

## **EO Regional Incorporations**

- I. Responsible parties:
  - General for every incorporation: Standing Finance Committee representative and Governance Committee representative. Also EO General Counsel.
  - Specific for an incorporation: Finance Director and Governance Director of the specific region. Also local counsel.
- II. Steps to be followed: (for initial incorporation and amendments thereof)
  1. Interested chapters in pursuing a regional incorporation must contact their specific region's Finance Director and Governance Director to present them the project.
  2. If approved by them, the region's Finance Director and Governance Director will conform a working team together with SFC's and GC's representatives indicated above. EO General Counsel and interested chapters' local counsel will also participate in this working team.
  3. Template is provided to interested chapters, in order to review with their local counsel which provisions of the template are consistent and which ones are conflicting with local law.
  4. Interested chapters shall provide working team:
    - a) Information listed in section III below
    - b) Potential conflicts between any template provisions (mandatory provisions in particular-see section IV below) and local law, with a proposal on how to solve such conflicts
    - c) Local counsel's opinion on (i) liability/indemnification regime (limited liability for incorporating chapters and none liability/hold harmless provision for EO Global), and (ii) potential for piercing the corporate veil pursuant to local law.
    - d) Any other relevant comments or issues (legal or not) on the regional incorporation (a.i. which provisions need to be inserted in the Certificate of Incorporation and which ones in the bylaws, tax issues, etc).
  5. Working team reviews information of point 4 and determines solutions for conflicting provisions and any other issues presented by interested chapters. Clarifications may be asked to interested chapters. Final answer is given to interested chapters on conflicting provisions and any other dispositions related to the regional entity.
  6. Interested chapters prepare a complete draft of incorporation, based on template and on solutions and dispositions given by working team.
  7. Interested chapters present incorporation draft for final approval by: working team and EO Global Board.
  8. EO Global designates its representative for incorporation and member to the entity's Board.
  9. Interested chapters proceed with incorporation and report to working team when incorporation has been formalized and completed.
- III. Initial information to be provided for incorporation:
  - EO Chapters that will incorporate the entity

- Jurisdiction in which the entity will be incorporated
- Specific purposes/objectives of the entity: a.i. regional sponsorship, tax issues, collection of membership dues, currency exchange issues, labor issues, organization of regional events.
- Proposed entrance fee and annual subscription fee for each Chapter member.
- Proposed Board composition (not necessary names, but at least positions)

IV. Minimum mandatory provisions:

- EO Global must be an incorporating member in each regional entity
- EO Global must have the right to designate one member to the Board of the entity
- EO Global must have veto powers ("golden member"), both at the regional entities' member level and the Board level.
- Board composition must comply with the regional entity template
- No member or Board meeting quorum is made without EO Global's representative participation.
- Notwithstanding the above, EO may freely resign as member of the entity.
- EO Global must have the right to terminate a Chapter as member and/or to terminate any member of the regional entity's Board of Directors.
- Hold harmless provision for EO Global (no liability for EO Global)
- An EO region as a whole may not incorporate an entity
- Regional entity must be not-for-profit