

PLEASE NOTE THE GUIDELINES BELOW:

1. The Finance Director and Governance Director of the Region desiring to incorporate a Special Purpose Entity must work with the designated SFC representative, local counsel, and EO general counsel, to create an entity compliant with local laws and the following Special Purpose Entity Incorporation Template. EO Global must approve the final incorporation documents before they are filed with the respective governmental entity.
2. The entity must be a not for profit entity (i.e. non-profit entity).
3. One of the main purposes of the entity is to limit liability exposure. Counsel should be consulted as to the difficulty of piercing the corporate veil in the case of a non-profit entity that is financed through setting a fixed fee per "Affiliate Member" (term used to refer to each member of each chapter that is a member of the non-profit entity).
4. Counsel should be consulted so that the indemnification by the non-profit entity protects to the greatest extent permitted by law. EO Global and the Chapters should be covered by such indemnity.
5. Thought should be given to the purchase of insurance per event.
6. This document contemplates that more than one chapter will incorporate the entity.
7. Counsel should be consulted as to which provisions have to be in one document instead of another document. Law may dictate that certain provisions be inserted into the Certificate of Incorporation (or its equivalent) as opposed to the Bylaws.
8. This document contemplates that EO has veto rights. If EO or its designate votes "nay" or "no", the question or action fails. The converse is not true if EO votes yes. The idea is that EO may only be interested in negating certain decisions or actions, but not necessarily approving actions. EO has the right to terminate any member of the Board.

**CONSTITUTION  
OF  
[ENTITY NAME]**

1. The name of the Company is [ENTITY NAME]

**INTERPRETATION**

2. In this Constitution:

“ACT” means the [INSERT RELEVANT STATUTE REFERENCE] and any statutory modification or enactment thereof;

“APPROVED EVENT” means an event approved by the Board in general meeting and in respect of which the board has determined that an Event Chair will be appointed in accordance with [**Clause 44**];

“ASSOCIATE MEMBER” means a member of any Chapter Member.

“BOARD” means the board of directors of the Company; “CHAPTER” means a chapter of EO Global;

“CHAPTER MEMBER” means a Chapter who is a member of the Company; “COMPANY” means the above named Company;

“ELECTION CONDITIONS” means the conditions set out in [**Clause 49**];

“EO GLOBAL” means Entrepreneurs' Organization, the global business network of business owners founded in 1987 and organised on a regional basis into chapters with a mission to support entrepreneurial education and to engage entrepreneurs to learn and grow, having its global headquarters at 500 Montgomery Street, Suite 700 Alexandria, VA 22314, United States of America;

“EO GLOBAL GOVERNING DOCUMENTS” means the Bylaws, Policies and Procedures, Code of Conduct, and other policy documents of EO Global.

“EONETWORK Website” means the website owned and administered by EO Global at <http://www.eonetwork.org> or any website replacing that website from time to time;

“EO STAFF DIRECTOR - \_\_\_\_\_” means the EO Staff Director duly appointed by EO Global for one or more regions that includes the jurisdiction of the Company.

“SEAL” means the common seal of the Company;

“SECRETARY” means any person appointed to perform the duties of a secretary of the Company;

“STANDING BOARD MEMBERS” means the Regional Director(s), the Learning Director, and the Finance Director, all of which shall be mandatory office-bearers of the Company; **[For entities incorporated by chapters of one specific EO area or by chapters of different or mixed areas or regions, the Regional Director position may be assumed by the EO Global designee to be indicated by EO Global at its sole discretion.]**

“SUBSCRIPTION YEAR” means each financial year except that in the first year of the Company, the period from the date of incorporation of the Company until the next thirtieth day of June shall be the Subscription Year and in the event of any windup of the Company the period from the first day of July in the year in which the windup occurs until the date that the Company ceases to accept subscriptions from its Chapter Members shall be the Subscription Year;

expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form;

words or expressions contained in this Constitution shall be interpreted in accordance with the provisions of the EO Global Governing Documents.

## OBJECTIVES

3. The objectives for which the Company is established are:
  - a. To serve as a not-for-profit entity to organise, promote and hold previously contemplated events for Associate Members that as a primary focus deliver high standards of entrepreneurial education and/or that promote personal growth and networking amongst attendees.
  - b. In the long term, to provide Associate Members with financial assistance to attend the bi-annual summit of EO Global or such other summit or event (if any) that replaces it. **[NTD: Should this be an objective? Need to check with local law in regards whether this is a permitted distribution.]**
  - c. Such other objectives that are passed by a seventy five (75%) majority vote of the members of the Company in general meeting as long as such objectives are not in conflict with law.
  - d. For the incorporation of a special purpose entity, which for the avoidance of doubt may not include all the Chapters in that region.

The objectives of the Company shall always be aligned with the objectives stated in the EO Global Governing Documents, and all decisions, actions, and the operation



of the Company shall at all times respect EO Global values, and the objectives and values

reflected in the EO Global Governing Documents. The incorporation of the Company, and its governing documents were duly approved by EO Global Board in session [\_\_\_\_\_]. **[Must state the session in which the EO Global Board approved the incorporation documents of the Company]**

Subject to **[Clause 67]**, solely for the purpose of carrying out the aforesaid objectives, the Company may also have additional objectives, including without limitation:

- i. To hold or arrange competitions and provide or contribute towards the provision of prizes, awards and distinctions in connection therewith.

