CHAPTER HANDBOOK

Approved by the Board of Directors July 10, 2025

Overview

I.   <u>Purpose</u>

Chapters are vital to the mission and success of the Society for Corporate Governance ("Society").

Active chapters significantly enhance the value of our membership, by delivering quality programming, connecting members with each other, in providing professional development opportunities, and in developing future Society leaders.

The purpose of each chapter is to promote the mission of the Society – which is to empower professionals to enhance corporate governance through education, collaboration, and advocacy -- within the chapter through programming, as well as member recruitment and engagement, both within the chapter's territory and, as appropriate, in collaboration with other chapters and the National Office.

II.   **Establishment**

The Society's Board of Directors has the authority to determine the Society's chapter structure and may, in accordance with the Society's By-laws, delegate that authority to the Society's President & CEO.

Each chapter shall be governed by the provisions set forth in the Society's by-laws, other resolutions adopted by the Board of Directors, and this handbook, as well as each chapter's by-laws. In case of a conflict, the Society's by-laws and other governing documents authorized by the Board of Directors shall supersede the individual chapter's by-laws.

III.   **Territory and Members**

The Board of Directors shall establish the territory for each chapter or region and may revise territorial limits from time to time. All members of the Society will be members of the chapter indicated in their iMIS (the Society's membership management system) profile, which reflects (at the Member's election) their residence or place of business. A map of the Society's current chapter structure is attached as Appendix A hereto.

Members of the Society who reside or have their principal place of business within the territory of an inactive chapter, as designated by the National Office, will be assigned membership in another chapter or region in accordance with any guidelines established by the Board of Directors. Chapter membership terminates if a member ceases to be a member of the Society.

IV.   **National Office and Chapter Responsibilities**

The Society recognizes that chapters are led by volunteers who generously offer their time and expertise, and the Society's National Office is responsible for supporting chapters in the areas of governance, programming, membership, sponsorship, and finances.

Each chapter has responsibility and authority to:
- Elect officers and Advisory Committee members.
- Decide and execute its programming and other events.

Each chapter is also expected to collaborate with the National Office in:
- Identifying, recruiting, retaining, and engaging chapter members.
- Engaging sponsors and partners, as appropriate, for chapter programs.

The National Office is responsible for supporting chapters in the following ways:
- Governance
  - Providing guidance and logistical assistance, as needed, in the chapter's annual elections of officers and Advisory Committee members (which shall generally be held during the late spring or autumn of each year).

- Programming
  - Setting up registration for chapter meetings in the Society's registration system.
  - Assisting with meeting or webinar logistics and hosting through online platforms.
  - Assisting with planning and execution of larger scale local or regional meetings.
  - Recording chapter events on the Society website calendar and chapter pages.
  - Sending out meeting notices or surveys and other communications via email.
  - Applying for CLE credits for chapter events, unless handled by a local law firm.

- Membership
  - Ensuring that Society members are assigned to a chapter and that member records are current.
  - Identifying prospective Society members and collaborating with chapters in promoting the Society to recruit new members.
  - Tracking the engagement of chapter members and collaborating with chapters on initiatives to enhance engagement and retention of members.

- Finance
  - Overseeing chapter banking and funds, facilitating the receipt of chapter funds and payment of chapter expenses, and tracking and reporting cash balances.

To facilitate the National Office's ability to provide support to chapters, chapters are expected to have regularly scheduled one-on-one meetings with the National Office, to participate in group meetings of chapter officers, and otherwise to engage with the National Office when it can be of assistance.

V.   Tax Status

The Society was founded in 1946 and operates as a 501(c)(6) organization, a professional membership group as designated in IRS regulations. Such an organization is a nonprofit corporation and is not subject to corporate income taxes on revenue derived from products and services related to its stated purposes.

The Society is not a charitable or 501(c)(3) nonprofit (charitable) organization. All chapters operate as part of the national entity and use the Society's tax identification number: **13-1674285**. The Society files one annual tax filing, Form 990, with the IRS, which includes pertinent chapter financial activity.

Governance

I.   Society By-Laws

A copy of the Society's by-laws can be found in on the Society's website: By-Laws

Chapter by-laws should conform to the template established by the National Office. The National Office will ensure each Chapter has a copy of its current By-laws.

II.   Chapter Officers

Each chapter shall have a President, a Vice President/Program Chair, and other such officers as shall be determined by the chapter Advisory Committee (see below). Such officers shall be elected annually by the chapter members in a chapter meeting or electronic format, in which at least ten percent of the membership is present or participates.

The chapter Advisory Committee shall solicit potential nominations for chapter officers from chapter members and nominate such officers for election. Chapter officers shall serve for a one-year term or until their successors have been elected. Absent exigent circumstances, such officers may not serve more than

three consecutive years in any officer position.

