitled to vote and then holding office severally or collectively consent in writing to any action taken or to be taken by the Corporation, such action shall be valid as though it had been authorized at a meeting of the Board of Directors. The Secretary shall file such consent or consents with the minutes of the meetings of the Board of Directors.

ARTICLE III

TASK FORCES

Section 1. Designation

The Board of Directors may create such Task Forces as it deems necessary to properly implement the Peer Review Program of the AICPA. Such Task Forces shall be made up of individuals appointed by the Board of Directors.

Section 2. Powers

The Task Forces as designated by the Board of Directors shall have powers allocated to them by the Board of Directors in order to assist the implementation of the Peer Review Program, provided that the Board of Directors shall retain ultimate responsibility for the Peer Review Program and the ultimate acceptance of peer review reports.

Section 3. Compensation

Members of the Task Forces shall receive no compensation for their services rendered to the Corporation, but may be reimbursed for actual expenses incurred in the performance of, or incidental to, services performed for, or on behalf of, the Corporation.

ARTICLE IV

COMMITTEES OF BOARD OF DIRECTORS

Section 1. Designation; Vacancies

The Board of Directors, by a resolution passed by a majority of the whole Board, may designate such number of their members entitled to vote (not less than three (3) including the President of the Corporation and representing at least three (3) separate Members), as it may from time to time determine, to constitute an Executive Committee, each committee member of which, unless otherwise determined by the Board, shall continue to be a member thereof until the expiration of his or her term of office as a Director.

Section 2. Powers

During the intervals between the meetings of the Board of Directors, the Executive Committee shall have all of the powers of the Board of Directors in the management of the business and affairs of the Corporation, and may exercise such powers in such manner as the Executive Committee shall deem best for the interests of the Corporation in all cases in which specific directions shall not have been given by the Board of Directors.

Section 3. Procedure; Meetings; Quorum

The Executive Committee shall make its own rules of procedure and shall meet at such times and at such place or places as may be provided by such rules or by resolution of the Executive Committee. A majority of the whole number of the members of the Executive Committee shall constitute a quorum at any meeting thereof, and the act of a majority of those present at a meeting at which a quorum is present shall be the act of the Executive Committee. The Board of Directors shall have power at any time to change the members of the Executive Committee, to fill vacancies, and to discharge the Executive Committee.

Section 4. Other Committees

The Board of Directors, by resolution passed by a majority of the whole Board, may designate Members of the Board to constitute other committees, which shall in each case consist of such number of Directors and shall have and may exercise such powers, as the Board may determine and specify in the respective resolutions appointing them. Such committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. The Board of Directors shall have power at any time to change the members of any such committee, to fill vacancies, and to discharge any such committee.

Section 5. Compensation

Members of the Executive Committee or of other committees of the Board of Directors shall receive no compensation for their services as members of such committees.

ARTICLE V

OFFICERS

Section 1. Number

The officers of the Corporation may include a Chairman of the Board and shall include a President, a Treasurer, and a Secretary who shall be the registered agent and such other officers as the Board of Directors may from time to time deem appropriate. One person may hold the offices and perform the duties of more than one of said officers.

Section 2. Election, Term of Office and qualifications

The officers shall be elected annually by the Board of Directors. Each officer shall hold office until a successor to such office shall have been elected and shall have qualified, or until the death, resignation, or removal of such officer in the manner hereinafter provided.

Section 3. Removal

Any officer may be removed, by the Board of Directors whenever in its judgment the best interests of the Corporation will be served by such action.

Section 4. Resignations

Any officer may resign at any time by giving written notice to the Board of Directors or to the President or to the Secretary. Such resignation shall take effect at the time specified therein; and, unless otherwise specified therein and the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies

A vacancy in any office because of death, resignation, removal or any other cause shall be filled for the unexpired portion of the term in the manner prescribed in these By-laws for election or appointment to such office.

Section 6. The Chairman of the Board

The Chairman of the Board, if there shall be one, shall be elected from among the Directors and shall, if present, preside at all meetings of the Members and of the Board of Directors. Except where by law the signature of the President is required, the Chairman of the Board shall possess the same power as the President to sign all certificates, contracts and other instruments of the Corporation which may be authorized by the Board of Directors or by the Executive Committee. The Chairman of the Board shall, in general, perform all duties incident to the office of Chairman of the Board, subject, however, to the direction and control of the Board of Directors and of the Executive Committee, and such other duties as from time to time may be assigned to him or her by the Board of Directors or by the Executive Committee.

Section 7. The President

The President shall be the chief executive and administrative officer of the Corporation and shall have general and active supervision and direction over the day-to-day business and affairs of the Corporation and over its several officers, subject, however, to the direction and control of the Board of Directors and of the Executive Committee. At the request of the Chairman of the Board, or in case of the Chairman of the Board's absence or inability to act, the President may act in the Chairman of the Board's place. The President shall sign or countersign all certificates, contracts and other instruments of the Corporation as authorized by the Board of Directors, and shall perform all such other duties as from time to time may be assigned to him or her by the Board of Directors or the Executive Committee.

Section 8. The Vice Presidents

Each Vice President shall have such powers and perform such duties as the Board of Directors may from time to time prescribe. At the request of the President, or in case of the

President's absence or inability to act, any Vice President may act in the President's place, and when so acting shall have all the powers and be subject to all the restrictions of the President.