Provided that no member of the Company shall receive any prize, award or distinction of monetary value except as a successful competitor at any competition held or promoted by the Company. **[NTD: Need to check whether a distribution of this nature is permitted by local law.]**

- ii. To subscribe to, become a member of and co-operate with or amalgamate with any other association or organization, whether incorporated or not, whose objectives are similar to those of the Company.

Provided that the Company shall not subscribe to or support with its funds or amalgamate with any association or organisation which does not prohibit the distribution of its income and property among its members to an extent at least as great as that imposed on the Company under this Constitution.

- iii. To buy, sell and deal in all kinds of apparatus and all kinds or provisions, liquid or solid, required by the members of the Company or persons frequenting the Company's premises.
- iv. To purchase, take on lease or in exchange, hire and otherwise acquire any lands, building, easement or property, real and personal, and any rights or privileges which may be requisite for the purposes of, or capable of being conveniently used in connection with, any of the objectives of the Company.

Provided that in case the Company shall take or hold any property which may be subject to any trusts the Company shall only deal with the same in such manner as is allowed by law having regard to such trusts.

- v. To enter into any arrangements with any government or authority, whether supreme, municipal, local or otherwise, that may seem conducive to the Company's objectives or any of them and to obtain from any such government or authority any rights, privileges and concessions which the Company may think it desirable to obtain; and to carry out exercise and comply with any such arrangements, rights, privileges and concessions.
- vi. To appoint, employ, remove or suspend such managers, clerks, secretaries, servants, workmen and other persons as may be necessary or convenient for the purposes of the Company.
- vii. To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or past employees of the Company or the dependants or connections of any such persons; and to grant pensions and allowances; and to make payments towards

- insurance; and to subscribe or guarantee money for charitable or benevolent objectives, or for any public, general or useful object.
- viii. To construct, improve, maintain, develop, work, manage, carry out, alter or control any houses, buildings, grounds, works or conveniences which may seem calculated directly or indirectly to advance the Company's interests, and to contribute to, subsidise or otherwise assist and take part in the construction, improvement, maintenance, development, working, management, carrying out, alteration or control thereof.
  - ix. To invest and deal with the money of the Company not immediately required in such manner as may be permitted by law for the investment of trust funds.
  - x. To borrow or raise or secure the payment of money in such manner as the Company may think fit and secure the same or the repayment or performance of any debt liability contract guarantee or other engagement incurred or to be entered into by the Company in any way and in particular by the issue of debentures perpetual or otherwise charged upon all or any of the Company's property (both present and future), and to purchase, redeem or pay off such securities.
  - xi. To make, draw, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading and other negotiable or transferable instruments.
  - xii. To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company.
  - xiii. To take or hold mortgages, liens and charges to secure payment of the purchase price or any unpaid balance of the purchase price, of any part of the Company's property of whatsoever kind sold by the Company or any money due to the Company from purchasers and others.
  - xiv. To take any gift of property whether subject to any special trust or not for any one or more of the objectives of the Company but subject always to the proviso in **[paragraph (iv) of this Clause 3]**.
  - xv. To take such steps by personal or written appeals, public meetings or otherwise, as may from time to time be deemed expedient for the purpose of procuring contributions to the funds of the Company in the shape of donations, annual subscriptions or otherwise.
  - xvi. To print and publish any newspapers, periodicals, books or leaflets that the Company may think desirable for the promotion of its objectives.
  - xvii. To purchase or otherwise acquire and undertake all or any part of the property assets, liabilities and engagements of any one or more of the companies, institutions, societies or associations with which the Company is authorised to amalgamate.
  - xviii. To transfer all or any part of the property, assets, liabilities and engagements of the Company to any one or more of the companies, institutions, societies or associations with which the Company is authorised to amalgamate.
  - xix. To make donations for patriotic or charitable purposes.
  - xx. To transact any lawful business in aid of the \_\_\_\_\_ in the prosecution of any war in which the \_\_\_\_\_ is engaged. **[NTD: Remove if not required by law. This clause seems specific to Australia.]**

4. The income and property of the Company when derived, shall be applied solely towards the promotion of the objectives of the Company as set forth in this Constitution, except on a winding up in accordance with **[Clause 74]**.

Provided that nothing herein contained shall prevent the payment in good faith of remuneration to any officers or servants of the Company or to any member of the Company in return for any services actually rendered to the Company or for goods supplied in the ordinary and usual way of business nor prevent the payment of interest at a rate not exceeding the rate for the time being fixed by this Constitution on money borrowed from any members of the Company or reasonable and proper rent for premises demised or let by any member to the Company but so that no member of the Board shall be appointed to any salaried office of the Company or any office of the Company paid by fees and that no remuneration or other benefit in money or money's worth shall be paid or given by the Company to any member of the Board except repayment of out-of-pocket expenses and interest at the rate aforesaid on money lent or reasonable and property rent for premises demised or let to the Company. **[NTD: Check local law as to distributions]**

5. The liability of the members is limited. EO Global shall have no liability in its capacity as a member. **[NTD: Check local law. To the extent possible, the liability should be none for EO Global.]**
6. Except for EO Global which does not and will not have the obligation to contribute any property, every member of the Company undertakes to contribute to the property of the Company in the event of the same being wound up while the member of the Company is a member, or within one year after that member ceases to be a member, for payment of the debts and liabilities of the Company (contracted before the member ceases to be a member) and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required, not exceeding one hundred dollars (\$100). **[NTD: Adjust to local currency and pursuant to law.]**
7. True accounts shall be kept of the sums of money received and expended by the Company, and the matter in respect of which such receipt and expenditure takes place and of the property, credits and liabilities of the Company and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations of the Company for the time being in force, shall be open to the inspection of the members. Once at least in every year, the accounts of the Company shall be examined by one or more properly qualified auditor or auditors who shall report to the members in accordance with the provisions of law.

