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## POLICIES AND PROCEDURES

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# I.0 INTRODUCTION

These Policies and Procedures have been developed by the Board of the Entrepreneurs' Organization (EO) to assist local Chapters and Members in interpreting and applying the Code of Conduct, Bylaws and guiding principles of the Organization. The Policy and Procedures are implemented as the standard by which Members and local Chapters should conduct themselves.

## I.1 IMPLEMENTATION

The Policies and Procedures are implemented with approval of the Board.

## I.2 MODIFICATION OR AMENDMENT

The Policies and Procedures shall be subject to modification or amendment, without notice, by the Board. Any Member who wishes to sponsor a modification or amendment shall submit a written proposal to EO for consideration by the Board.

## I.3 DEFINITIONS

The Policies and Procedures contain terms whose definitions constitute a part of the statement of Policies and Procedures.

## I.4 COMMENTS

Pertinent observations, notes and examples to assist in interpreting and applying these Policies and Procedures are set forth in the text as applicable. These comments are observations of the history, rationale and application of the Policies and Procedures, and do not constitute a part of the statement of Policies and Procedures themselves.

## I.5 APPLICATION

These Policies and Procedures are subject to the discretion, interpretation and application by the Board for any general or specific circumstance that arises in the course of the governance of EO, its Chapters and Members.

## I.6 DEFINED TERMS

All defined terms are referenced in the context of United States corporate and business laws, and the intent is to apply similar underlying concepts to other countries' forms of business organization.

# 2.0 MEMBERSHIP

## 2.1 MEMBERSHIP POLICY

EO is a global community that enriches Members' lives through dynamic peer-to-peer learning and once-in-a-lifetime experiences and connections to experts. These policies govern in the event of conflict or ambiguity with the Chapter policies. EO seeks Members who have enough in common so that each Member can consider himself or herself to be among peers, with enough diversity to contribute different experiences and perspectives, so as to enhance the opportunities for each individual to develop greater wisdom in business and personal matters. EO only has one class of Members. Such Members shall satisfy, on an annual basis, each of the following membership criteria-- status and qualifying business (as defined below).

2.1.1 Purpose: One of the purposes of the Policies and Procedures is to provide clear guidelines for reviewing membership applications and accepting Members who will contribute to EO achieving its stated vision, mission and values. Membership is evaluated on the basis of an applicant's entrepreneurial experience and outlook, role and decision-making power with respect to the strategic direction of the Qualifying Business.

2.1.2 Eligibility: The conditions of membership eligibility in the Organization shall be:

- a) Status: Each Member must hold one of the following positions in a Qualifying Business:
  - i. The Founder or Co-founder; or
  - ii. The Owner; or
  - iii. The Controlling Shareholder
- b) Qualifying Business: Except for venture-backed companies and non-profit organizations (definition below), the applicant's qualifying business shall have annual gross revenues, or annual commission billing equal to or above such minimum levels as may be set from time to time by the Board (currently US\$1,000,000).
  - i. Profit: The Qualifying Business shall be a "for-profit" Organization.
  - ii. Venture-backed company: For a venture-backed company to fall within the definition of Qualifying Business, the company shall have privately raised funds of at least US\$2,000,000 or publicly raised funds of at least US\$5,000,000, and a minimum of 10 full-time employees. Members with venture-backed companies are exempt from meeting the other Qualifying Business criteria in subsection b), above, for a period of three (3) years. However, by the end of the third year of membership, the venture-backed company's gross revenues or annual commission billing shall meet the Qualifying Business criterion.

- iii. Non-Profit: The Qualifying Business shall be a “Non-Profit” Organization.
- a. Non-Profit entrepreneurs must be the founder, co-founder, owner or controlling shareholder of an organization with an annual operating budget of more than US\$1,000,000 and at least 10 full-time employees.
  - b. Funding sources may include membership dues, the sale of goods and services, philanthropic foundations, grants from local, state and federal agencies, and private donations.
  - c. All Non-Profit prospects shall comply with the application process required by a for-profit prospect.
  - d. Prior to processing the Non-Profit membership application, the chapter shall provide written notice via email of the Non-Profit entrepreneur’s application for membership. Written notice shall be provided to the Chapter Manager and EO’s Global Membership Director.
  - e. The Chapter Manager and EO’s Global Membership Director shall track and evaluate the Non-Profit entrepreneur’s application for membership.
- c) Members who have Sold Businesses: Members who have been a fully qualified EO member in good standing (not under grace period) for two (2) full calendar years and have had a “successful exit” can remain members for five (5) more years. A successful exit is defined as US\$8 million.
- a. If, within that time, they have started a new business they are allowed to stay on after the five (5) years are over. The new business is not required to meet a minimum revenue qualification.
  - b. In addition, Members who have sold their businesses for less than US\$8 million may remain in EO at their Chapter Board’s discretion under the following conditions:
    - Three-quarter chapter board vote;
    - Annual review by the Chapter Board of whether to retain the Member; and
    - Subject to Global Board approval.

### 2.1.3 Currency Considerations:

- a) Exchange rates: When a Member first joins EO, the applicant’s business must have the equivalent of US\$1,000,000 in annual gross revenues or annual billing commissions (venture-backed companies would need original amounts as outlined

herein). For prospective Members who conduct business in one or more currencies other than US dollars, the current exchange rates should be used to determine the US dollar equivalent sales or other financial calculations.

- b) Devaluation: Prospective Members of EO residing in countries which have had substantial devaluation of their national currency during the year preceding the date of the prospective Member's application may, for purposes of meeting quantitative requirements for membership, use the exchange rate on a date up to five years prior to the date of the application for membership. Substantial devaluation is interpreted to mean a devaluation of 25% or more of the value of the currency with respect to the U.S. dollar.
- c) Renewal: At the time of annual membership renewal, Members conducting business in currencies other than the U.S. dollar shall determine the U.S. dollar equivalent for the purpose of maintaining financial requirements. Renewing Members may use either the exchange rate at the time they joined EO or the current exchange rate in determining compliance with current financial membership requirements.

2.1.4 Compliance with Dues and Fees Policy: All Members shall comply with the Dues and Fees Policy set by the Organization to become or remain as Members in Good Standing. Only Members in Good Standing may be eligible for membership in the Organization.

2.1.5 Application: Applications for membership must be submitted to and approved by the local Chapter, which shall satisfy itself that the applicant meets the Membership criteria established by EO. The Senior Vice President of Global Membership shall have the right to review each application, and may submit any application for approval or rejection by the EO Board. The Board shall have the power to reject any application or expel a member (subject to the Bylaws) and refund pro-rated dues and fees upon learning of a failure to meet any membership criteria at the time of application, which criteria has not been expressly waived by the Board. Membership in EO is by invitation only.

2.1.6 Members At-Large: Any individual Member who is not a Member of a specific Chapter (such as in the situation where no Chapter exists in a particular city) shall be Members At-Large in accordance with policies established by the Board. An individual Member may only be a Member At-Large if he resides, or has a primary place of business, more than one hundred (100) miles from any city in which a Chapter is based.

2.1.7 Waiver: The Board shall have the power to waive any or all the membership criteria from time-to-time for limited periods of time for the purpose of advancing the objectives of EO.

2.1.8 Renewal: EO manages the EO renewal campaign through EOnetwork.org with EO collecting and processing the renewal dues. The local Chapter sends its renewal fees directly to its Finance Chair on a bi-monthly basis during the campaign. If a Chapter does not collect its local dues in U.S. dollars then the Chapter must notify EO of this fact and

send a wire in the amount of funds equal to the number of renewing Members for its Chapter along with a list of the renewing Members. After 1 July, the following applies:

- a) EO will consider Members Elumni (non-Members) on 1 July if EO has not received their dues. EO will require Elumni to pay half of the initiation fee set by Organization to rejoin EO.
- b) In those cases where the Chapter causes a late wire remittance instead of the Member causing the late payment, EO will assess the Chapter a decreased discount off wires.

2.1.9 **Requalification Process:** Members of EO must continue to meet the membership criteria to remain a Member. There is an annual requalification process during the Renewal Campaign. The requalification process should be completed no later than 31 May to allow all Members to meet the renewal deadline. Ideally, notification to Chapter Members regarding requalification should be done by the Chapter no later than 30 April.

- a) EO requires every renewing Member to verify that they requalify as they complete the Renewal Form online through EOnetwork.org. The criteria for Membership are listed and the Member must check a box in lieu of their signature that they meet all criteria, or that they do not meet the criteria at that time. If they do not meet the criteria at that time, such Member is granted a grace period of twelve (12) months, and may still renew membership. Members who have been granted a grace period shall not apply to or serve in a leadership position whose term would extend past the grace period expiration date. This verification of requalification (or grace period) is stored in the Member's profile on EOnetwork.org.
- b) Upon request and with the prior approval of the local Chapter, EO Members who have been Members in good standing and have met all membership requirements for at least five full years may request a waiver of the membership requirements for up to two additional one-year periods. This policy attempts to take into consideration the different business issues faced by more mature businesses and entrepreneurs while maintaining EO's focus on peers who are truly active successful entrepreneurs.
- c) It is expected that both the Chapter board and the Member's Forum moderator (if applicable) support such requests. The Chapter Membership officers should take responsibility for consulting directly with the entrepreneur requesting the waiver to ensure it is in the entrepreneur's and EO's best interest for them to remain in EO. Factors to consider would be the contribution of the requesting Member to other Members, the Chapter, and EO overall, and the entrepreneurial success they have had and may continue to have while a Member. Based on these factors, the Membership Chair would make a recommendation to the Chapter board. If the Chapter board approves the request, EO will then consider granting the extension.
- d) If a Chapter wants a more in-depth requalification process to take place for their

membership, such process should occur at the local level prior to the commencement of the EO renewal campaign on 1 April. Local, in-depth requalification processes should provide notification to Members in April (for example, some Chapters have asked the Members to submit a signed letter from their accountant certifying the previous year's sales). The notice is sent in April with commencement being completed by 31 May. EO can work with the Chapter to ensure the option to renew EO membership only goes to those Members the Chapter has requalified at the local level.

- 2.1.10 Dual Chapter Membership: Members may join more than one Chapter as long as both Chapters approve the Member and the Member pays dues to both Chapters in addition to Global dues. The Member may participate in a Forum in both Chapters, plus Chapter events and enjoy all other Chapter benefits. The Member must select a "primary" Chapter to be listed in EOnetwork.org.
- 2.1.11 Transferring Chapters: In the event that a Member wishes to be transferred from one Chapter to another, the new Chapter must approve the transfer, collect the corresponding local dues and notify EO Global before the Member is registered in the EOnetwork.org directory under the new Chapter. Local dues payment arrangements should be handled directly between the two Chapters.
- 2.1.12 Sabbaticals: There is no such thing as a sabbatical from EO. If a Member does not renew its membership, it ceases to be a Member and becomes an Elumni. An Elumni cannot participate in Forum or any other Member activity or benefit.
- 2.1.13 Rejoining Members: Once the renewal deadline expires, Members that did not renew become Elumni. If an Elumni wishes to rejoin EO, the local Chapter must approve such rejoining and the Elumni must pay the corresponding EO dues and fees as follows:
  - a) Returning to EO after less than a year, Elumni pays half of the initiation fee set by Organization to rejoin EO and is treated as a late renewal.
  - b) Returning to EO after more than a year, Elumni pays half of the initiation fee set by Organization to rejoin EO unless Elumni wishes to receive Forum training, in which case Elumni pays dues and fees as any new Member.
  - c) Acceptance of EO's Bylaws, Policies and Procedures and Code of Conduct: All members, without exclusion, must sign and agree to comply with the Organization's Bylaws, Policies and Procedures and Code of Conduct.
  - d) New Members: All new members shall sign and agree to the governing documents (Bylaws, Policies and Procedures, and Code of Conduct) during registration. If the new members do not agree, then their membership will not be approved and they will not have access to the website.
  - e) Online Membership Renewal: All renewing members shall electronically sign and



agree to comply with the documents at the time of renewal. Failure to comply will result in membership not being renewed.

## 2.2 EO FORUM PLACEMENT GUIDELINES

- 2.2.1 Guideline: Chapters are encouraged to place Members into Forums to maintain peer engagement.
- 2.2.2 Purpose: The purpose of this guideline is to extend the life of member Forums and enhance the Forum experience by providing continuing peer engagement throughout an EOer's active membership.
- 2.2.3 Our Priority: Our top priority is to maintain peer engagement by delivering rich opportunities for peer- to peer learning to our Members. This is our core value proposition and we must protect and nurture this above all else. We deliver engagement through creating Forums where Members share similarities in their age and stage of business but the group overall is free of business and personal conflicts.
- 2.2.4 Recommendations:
- a) Chapters are encouraged to place Members into Forums with stage of business and Member age as the primary considerations to indicate peer engagement.
  - b) The distinction between YEO Forums and WEO Forums is no longer mandated. Chapters may opt to continue with these designations in maintaining Forums of appropriate peer engagement.
  - c) Forums should be comprised of Members that fall primarily within a 4-6 year age range.
  - d) Chapter boards should play an active role in Forum composition. Setting up or allowing Forums with wide age spans has created problems for many Forums as Members no longer perceive themselves as peers but are uncomfortable sharing that fact in the group.
  - e) Chapter boards should also support Forum placement by addressing in its bylaws those Forums who turn down peer-appropriate Members on a basis outside of a business or personal conflict. Forums engaging in selective recruitment can impede effective placement of new Members, which can negatively impact their EO experience.
  - f) Chapter boards should measure Forum health for all Forums using a variety of measurement tools available from the global Forum staff. Signs of unhappiness in Forum, among other things, may indicate problems with peer engagement.