The chapter President shall preside at all meetings of members and of the Advisory Committee and shall have general charge and supervision of the business and affairs of the chapter. The Vice President/Program Chair shall schedule and execute meetings of chapter members and report such activities to the Society's Education Committee periodically, if so requested.

Chapters must have a minimum of two officers (President and Vice President/Program Chair) but may have more. Officer titles, terms, and general duties are set forth below. The required officer duties are as follows:

Chapter President – The President has overall responsibility for all chapter activities. Duties include to:

- Serve as Chair of the chapter Advisory Committee, if one exists.
- Work with chapter officers and Advisory Committee members to identify and nominate potential candidates for Society director or officer positions, if the chapter chooses to do so.
- Conduct chapter business/election of officers and the advisory committee.
- Participate on Society chapter officer calls or in-person meetings or assign a suitable designee.
- Provide a chapter financial report to chapter members annually.

Chapter Vice President/Program Chair
- At an appropriate time, hold a meeting of the program committee or Advisory Committee to establish a program schedule for the year.
- Arrange for chapter programs including venue, meeting topics, logistics and coordinating speakers.
- Report to the Society's Education Committee on chapter programs, if requested.

III. Election of Officers

Chapter officers should be elected annually on a regular cycle, preferably within two approved windows each year, allowing for the National Office to provide suitable support and resources for the election process. The chapter advisory committee should solicit interest from members and place the names on a ballot to be distributed by the National Office to all chapter members at a chapter meeting for voting.

Chapters do not need to host an "Annual Meeting" and can elect their officers and Advisory Committee members at any meeting on an agreed to annual cycle. Alternatively, chapters may hold an election via electronic means outside of a meeting.

IV. Chapter Advisory Committee

Chapters must have an Advisory Committee. It is the principal governing body of the chapter. It includes the current chapter officers, the immediate past chapter president, if willing and a member, and other chapter members elected by the chapter. Typically, chapter members are first recruited to serve as an Advisory Committee member to learn about chapter operations before becoming a chapter officer.

The functions of the Advisory Committee are:
- Advising on the chapter's meeting schedule.
- Advising on program topics and speakers.
- Overseeing the nomination of chapter officers and Advisory Committee members.
- Participating in chapter membership recruitment and retention efforts, as needed.

Chapter officers are automatically considered members of the Advisory Committee, which should contain a minimum of five members and generally not exceed 16 members. To enhance committee refreshment and talent development, committees should conduct open solicitation of nominations for officers and advisory

committee members, consider diversity of experience, industries and perspectives in selecting members, and limit advisory committee member tenure to an average of eight years (excluding an officer's service as an ex officio director).

The eight-year advisory tenure limit may be phased in over a three-year period, starting in 2026. If a chapter desires, it may allow up to 20% of its advisory committee members to serve without time limits.

V.   Limitation on Authority

No chapter or region, nor any officer, agent or committee thereof shall at any time have any power or authority to take any action for or on behalf of, or in the name of, the Society, or to commit the Society in any way, or to incur any expenses or liabilities for which the Society may be liable (except with the specific approval of the Society Board of Directors or a Society Officer), or to take any other action inconsistent with the purposes of, or against the best interests of, the Society as interpreted from time to time by the Society Board of Directors; the power to bind, speak for or commit the Society in any respect whatsoever, and the power to sponsor, propose, oppose or promote legislation in the name of the Society or in the name of any chapter, being reserved specifically to the Society. A Society Officer shall provide each chapter with authority on a standing threshold basis to incur expenses and liabilities for routine matters, based on that chapter's designated financial resources or on funds allocated by the National Office.

Membership

I.   Society/Chapter Membership

Membership fees for the Society include national and local standing. Currently, the Society's 3,700 plus members are assigned to one of 21 chapters throughout the United States based on the primary address noted in their iMIS (the Society's membership management system) profile. Members may choose to receive email notifications from one other chapter for purposes of being aware of and attending chapter meetings in another locations.

II.   Member Database/Directory

Member records are maintained in iMIS and includes information on member addresses, emails, company affiliations, titles, company type, location, and historical participation in Society events. If chapter officers are interested in obtaining additional information about their chapter members, the National Office can provide reports. All data is managed centrally at the National Office.

- The Society does not sell its member list; however, it does provide member names and emails to event sponsors in connection with attendance at National events for those members who have not opted out.
- Access to the Member Directory can be found on the Society's main website and the member website Society Connect.
- Service Providers may not download the directory or copy it in any way for unintended uses.

III.   New Member Onboarding

To help new Society members affiliated to their chapter(s), a system generated email will be sent by the Society's President & CEO, welcoming them to the Society, drawing their attention to the full Society membership experience and the range of educational and networking opportunities available at a national and chapter level.