#### **MEMBERSHIP**

8. Subject to the other provisions of the Constitution, the following shall be the mandatory members of the Company:
  - a. EO Global;
  - b. The Chapters who are signatories to this Constitution and such other Chapters as the Board shall admit to membership and in accordance with this Constitution shall be Chapter Members of the Company and each Chapter Member shall be represented by the President of that Chapter Member from time to time such that:

- i. every reference to anything that may or may not be done or may be abstained from being done including the casting of votes by a Chapter Member and every reference to any facility provided by the Company to a Chapter Member under this Constitution to assist them in performing their role as a Chapter Member (an "act") shall be construed as a reference to an act by the President of that Chapter Member;
  - ii. an act by or provided to a President representing a Chapter Member shall be taken as done or provided without any enquiry being made or being necessary as to what mandate, consent or other authority the President has or has failed to obtain from the members or governing body of their Chapter;
  - iii. where despite [Clause 8(a)(ii)] such mandate, consent or other authority is found to have been required to be given for an act by or provided to a President representing a Chapter Member it shall be deemed to have been given for the purposes of this Constitution.
9. Every applicant for Chapter Membership of the Company shall be proposed by one and seconded by another Chapter Member of the Company. The application for Chapter Membership shall be made in writing, signed by the applicant and their proposer and seconder and shall be in such form as the Board from time to time prescribes.
10. At the next general meeting of the Company after the receipt of any application for Chapter Membership, such application shall be proposed as a resolution to accept the application and put to the vote of the Chapter Members in accordance with [Clause 18]. In no case shall the Chapter Members or the Board be required to give any reason for the rejection of an applicant.
11. When an applicant has been accepted for membership the Secretary shall forthwith send to the applicant written notice of the applicant's acceptance and a request for payment of the entrance fee and first annual subscription. Upon payment of the entrance fee and first annual subscription the applicant shall become a Chapter Member of the Company, provided nevertheless that if such payment be not made within two calendar months after the date of the notice, the Board may in its discretion cancel its acceptance of the applicant for membership of the Company.
12. The entrance fee and annual subscription payable by Chapter Members of the Company shall be such as the Company in general meeting shall from time to time prescribe, provided that until the Company shall otherwise resolve the entrance fee shall be [INSERT AMOUNT] and the annual subscription shall be [INSERT AMOUNT] multiplied by the sum of the number of Associate Members who are members of that Chapter Member and who renew their membership to that Chapter Member (a "Renewal") during the Subscription Year and the number of all new Associate Members who join a Chapter Member during the Subscription Year (a "Subscription").
13. All annual subscriptions shall become due and payable, for each [INSERT AMOUNT] that is payable upon a Renewal or a Subscription, within fourteen (14) days of that Renewal or Subscription.

#### **CESSATION OF MEMBERSHIP**

14. If the Subscription of a Chapter Member shall remain unpaid for a period of two calendar months after it becomes due then the Chapter Member may after notice of the default shall have been sent to that member by the Secretary be debarred by



resolution of the Chapter Members in general meeting from all privileges of membership provided that the Chapter Members may in general meeting reinstate the Chapter Member on payment of all arrears.

15. A Chapter Member may at any time by giving notice in writing to the Secretary resign their membership of the Company but shall continue to be liable for any annual subscription and all arrears due and unpaid at the date of their resignation and for all other moneys due by them to the Company and in addition, for any sum not exceeding [one hundred dollars (\$100.00)] for which that member is liable as a Chapter Member of the Company under the provisions of this Constitution. EO Global may resign as a

member at anytime at its sole discretion without any liability. Should EO Global resign as a member, at EO Global's sole discretion, the Company must either dissolve or relinquish use and possession of all Intellectual Property. If any Chapter Member shall wilfully refuse or neglect to comply with the provisions of this Constitution or shall be guilty of any conduct which in the opinion of the Chapter Members is unbecoming of a member or prejudicial to the interest of the Company, the Board shall have power by resolution adopted in a general meeting by the members to censure, fine, suspend, or expel the Chapter Member from the Company.

Provided that at least one week before the general meeting at which such a resolution is passed the Chapter Member shall have had notice of such meeting and of what is alleged against the Chapter Member and of the intended resolution and that the Chapter Member shall at such meeting and before the passing of such resolution have had an opportunity of giving orally or in writing any explanation or defence the Chapter Member may think fit and if at the meeting such a resolution be passed by a majority of seventy five percent (75%) of those votes held by persons present and entitled to vote at the meeting (such vote to be taken by ballot) the Chapter Member concerned shall be punished accordingly and in the case of a resolution for expulsion, the Chapter Member shall be expelled.

17. The board of EO Global (in accordance with the procedures set forth in the EO Global Governing Documents) may terminate any Chapter Member at its sole discretion. No one can terminate EO Global as a member other than itself.