## **2.3 GUIDELINES TO ENSURE LEGAL PROTECTIONS TO FORUM CONFIDENTIALITY**

The purpose and power of Forum is to provide a confidential environment for the discussion of business and personal issues. Many legal jurisdictions offer protections to certain types of confidential communications. Due to the large number and variety of jurisdictions of our Forums, EO cannot offer any specific guidelines or opinions as to whether a given court will uphold any particular confidentiality. Therefore, we encourage Forums to consult with qualified legal counsel in their specific jurisdiction for advice and recommendations to ensure the legal protections of Forum confidentiality.

### **2.3.1 Forum Confidentiality and the Law**

- a) As a Member of an EO Forum, you are expected to maintain Forum confidentiality within the boundaries of the law of the jurisdiction in which your Forum meets.
- b) Each Forum is encouraged to consult with qualified legal counsel in your specific jurisdiction for advice and recommendations to ensure the legal protections of your Forum confidentiality.
- c) It is recommended that the following guideline be included in each Forum's Constitution: "If at any time a Forum Member is concerned about the legal implications of Forum communications that Member will ask to stop the conversation or meeting and express the confidentiality concern. The parties involved will postpone the matter under discussion until they are satisfied with their understanding of the legal implications of confidential discussions in that legal jurisdiction."

## **2.4 EO SPOUSAL/LIFE PARTNER FORUM PARTICIPATION POLICY**

- 2.4.1 EO recognizes the importance and value to a Member if his or her spouse/life partner participates, as applicable, in EO activities, including Spousal/Life Partner Forum. In order to balance the objectives of spousal/life partner participation with the practical realities of such benefits inuring to the Member's interests, the following rules shall apply to spousal/life partner participation in Forum.
- 2.4.2 A spouse/life partner, as that term is used here, is a life partner of an EO Member in a relationship with clear intentions of permanence. "Spousal/Life Partner" status may be attained by a) legal marriage or b) Member request for such recognition and approval by the Chapter.
- 2.4.3 Spouses/Life Partners may enjoy the full benefits of participating as an EO spouse/life partner (including social events, learning events, and Forum) as regulated under the policy and budget guidelines established by EO and local Chapters.

- 2.4.4 Spousal/life partner participation is dependent on and determined solely by the Member's status, and a spouse/life partner does not have any independent right to participate in EO activities.
- 2.4.5 Spousal/life partner participation in EO benefits can be terminated under any of the following circumstances:
- a) Except as provided below, when the Member's rights or participation in EO ends, so does that of the Member's spouse/life partner.
  - b) The Member has made a clear statement to the Chapter of the termination of the Member's relationship with the spouse/life partner, including, without limitation, legal separation or impending divorce, at which time the spouse/life partner's participation in a Spousal/Life Partner Forum shall cease within six months and the spouse/life partner's participation in Chapter social and learning events shall cease immediately.
  - c) Upon the death or in the event of a disability resulting in termination of Membership, while the Member is in good standing, the spouse/life partner's participation in a Spousal/Life Partner Forum shall cease within one year following the Member's termination of membership, unless a specific exemption is sought and approved by both EO and the Chapter.
  - d) Under each of these circumstances, the Chapter shall involve the moderator or the affected Spousal/Life Partner Forum, or such designee from within that Spousal/Life Partner Forum as may be appropriate, to facilitate the enforcement of these guidelines and the transition of the spouse/life partner out of Forum and Chapter participation.
- 2.4.6 A spouse/life partner who independently qualifies for membership in EO and is a Member in good standing shall be treated as a Member of EO, and not as a spouse/life partner under this section.

2.4.7 Comments - Background and Considerations:

When a spouse/life partner is determined to no longer be eligible for Forum participation, how should their exit from the Forum be handled by the Chapter and the Forum? Also, when is the determination made that the spouse/life partner should no longer participate? (Upon announcement of separation, when legal proceedings begin, when legal proceedings are final?)

Chapters do not have a uniform practice or procedure for these issues, and it has become necessary for EO to provide minimum guidelines to assist Chapters in handling these issues.

2.4.8 Current Chapter Practices

- a) The Member should alert the Chapter when the spouse/life partner's EO participation privileges should be suspended. A spouse/life partner has no privileges or rights in the organization except those that are allowed by the Member.
- b) Allow spouse/life partner to stay in Forum based on unanimous decision of the Forum group. Member must be comfortable with this solution. Another variation on this theme is to allow the spouse/life partner to finish out the fiscal year with the group.
- c) The spouse/life partner's participation should be suspended when it becomes clear that the relationship is in permanent separation. Most Chapters interpret this to be appropriate at the point of the couple's initial separation.
- d) Some Chapters have a definition of "life partner" that qualifies for EO spousal/life partner benefits. These rights would also end when the relationship is determined to be in permanent separation.
- e) When the spouse/life partner must leave the Forum, allow a "grace period" in which the group can support the spouse/life partner in a potentially rough time and let them stay for a planned and smooth goodbye. (This good transition is necessary to the life of the Forum; a haphazard, forced break-up will affect the health of the group for all participants or cause them to rebel.) The Forum Chair should brief the moderator on the acceptable process for this and be aware of the timeline in which the spouse/life partner is completing their participation.

## 2.5 ANTI-HARASSMENT AND NON-DISCRIMINATION POLICY

- 2.5.1 Preamble: The Entrepreneurs' Organization (EO) is committed to maintaining a professional and social environment for all of its Members that is fair, respectful, and responsible. The integrity of our organization and the respect by and among our Members are paramount to our long-term success. Discrimination and harassment subvert our goals and offend the integrity of our organization. EO will not tolerate discrimination and harassment against any Member, EO Staff or others associated with EO, and will strive to maintain an environment free from such behavior in all that it does.
- 2.5.2 EO strictly prohibits discrimination on the basis of race, color, national origin, ancestry, sex, sexual orientation, gender identity or expression, age, religion, disability, caste, genetic information, marital status, citizenship status, veteran status, or on any other characteristic protected by law. EO Members have, moreover, pledged to conduct themselves in a professional manner in accordance with the EO Code of Conduct.
- 2.5.3 EO's commitment to this policy is embodied in the Bylaws, which specify that there shall be no discrimination in all aspects of EO programming. EO promotes diversity of nationalities, cultures and experiences in its Member leaders in order to adequately represent the interest of its diverse global membership.

- 2.5.4 Any activity sponsored by EO or any of its Local Chapters shall not restrict admission or participation in such activity on the basis of race, color, national origin, ancestry, sex, sexual orientation, gender identity or expression, age, religion, disability, genetic information, caste, marital status, citizenship status, veteran status, or on any other characteristic protected by law.
- 2.5.5 Harassment is not tolerated within EO and is specifically forbidden by the Code of Conduct.
- 2.5.6 Any form of harassment which violates law, including but not limited to harassment related to race, color, national origin, ancestry, sex, sexual orientation, gender identity or expression, age, religion, disability, caste, genetic information, marital status, citizenship status, veteran status, or any other protected characteristic is a violation of this policy. The term “harassment” includes slurs and other offensive jokes, other verbal, graphic or physical conduct.
- 2.5.7 In addition to the above listed conduct “sexual harassment”, (whether of the “hostile atmosphere” or “quid pro quo” type) includes, but is not limited to, the behaviors listed below:
- a) Offensive and unwelcome sexual invitations, whether or not the person submits to the invitation;
  - b) Threats or insinuations which lead the victim to reasonably believe that granting or denying sexual favors will affect his or her reputation, potential to become a Member Leader or adversely affect his or her membership or employment in any way;
  - c) Offensive and unwelcome conduct of a sexual nature, including sexually-graphic comments or stories which are not legitimately related to the goals of EO;
  - d) Repeatedly using sexually degrading words or sounds to describe a person;
  - e) Offensive comments transmitted by e-mail or another messaging media; and
  - f) Unwelcome and unnecessary physical contact of a sexual nature, including touching, patting another person’s body, hugging, touching or display of one’s own body, or any similar contact.
- 2.5.8 Harassment is not limited to inappropriate conduct towards other Members. Harassment of EO staff, volunteers or others associated with EO is also a violation of this policy.
- 2.5.9 Complaint Procedure: EO cannot address discrimination or harassment unless it knows about it. EO, therefore, encourages any Member who is aware of or is a victim of harassment by another Member to immediately contact his or her Chapter President. Any Chapter President receiving a complaint must inform the Regional Governance Director. Members may also contact Regional Governance Director to report

harassment or discrimination. Those who report misconduct will not be retaliated against or penalized in any way for reporting in good faith. Any Member who engages in retaliatory behavior will be subject to appropriate discipline, up to and including expulsion from EO.

2.5.10 Investigation Procedure: Claims of harassment or discrimination will be investigated as promptly as possible. An accused Member may be temporarily suspended pending the investigation. All investigations will be conducted in a discrete manner and confidentiality will be maintained to the extent practicable and consistent with the need to undertake a full investigation. EO encourages Members to cooperate with the investigation and remedying complaints.

2.5.11 Discipline: Upon completion of the investigation, any Member found to have violated EO's Anti-Harassment and Non-Discrimination Policy will be subject to discipline, up to and including expulsion from EO.

# 3.0 CODE OF CONDUCT

Entrepreneurs' Organization (EO) is an international organization of leading entrepreneurs that provides exclusive and proprietary peer-to-peer and event-driven learning and networking experiences through global Member relationships and connections for individuals who qualify for membership. The integrity of our organization and the respect by and among our Members are paramount to our long-term success.

As such, **confidentiality**, **courtesy** and **accountability** are the cornerstones of the conduct we expect from our Members and all who interact with our organization.

This Code of Conduct has been adopted to promote and maintain the highest values and best practices for Members of EO worldwide. Adherence to this Code is expected from all EO Members. Each EO Member, therefore, pledges to comply with the following standards as a condition of EO membership.

## 3.1 CONFIDENTIALITY AND PROFESSIONALISM

- 3.1.1 Respect the confidentiality and integrity of the individuals and the companies with whom I do business and expect the same from them.
- 3.1.2 Maintain exemplary standards of professional conduct and high ethical standards in the operation of my company, especially as it may pertain to doing business with other EO Members or in a Forum setting in accordance with all prescribed EO Policies and Procedures.
- 3.1.3 Strive to conduct my business and personal affairs in compliance with all applicable laws and regulations, including the avoidance of any material or extreme wrongdoing in violation of criminal or civil laws.

## 3.2 ACCOUNTABILITY

- 3.2.1 Strive to always fulfill my obligations to EO on a timely and productive basis, including prompt payment for all annual dues and events, and undertakings to volunteer in connection with events or other EO responsibilities.
- 3.2.2 Communicate with the staff and leadership of EO in a timely, accurate and truthful fashion to facilitate and support the execution of their fiduciary responsibilities.

## 3.3 COURTESY

- 3.3.1 Maintain exemplary standards of professionalism, courtesy and respect in my interactions and communications with other Members, EO staff, sponsors, volunteers and all others

associated with EO.

- 3.3.2 Abide by EO Policies and Procedures, including the Anti-Harassment and Non-Discrimination Policy and Non-Solicitation Policy. Understand that verbal abuse, and unlawful harassment or discrimination as defined in the Anti-Harassment and Non-Discrimination Policy against fellow Members or staff will not be tolerated and may be grounds for expulsion from EO.
- 3.3.3 Also relating to the Non-Solicitation Policy, understand and acknowledge Members have a right to participate in all EO events and interact with each other in a safe, relaxed and professional environment.



# 4.0 DISCIPLINE

## 4.1 POLICY

The procedures for discipline are contained herein and pertain to violations by a Member that extend beyond the Chapter of that Member. Individual Chapters shall be charged with preparing and monitoring their own, individual, discipline policies and procedures for Member violations within the Chapter, so long as these procedures are consistent with those adopted by EO. The EO Board shall have the rights and powers to interpret, apply and enforce the Code of Conduct, Bylaws, Policies and Procedures of EO, and impose such discipline as the Board, in its discretion, considers necessary and appropriate to further the principles, vision, mission and values of EO.