Section 9. The Secretary

The Secretary, who shall be an inhabitant of the State of New Hampshire and shall keep an office therein, shall be the registered agent of the Corporation; shall keep or cause to be kept in books provided for the purpose the minutes of the meetings of the Members and of the Board of Directors; shall see that all notices are duly given in accordance with the provisions of these By-laws and as required by law; shall be the custodian of the records and of the seal of the Corporation and see that the seal is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these By-laws; and in general, shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him or her by the Board of Directors or by the President.

Section 10. The Assistant Secretary

The Assistant Secretary, who shall not be required to be an inhabitant of the State of New Hampshire, nor shall be required to keep an office therein, shall have such powers and shall perform such duties as the Board of Directors may from time to time prescribe. At the request of the President or Secretary, or in the case of the Secretary's absence or inability to act, the Assistant Secretary may act in the Secretary's place, and when so acting, shall have all the powers and be subject to all the restrictions of the Secretary.

Section 11. The Treasurer

The Treasurer shall be the financial officer of the Corporation; shall be responsible for all funds of the Corporation. The Treasurer, or Treasurer's designee shall have custody of and deposit all such funds in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the Board of Directors; shall receive, and give receipts for, moneys due and payable to the Corporation from any source whatsoever. The Treasurer in general, shall perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Board of Directors or by the President.

Section 12. Compensation

Officers shall receive no compensation for attendance at regular or special meetings or for services rendered to the Corporation, but may be reimbursed for actual expenses incurred in attending regular or special meetings or incidental to services performed for the Corporation.

ARTICLE VI

CONTRACTS, CHECKS, NOTES, ETC.

Section 1. Execution of Contracts

All contracts and agreements authorized by the Board of Directors, and all checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall, unless otherwise directed by the Board of Directors, or unless otherwise required by law, be signed by any two of the following officers: The Chairman of the Board, President, Vice President, Treasurer, Secretary, or Assistant Secretary. The Board of Directors may, however, authorize any one of said officers to sign checks, drafts and orders for the payment of money singly and without necessity of countersignature, and may designate officers and employees of the Corporation other than those named above, or different combinations of such officers and employees, who may, in the name of the Corporation, execute checks, drafts, and orders for the payment of money on its behalf.

Section 2. Loans

No loans shall be contracted on behalf of the Corporation and no negotiable paper shall be signed in its name unless authorized by resolution of the Board of Directors. When authorized by the Board of Directors so to do, any officer or agent of the Corporation thereunto authorized may effect loans and advances at any time for the Corporation from any bank, trust company or other institution, or from any firm, corporation or individual, and for such loans and advances may make, execute and deliver promissory notes, bonds or other certificates or evidences of indebtedness of the Corporation and, when authorized so to do, may pledge, hypothecate or transfer any securities or other property of the Corporation as security for any such loans or advances. Such authority may be general or confined to specific instances.

ARTICLE VII

WITHDRAWAL OF A MEMBER

Section 1. Withdrawal

A Member may withdraw from the Corporation only by providing written notice to the Board of Directors by May 1 of each year, to be effective the following May 1.

Section 2. Forfeiture of Interest

A withdrawing Member shall forfeit all interests in the assets of the Corporation.

ARTICLE VIII

SEAL

The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall bear the name of the Corporation and words and figures indicating the year and state in which the Corporation was incorporated.

ARTICLE IX

FISCAL YEAR

The fiscal year of the Corporation shall be fixed by the Board of Directors.

ARTICLE X

WAIVER OF NOTICE

Whenever any notice is required to be given to any Member or Director by these By—laws or the Articles of Agreement or the laws of the State of New Hampshire, a waiver of the notice in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to giving the notice.

ARTICLE XI

AMENDMENTS

These By—laws may be altered, amended, repealed or supplemented, subject to appeal or change by the Members by an affirmative vote of the majority of the full Board of Directors, at any meeting or special meeting of the Board of Directors called for the purpose, provided that notice of the proposed change is given in the notice of the meeting.

ARTICLE XII

INDEMNIFICATION

Section 1. Indemnification of Officers and Directors

Each Director and Officer, whether or not then in office, shall be indemnified by the Corporation against all costs and expenses reasonably incurred by or imposed upon him or her in connection with or arising out of any action, suit or proceeding in which he or she may be involved or to which he or she may be made a party by reason of his or her being or having been a Director or Officer of the Corporation (such expenses to include the cost of reasonable settlements made with a view toward curtailment of costs of litigation), except in relation to matters as to which he or she shall have been finally adjudged in such action, suit or proceeding to have been derelict in the performance of his or her duty as such Director or Officer; and the foregoing right of indemnification shall not be exclusive of other rights to which he or she may be entitled as a matter of law.

Section 2. Personal Liability of Officers and Directors

- 1) Each Director and Officer shall be indemnified by the Corporation against personal liability to the Corporation or its Members for monetary damages for breach of fiduciary duty as a Director or Officer, or both, except with respect to:
- 2) Any breach of the Director's and/or Officer's duty of loyalty to the Corporation or its Members;
- 3) Acts or omissions which are not in good faith or which involve intentional misconduct or a knowing violation of the law;
- 4) Actions for which a Director may be liable under NH RSA 293—A:8; and
- 5) Any transaction from which the Director, Officer, or both, derived any improper personal benefit.

ARTICLE XIII

TAX EXEMPT STATUS

These By-laws of the Corporation shall at all times be so construed and limited as to enable the Corporation to qualify and to continue qualifying as a voluntary charitable corporation organized and existing under the provisions of Chapter 292 of the Revised Statutes Annotated of the State of New Hampshire, as amended, and as a tax exempt business league organized and operated to promote the common business interests of the Members in order to improve business conditions under the provisions of Section 501(c) (6) of the Internal Revenue Code of 1986 of the United States, as amended.