### **GENERAL MEETINGS**

18. An annual general meeting of the Company shall be held in accordance with the provisions of the Act but subject to **[Clause 19]**. All general meetings, other than the annual general meetings, shall be called general meetings. The number of votes that may be cast by each Chapter Member both at an annual general meeting and at a general meeting shall equal the number of Associate Members that are members of that Chapter Member and the number of members of each Chapter Member which is recorded on the EONetwork Website on the day of the meeting shall be conclusive evidence of the number of members of each Chapter Member at that meeting. EO Global may cast one (1) vote.

19. Attendance by teleconference at every meeting of the Company shall be available to EO Global, every Chapter Member and Board member and such attendance by teleconference shall constitute attendance as though EO Global, Chapter Members and Board members who so attend were physically present at the meeting.

20. Any member of the Board may, whenever such director thinks fit, convene a general meeting, and general meetings shall be convened on such requisition or in default may be convened by such requisition as is provided by the Act.

21. Subject to the provisions of the Act relating to special resolutions and agreements for shorter notice, twenty-one (21) days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, and exclusive of the day for which notice is

given) specifying the place the day and the hour of meeting and in case of special business the general nature of that business shall be given to such persons as are entitled to receive such notices from the Company.

22. Subject to shorter notice being approved in accordance with [**Clause 66**] for the purpose of the foregoing provision all business shall be special that is transacted at a general meeting and also all that is transacted at an annual general meeting, with the exception of the consideration of the accounts, balance sheets, and the report of the Board and auditors, the election of officers of the Board in the place of those retiring, and the appointment of the auditors, if necessary.

### **PROCEEDINGS AT GENERAL MEETINGS**

23. No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. A quorum shall be EO Global and at least one-third (1/3) of the Chapter Members.

For this purpose quorum shall include when a member appoints a person attending as a proxy, provided that where a member has, pursuant to this Constitution, appointed more than one proxy, only one of such proxies may be counted in a quorum.

24. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Chapter Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Board may determine.

25. The Regional Director shall preside as Chairman at every general meeting of the Company, or if there is no Regional Director, or if the Regional Director is not present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, then the members present shall elect one of their fellow members to be Chairman of the meeting.

26. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or the business to be transacted at an adjourned meeting.

27. At any general meeting a resolution put to the vote of the meeting shall be decided on a poll unless all of the members present at the meeting and entitled to vote decide to vote on the resolution by a show of hands.

28. A poll is duly taken in such a manner and either at once or after an interval of adjournment or otherwise as the Chairman directs, and the result of the poll shall be

provided at the conclusion of the meeting at which the poll was demanded but a poll demanded on the election of a Chairman or on a question of adjournment shall be determined immediately.

29. Where all of the members present at the meeting and entitled to vote decide on a show of hands a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the book of proceedings of the Company shall be conclusive evidence of the fact without proof of the number of proportion of the votes recorded in favour of or against that resolution.

30. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

31. Notwithstanding anything to the contrary in this Constitution, the "nay" or "no" vote of EO Global shall prevail regardless of the results of the poll if EO Global votes "nay" or "no" relating to such poll. A "nay" or "no" vote may also be made by EO Global, if EO Global is absent, so long as it occurs within two (2) weeks of the vote in question.

32. (1) A member of the Company who is entitled to attend and cast a vote at a meeting of the Company's members may appoint a person as the member's proxy to attend and vote for the member at the meeting:

(2) The appointment may specify the proportion or number of votes that the proxy may exercise.

(3) Each member may appoint a proxy. If the member is entitled to cast two (2) or more votes at the meeting, they may appoint two (2) proxies. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes.

(4) Disregard any fractions of votes resulting from the application of subsection (2) or (3).

33. The instrument appointing a proxy shall be in writing under the hand of the appointor or of the appointor's attorney duly authorised in writing. The instrument appointing a proxy shall be deemed to confer authority to join in any decision to vote by a show of hands. A member shall be entitled to instruct their proxy to vote in favour of or against any proposed resolutions. Unless otherwise instructed the proxy may vote as they think fit.

34. The instrument appointing a proxy may be in the following form.

**[Insert proxy language that satisfies requirements of the jurisdiction]**

35. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other place within the jurisdiction as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. **[Note: language should be reviewed by local counsel (may vary by jurisdiction)]**

#### **THE BOARD (INCLUDING OFFICE-BEARERS)**

36. The office-bearers of the Company shall consist of:

- (a) the Regional Director(s);
- (b) the Learning Director;
- (c) the Finance Director;
- (d) from time to time, one or more Event Chairs in accordance with **[Clause 44]**;
- (e) from time to time, a Chapter Director in accordance with **[Clause 45]**; and
- (f) such other office determined from time to time by a vote of three fourths (3/4) of the Board,

all of whom shall be Associate Members of the Company except the EO Global designee which may be an Associate Member or otherwise. EO Global shall have at least one designee on the Board (i.e. one of the Standing Board Members) at all times.

37. All of the office-bearers of the Company from time to time shall be appointed as the directors of the Company and upon cessation of their office shall immediately resign as such.