## 4.2 PROCEDURES

- 4.2.1 As soon as the Chief Executive Officer is made aware of a potential violation of the Code of Conduct, Bylaws or Policies and Procedures of EO, he/she shall notify the Chair of the Governance Committee of its existence.
- 4.2.2 Once the Chief Executive Officer has provided specific information about the potential violation, the Chair of the Governance Committee shall investigate the issue to the extent determined to be reasonably necessary and submit it for consideration of the Governance Committee.
- 4.2.3 Upon due consideration of the issue, the Governance Committee may either reach a decision on discipline, or submit a vote of discipline to the Board, or make recommendation to the Chief Executive Officer to respond to the issue; provided, however, that only the Board, in its sole discretion, shall have the power to suspend or expel a Member in accordance with Section 4 of Article I of the Bylaws.

## 4.3 POWER OF THE BOARD TO SUSPEND OR EXPEL

- 4.3.1 Pursuant to Article I of the Bylaws, the Board of Directors, in its sole discretion, may suspend or expel any Member of the Corporation by a two-thirds vote if the Member was involved, directly or indirectly, in the following behaviors:
  - a) Commission of a felony or other crime involving moral turpitude or the commission of any other act or omission involving dishonesty, disloyalty, fraud or breach of fiduciary duty;
  - b) Gross negligence in relation to any of the Corporation's Policies and Procedures or the Chapter's Policy and Procedures;
  - c) Willful or intentional misconduct in relation to any of the Corporation's Policies and

Procedures or the Chapter's Policy and Procedures;

- d) A material violation in relation to any of the Corporation's Policies and Procedures or the Chapter's Policy and Procedures; or
- e) Misuse of assets of the Corporation or of any Chapter for personal profit.

4.3.2 An expelled or terminated member is not entitled to any of the benefits of EO, which for avoidance of doubt include, but are not limited to, attendance at any EO activity or event regardless of the event being local, regional, or global, and participation in any EO Forums. In addition, an expelled or terminated member or any of such member's businesses or enterprises cannot have any affiliation with EO either as a local, regional or global or any other form of EO sponsor, mentor, business partner, supplier, or any other type of business relationship with EO unless an EO Task Team or Committee recommends otherwise and with Global Board approval. Any EO Member or Chapter that violates this policy will in turn be subject to the disciplinary measures established herein.

## 5.0 DUES AND FEES

EO's dues, initiation fees, and other similar charges shall be established in a manner approved by the Global Board.

### 5.1 PAYMENTS

A Member shall pay all dues, fees, and other charges in a proper, timely manner, and in accordance with established procedures. Renewal payments are due by the start of the EO fiscal year. If an individual does not pay by that date they will no longer be considered a Member. To rejoin the organization, they will need to pay a rejoining fee, as determined by the Board. Chapters who decide to wire their dues to Global will be given a 5% discount if received prior to 30 June. Chapters sending wires between 1-15 July will be entitled to a 2.5% discount. Wires received after 15 July will not receive a discount. The Chapter President will be held accountable for these funds.

### 5.2 NON-REFUNDABLE

Member dues are not refundable.

### 5.3 ARREARS

The Board shall make such rules and procedures at its own discretion, as necessary to monitor and enforce the payment of dues and fees, including sanctions against a Member who fails to pay any dues or fees properly due and payable to EO (including, without limitation, a Region, Chapter or Forum Group). Such sanctions may include the suspension and/or expulsion of the Member in arrears of the payment of such dues and fees.

### 5.4 SUSPENSION OR EXPULSION

A Member suspended or expelled from EO for any reason remains responsible to the Organization as otherwise to provide all unpaid financial obligations. Similarly, such suspended or expelled Member is not entitled to any refund of the dues and fees paid to EO, unless the expelled Member paid for multiple years in advance, in which case he/she will be entitled to a refund of the fees corresponding to the years to come.

### 5.5 FISCAL POLICIES AND PROCEDURES

The specific policies and procedures by which Members shall discharge their fiscal obligations and responsibilities to EO, and the actions that shall occur should Members fail to do so, shall be determined from time to time by the Board, or its Chairman as duly authorized.

### 5.6 LOCAL CHAPTER DUES AND FEES POLICIES AND PROCEDURES

Chapters may establish dues and fees requirements, and policies and procedures for their collection, enforcement and discipline, so long as those requirements, and policies and procedures do not conflict with any policy and procedure established by the Board.

# 6.0 LEADERSHIP

Every Member has the opportunity to get involved in leading EO. The Path of Leadership in the EO structure has many levels and opportunities for Members to get involved and further engaged. In general, the structure levels are divided as 1) Chapter Leadership, 2) Regional Leadership, or 3) Global Leadership.

Appendix A provides Procedures for Global Leadership. Appendix B provides the Procedures for Global Board Elections. These procedures are subject to change and Members must work with their Chapters to obtain current information.

## 6.1 CHAPTER LEADERSHIP: THE CHAPTER BOARD

Members can lead at the Chapter level by being Forum Moderator, serving as a day chair for a Chapter learning event or sitting as a chair on the Chapter board. The most common positions on a Chapter board, however, are Chapter President, Learning Chair, Membership Chair, Member Integration Chair, Forum Chair, Communications Chair, Finance Chair, and Strategic Alliance Chair. This variety allows Members of differing backgrounds and expertise to participate and bring greater value to the Chapter and their personal experience.

**Pre-requisites:** The board election process varies from Chapter to Chapter, as do the officer positions.

## 6.2 REGIONAL LEADERSHIP: THE REGIONAL COUNCIL

Members can lead at a Regional level by serving as a Director on the Regional Council. The Regional Council is the governing body of each EO Region and is composed of up to 10 Directors, unless the Board authorizes otherwise. The following compose the Regional Council:

6.2.1 Regional Chair (RC): The Regional Chair is responsible for Chapter development at a Global level. The Regional Chair leads the Area Director teams to help their Chapters design and implement positive strategic change. Regional Chairs are responsible for the development of the regional business plans and execution.

**Pre-requisites:** Ideally, to be considered for a Regional Chair, a Member must have been a part of the Regional Council within the last two years and have served as a Chapter President.

6.2.2 Area Director (AD): The Area Director is the key senior level and strategic resource for assisting Chapter growth and health. Through access to local Chapters, they are essential in communicating vital information between Members and the Global Board. The Regional Council may assign some Directors under one or more Area Directors to focus their efforts in particular areas.

**Pre-requisites:** Ideally, to be considered for an Area Director, a Member must have served on a Chapter Board and specifically served as Chapter President within the last two years.

- 6.2.3 Finance Director (FD): The Finance Director is the key strategic resource to establish financial controls and manage the regional budget. The FD must serve simultaneously on the Standing Finance Committee.

**Pre-requisites:** Ideally, a Member should have served as a Chapter Board Finance Chair or Chapter President within the last two years.

- 6.2.4 Governance Director (GD): The Governance Director is the key strategic resource to guide the Region and Chapters in relation to EO Charter Documents and Chapter Bylaws. They take preventive steps to resolve conflict prior to escalating the matter to the Governance Committee. The GD must serve simultaneously on the Standing Governance Committee.

**Pre-requisites:** Ideally, a Member should have served as Chapter President within the last two years.

- 6.2.5 Growth Director: The Growth Director implements regional growth strategies that are aligned with the region's annual execution plan and the organization's six strategic priorities.

**Pre-requisites:** Ideally, to be considered for Growth Director, a Member must have either served as a Regional Council member, a member of the Global Membership Committee or one of its subcommittees, or served as an Expert and attended a GLC track as a chapter officer.

- 6.2.6 Member Experience Director (MED): The Member Experience Director manages the entrepreneurial community, including overseeing the regional development of the Internal Awareness, External Awareness, External Engagement, and Strategic Alliances.

**Pre-requisites:** Ideally, to be considered for the Member Experience Director, a member should have been an Expert and attended GLC tracks as a chapter officer or served as a member of the GCC and EEC member or subcommittee member.

- 6.2.7 Member Products Director: The Member Products Director supports and oversees Learning, Forum, MyEO, Events, Leadership, and Membership products.

**Pre-requisites:** Ideally, to be considered for Member Products Director, a member should have been an Expert and attended a GLC track as a chapter officer or served as a Regional Council member.

- 6.2.8 Ad-Hoc Director

6.2.9 Other Regional Council Director Positions: The Regional Council may create other Director positions and place them under the Regional Chair or one or more of its Areas. To do so, it must secure approval and budget from the corresponding Ad Hoc Committee Chair or if the position has no direct relation with any Committee, then Global Board Approval is required.

**Pre-requisites:** The criteria to be considered for one of these positions will vary according to the Committee or Regional Council, but typically a Member should have served in the respective local Chapter chair or related program position within the last two years.

### 6.3 GLOBAL LEADERSHIP: COMMITTEES AND TASK FORCES

The Global Board welcomes and appoints member volunteers to lead at a global level by serving on committees and taskforces. Members can lead at a Global level by serving as Chair of a Global Event or University, serving as Chair or Member of a Committee or serving as a Director on the EO Global Board.

6.3.1 University Chair: An EO University Chair helps plan and produce a University with assigned global staff and also serves as on-site host.

**Pre-requisites:** To be considered for University Chair previous officer experience is not necessarily required, but the Member must have attended at least one University.

6.3.2 Committee Chair: EO has two standing Committees (Finance and Governance) and several Ad Hoc Committees as described in Appendix C.

**Pre-requisites:** To be considered for a Committee Chair, a Member must have been a Chapter president, an EO global Committee Member or must have held one of the Regional Council Director positions.

6.3.3 Task Force Leader and Members: The EO Board of Directors may establish task forces from time to time for such purposes and term and with such duties, number and qualifications of Members, and reporting requirements, as the Board of Directors shall specify.

### 6.4 GLOBAL LEADERSHIP: THE GLOBAL BOARD OF DIRECTORS

The Board manages the business and affairs of the organization. The Board will be comprised of nine (9) three year term directors (including the Chairman, the Chairman-Elect, the Chairman Elect-Elect), in accordance with the Bylaws; provided, however that the Board shall have the power to elect an additional three directors that shall serve for two years. The Chief Executive Officer shall be an ex officio member of the Board. Though the terms of the Board positions may vary, each member on this directing body is critical to setting and meeting the strategic

goals of the organization as they work toward the organization's vision to build the world's most influential community of entrepreneurs. Only by using their various skills and diligently implementing the EO mission can the Board members be successful.

**Pre-requisites:** EO Global Board Members are selected through an application process that is only open to those Members who have proven their dedication to the organization through years of service on the EO Path to Leadership. Ideally, to be considered for a Director of the Global Board, the Member must be the current Chair of a Committee or Subcommittee, any Regional Council Member, or Chapter President.



# 7.0 ELECTIONS

The Organization requires all Global Leaders to sign relevant Intellectual Property and Non-Disclosure Agreements in addition to other membership requalification forms at the time of their application for their role. The following processes are guidelines and best efforts must be used to ensure compliance.

## 7.1 SELECTION PROCESS FOR DIRECTORS OF THE EO GLOBAL BOARD:

The selection process for the Directors of the EO Global Board is set forth in Appendix B. All deadline dates assume the action is completed or materials are received by close of business on that date.

## 7.2 SELECTION PROCESS FOR REGIONAL AND GLOBAL LEADERS:

The selection process for Regional and Global Leaders is set forth in Appendix A. This process applies to (1) Regional Chairs, (2) Global Committee Chairs and Members and Task Force Chairs and Members and (3) Regional Council Director (D's) and Members. There is a separate selection process, outlined in Appendix B of the Policies and Procedures for the Directors of the EO Global Board with which this process aligns. All deadline dates assume the action is completed or materials are received by close of business on that date.

# 8.0 REGIONAL COUNCILS

## 8.1 COMPOSITION AND VOTING:

- 8.1.1 Regional Council Composition: The Regional Council consists of up to 10 Positions unless the Board approves otherwise. The Positions include the Regional Chair, Area Directors, Finance Director, Governance Director, Growth Director, Member Experience Director, Member Products Director and Ad Hoc Directors that may act at a Regional or Area level. In addition, an integral part of the Regional Council is the Global Board Liaison, the Executive Team Liaison and, if necessary, additional staff support.
- 8.1.2 Chapter and Functional Representation: It is EO's goal to provide representation from all the Areas in the Region and Board chapter representation on each Regional Council and every effort shall be made to accomplish this goal while ensuring the best quality Member Leaders on the Council. The D's are appointed by the Chair of their corresponding functional Committee and the entire slate of Directors in the Regional Council must be ratified by the Global Board.
- 8.1.3 Terms: The Chair and all Directors in the Regional Council are limited to a maximum of two years, unless otherwise approved by the Global Board.
- 8.1.4 Staff Appointments: The Chief Executive Officer appoints, with Global Board approval, the Executive Team Liaison and any additional staff support.
- 8.1.5 Board Liaison: The Board appoints the Board Liaisons to the Regional Councils, based on the recommendation of the Chairman-Elect.
- 8.1.6 Voting: All decisions of the Regional Council require a majority vote. Each Regional Council member only has one vote. The Global Board Liaison, the Executive Team Liaison and Staff do not vote on Regional Council issues. Minutes shall be kept of all Regional Council meetings and resolutions. Quorum for the Regional Councils will require that 50% of the voting members be present.

## 8.2 SCOPE OF AUTHORITY AND LIMITATIONS:

Pursuant to Article 4, Section I of the Bylaws, the Board of Directors establishes the scope of authority of each of the Regional Councils and its limitations.