To follow that, chapter Presidents or another chapter officer designee, should send a follow-up welcome email, providing information on the chapter programming plans for the next 6 to 12 months, such that new members can decide how best to engage locally. We want new members to know that they have options to engage at a national and chapter level throughout the year. The National Office will work with Chapter

Presidents on the form of this welcome emails, or other targeted communications to be sent to chapter members, and in providing information and logistical support in sending these communications.

IV.   Marketing and Prospecting

The National Office has created a senior position of Chief Membership and Marketing Officer (CMMO), to oversee the full range of related Society activities. The CMMO will be charged with reviewing current practices, making improvements and will work with chapters to more systematically identify potential sources of new members, and in communicating key messages to prospective members via a variety of channels.

This may also include considering cities that are not well served by our existing chapter footprint, are growing, or are seeing more corporations or law firms establishing a presence, such that they may present a membership/chapter level opportunity. The CMMO will take the lead in deciding the Society's strategy but will collaborate with chapters officers, who may have valuable insights and local or regional relationships.

V.   Chapter Membership Outreach

Chapters are encouraged to work with the CMMO and National Office and periodically review and update prospect information to help the Society attract new members and recapture previous members.

The following individuals are currently automatically added to a chapter prospect list:

- A non-member who attended a chapter or national event;
- A former member whose membership expired; and
- By request from the chapter or the individual to be added to a prospect list.

There are additional ways for chapters to gather information on prospects including:

- Working with chapter members from companies or prominent industries in your chapter area to see if all companies/peers in those industries are represented; and
- Working with local transfer agents and financial printers for referrals of new corporate secretaries in area companies and newly public companies.

VI.   Membership Dues and Fees

There shall be no separate chapter membership dues, entrance fees or other mandatory charges for membership in a chapter, but the chapter may establish per meeting fees. No chapter shall have a right to any of the fees, dues or assessments required or levied by the Society at a national level. The National Office shall provide each chapter with periodic reports on the funds that are available to each chapter based on the revenues generated by such chapter, or as otherwise requested by the Chapter President or Treasurer..

VII.   Minimum Number of Chapter Members

The Society recognizes that the number of members in each chapter will necessarily vary, both by geography and over time. The Society also does not view the number of members in isolation, but also in conjunction with the degree of engagement by the chapter's members in terms of program attendance.

Generally speaking, the Society would like each chapter to have a minimum of 50 members. Smaller chapters should have a sufficiently high level of engagement to make the chapter viable (e.g., a 40% engagement rate at a chapter with 50 members). For the largest chapters, an engagement rate of 15% may be sufficient for viability.

Programming

I.   Chapter Programs

The goal of chapter programs is to educate Society members and provide them the opportunity to network, engage and share best practices with other members, supplementing content and programming available at a National level.

Chapters are responsible for determining their programming. Generally, chapters should endeavor to hold at least two to three programs each year. These programs should provide distinctive value to the chapter members, offering them a quality experience that they cannot receive from local law firms and organizations.

Chapters can choose the format, substance, and permitted attendance at these events. They may include, for example, a Chatham House Rule roundtable program, a panel presentation, or a purely social event (or a social event coupled with a substantive program).

Chapters are encouraged, circumstances permitting, to hold a majority of their programs either in-person or, at least, in a hybrid manner.

To ensure that chapter programming is distinctive from that offered by others, and to provide professional development opportunities for Society members, chapters are encouraged to have a strong presence of in-house governance professionals as speakers at their programs, as well as individuals (e.g., outside counsel, directors, investors, subject matter experts) with perspectives relevant to the topic.

The National Office can provide support to chapters in developing their programs, including (a) sharing the National Office's programming plans, (b) providing relevant benchmarking surveys and other content to inform the chapter's program, and (c) suggesting potential speakers and/or sponsors. (The National Office is currently working on developing a speaker database, to be available in early 2026). We can also facilitate surveys on topics and, timing and quality of programs from chapter members, to aid annual program planning.

The National Office can also support chapters' efforts to hold events (local, regional, Chatham House Rule roundtables, etc.) that provide distinctive networking opportunities -- for example, by providing chapters with suggested questions drawn from national discussion groups, roundtables and benchmarking surveys.

Having an annual planning session with chapter officers and the chapter Advisory Committee to choose program topics and speakers is a preferred practice. Consider the following when planning programs:

➢ Roundtable sessions are favored by many chapters for sharing of practices.
➢ Provide opportunities for chapter members to be involved as a speaker to share their expertise.
➢ Look for chapter members whose companies provide services to Society members and whose special knowledge could be valuable.
➢ Contact Society members from other chapters who have successful programs for suggestions.
➢ Consider suggestions from Society organizational partners and other sponsors.
➢ Invite National Office staff to speak, or update members on Society developments.