38. The following named persons who have agreed to this Constitution shall constitute the Standing Board Members of the Company and the first Board in addition to such appointments that are made under **[Clauses 44 and 45]** and the first office-bearers shall be as set out below:

Regional Director  
[INSERT NAME]  
Learning Director  
[INSERT NAME]  
Finance Director  
[INSERT NAME]

One of the above Standing Board Members of the Company shall be appointed or designated by EO Global. Except for EO Global's designee to the Board, they shall all retire at the first annual general meeting but shall be eligible for re-election. For avoidance of doubt, the appointment of one of the Standing Board Members of the Company by EO Global is separate and apart from the appointment to similarly named positions within EO Global's Regional Council (all of which are designated by EO Global). **[For entities incorporated by chapters of one specific EO area or by chapters of different or mixed areas or regions, the Regional Director position may be assumed by the EO Global designee to be indicated by EO Global at its sole discretion.]**

The following named person shall be the first Secretary of the Company:

Secretary: [INSERT NAME]

Who shall cease to be the Company Secretary in accordance with cessation under **[Clause 68]**.  
39. Thereafter the Board shall consist of the office-bearers all of whom shall be elected or otherwise appointed as herein provided.

40. At the first annual general meeting of the Company and at each annual general meeting of the Company in which elections are held the office-bearers of the Board other than EO Global designee, the Event Chair and the Chapter Director shall be elected from among the Associate Members and such office-bearers shall hold office until the next annual general meeting in which elections are held in accordance with **[Clause 41]**, when they shall retire. This **[Clause 40]** does not apply to EO Global designee.

41. Elections of the office-bearers of the Company shall be held at each annual general meeting of the Company unless the members in general meeting vote to hold elections less frequently provided that every such election shall be held at an annual general meeting and no more than two (2) consecutive annual general meetings may pass without an election being held. This Clause is subject to any election which must be held at a particular annual general meeting under **[Clauses 46 or 47]**.

42. The election of office-bearers to the Board of the Company shall take place in the following manner:

(a) Any member shall be at liberty to nominate any Associate Member who meets the Election Conditions to serve as an office-bearer of the Board.

(b) The members holding no less than seventy five percent (75%) of the votes, as determined on the day of the nomination, shall jointly be at liberty to nominate any Associate Member who does not meet the Election Conditions to serve as an office-bearer of the Board.

(c) Any Associate Member who meets the Election Conditions shall be at liberty to nominate himself/herself to serve as an office-bearer of the Board.

(d) Every nomination, which shall be in writing and signed by the nominating member, the members holding seventy five percent (75%) of the votes, or the Associate Member (as the case may be) shall be lodged with the Secretary at least fourteen (14) days before the meeting at which the election is to take place and shall contain the name of the nominee and the office in respect of which the nomination is being made.

(e) Balloting lists shall be prepared (if necessary) containing the names of the candidates in alphabetical order separated only by the office for which the nominees have been nominated, and each member present at the annual general meeting shall be entitled to vote for one candidate in respect of each office.

(f) Notwithstanding anything else in this Constitution, in the case of an equal highest number of votes being cast for more than one candidate for an office, a second voting round shall be conducted with only the tied candidates to determine the winning candidate.

(g) In case there shall not be sufficient number of candidates nominated to fill each office the Board may fill up the remaining vacancy or vacancies.

(h) Notwithstanding the foregoing, EO Global is entitled to appoint and designate one office-bearer or member of the Board at all times.

(i) The office-bearer or member of the Board appointed or designated by EO Global is not subject to clauses (a) – (g) of this **[Clause 42]**.

43. The Company may from time to time by ordinary resolution passed at a general meeting increase or reduce the number of office-bearers or other members of the Board.

44. From time to time as determined by the Board, the office of Event Chair shall be elected by the members in general meeting in accordance with **[Clause 42]** and such office shall be held for a period set by the Board in the notice of the meeting.

45. Where there are an even number of officers serving on the Board (including the Event Chair) the Board must appoint a President of a Chapter Member not already on the Board as an additional member of the Board who shall hold the office of Chapter Director and such office shall be filled by that person until such time as:

(a) elections are held at an annual general meeting to appoint the office holders of the Company in which case the first duty of the newly elected Board and Event Chair (if any) shall be to replace or re-elect the Chapter Director if required under the introductory paragraph to this **[Clause 45]**; or

(b) the Chapter Director ceases to be a President of a Chapter Member; or

(c) the Chapter Director is removed in accordance with **[Clause 47]**.

46. Where there is a casual vacancy on the Board of any office-holder other than (i) a Secretary, (ii) an Event Chair, or (iii) the office-bearer or member of the Board appointed or designated by EO Global, the Board shall appoint and shall have power to appoint any member of a Chapter Member to the Board to fill that vacancy, such power to be exercised as soon as practicable after the casual vacancy has occurred. For avoidance of doubt, if the vacancy is of the EO Global designee, then only EO Global shall fill such vacancy. Any office-bearer so appointed shall hold office only until the next following annual general meeting whereupon that office shall be vacated and an election held in accordance with **[Clause 42]** to fill that office. Nothing in this Clause shall cause the election of any other office-bearer to be held at the same time.

47. Except in relation to the office-bearer or member of the Board appointed or designated by EO Global, the Chapter Members may by ordinary resolution of which special notice has been given remove any office-bearers or other member of the Board before the expiration of that member's period of office, and may by an ordinary resolution appoint another person in their stead; the person so appointed shall hold office only until the next following annual general meeting.

48. The office of a member of the Board shall become vacant if the member:

(a) becomes bankrupt or makes any arrangement or composition with their creditors generally;

(b) becomes prohibited from being a director of a Company by reason of any order made under the Act;

(c) ceases to be a member of the Board by operation of the Act;

(d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;

(e) resigns their office by notice in writing to the Company;

(f) for more than six months is absent without permission of the Board from meetings of the Board held during that period;

(g) holds any office of profit under the Company;

(h) is terminated by the Governance Committee of EO Global at its sole and absolute discretion;

(i) ceases to be a member of a Chapter; or

(j) is directly or indirectly interested in any contract or proposed contract with the Company. Provided always that nothing in this paragraph shall affect the foregoing provisions of the Constitution.