### 8.2.1 Scope of Authority:

The scope of authority of the Regional Council is exemplified by the following actions that the Regional Council may take:

- a) Act in alignment with the strategic direction established by the Board and in

coordination with the Board Liaison.

- b) Control of its regional discretionary budget and how to spend it in the best interest of the Region.
- c) Use discretionary funds to cover global dues for Members in difficult situations due to a health or financial crisis.
- d) Enforce regular requalification processes by its Chapters.
- e) Conduct monthly conference calls and face-to-face meetings at GLC and the President's Meeting.
- f) Participate in conflict resolution between chapters and global or regional issues.
- g) Translate materials as required.
- h) Set regional goals in all functional areas such as growth, renewals, forum, learning, and sponsorship.
- i) Offer subsidies for Advance Forum Series (AFS) and Strategy Summits.
- j) Ensure Forum health surveys are completed yearly.
- k) Add a Forum component to all regional and multi-chapter events, in a structured way.
- l) Recommend additional funds to be used for specific initiatives outside of regional funding.
- m) Determine the number of Areas in its Region.
- n) Create Director Positions as needed, subject to the approval of the Global Board.
- o) Provide monthly updates to the Global Board on progress, plans and red flags.
- p) The EO Global Board reserves the right to alter the purpose and membership of the task force at its discretion.
- q) The EO Global Board shall ratify any changes or suggestions made by the task force.
- r) The EO Global Board shall ratify the structure prior to final launch.

### 8.2.2 Limitations:

The limitations of the Regional Councils are exemplified by the following actions that the

Regional Council cannot take:

- a) Violate or allow the violation of EO's core values.
- b) Hire, manage, direct and/or fire Global Staff.
- c) Reallocate use of restricted funds.
- d) Deviate from the core positions in the Regional Council.
- e) Sign contracts on behalf of EO Global and/ or the Region.
- f) Launch, merge or shut down Chapters without the authorization of the Board.
- g) Use products or services that conflict or compete against EO products and services as specified in [www.eonetwork.org](http://www.eonetwork.org).
- h) Sign strategic alliances.
- i) Use or endorse non-trained facilitators for Forum, Moderator and/or Strategy Summit trainings.
- j) Receive and/or withhold Global dues paid by a Chapter.
- k) Deviate from the authorized uses of the EO mark and its brand standards.
- l) Deviate from the Presidents' Meeting calendar, agenda and Path to Leadership.
- m) Deviate or allow Chapters to deviate from Global Bylaws and Policies and Procedures.
- n) Allow Chapters to be un-chartered.
- o) Amend Global Bylaws and/or Policies and Procedures.
- p) Incorporate as a separate legal entity.

# 9.0 COMMITTEES AND TASK FORCE TEAMS

## 9.1 COMPOSITION AND VOTING:

- 9.1.1 Committee Composition: EO Global Committees consist of the Committee Chair, Subcommittee Chair(s) (if applicable), the Global Board Liaison, the Executive Team Liaison, Volunteer Members and if necessary additional staff support.
- 9.1.2 Task Force Team Composition: EO Global Task Force Teams consist of the Task Force Chair, the Global Board Liaison, the Executive Team Liaison, Volunteer Members and if necessary additional staff support.
- 9.1.3 Volunteer Committee/Task Force Members: The Committee/Task Force Chair will provide to the Global Board a list of proposed Volunteer Members to serve on the Committee/Task Force after discussing the proposed Volunteer Members with the Global Board Liaison, the Executive Team Liaison, the Regional Chairs and the Committee/Task Force Chair-Elect. Directors from the Regional Councils may serve as Volunteer Committee/Task Force Members. This selection process will take place within two weeks following the Committee/Task Force Chair selection process described below.
- 9.1.4 Regional Representation: It is EO's goal to provide representation from all the EO regions on each Committee/Task Force and every effort shall be made to accomplish this goal while ensuring the best quality Member Leaders on the Committee/Task Force. The Regional Councils should provide recommendations for appointment of volunteer Members from the Regions to assist with meeting this goal.
- 9.1.5 Chair Terms: Committee/Task Force Chairs and Subcommittee Chairs are limited to a maximum of two years, unless otherwise approved by the Global Board.
- 9.1.6 Volunteer Members' Term: Volunteer Members of Committees/Task Forces are limited to a term of two years, unless otherwise approved by the Global Board.
- 9.1.7 Staff Appointments: The Chief Executive Officer appoints with Global Board approval the Executive Team Liaison and any additional staff support.
- 9.1.8 Voting: Except as noted below for electing the Committee/Task Force Chair-Elects and Subcommittee Chair-Elects, only the Committee/Task Force Chair, Subcommittee Chair(s) (if applicable) and Volunteer Members vote on Committee/Task Force issues. The Global Board Liaison, the Executive Team Liaison and staff do not vote on Committee/Task Force issues. Minutes shall be kept of all Committee/Task Force

meetings and resolutions. Quorum for the above committees will require 50% of the voting members be present. The target date for completing the PoL process is end of December.

9.1.9 Committee Board Liaisons: The Board appoints Board Liaisons to Committees based on the recommendation of the Chairman Elect.

9.1.10 Deadline for Compliance: Every attempt should be made to post or send an email to all qualified candidates during the Pol process and follow the application and interview schedules. If this is not possible, applications and interviews must take place after the set timeline.

## 9.2 EXISTING AD HOC COMMITTEES

Article IX, Section 3 of the Bylaws establishes that a maximum of 10 Ad Hoc Committees may be established by the Board at any given time. Appendix C provides a list of committees currently authorized by the Board and their mission or purpose.

# 10.0 CHAPTERS

## 10.1 POLICY

This policy sets forth the minimum standards it takes to be considered a Chapter by EO. To create a local Chapter, a minimum of sixteen (16) new Members are needed with local dues set at no less than US\$1,000. New Members may be required to complete an Income Verification Form as part of the application process; dues will be prorated monthly and collected upon joining. The Global Board will give the final approval of the formation of a new local Chapter upon receiving a signed Chapter launch application and Chapter agreement from the champion/Chapter president as stated in the Chapter launch process. Once approved, these sixteen (16) Members need to be able to form three operational Forums within twelve (12) months. To be considered an operational Forum, the group must consist of no less than six (6) Members with non-competing businesses. The “founding” Members are deemed to be the initial executives of the local Chapter. At this time, the local Chapter should determine who will fulfill the local officer roles for the President, Membership Chair, Forum Chair and Learning Chair, and such other positions as may be required. This information should be communicated promptly to EO.

The new Chapter has a period of 18 months to achieve the metrics outlined in the “Chapter Formation and Minimum Standards Checklist” and be considered a Chapter in good standing. The phases leading up to a Chapter launch and requirements for initiating it are outlined in the EO Chapter Launch Process.

## 10.2 LOCAL CHAPTER BOARD

The Local Chapter Board should be composed of the following Chairs:

- 10.2.1 Chapter President: Manages the overall health of the Chapter, holds board Members accountable to their duties, develops a strategic plan for the Chapter, and serves as a steward of the EO brand on a local level.
- 10.2.2 Membership Chair: Manages the screening/approval process for letting new Members join and drives local recruitment. May also be responsible for integration of new Members and managing the renewal process.
- 10.2.3 Learning Chair: Plans and executes the learning activities of the Chapter. Organizes event logistics and manages resources. Ensures learning/social offerings meet needs of local Members.
- 10.2.4 Forum Chair: Responsible for overall health of Forums. Manages placement of new Members into Forums within 90 days and creating new Forums as needed. Organizes Forum trainings. Conducts meetings with Forum moderators and assists with Forum conflicts/issues as needed.

- 10.2.5 Finance Chair: Develops Chapter budget and establishes checking account/disbursement system. Manages cash flows, reviews vendor/speaker contracts and pays invoices. Ensures necessary documents are filed and archived for the Chapter (articles of incorporation, by-laws, tax filings, insurance, etc.).
- 10.2.6 Marketing and Communications Chair: Responsible for producing materials such as a Chapter newsletter and managing website content. Helps attract media coverage for Members and Chapter. Manages communication flow between board and Members.
- 10.2.7 Strategic Alliances Chair: Creates and executes a sponsorship outreach strategy. Manages sponsor relationships and deliverables to ensure retention.
- 10.2.8 Integration Chair: Responsible for retention of new Members by ensuring they receive value from EO in their first year. Educate new Members about EO benefits and get them engaged.
- 10.2.9 Additional Key Positions: Chairs and Chapter Administrator: May be included depending on the needs of the Chapter. For example: Emerging, Mentorship, YPO Liaison, Social, Benefits, Philanthropy, etc. It is also recommended that Chapters engage a Chapter Administrator as a paid position managed by the Chapter President to assist in day-to-day administrative operations of the Chapter.

### **10.3 CHAPTER AGREEMENT**

All Chapters must sign a Chapter Agreement. There is a Chapter Agreement which is incorporated by reference in Appendix D.

### **10.4 MINIMUM STANDARDS CHECKLIST**

In order to maintain good standing, Chapters are required to adhere to minimum standards set forth and updated periodically by the Board.



# 11.0 CONFIDENTIALITY POLICY

- 11.1 As used herein, “EO Confidential Information” means any and all information, whether written, oral, electronic or otherwise, concerning EO products and services, including without limitation, EOnetwork.org and any directory information, any Member information, data, analysis, research, studies, document, business plan, records, marketing channels, marketing strategy, sales strategy, plan, samples, trade secrets, intellectual property and other materials concerning EO or its Members.
- 11.2 The EO Confidential Information is confidential information. Misuse of the EO Confidential Information is a violation of EO policy. Any unauthorized use, transcription, or copy of is strictly prohibited. The EO Confidential Information contained in EO network.org is for the use of current Members (with restrictions), consistent with the Code of Conduct, Bylaws, Policies and Procedures and principles of EO. EO strictly prohibits the distribution or dissemination of Information by any Member relating to any other Member or Members to any non-Member. EO may pursue all remedies available under the Amended Bylaws, Policies and Procedures or under law including, without limitation, the expulsion or termination of any violating Member from EO and from the Member’s Chapter. EO is strongly committed to protecting against the distribution or dissemination of Member Information to third parties.
- 11.3 Directors, officers, employees and Members acting on EO’s behalf are responsible for protecting EO Confidential Information from unauthorized disclosure whether internal or external, deliberate or accidental by proactively following the actions below:
  - 11.3.1 Protect EO Confidential Information regardless of the media in which the information is conveyed.
  - 11.3.2 Protect EO Confidential Information for the entire life cycle of the Information.
  - 11.3.3 Contact the Chief Executive Officer if you need help determining whether certain information is EO Confidential Information.
  - 11.3.4 Have a written, signed non-disclosure agreement before disclosing EO Confidential Information to a party outside EO.
  - 11.3.5 Promptly report to the Chief Executive Officer any actual or suspected unauthorized access or use of EO systems or EO Confidential Information.
  - 11.3.6 Do not share EO Confidential Information with friends or family.
  - 11.3.7 Do not talk about EO Confidential Information in public places, such as elevators, airplanes or restaurants, where you can be overheard.
  - 11.3.8 Do not leave EO Confidential Information unattended in public areas or outside EO.

11.3.9 EO respects the confidential information of other parties. EO will not collect or use another party's confidential information without such party's permission.

# 12.0 SOLICITATION POLICY

## 12.1 POLICY

This Solicitation Policy encompasses five dimensions: (1) Third-Party Solicitation, (2) Social Media, (3) Strategic Alliance Partners or Sponsors, (4) Natural Disasters and (5) Marketplace. Generally, EO prohibits any Solicitation by a Member to another Member or to a strategic alliance, partner or sponsor of EO or a Chapter except as provided in this Solicitation Policy. For purposes of this Solicitation Policy, the word “Solicitation” means any direct or indirect contact that was not requested by the recipient in regards to the sale or marketing of a product or service, a donation, an investment or any other cause. Further, the conduct or actions of any non-Member are attributable to the Member that introduced the non-Member to EO or otherwise distributed information relating to EO to the non-Member, regardless of whether the distribution was intentional or inadvertent.

## 12.2 THIRD PARTY SOLICITATION

EO strictly prohibits the distribution or dissemination of information by any Member relating to any other Member or Members to any non-member. EO may pursue all remedies available under the Amended Bylaws, Policies and Procedures or under law including, without limitation, the expulsion or termination of any violating Member from EO and from the Member’s Chapter. EO is strongly committed to protecting against the distribution or dissemination of Member information to third parties.

## 12.3 SOCIAL MEDIA

EO recognizes that Members, at their own risk, may opt into social media networks like LinkedIn, Facebook and other available Forums. Social media networks come in multiple forms and more forms are expected in the future. Since the creation and development of social media networks is a dynamic process, EO cannot, is not and will not be held responsible for any communication or interaction that the Member receives or participates in via a social media venue.