### ELECTION CONDITIONS

49. The Election Conditions are, subject to **[Clause 42(b)]**:

- (a) only an Associate Member who has been a member of a Chapter for at least three (3) years may be nominated or elected as an office-bearer of the Board;
- (b) only an Associate Member who has held an equivalent office in a Chapter for at least twelve (12) months may be nominated for or elected to that equivalent office as an office-bearer of the Board;

provided, however, that the Election Conditions do not apply to the member of the Board designated or appointed by EO Global.

### POWERS AND DUTIES OF THE BOARD

50. The business of the Company shall be managed by the Board who may pay all expenses incurred in promoting the registering of the Company and, subject to **[Clause 67]**, may exercise all such powers of the Company as are not, by the Act or by this Constitution, required to be exercised by the Company in general meeting, subject, nevertheless, to this Constitution, to the provisions of the Act, and to such regulations, being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in general meeting; provided that any rule regulation or by-law of the Company made by the Board may be disallowed by the Company in general meeting and provided further that no resolution of or regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that resolution or regulation had not been passed or made.

51. Subject to **[Clause 67]**, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge its property, or any part thereof, and to issue debentures and other debt securities whether outright or as security for any debt, liability, or obligation of the Company. **[NTD: Check local law. If it is not obvious, that no equity securities or that no convertible debt can be issued then make it so.]**

52. For the purposes of this Constitution the rate of interest payable in respect of money lent by members to the Company shall not exceed the lowest rate paid for the time being by banks in [\_\_\_\_\_] in respect of term deposits.

53. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by any two members of the Board or in such other manner as the Board from time to time determines.

54. The Board shall cause minutes to be made:

- (a) of all appointments of officers and servants;

(b) of names of members of the Board present at all meetings of the Company and of the Board; and

(c) of all proceedings at all meetings of the Company and of the Board.

Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

55. The Event Chair shall be primarily responsible to the Board and the Company for organising the Authorised Event of the Company for which the Event Chair has been elected. The Event Chair shall report to the Board on such criteria and matters as are required by the Board from time to time at every meeting held by the Board in which general business is conducted.

Notwithstanding the above, the organising of an Approved Event shall be led by the Event Chair and the Event Chair shall be solely responsible for selecting a team of persons of his or her choosing to assist with its organisation.

### **PROCEEDINGS OF THE BOARD**

56. The Board may meet together for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A member of the Board may at any time and the Secretary shall on the requisition of a member of the Board summon a meeting of the Board.

57. Subject to this Constitution questions arising at any meeting of the Board shall be decided by a majority of votes and a determination by a majority of the members of the Board shall for all purposes be deemed a determination of the Board. In case of an equality of votes the Chairman of the meeting shall have a second or casting vote.

58. Notwithstanding anything to the contrary in this Constitution, the EO Global designee may veto any Board vote or question by voting "nay" or "no" relating to such vote or question. A "nay" or "no" vote may also be made by the EO Global designee, if the EO

Global designee is absent, so long as it occurs within two (2) weeks of the vote in question.

59. The quorum necessary for the transaction of business of the Board shall be a majority of the total Board as provided in this Constitution or such greater number as may be fixed by the Board in general meeting, such majority must include the EO Global designee.

60. The continuing members of the Board may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below the number fixed by or pursuant to this Constitution as the necessary quorum of the Board, the continuing member or members may act for the purpose of increasing the number of members of the Board to that number or of summoning a general meeting of the Company, but for no other purpose.

61. The Regional Director shall preside as Chairman at every meeting of the Board, or if there is no Regional Director, or if in any meeting the Regional Director is not present within fifteen minutes after the time appointed for holding the meeting, the other

members of the Board who are present and form a quorum may choose one of their number to be Chairman of the meeting.

62. The Board may delegate any of its powers and or functions (not being duties imposed on the Board as the directors of the Company by the Act or the general law) to one or more committees consisting of such Associate Members of the Company as the Board thinks fit. Any committee so formed shall conform to any regulations that may be imposed by the Board and subject thereto shall have power to co-opt any member or members of the Company and all members of such committees shall have one vote; provided, however, that any decision made or action taken by any committee is subject to the review of the Board (and to the veto power of the EO Global designee) at the discretion of any member of the Board.

63. The Board may appoint one or more advisory boards consisting of such member or members of the Board as the Board thinks fit. Such advisory boards shall act in an advisory capacity only. They shall conform to any regulations that may be imposed by the Board and subject thereto shall have power to co-opt any member or members of the Company and all members of such advisory boards shall have one vote.

64. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the Chairman shall have a second or casting vote.

65. All acts done by any meeting of the Board or of a committee or by any person acting as a member of the Board shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such member of the Board or person acting as aforesaid, or that the members of the Board or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a member of the Board.