## 12.4 STRATEGIC ALLIANCE PARTNERS OR SPONSORS

EO strictly prohibits Solicitation by any Member including, without limitation, any Member Leader, Director or Officer of either EO Global or a Chapter to any EO strategic alliance partner or sponsor or a Chapter strategic alliance or sponsor (collectively referred to as “Sponsor”) except in the context of any marketplace created and maintained by EO or a Chapter (“Marketplace”) in which the Member has chosen to join and abide by the Marketplace rules. In a Marketplace subject to its rules, any Member may approach a Sponsor that has chosen to participate in the Marketplace and vice versa. EO and its Chapters shall attempt to enter into agreements with Sponsors that limit Solicitation activities to the confines of a Marketplace without distribution or disseminating specific information in relation to any

Member.

## **12.5 NATURAL DISASTERS**

While any Solicitation is generally prohibited, the Solicitation of Members in relation to a natural disaster or an act of God for the purposes of soliciting donations or in-kind assistance is exempt from this Solicitation Policy only if EO approves the Solicitation prior to its occurrence, distribution or dissemination. Any Member that desires to solicit in connection with a natural disaster or an act of God for the sole purpose of soliciting donations or in-kind assistance must do so by applying for an exemption with the Member's Chapter. The Chapter will forward the application to EO where the Board of Directors will endeavor, without any obligation whatsoever, to approve or reject the application within fourteen (14) days of receipt of the application from a Chapter.

## **12.6 MARKETPLACE**

EO or any of its Chapters may create a Marketplace without violating this Solicitation Policy. The exemption provided by this Solicitation Policy in relation to a Marketplace is limited to any interaction, activity or Solicitation that occurs within the confines of a Marketplace. Any Member that opts to join a Marketplace agrees by doing so to accept Solicitation from another Member or a Sponsor at the Member's sole risk. This Solicitation Policy remains in full force and effect in regards to any interaction, activity or Solicitation outside a Marketplace. A violation by a Member of any rule or policy associated with a Marketplace constitutes a violation of this Solicitation Policy.

# 13.0 REIMBURSEMENT POLICY

In order to recognize the significant out-of-pocket costs EO Member Leaders incur personally in carrying out their EO duties, EO has approved the following guidelines for reimbursement of travel and other expenses:

## 13.1 GLOBAL BOARD TRAVEL EXPENSES

- 13.1.1 Annual Board travel shall be budgeted based on the Master Calendar of Events of the year and the travel assignments of each Board Member given their roles, liaisons with Regions, Committees and Task Forces.
- 13.1.2 The Chairman holds the ultimate decision of who travels where and subject to budget approval by Standing Finance Committee (SFC) Chair.
- 13.1.3 It is a best practice for Board Liaisons to attend the Regional and Committee Events and must be present and participate in the events.
- 13.1.4 All Board Members shall attend GLC and all Board Meetings and may take advantage of events being held back to back in the same vicinity, if budget allows.
- 13.1.5 It is a best practice to have a maximum of 2 Board Members to attend all other events, unless circumstances justify otherwise, and the Chairman approves.
- 13.1.6 It is a best practice to define clear objectives of each trip and the agenda to engage stakeholders. Be prepared to present a verbal report.
- 13.1.7 Reimbursement of Business Class travel only when non-domestic flight time is over 6 hours or on overnight flights. Business Class travel is limited for attending Board Meetings, GLC, and assigned Board travel. All other events are in coach unless, the Chairman and SFC Chair approve otherwise.
- 13.1.8 Board Member may opt to travel coach and use the budgeted business class amount to:
  - a) Cover the airfare of a spouse/life partner, significant other or family; or
  - b) To cover the cost of attending other EO events.
- 13.1.9 Hotel expenses will be covered at venue hotel or equivalent for the time of the Board meeting or event plus one night on either the front or back end. Hotel expenses will be extended to include Universities attached to a Board meeting.
- 13.1.10 University registration fees are covered for all standing Board Members.

- 13.1.11 Transportation and incidentals will be covered, but should be kept within reasonable limits.
- 13.1.12 Exceptions will always be considered and must be approved by Chairman and SFC Chair.
- 13.1.13 The above policy is applicable to the ratified incoming board members for travel associated with board on-boarding and duties they are required to undertake as an incoming board member.

## **13.2 EVENT ATTENDANCE**

- 13.2.1 Event registrations will be waived for Board Members.
- 13.2.2 Once per year, the registration fee at EO events will be waived for the spouse/life partner, significant other or family of Board Members.
- 13.2.3 Hotel accommodations at the venue hotel or equivalent shall be provided for a Board Member for the nights required to attend the event.

## **13.3 COMMITTEE CHAIR EXPENSES**

Expenses incurred in addition to approved Committee budgets will be approved on an “as needed” basis by the Chief Executive Officer.

## **13.4 OTHER BOARD TRAVEL, COMMUNICATION AND EXPENSES**

Board Members are entitled to reimbursement of reasonable communication expenses incurred during the performance of their duties. All other Board travel and expenses must be approved by the Chairman in advance.

## **13.5 PAST BOARD MEMBERS**

All past Members of the Board who successfully complete their term and are in good standing subsequent to the fiscal year 2002-03 are entitled to attend one (1) University free of normal registration fee per EO fiscal year (including a spouse/life partner, significant other or family). Prior to 2002-03, all past Presidents of the organization may attend one (1) University free of the normal registration fee per EO fiscal year (including a spouse/life partner, significant other or family). In both cases, all other expenses will be at the Member’s expense. The past Board Member must be an EO Member in good standing in order to enjoy the benefit of a free University.

# 14.0 WHISTLEBLOWER POLICY

## 14.1 GENERAL

The Entrepreneurs' Organization requires directors, officers, employees and Member volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As representatives of the Entrepreneurs' Organization, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

## 14.2 REPORTING RESPONSIBILITY

It is the responsibility of all directors, officers, employees and Member Volunteers to report ethics violations or suspected violations in accordance with this Whistleblower Policy.

## 14.3 NO RETALIATION

No director, officer, employee or Member Volunteer who in good faith reports an ethics violation shall suffer harassment, retaliation or adverse consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. A Member who retaliates against someone who has reported a violation in good faith is subject to sanctions up to and including termination of membership. This Whistleblower Policy is intended to encourage and enable Members, employees and others to raise serious concerns within The Entrepreneurs' Organization prior to pursuing resolution outside The Entrepreneurs' Organization.

## 14.4 REPORTING VIOLATIONS

The Entrepreneurs' Organization has an open door policy and suggests that directors, officers, employees or Member Volunteers share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, the Chief Executive Officer is in the best position to address an area of concern. In some cases, the Chairperson of the Board of Directors is in the best position to address an area of concern. For employees, an employee's supervisor may be in the best position to address an area of concern. However, if you are not comfortable speaking with any of these designated people, or if you are not satisfied with their response, The Entrepreneurs' Organization encourages you to speak with anyone in management. Directors, Officers, Supervisors and management are all required to report suspected ethics violations to the Chief Executive Officer, Board Chairman, Standing Finance Committee Chairman or the Audit/Governance Committee Chairman. These people have accepted responsibility to ensure an investigation of all reported violations. For suspected fraud, or when you are not satisfied or uncomfortable with The Entrepreneurs' Organization's open door policy, individuals should directly contact the Chief Executive Officer or Board Chairman.

## 14.5 INVESTIGATIONS

The Entrepreneurs' Organization is responsible for investigating and resolving all reported

complaints and allegations concerning violations. Those responsible for the investigation shall report directly to the Chief Executive Officer, Board Chairman, Standing Finance Committee Chairman and the Governance Committee Chairman.

#### **I 4.6 ACCOUNTING AND AUDITING MATTERS**

The Standing Finance Committee shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The Chief Executive Officer shall immediately notify the Standing Finance Committee of any complaint and work with the Committee until complete resolution of the matter.

#### **I 4.7 ACTING IN GOOD FAITH**

Anyone filing a complaint concerning a violation or suspected violation must act in good faith and establish reasonable grounds for believing the information disclosed indicates a violation. The Entrepreneurs' Organization views unsubstantiated, malicious or knowingly false allegations as serious acts justifying discipline up to and including termination of employment for employees and for Members, sanctions up to and including termination of membership.

#### **I 4.8 CONFIDENTIALITY**

You may submit violations or suspected violations on a confidential basis. You may also anonymously submit violations or suspected violations. The Entrepreneurs' Organization will make every effort to keep confidential reports of violations or suspected violation to the extent possible, consistent with the need to conduct an adequate investigation.

#### **I 4.9 HANDLING OF REPORTED VIOLATIONS**

The Chief Executive Officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. The Entrepreneurs' Organization will promptly investigate all reports and take appropriate corrective action if warranted by the investigation.



## 15.0 MEMBER VENDOR POLICY

At one time or another, almost all associations are faced with the question of whether to do business with their members. In the case of the Entrepreneurs' Organization, we have numerous members worldwide with great business products and services that may prove helpful to furthering the business operations of EO. Allowing our members to bid on EO business opens the door to some of the best vendors/suppliers in the world and it shows that EO further supports and believes in entrepreneurship.

On the other hand, associations doing business with their members face a potentially tricky issue, and if it is not handled well it can lead to difficulties for both the organization and the individual member. Traditionally, the main reasons why many associations do not do business with their members is because of the obvious potential for conflicts of interest, and the potential difficulties and embarrassment that would be attached to having to sever a business relationship with a member for non-performance/unsatisfactory performance.

In an effort to find a way to allow the option while at the same time creating a system that provides proper internal controls and strengthens the decision-making process, the following policies and procedures will be followed.

- 15.1 EO leadership or staff may purchase products or services from an EO member's company, provided it can be demonstrated that the delivery of the products/services are competitive with other vendors in the industry.
- 15.2 EO members should not expect to be given preferential treatment because of their member status. All bids will be subject to a "blind review" whereby the identity of the bidder is not known. Non-member companies will be included in the RFP process when appropriate.
- 15.3 Staff members are under no obligation to solicit bids and/or purchase products and services from member companies, although they may do so. And there is no obligation to "divide out business" among members who provide similar goods and services.
- 15.4 Written contracts or agreements must be utilized in the same way that they would be for a non-member company.
- 15.5 Orders placed for products or services and any amendments or adjustments thereto must be in writing.
- 15.6 Only EO staff can formally contract vendors - members or otherwise. Expression of interest from a member leader does not constitute an agreement to use goods/services from any vendor.
- 15.7 If an EO member is selected to be an EO vendor, he/she must select someone on their staff to be the primary contact for the EO relationship, just as they would for any other

client, provided that is applicable/possible. This removes as much as possible reaching a point where staff is put in the uncomfortable position of having to “hound” members for information and/or performance we are owed simply because they are members. This situation can/has been extremely detrimental to our planning process and the end product. It also ensures that any member/vendor views and treats EO as they would any other client.

15.8 Of course, the existing guidelines for procurement also need to apply, including the following:

- a) When services rendered or goods purchased from one vendor exceed more than US\$50,000 in a 12-month period, we will obtain three quotes from competitive vendors. Competitive bids are required regardless of the dollar amount when a vendor has billed US\$50,000 in the last twelve months.
- b) Authorization of the vendor selected requires signatures from at least two of the Staff Executive Team.
- c) When a verbal quote is obtained in lieu of a written estimate, the EO member or staff must submit the verbal quote in writing for review.
- d) Once a vendor has been selected, this vendor may be used for three years. However, if a vendor’s charges increase more than 5% during a 12-month period, then three quotes from competitive vendors must again be obtained. (Note: if another member expresses interest in the business within the 3 year period, EO is not obligated to undergo another review, but may do so if desired. Otherwise it would create additional unnecessary work, and could potentially damage an excellent existing member vendor relationship).
- e) A copy of the quote selected should be filed with the competitive bids rejected and retained in the accounting department for a period of not less than two calendar years. These will be tracked by individual departments.
- f) In a case where it is not feasible or desirable to obtain competitive quotes for whatever circumstances, the member or staffer may forgo the purchasing policy by written authorization of the Chief Executive Officer.
- g) As a condition for a member to bid/contract with EO, the amount of the services rendered or goods purchased cannot be more than 20% of its annual income.

# 16.0 DEFINITIONS

## 1 ACTIVELY IN CONTROL

(1) having sole or predominant day-to-day management duties at both an operational and/or strategic level, as well as an ownership interest in the business enterprise, company, corporation or partnership; or, alternatively,

(2) a trustee of a trust in which the trustee is also a beneficiary, where the relevant business enterprise, company, corporation or partnership, or a controlling interest in the relevant business enterprise, company, corporation or partnership, is an asset of the trust.

## 2 AT-LARGE MEMBER

A Member of EO, who complies with all the criteria for membership in EO, but whose places of residence or business are not within one hundred (100) miles of a local Chapter.

## 3 BOARD/GLOBAL BOARD

The Body of Members of EO elected and chosen serving in a directorship capacity pursuant to the Bylaws of EO.

## 4 CO-FOUNDER

See Founder.

## 5 CONTROLLING SHAREHOLDER

A shareholder in a corporation with either voting control of the corporation or effective control of the corporation through the exercise of management rights/general partner with managing duties. Where the business is organized in a form other than a corporation, this term should mean the equivalent for that form of business structure.

## 6 ELUMNI

A former EO Member who, for reasons other than expulsion, is no longer a Member of the organization and wishes to remain in touch with the organization by receiving communications from EO. A former EO Member who chooses not to receive communications as an Elumni is referred to as an “Ex-Member.”

## 7 FOUNDER

A person responsible for the formation of the specific business enterprise, company, corporation or partnership either individually or jointly who, at the inception of the business enterprise, company, corporation or partnership was either an Owner, General Partner, Majority Shareholder or Actively in control.

## **8 LOCAL CHAPTER**

Any group of EO Members in a common locale, town or city, recognized by EO as constituting a Chapter of the Organization.

## **9 MAJORITY SHAREHOLDER**

A shareholder in a corporation owning more than 50% of the issued and outstanding voting common stock in the company.

## **10 MEMBER IN GOOD STANDING**

A Member of EO who is in compliance with all the Policies and Procedures of EO, is not in arrears on any financial obligations to EO or any local Chapter, and has not been subject to suspension or expulsion by EO or any local Chapter.

## **11 ORGANIZATION**

EO and its local Chapters.

## **12 OWNER**

A sole proprietor of an unincorporated business, or sole shareholder of a corporation.

## **13 QUALIFYING BUSINESS**

A business with an annual gross turnover of sales, or annual commission billing equal to or above such minimum levels as may be set from time to time by the Board, which is “for profit”, and which is not a Venture-Backed Company, or a Venture-Backed Company as defined herein.

## **14 PARTNER**

A company endorsed by EO in exchange for advantages or benefits to EO. A partner directly impacts Member experience with EO. Partners are comprised of four (4) categories:

1. **Affinity Partner:** A partner based on revenue share models with EO and in some instances with Chapters. An Affinity Partner offers discounts or special access to other unique advantages to EO Members, requiring direct action by the Member to enroll in the affinity program. An Affinity Partner can be a Global Partner or Regional Partner.
2. **Global Partner:** An organization with global reach or brand recognition whose relationship with EO is relevant to Members worldwide. A Global Partner may provide funds or in-kind contributions to EO Operations and/or benefits to EO Members. Global Partners are not based on revenue share models, but an Affinity Partner can also be a Global Partner.
3. **Program Partner:** An organization that provides funds or in-kind support limited to a specific EO program, such as EO Accelerator or EO GSEA.
4. **Regional Partner:** An organization with limited reach or brand recognition whose

relationship with EO is relevant to Members of specific region(s). A Regional Partner may provide funds or in-kind contributions to EO operations and/or benefits to EO Members. Regional Partners are not based on revenue share models, but an Affinity Partner can also be a Regional Partner.

## **15 SOLICITATION**

Any conduct prohibited within the Policies and Procedures of EO.

## **16 SOLICIT**

(Excerpted from Webster's Revised Unabridged Dictionary):

*To ask from with earnestness; to make petition to; to apply to for obtaining something; as, to solicit person for alms.*

*To endeavor to obtain; to seek; to plead for; as, to solicit a favor.*

## **17 WITHIN EO, THE OPERATIVE CONCEPT UNDERLYING SOLICITATION**

Is that you are asking someone to do something they have no prior motivation to do. It is irrelevant whether, after the solicitation, they choose to accept or reject the request.

## **18 STRATEGIC ALLIANCES**

Affect the entire membership of EO by providing resources, research, and support to our initiatives and programs, without offering any specific benefits directly to Members.

## **19 SPONSORS**

Provide funds or in-kind contributions directly to local Chapters, affecting only Members of that Chapter or to one specific event.

## **20 SUSPENDED MEMBER**

Member of EO whose privileges of membership have been temporarily halted pending some action by the Board or local Chapter to determine the continuing status of that Member within EO.

## **21 VENTURE-BACKED COMPANY:**

A company with privately raised funds of at least US\$2,000,000 or publicly raised funds of at least US\$5,000,000, and a minimum of ten (10) full-time employees.

# APPENDIX A: PROCEDURES FOR GLOBAL LEADERSHIP

## 1.0 1 AUGUST - 31 AUGUST:

Prepare for Upcoming Pol Process and Submit Position Information:

- 1.1 August: Pol Task Force updates dates for timeline in recruiting process (this document). Committee and Task Force Chairs and Staff Liaisons determine open positions for the next fiscal year.
- 1.2 Note: Each leadership position posted on the web site must have a job description and an application/application process to go with it.
- 1.3 15 August: Staff Liaison on behalf of Member Leaders emails the job descriptions and associated applications and/or application process documents for all open positions to the EO Tech Department (contact to be provided by PoL) to be posted.
- 1.4 31 August: EO Tech department will post all information.
- 1.5 Early-August: Committee/Task Force Chair determines open positions on the Committee/Task Force for next fiscal year.
- 1.6 Mid-August: Committee/Task Force Chair sends to the designated PoL website contact updated job descriptions and applications for open Committee, Task Force and Regional Council Directors positions for posting by 1 September. Committee/Task Force Chair descriptions remain the same from year to year unless changed by the Global Board because all Committees/Task Forces receive their authority and charge from the Global Board.

## 2.0 1 SEPTEMBER – 1 OCTOBER

(Post Online, Promote and Accept Applications):

- 2.1 1 September: Advertise (via Leadership News and EOupdate) Leadership Position Postings to EO Membership.
- 2.2 The Committee Chair and Staff Liaison to Committees and Task Forces proactively identify Member leader candidates for the open positions and extend personal invitations to apply. Committee Chair or designee coordinates with the Regional Chair in each Region, to ensure the Regional Chair (along with Region Staff Director) and Committee Members are aware of all potential candidates.

- 2.3 The Member leader candidate goes to EOnetwork.org to get further information on the leadership position(s), downloads and fills out the application, a requalification form and an IP Agreement\*\* which constitutes a completed application. The forms should be returned to the Committee Staff Liaison or Staff designee who will at the time of receipt: 1) Update the Member Volunteer Application Spreadsheet (housed on the EO Intranet) and 2) Send acknowledgement that a completed application was received noting the PoL selection and notification timeline.
- 2.4 Note: All candidates offered a Member leader position must complete the application process including submitting a completed application and interview.
- 2.5 The Committee identifies a selection team to review and select candidates headed up by the Committee Chair. EO Staff responsible for Path of Leadership shall ensure that all applications are complete (e.g. agreements are signed and requalification forms are completed) and all applicants are eligible before they are entered into the Selection Processes as stipulated in the following.

### **3.0 | OCTOBER: COMMITTEE/TASK FORCE CHAIR APPLICATIONS DUE**

- 3.1 The Committee/Task Force Chair, the Global Board Liaison and the Executive Team Liaison shall conduct interviews for the Committee/Task Force Chair-Elect positions after the application deadline (October 1) but before the November Global Board meeting. Before conducting the interviews, they shall review the candidate applications. Thereafter, they shall discuss the candidates with the Committee/Task Force before voting on the proposed candidates. For this vote only, the Executive Team Liaison and staff may vote. Thereafter, the Global Board Liaison and Committee/Task Force Chair shall notify the Global Board Chair-Elect of the vote results and any pertinent information regarding the results.

### **4.0 NOVEMBER BOARD MEETING (SELECTION OF SENIOR MEMBER LEADERS)**

The Global Chair-Elect submits to the Global Board his or her list of proposed Committee/Task Force Chair-Elects. If a proposed Committee/Task Force Chair-Elect is different than the Committee's/Task Force's recommendation, this difference should be noted on the list submitted to the Global Board.

- 4.1 The Global Board shall discuss the Global Chair-Elect's recommendation for each Committee/Task Force position, with a review of the Committee's/Task Force's recommendations and thereafter vote on the Global Chair-Elect's recommendations. If the Global Board rejects any of the Global Chair-Elect's recommendations, the Board will decide on a replacement or send the question back to the Committee/Task Force for another recommendation using the same process.
- 4.2 After the Global Board considers and approves the final list of Committee/Task Force Chairs, the Global Board Liaison for the Committee/Task Force will notify the approved Committee/Task Force Chair-Elect at the conclusion of the November

Global Board Meeting. The Committee/Task Force Chairs shall notify all unsuccessful Committee/Task Force Chair candidates. The Board Liaison informs the candidates for incoming Regional Chairs, Committee Chairs and Task Force Chairs of acceptance or not. The goal is to have all positions filled (e.g. accepted) and communication to unsuccessful candidates completed on site but no later within a week of the Board meeting. The Board Liaison will also communicate to the respective leaders the deadline for completing selection and notifications of remaining Committee, Task Force and Regional Council Director (D's) positions completed by the end of February.

- 4.3 Committee and Regional Council Board Liaisons: The Board appoints the Board Liaisons to the Regional Councils based on the recommendation of the Chairman-Elect.

## **5.0 AFTER NOVEMBER BOARD MEETING - BEFORE FEBRUARY BOARD MEETING (Selection of Remaining Member Leaders)**

After the November Board meeting, the incoming Board Liaison, Committee Chair-Elect and Staff Liaison begin the selection process for Committee Members, which include Subcommittee Chairs and Regional Council Directors. The Task Force Chair and Members follow the same Committee Member selection process. Regional Chair-Elects are involved in the selection of Regional Council Directors. By the end of February, all open remaining leadership positions are targeted to be filled led by the Regional Chair-Elects & Committee Chair-Elects.

## **6.0 15 JANUARY**

Committee/Task Force Member applications are due including Subcommittee Chairs and Regional Council Directors:

- 6.1 Interviews are scheduled and conducted with results captured in a central database at least one interview per candidate. It must be verified during these interviews, that each candidate will be qualified until the end of the position's term. Additional interviews would be at the discretion of the Committee Chair-Elect.
- 6.2 Once interviews are complete, the appropriate CST assembles to review interview results and make selections of Subcommittee Chairs, Committee Members and Regional Council Directors. The Committee reviews the Regional Council Director slate selected per Region with each Regional Chair-Elect for agreement prior to target notification mid-December. Include appropriate leaders and staff in those communications (Region Staff Director, Committee Staff Liaison, and Committee Member Leaders responsible for selection). The Committee Chair-Elects are accountable to the Chairman-Elect for making sure there is a successor for each Regional Council Director and Committee position.

## **7.0 TARGET DATE TO COMPLETE POL PROCESS: 28 FEBRUARY**

- 7.1 The goal is to complete the process and make notifications to successful candidates mid-February and to have confirmations of acceptance back by the target date of end of February.



- 7.2 The Committee Chair-Elect is accountable to the Global Board Chairman-Elect for the succession for all positions other than the Chair. The current Committee Chair is accountable to the Chairman-Elect for Committee Chair-Elect succession. The Chairman-Elect owns the entire succession plan.
- 7.3 Committee Chair-Elect or designated Committee Member makes official phone calls to successful candidates to extend invitations or delegates this job to another appropriate Member Leader(s).
- 7.4 Once an invitation is accepted for a position, a well-crafted, generic email is sent by the Committee Staff Liaison or designee to unsuccessful candidates for that position to notify them of the selection decision. The Committee Chair-Elect can opt to inform unsuccessful candidates by phone. If the candidate has been selected for another position, the candidate is given the option in this same communication. Ideally, options to fill other Committee positions are offered to 90% of unsuccessful candidates.
- 7.5 By first week of March, Committees are to have notified everyone and either have filled all vacancies or are working diligently on any final hard-to-fill spots before the March Board Meeting.

## **8.0 FEBRUARY GLOBAL BOARD MEETING**

(Ratification of Remaining Member Leaders)

Ratification of Committee Members, Task Force Members and Regional Council Chairs will occur at the February Global Board meeting.

## **9.0 PRIOR TO GLC (ANNOUNCEMENT)**

- 9.1 EO Global Chairman announces and introduces successful candidates to Members attending GLC. This may not need to be done for each rank-and-file Committee Member but recognition should go to Regional Council Chairs. This is also announced in June Leadership News and the June (first week) Regional EO update.
- 9.2 At GLC (Training): Successful candidates attend GLC Leadership conference for training, if budget allows.
- 9.3 1 July: Term Begin

# APPENDIX B: PROCEDURES FOR GLOBAL BOARD ELECTIONS

## 1.0 OCTOBER BOARD MEETING

Board Members continuing next fiscal year express the Board Liaison roles (up to 3) in which they would like to be considered by Chairman-Elect for following Board year.

- 1.1 1 September (Board Selection Process Team (BSPT) Appointed and Announce position openings)
- a) BSPT comprised by three Board Members is appointed by the Chairman-Elect, choosing a representative from each Board class. The BSPT will lead the Selection and Integration of the Global Board Members. One of the BSPT members will be chosen by the Chairman-Elect to be the BSPT Chair. The other two Members of the BSPT will be assigned as lead on the Selection and Integration processes.
  - b) Call for nominations in an email from the Global Chairman and in Leadership News - Advertise Leadership Position Postings to EO Member Leaders, as well as within Leadership Development and other relevant programs within application timeframe, who are qualified for the position based on prior EO Global Leadership experience.