66. A resolution in writing signed by all the members of the Board for the time being entitled to receive notice of a meeting of the Board, shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members of the Board. **[NTD: Check any legal formalities of the jurisdiction to allow for the unanimous written consent.]**

#### **VETO RIGHTS OF ENTREPRENEURS' ORGANIZATION**

67. Notwithstanding anything to the contrary in this Constitution, the following actions shall not be authorized without the prior written consent of EO Global:

- (a) entering into any agreement between the Company and any Chapter Member;
- (b) adopting any amendments or modifications to this Constitution or any of the governing documents of the Company;
- (c) changing the amount of office-bearers or members of the Board;

- (d) filing or initiating any lawsuit by or on behalf of the Company;
- (e) filing or contesting a bankruptcy of the Company;
- (f) liquidating or voluntarily dissolving the Company;
- (g) the approval of any object not set forth in [Clause 3];
- (h) to take any of the actions contemplated in [**Clause 3(ii)**], **Clause 3(xvii)**, **Clause 3(xviii)**] or to authorize any merger, acquisition, or consolidation of any entity or the entering into a joint venture; or
- (i) to take any of the actions contemplated in [**Clause 3(iv)**], **Clause 3(x)**, **Clause 3(xi)**, **Clause 3(xii)**, **Clause 3(xiii)**].

### SECRETARY

68. The Board shall appoint the EO Staff Director – [\_\_\_\_\_] from time to time as Secretary in accordance with the Act for such term as the Secretary remains the EO Staff Director - [\_\_\_\_\_] and upon such conditions as it thinks fit, and any Secretary so appointed may be removed by it. In the event that the EO Staff Director - [\_\_\_\_\_] is unable or unwilling to act as Secretary, or there is no EO Staff Director - [\_\_\_\_\_] or the Secretary is removed by the Board then the Board shall appoint an Associate Member of the Company as Secretary.

### SIGNING ON BEHALF OF THE COMPANY

69. (1) The Company may execute a document without using a common seal if the document is signed by:

- (a) two (2) directors of the Company; or
- (b) a director and the Secretary of the Company.

(2) The Company may use a common seal. If the seal is fixed to a document the seal is to be witnessed by:

- (a) two (2) directors of the Company; or
- (b) a director and the Secretary of the Company.

### ACCOUNTS

70. The Board shall cause proper accounting and other records to be kept and shall distribute copies of every profit and loss account and balance-sheet (including every document required by law to be attached thereto) accompanied by a copy of the auditors report thereon as required by the Act provided, however, that the Board shall cause to be made out and laid before each annual general meeting a balance-sheet and profit and loss account made up to a date not more than five (5) months before the date of the meeting.

71. The Board shall from time to time determine in accordance with this Constitution at what times and places and under what conditions or regulations the accounting and other records of the Company shall be open to the inspection of Chapter Members.

#### **AUDIT**

72. A properly qualified auditor or auditors shall be appointed and their duties regulated in accordance with the Act.

#### **NOTICE**

73. Any notice required by law or by or under this Constitution to be given to any member shall be given by sending it by post to the registered address for the member, or (if the member has no registered address) to the address, if any, supplied by the member to the Company for the giving of notices to that member. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting on the day after the date of its posting, and in any other case at the time at which the letter would be delivered in the ordinary course of post.

74. (1) Notice of every general meeting shall be given in any manner hereinbefore authorised to:-

(a) EO Global;

(b) every Chapter Member except those members who (having no registered address) have not supplied to the Company an address for the giving of notices to them; and

(c) the auditor or auditors for the time being of the Company.

(2) No other person shall be entitled to receive notices of general meetings.

#### **WINDING UP**

75. If upon the winding-up or dissolution of the Company there remains, after satisfaction of all its debts and liabilities, any property whatsoever ("the Surplus"), the Surplus shall be paid to or distributed among the Chapter Members of the Company. Each Chapter Member shall receive such proportion of the Surplus that the average of the total amount of subscription fees paid by that Chapter Member over the previous three Subscription Years bears to the average of the total amount of subscription fees paid by all other Chapter Members over the previous three Subscription Years. For avoidance of doubt, EO Global will not be entitled to any of the Surplus.

#### **INDEMNITY**

76. Every member of the Board, auditor, Secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company to the maximum extent



permitted by law against any liability arising out of the execution of the duties their office which is incurred by them in defending any proceedings, whether civil or criminal, in which judgment is given in their favour or in which the member is acquitted or in connection with any application under the Act in which relief is granted to the member by the Court in respect of any negligence default breach of duty or breach of trust. Additionally, Company shall indemnify and hold EO Global (in its capacity as a member of the Company) and EO Global's designee (in his or her capacity on the Board of the Company) harmless against any and all claims, debts, demands, or obligations made against them arising by reason of, or in connection with, their participation in the Company. **[NTD: Counsel should be consulted to determine the maximum level of indemnification permitted by law.]**

## INTELLECTUAL PROPERTY LICENSE

### 77. Definitions.

(a) "Copyrighted Works" means works owned by or licensed to EO Global and eligible for copyright protection, whether or not registered, and whether now existing or in the future created, acquired or licensed, which works may be used as set for in this [\_\_\_\_\_].

(b) "Educational and Materials System" means databases, processes, systems, educational materials, member lists, sponsor lists, speaker and resource databases to be used in the Company's events.

(c) "EO Marks" means the trademarks, service marks, logos, and other commercial symbols that EO Global may specify from time to time.

(d) "Intellectual Property" means Copyrighted Works, Educational and Materials

System, EO Marks, commercial symbols, trade names, patents, trade secrets, know-how, ideas, concepts, designs, rights of publicity, apparatuses, methods, techniques, processes, domain names, company or business names, fictitious names, inventions and all other intellectual property of EO Global.

(e) "Key Improvements" has the meaning set forth in \_\_\_\_\_.