## 2.0 1 SEPTEMBER - 1 OCTOBER (GLOBAL BOARD NOMINATIONS)

There are three ways to be nominated for the Global Board:

- 2.1 Self-nominate
- 2.2 Nominated by Current Global Board Member
- 2.3 Nominated by Regional Council
  - a) Each Region is encouraged to nominate two (2) or more Global Board candidates through the Path of Leadership (PoL) Committee. Regional Council nominations must be in accordance with the Regional Council voting process outlined in the EO Policies & Procedures (Section H, l, e).
  - b) Ideally there should be a maximum of three applicants per open Board position.
  - c) The Member applying to the Global Board goes to the [eonetnetwork.org](http://eonetnetwork.org) web site and fills out the application, including two (2) reference letters, a revenue verification form and Intellectual Property Agreement.

2.4 | October: Applications due

The BSPT shall have the discretion to accept late Board applications with prior disclosure of the circumstances to the Board and if the majority of the Board informally agrees.

2.5 EO Staff responsible for Path of Leadership shall ensure that all applications are complete and all applicants are eligible before they are entered into the Selection Processes as stipulated in the following.

2.6 | October - 31 October (Review Process)

**3.0 PRELIMINARY REVIEW PROCESS**

3.1 Board reviews the applications of all candidates.

3.2 Each Global Board Member may give one vote to each candidate in the pool that in his/her opinion has the experience and satisfies the criteria to continue to the final selection process.

3.3 An applicant that receives no votes does not advance to final selection phase and will receive a letter informing them that they have not been accepted to the Global Board.

3.4 Successful applicants will be notified that they have been advanced to Global Board candidacy in the final selection phase and will be informed of next steps in the process.

3.5 BSPT schedules conference call interviews with all applicants. All Board Members will make their best efforts to join all interview sessions. A lead interviewer is assigned for all interviews. BSPT may use an external interviewer.

3.6 All conference call interviews are recorded to enable all Board Members to listen to all interviews.

3.7 At the Board's discretion, the Staff Executive Team is invited to join the interviews and listen to the recordings.

3.8 Applicants may be asked to complete a series of assessments designed to provide data on the candidate's leadership effectiveness and personality.

3.9 Final Selection: Final selection follows a two-step voting process.

**4.0 NOVEMBER SECOND IN-PERSON BOARD MEETING (SELECTION)**

4.1 Prior to the meeting, board members will receive packets containing applications, interview results and scores are printed out and delivered to the Board for review. Board decides on criteria, shared with E-Team and E-Team provides relevant input.

- 4.2 Board selects successful candidates as per Voting Process for Selection of Incoming Directors to the EO Global Board in the next section of the EO Policies and Procedures.
- 4.3 Successful candidates will be called and invited to join Board typically on site within the duration of the board meeting.
- 4.4 The Board will fill all vacant positions on the Global Board, Board Liaisons (selected by Chairman-Elect), then fill Regional Chair, Committee Chair and Task Force Chair positions and approve the Member leader slate in that order. (Note: Letter of acceptance, IP agreement and Conflict of Interest Statement are signed by new Board Members at May Board meeting. If that is not possible, they are sent for candidate to sign and fax back to EO Global.)

## **5.0 CONCLUSION OF NOVEMBER BOARD MEETING (NOTIFICATION)**

- 5.1 Unsuccessful candidates will be called and notified of the selection decision by the conclusion of the Board meeting. The Board Chairman will assign specific Board Members to contact these candidates on site.
- 5.2 Director, Global Board Operations, to be notified when each call is complete.

## **6.0 I-15 DECEMBER (RATIFICATION)**

- 6.1 Member ratification process - Board slate is sent via EO update (slate also published in December's Leadership News).
- 6.2 The Membership shall have fifteen (15) calendar days after distribution of EOupdate to ratify the Directors. The Membership shall vote on each proposed individual rather than the entire slate.
- 6.3 For a member's vote on the Board slate to be considered valid, he/she shall vote yes, no or abstain for each proposed individual on the slate. A majority of votes actually cast shall constitute approval of a candidate, regardless of the number of votes.

## **7.0 GLC BOARD MEETING (TRANSITIONAL BOARD MEETING)**

- 7.1 New Board Member attends the GLC Board meeting along with Incoming Regional Chairs and Incoming Committee Chairs.
- 7.2 EO Global Chairman announces and introduces new candidates to Members attending GLC. Asks each candidate in attendance to stand and be recognized.
- 7.3 July term begins.

## 8.0 JULY - TERM BEGINS

- 8.1 Voting Process for Selection of Incoming Directors to the EO Global Board.
- a) The Chief Executive Officer and SVP's (Senior Vice-Presidents) are included in the process. They are invited to listen to the interviews, review the applications and put forward their thoughts on leadership. Only Board Voting Members will be present for the decision making discussion and voting.
  - b) All Board Members must read all of the candidate applications, listen to ALL the interview calls and review all the materials collected. They are required to listen to the interview later if the call is missed. All Board Members are required to comply with these steps in order to be eligible to vote - the BSPT Chair will ask all Board Members individually if they listened and reviewed the applications.
  - c) All Board Members must review the Applications and EO Board Application Competency Grid before "In Person" Board Meeting.

## 9.0 PRELIMINARY ROUND

(October, prior to the In-Person Board Meeting In November)

- 9.1 Board reviews the applications of all candidates.
- 9.2 Each Global Board Member may give one vote to each candidate in the pool that in his/her opinion has the experience and satisfies the criteria to continue to the final selection process.
- 9.3 An applicant that receives no votes does not advance to the final selection phase. They will receive a letter informing them that they have not been accepted to the Global Board.
- 9.4 Successful applicants will be notified that they have been advanced to Global Board candidacy in the final selection phase. They will be informed of next steps in the process as outlined in the previous section
- 9.5 Ideally there should be a maximum of three applicants per open Board position.
- 9.6 Board schedules conference call interviews with all successful applicants. All Board Members will make their best efforts to join all interview sessions. A lead interviewer is assigned for all interviews. Board may use an external interviewer.
- 9.7 All conference call interviews are recorded to enable all Board Members to listen to all interviews.

- 9.8 At the Board's discretion, the Staff Executive Team is invited to join the interviews and listen to the recordings.
- 9.9 Applicants will be asked to complete a series of assessments designed to provide data on the candidate's leadership effectiveness and personality.

## **I0.0 AT "IN-PERSON" BOARD MEETING - STAFF INPUT REVIEW**

- I0.1 Confidentiality Reminder - what is said stays in the room.
- I0.2 CEO provides report of executive team assessments of each candidate.
- I0.3 Top 5 Candidates Prioritized
  - a) Board Voting Members and Secretary of the Board only to remain in room
  - b) Conflict of Interest Check (Ask if there are any conflicts of interest between the applicants and current Board Members)
  - c) Declaration - Each board member declares any communication with applicant after receiving application.
  - d) Ground Rules
    - i. Expectations
    - ii. Process – Timeline
    - iii. Secret Vote Process - Weighted Votes
  - e) Suggested Review Criteria - Share in 50 words or less
    - i. Character
    - ii. Integrity
    - iii. Trust
    - iv. Respect
    - v. EO Resume
    - vi. Path of Leadership
    - vii. Accomplishments

- viii. Team Work
- ix. Leading Change
- x. Gets Things Done
- xi. Global Citizenship
  - Regional Representation
  - Exposure to EO Global Events
  - Personal Travel Outside of Candidate's Country
- f) Needs of the Board
  - i. Special Skills & Experience (Finance, Technology, etc.)
  - ii. Board representation aligned with organizational demographics.
- g) Review Application and Interview Data, Testing & Chief Executive Officer and SVP's Feedback and Phone Interviews.
  - i. Anything jump out good or bad?
  - ii. Red flags? Surprises?
  - iii. Questions
  - iv. Assessments or Tests

## **11.0 FINAL SELECTION STEP 1: INITIAL VOTING**

- 11.1 The Global Board will discuss each candidate.
- 11.2 Each Global Board Member has the right to cast three (3) votes and must apply them to three (3) separate candidates.
- 11.3 All candidates with at least one vote continue on to Step 2 of the voting process.
- 11.4 Ideally, the maximum number of applicants that would advance to Step 2 of the final selection stage is six, or up to two times the number of open Global Board positions.

## **12.0 STEP 2: WEIGHTED VOTING**

- 12.1 The Global Board will again discuss the candidates.
- 12.2 Each current Global Board Member must list and rank their top three Global Board candidates in Step 2 of the voting process. Global Board Members must vote for three different candidates and fill out all three slots. Votes will be weighted as follows:
  - a) #1 choice = 3 votes
  - b) #2 choice = 2 votes
  - c) #3 choice = 1 vote
- 12.3 The 3 individuals with the greatest number of votes will be elected to the Global Board, provided that at least 50% of the Global Board Members voted for them.
- 12.4 In the event of a tie, the Global Board will discuss only the tied candidates and revote with only one vote per Global Board Member. Discussion and revote will continue until the final Global Board slots are filled.
- 12.5 If any of the top 3 individuals received votes from less than 50% of the Global Board Members, then the Global Board will discuss only the candidate(s) with less than 50% support and the candidate that ranked 4th and re-vote with only one vote per Global Board Member. Discussion and re-vote will continue until the final Global Board slots are filled.
- 12.6 Once the three open mandatory positions are filled, the Global Board shall decide whether to fill any vacancies or any optional two-year positions.
- 12.7 If the Global Board decides to fill any vacancies or a two-year position, the Global Board shall choose from those applicants who proceeded to Step 2 in the voting process by each casting one vote for the applicant the Global Board Member would like to select for the vacancy or two-year position.
- 12.8 Notwithstanding anything else to the contrary, the Board has the discretion to reject any and all applicants by majority vote at any time during the voting process described above and, may postpone the selection process of the vacant seats, whether mandatory or otherwise, until a suitable applicant is found and agreed by at least 50% of the Global Board Members.
- 12.9 At any time, the Global Board has the discretion to set or modify the application deadline; accept or call for qualified Members' applications; and/or to reopen or extend the Board application process in order to ensure the consideration of the most qualified candidates in a given year; fulfill the needs of service of the Global Board; and/or satisfy requirements of the EO Bylaws. If the Board application deadline is



modified or extended, any applications filed previously will be granted additional time for resubmission, if desired.

## 13.0 SELECTION PROCESS FOR CHAIRMAN OF THE GLOBAL BOARD

### 13.1 General:

- a) Global Board Chairman will be elected by a Global Board vote in the first in-person Global Board meeting of the calendar year.
- b) All existing Board Members will be eligible for Chair in the 3rd year of their Board Service except for Board Members installed before October 2015, who are also eligible for Chair in the 4th year of their Board service. All first year Global Board Members are automatically included in the election process for Global Board Chairman-Elect unless they expressly opt-out. Opt-out notifications must be submitted to the Global Board Chairman by the January Global Board meeting.
- c) All Global Board Members will vote, even if they are Chairman-Elect candidates.

### 13.2 First Round - Rank-Ordered Weighted Voting:

- a) Candidates shall make a presentation to the Global Board explaining their reasons and competencies for being Chairman.
- b) The candidates will leave the room and the Chief Executive Officer will give the Executive Team's feedback/perspective on the candidates. The remaining Board Members will discuss the candidates.
- c) The candidates will be invited back into the room.
- d) Each current Global Board Member must vote by listing and ranking their top two Global Board Chairman candidates. Global Board Members must vote for two different candidates. Votes will be weighted as follows:
  - i. #1 choice = 2 votes
  - ii. #2 choice = 1 vote
- e) If the candidate with the greatest number of votes also has the majority of the Global Board Members voting for him or her, that candidate will be selected as Chairman-Elect automatically, unless the results are so close that a motion for a second round receives support from the majority of the Board Members.
- f) If the candidate with the greatest number of votes does not have the majority of the Global Board Members voting for him or her the Board shall have a second round of voting.
- g) In the event of a tie for the first spot:
  - i. The tied candidates will leave the room.
  - ii. The Global Board will discuss only the tied candidates.

- iii. The candidates will return to the room and the Board will revote with only one vote per Global Board Member.
- iv. Discussion and revote will continue until a Chairman-Elect is selected by majority vote.
- h) In the event of a tie for the second spot:
  - i. If the top candidate has the majority of the Global Board Members voting for him or her, Section 3.5 applies.
  - ii. If the top candidate does not have at least 50% of the Global Board Members voting for him or her, the tie must be broken.
  - iii. The tied candidates will leave the room
  - iv. The Global Board will discuss only the tied candidates
  - v. The candidates will return to the room and the Board will revote with only one vote per Global Board Member.
  - vi. Discussion and revote will continue until the tie is broken by majority vote and we have the final two candidates for Chairmanship.
- i) Once we have the top two candidates, the Second Round of Voting specified in Section 13.3 applies.

### 13.3 Second Round - Single Votes:

- a) The two (2) candidates will leave the room and the remaining Global Board Members will discuss only the two (2) candidates.
- b) The candidates will return to the room and the Board will vote with only one vote per Global Board Member.
- c) Discussion and revote will continue until a Chairman-Elect is selected by majority vote.
- d) Member Ratification of the Selected Chairman is required even though all Board Members were previously ratified by Membership when they entered the Board.

### 13.4 Voting Process to fill Board Vacancies:

In the event of a Board vacancy due to resignation, removal or death of a Board Member, as contemplated in Article VI, Section 5.11 of the Bylaws, the Board shall fill the vacancy for the remainder of the term of the vacant position as follows:

- a) Select a Board Member in the next Board Selection Process; or
- b) Select a Board Member from the last class of applicants of the Board Selection Process, subject to confirming their availability and willingness to be considered as a Board candidate, and following the voting process specified for Incoming Directors of the Global Board as above; or
- c) If none of the above provides a solution, then the Board may select a Board Member in another fashion, subject to two-thirds agreement of the Board.

# APPENDIX C: COMMITTEES

STANDING COMMITTEES	MISSION/PURPOSE
Governance	The Governance Committee shall assume primary responsibility for the Corporation’s compliance with its Charter Documents and shall oversee a) the Corporation’s legal issues; b) the Corporation’s relationship with its general counsel; c) the Corporation’s audit responsibilities; and d) resolution of internal and external disputes.
Finance	The Standing Finance Committee shall supervise the financial affairs of the Corporation and shall have general responsibility for all monies, securities, and other assets of the Corporation.

COMMITTEES	MISSION/PURPOSE
I Learning	The Global Learning Committee is EO’s strategic resource for chapter, regional and global learning programs, working to ensure that the EO members’ high standards for learning content and quality events are met and exceeded.
<b>Subcommittees</b>	
a. Global Executive Education	To provide ideas for future topics/content delivered at universities, regional conferences, executive education programs (existing and new), and virtual learning (Webinars, global conference calls, etc.); to create additional outlets/mediums for EO Executive Education programs with attention to programming outside of the

COMMITTEES	MISSION/PURPOSE
	US and to oversee current EO Executive Education offerings.
b. Chapter Learning	To view and make recommendations for continuous improvement of chapter learning and supporting chapter learning chairs.
c. Global Events	To engage fellow members in activities “beyond local” in order to enhance their member experience.
d. Virtual Learning	To provide the growing Membership access to Learning at any given time using innovative technology.
2 Forum	To protect and nurture the benefit of Forum in order to ensure the continuing relevance of the product and keep the benefit true to the cornerstones on which it was founded; personal responsibility confidentiality and the use of EO Gestalt language Protocol. This will be accomplished by maintaining high standards in training, member leadership and the continuing development of products and services that drive this mission.
3 Technology	Create member value, either directly or providing services to members, or indirectly by enabling member leaders to be more effective.
4 Strategic Engagement	Define and coordinate tactics to execute EO’s Strategy to engage external resources, entrepreneur ecosystems and/or communities.
<b>Subcommittees</b>	
a. Strategic Alliance	To provide advice and guidance to Strategic Alliances staff on initiatives related to the prospecting, negotiation, and maintenance of relationships, and to the support of Strategic Alliance Chairs at the Chapter level.
b. EO ESEA	Responsible for ensuring the health, growth and chapter adoption of the Global Student Entrepreneur Award Programs.

COMMITTEES	MISSION/PURPOSE
c. EO Accelerator	Responsible for ensuring the health, growth and chapter adoption of the EO Accelerator Program.
d. Mentorship	The purpose of the Mentorship Subcommittee is to further EO's mission of engaging leading entrepreneurs to learn and grow by offering mentorship opportunities to EO members and the greater entrepreneurial ecosystem.
5 Global Communications	To increase the internal and external awareness of the value of EO. To provide ideas, opinions, and advice from both the member perspective and industry perspective to the EO Global Board, relevant EO Global Committees and the Communications and marketing Department staff and to help accomplish the strategic goals relating to Communications and Personalization as outlined in the Five-Year Strategic Plan.
<b>Subcommittees</b>	
a. External Awareness	Grow external awareness of the EO brand.
6 Leadership	To define and measure entrepreneurial leadership, provide member and EO leader learning content and programming, and inspire members to assume EO leadership roles to both further their own leadership journey and serve the organization.
<b>Subcommittees</b>	
a. Strategy Summit	To organize strategic planning sessions designed to create alignment, generate momentum, establish accountability and develop a strategic framework for a financial year.
b. Leadership Development	To research, develop and execute leadership programs for all levels of EO leadership to prepare our members for effective leadership in EO. Such leadership programs need to be more accessible globally to those members who want to step up into EO leadership.

COMMITTEES	MISSION/PURPOSE
c. Path of Leadership (PoL)	To create an open, fair and effective process for members to learn about and apply for global leadership positions.
7 Global Membership	To grow EO's Membership through creating new chapters and recruiting new members, and by helping our chapters effectively integrate their members.
<b>Subcommittees</b>	
a. Chapter Launch/ New Growth Market	To expand EO's footprint by launching chapters throughout the world.
b. Member Integration	To empower, expose and guide participation of new members to all EO products, programs and services within their first 24 months of membership
c. Member Recruitment	To increase EO's size and influence through the recruitment of quality members.
8 MyEO	To create, develop and host MyEO events, forming MyEO Groups and creating personalized MyEO forums Geared towards member's interests. To drive EO-Values-leadership at the member level.

# APPENDIX D: CHAPTER AGREEMENT

## AUTHORIZED CHAPTER AGREEMENT

The Entrepreneurs' Organization, Inc. ("EO") is a not-for-profit organization created under the laws of the District of Columbia, USA, for qualified entrepreneurs from around the world. Pursuant to its Bylaws, EO authorized the establishment of the \_\_\_\_\_ Chapter ("Chapter") to serve a group of EO members who meet on a regular basis. By associating with EO, the Chapter can give EO's membership the opportunity to participate in, and benefit from, the myriad of programs, products, services and activities that EO provides for all of its authorized chapters and its members who join authorized chapters. This dynamic partnership enables a global network of industry experts and leaders of business to freely share ideas and experiences in a safe environment, providing the opportunity for the members to become better entrepreneurs through business, professional, and personal growth and development. The success of the partnership between EO and its authorized chapters depends on a clear understanding of the rights, responsibilities and obligations of both EO and its authorized chapters. Therefore, EO and the Chapter have agreed to enter into this Authorized Chapter Agreement ("Agreement") to detail the terms and conditions of the relationship between them.

THEREFORE, EO and the Chapter agree as follows:

### TERMS OF AGREEMENT:

1. This Agreement is intended to provide guidance and protection regarding the rights and responsibilities of EO and the Chapter. EO grants the Chapter the authority to organize and operate as a Chapter of EO, and the Chapter agrees to operate in a manner consistent with the requirements established by EO. This Agreement shall become effective and commence on the date EO and the Chapter execute this Agreement, and it shall remain in effect as long as the Chapter remains in compliance with its terms and conditions, unless sooner terminated pursuant to the provisions of this Agreement.
2. The Chapter agrees to subscribe to EO's vision, mission and values, and agrees to accept as binding the provisions of EO's Bylaws, EO's Code of Conduct and EO's Policies and Procedures. A copy of the Bylaws currently in effect is attached as Appendix A (Other documents are on the EO Website or EO will provide copies upon request).
3. As long as this Agreement remains in effect the Chapter shall use the name "Entrepreneurs' Organization," "EO", and all of EO's related marks and brand, as a part of its Chapter name and identity. EO authorizes the use of its name, mark and brand consistent with its "License Agreement" to use Entrepreneurs' Organization Marks policy, the terms of which EO and the Chapter specifically incorporate herein to this Agreement as valid and binding terms upon the

Chapter. A copy of the “License Agreement” to Use Entrepreneurs’ Organization Marks policy is attached as Appendix B.

4. Both EO and the Chapter agree to submit only written modifications of, or amendments to, this Agreement signed by an authorized EO Global Officer and the Chapter President.

### **CHAPTER REQUIREMENTS:**

In order to preserve a healthy, vigorous Chapter, and thereby ensure a valuable experience for all EO members, the Chapter shall meet and satisfy EO’s policy, titled “Minimum Standards and Chapter Formation and Good Standing”; a copy of each is attached as Appendix C. Additionally, EO expects the following operational requirements from the Chapter:

1. The Chapter shall ensure that every member of the Chapter has paid their EO dues and submit those dues to EO by 1 July each year.
2. The Chapter shall submit EO membership dues and renewal information through EO network or directly to EO, and shall make progress and financial reports to EO on an annual basis or when requested.
3. The Chapter shall obtain and maintain any insurance required by any governmental authority and/or when necessary and prudent for the Chapter’s operation.
4. The Chapter must comply with all laws and regulations in the Chapter’s respective countries and jurisdictions, which includes laws and regulations pertaining to a tax exempt organization.
5. The Chapter agrees not to conduct, endorse, offer, promote, develop or support any program, meeting, convention or educational event which conflicts with any EO activity or policy without the express written consent of EO.
6. The Chapter is a separate legal entity from EO, and may describe itself as an “affiliate” of EO. However, the Chapter’s officers, agents or employees may not hold themselves out as agents of EO. The Chapter shall not contract in the name of EO, or incur any financial or other obligations of behalf of EO, without the express written consent of the EO Chairman or the Chief Executive Officer. [EO does not own, in whole or in part, the Chapter]

### **CHAPTER PRIVILEGES:**

1. As an authorized chapter of EO, the Chapter is entitled to offer all of the EO products, services, programs and activities to the Chapter’s EO members and officers. A copy of EO products, services, programs and activities is attached as Appendix D.
2. EO has authorized the Chapter to develop, manage and maintain the Chapter within a specific location and with a listing on the EO Website as an EO chapter. This privilege does not create an exclusive territory for the Chapter, and EO reserves the right to authorize other chapters in the same location or region (as EO deems necessary and appropriate) to advance its vision, mission and



purpose.

3. The Chapter shall be eligible for direct financial incentive payments from EO to chapters in accordance with financial incentive programs EO may establish and maintain from time to time.

### **TERMINATION:**

1. This Agreement renews automatically on an annual basis until terminated by either EO or the Chapter by providing sixty (60) days written notice. Upon termination of this Agreement for any reason whatsoever, the Chapter hereby agrees that it will immediately cease the use of the name "Entrepreneurs' Organization," "EO," or any variation thereof, and all of EO's related marks and brand. Further, the Chapter shall immediately dissolve its organized status pursuant to the applicable laws where the Chapter operates and liquidates all of its assets. If the Chapter fails to take these actions within a ten (10) day period following the termination of this Agreement, then the Chapter acknowledges and agrees that EO shall be entitled to pursue immediate injunctive relief and any other available legal or equitable remedies to prevent the Chapter from continuing its operations or existence and to prevent the Chapter from using EO's name, marks or brand.
2. Upon dissolution and final liquidation of the Chapter, the Chapter's officers shall distribute the Chapter's remaining net assets to the EO members of the Chapter consistent with applicable laws. To the extent any assets remain after distribution to EO members, EO shall retain all remaining assets for use consistent with its tax-exempt purpose and for the benefit of EO members and other authorized chapters. Under no circumstances shall any assets inure to the benefit of any one individual member or person unless required by law.
3. Termination does not relieve EO or the Chapter of any obligation to pay any amounts due and payable to the other on the date of termination.

### **MISCELLANEOUS**

1. If any court or judicial entity declares any portion of this Agreement invalid or unenforceable for any reason, then EO and the Chapter agree that the decision shall not affect the remainder of the Agreement, which shall remain in full force and effect.
2. Waivers to any provision of this Agreement are invalid unless contained in a written notice given by either EO or the Chapter granting the waiver. A waiver or failure to enforce any provision in this Agreement shall not serve as a waiver of any other, or further obligation, or liability of either EO or the Chapter.
3. The laws of the District of Columbia in the United States of America shall govern this Agreement, its enforcement, the construction of its terms, and the interpretation of the rights and duties of EO and the Chapter.
4. This Agreement may be executed in any number of counterparts, each of which is deemed to be

an original, but all of which together constitute one and the same instrument.

5. This Agreement is not intended to confer any rights or remedies hereunder upon, and shall not be enforceable by, any person other than the parties hereto.
6. The Chapter cannot assign this Agreement whether by operation of law or otherwise without the written consent of EO.

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LEFT BLANK]

**ENTIRE AGREEMENT:**

This Agreement, dated \_\_\_\_\_, constitutes the entire understanding and agreement between EO and the Chapter with respect to the subject matter hereof, and supersedes any and all prior or contemporaneous oral or written understandings or agreements. The undersigned agree to abide by the terms of this Agreement and the attached appendices, which are considered a part of this Agreement. This Agreement is effective on the date of its acceptance and signature by representatives of EO and the Chapter.

**ENTREPRENEURS' ORGANIZATION, INC.**

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

**EO** \_\_\_\_\_  
(CHAPTER NAME)

SIGNATURE: \_\_\_\_\_ Chapter President

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_, \_\_\_\_\_  
(DAY) (MONTH) (YEAR)