(f) "Marketing Materials" means all materials used to advertise, market or promote the Company, including without limitation signage, catalogs, direct mail pieces, emails, text messages, telephonic marketing, radio or television advertisements, directory listings, RSS feeds and other electronic postings or transmissions.

(g) "Term" means the period beginning of the day of inception of the Company and ending the date that EO Global revokes or terminates the license.

(h) "Territory" means the area of [\_\_\_\_\_].

78. License.

(a) Subject to the terms and conditions of this [\_\_\_\_\_] and commencing upon the inception date of the Company, EO Global grants the Company the non-exclusive and non-transferrable right and license to use [and develop] the Intellectual Property within the Territory during the Term.

(b) The Company is not authorized to and will not grant any license or sublicense of the Intellectual Property to any party.

(c) EO Global may revoke or terminate the license granted to the Company in [Clause 78(a)] at anytime.

(d) Subject to [**Clause 78(c)**], the rights granted to the Company by this

[\_\_\_\_\_] are limited to the Territory for the Term, and the Company acknowledges and agrees that it is not granted any rights to develop any rights to use [or develop] the Intellectual Property outside the Territory.

(e) EO Global owns or is the licensee of the Intellectual Property, and all uses of the Intellectual Property by the Company and any present and future goodwill created thereby shall inure to the benefit of EO Global or, where applicable, its licensor(s).

(f) If the Company prepares any new works, translations or derivative works from the Copyrighted Works, the Company hereby agrees that such new works, translations or derivative works are Copyrighted Works and are "works-made-for-hire" within the meaning of applicable copyright law, meaning such Copyrighted Works are the property of EO Global. If and to the extent that any such Copyrighted Work is found by a court of competent jurisdiction not to be a "work-made-for-hire" within the meaning of applicable copyright law, the Company agrees that all rights of the Company, any of its Members (except EO Global) or affiliates, or any of their respective employees, agents or contractors, in or to such Copyrighted Work are hereby expressly assigned to EO Global without further consideration as of and from the date of creation. The Company shall sign and shall cause each Member (except EO Global) to sign any documents and take such actions as may be necessary or advisable to document the assignment and to establish and protect EO Global interests in the Copyrighted Works and shall cause its Members (except EO Global), employees, affiliates, agents and contractors, to assign all their rights therein to EO Global. The Company agrees to procure for EO Global, waivers of any and all moral rights in or to any Copyrighted Work.

(g) EO Global shall have the right, but not the obligation, to file in the appropriate offices of the Territory, at their own expense, trademark applications relating to the use or proposed use by the Company of any of the EO Global's Marks permitted by this Agreement, such filings to be made in the name of EO Global or any third party selected by EO Global.



(h) The Company covenants that it will not, directly or indirectly, either alone or in conjunction with others, challenge or take any action to cause a challenge to the validity of the Intellectual Property, or to obstruct the efforts of EO Global with respect to the registration thereof. The Company shall not, whether within or outside the Territory, apply for registration of any copyright, trademark, domain name, or trade name that in any way refers to, mentions or uses the Intellectual Property or any similarity thereto.

(i) Limitation on the Company's Use of Intellectual Property. The Company shall ensure that all Intellectual Property used hereunder shall bear an appropriate trademark, copyright or other notice as prescribed by EO Global. Any unauthorized use of the Intellectual Property by the Company, including without limitation any unauthorized adoption, translation, publication, reproduction, derivative work, distribution, or recreation of the Copyrighted Works, shall constitute a breach of this Agreement and an infringement of the rights of EO Global and/or its licensor(s) in and to the Intellectual Property. The Company acknowledges and agrees that this [ ] does not confer any goodwill or other interests in the Intellectual Property upon the Company. EO Global and/or its licensor(s) retain all ownership rights in and to the Intellectual Property.

(j) Discontinuance of Use of Intellectual Property. If it becomes advisable at any time in EO Global's sole judgment for the Company to modify or discontinue use of any Intellectual Property or for the Company to do so, or for the Company to use new Intellectual Property, the Company agrees, at its expense, to immediately comply and cause each the Company to comply with EO Global's directions to modify or otherwise discontinue the use of such Intellectual Property, and/or substitute the use thereof. EO Global shall have no obligation to reimburse the Company for any loss related to the discontinued use of Intellectual Property.

(k) Notification of Intellectual Property Infringement and Claims. The Company shall immediately notify EO Global of any apparent infringement of or challenge to the Company's use of any Intellectual Property, or claim by any person of any rights in any Intellectual Property or a confusingly or deceptively similar item of intellectual property. The Company shall not communicate with any person other than EO Global and/or its affiliates and their counsel with respect to any such infringement, challenge or claim. EO Global shall have the right to take such action as it concludes to be appropriate in connection with any such infringement, challenge or claim of rights, and the right to control exclusively any settlement or legal proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Intellectual Property. The Company agrees to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of EO Global's counsel, be necessary or advisable to protect and maintain the interests of EO Global and/or its affiliates in any litigation or other proceeding or to otherwise protect and maintain the interests of EO Global in the Intellectual Property. EO Global shall reimburse the Company for the reasonable out-of-pocket expenses incurred and paid by the Company in complying with the requirements imposed by this **[Clause 78(k)]**.



[INSERT ON THE NEXT PAGE THE APPROPRIATE SIGNATURE PAGE PER THE LAWS OF THE RELEVANT JURISDICTION]