II.   Regional Programs

One or more chapters may hold meetings in a similar geographic area. In any such case, the regional meetings shall be coordinated and overseen by a group consisting of at least one chapter officer of each active chapter within the region.

Chapters may elect to periodically host regional conferences. While these involve the challenge of developing several hours of substantive programs (and potentially securing CLE credits), they can enable

chapters to offer a variety of discussion formats, recruit new members, attract speakers and sponsors by providing larger audiences, offer more chapter members opportunities as moderators and speakers, and provide more opportunities for networking across chapters.

Such conferences can last multiple days, depending on the format, and may have complex planning, scheduling, logistical and financial considerations. Any such conference should be coordinated with the National Office staff at the earliest possible time. The National Office, where feasible, will provide resources and support tools for the planning and execution of such conferences, including consideration of conference budgets, and may seek to participate or collaborate on programming, marketing, sponsors, and other critical activities.

If chapter leaders believe a meeting with another organization will lead to suitable quality programming and enhanced opportunities for networking, it may consider participating in such. If so, registration for Society members must be through the Society's iMIS system to protect our membership data. Please also check with the National Office before confirming plans to ensure there are no known conflicts of interest.

If a chapter wishes to invite another Society chapter to a virtual chapter meeting, this should be done only if the officers of both chapters approve.

III. Speakers at Chapter Meetings

Non-member speakers are allowed on panels at chapter meetings. Chapter officers should be aware if such a non-member expert speaker will expect any reimbursement. Practice varies as to the payment of speaker honoraria and/or travel expenses.

Generally, speakers who are members of the Society are not paid to speak or reimbursed for travel expenses. Similarly, non-member speakers from law firms or service providers are also not reimbursed. On rare occasions, an expert consultant may seek reimbursement. Please see above for authority to commit to expenses/liabilities.Some chapters give small gifts to speakers in appreciation of their participation, particularly at Regional Conferences. In all cases, chapters are encouraged to send thank you note or email.

IV. SEC Speakers

The SEC staff based in Washington, DC, has been willing to speak to Society members at various chapter conferences, but the time their staff can devote to these activities is limited. To secure a speaker from the SEC staff, the National Office should be engaged in advance, as such requests need to be balanced between National and chapter interests, with National taking priority. As an alternative, chapters may consider engaging SEC staff from regional offices. Typically, SEC speakers pay their own way to attend in person events when they speak, so there is no apparent conflict of interest.

V. Programming Timing and Locations

To make sure there are no meeting conflicts with National programs, chapters must check the National Calendar of events when planning chapter meetings. Considerations for meeting locations include:

- When the chapter includes several metropolitan areas, consider rotating meetings in different cities to give local members the opportunity to attend an in-person meeting.
- Meet at a corporate headquarters that provides free room rental and reasonable catering charges, or fully sponsored catering.
- Meet at the offices of a Society service provider or law firm member.
- Virtual meetings should be held through a platform hosted by the Society.
- Chapters may hold meetings requiring space and refreshments. If any contract is required, it should be reviewed by the National Office prior to acceptance.

VI. The Society maintains insurance coverage for events required by some venues. Program Registration

The Society's association management system, iMIS, hosts all registrations for Society events. Chapters are required to use the Society's registration system for chapter events. iMIS allows both members and nonmembers to
register for events. The registration module only accepts payments by credit card. The Society no longer accepts checks for chapter meetings or chapter events.

VII.   Meeting Notices

The National Office will send chapter meeting notices via email. Meeting dates are also put on the Society Calendar by the National Office. To ensure consistency in branding of Society events, the notice should include the following:

- Date, time, location and cost of meeting (if any).
- Title of the program.
- Description of topic or social event.
- Speaker(s) name, title and affiliation.
- Notice of CLE credits that will be applied for if any.

We highly encourage chapters to send meeting dates and information to the National Office at least one month prior to the meeting, to provide sufficient time for notifications to be issued and for chapter members to register.

Event registration setup and e-mails must be sent 48 hours in advance of the target go live date. All chapter e-mails require chapter officer approval before sending. Chapter notices must adhere to the Society style guidelines and templates.

VIII.   Continuing Legal Education (CLE)

Many members attend educational programs to receive CLE credit. Those chapters who meet in states with CLE requirements may apply for and publicize these credit hours in conjunction with chapter meetings and conferences. Each state has different rules as to what determines the probability of credits being granted, as well as the application process and the reporting requirements. The state agency responsible for the CLE program can provide applications, guidelines, etc. The National Office has contracted with CEUI for the administration of CLE credits in all US jurisdictions.

Chapters should consider the cost of offering CLE for an in-person program and must charge a fee if doing so. Each state has a separate fee and there are fees to set up the program by CEUI. The set-up fee for a single event is $750. If only a small number of members are attending a meeting, or if a meeting is offered virtually to members at no cost, chapters should carefully consider whether the use of chapter member funds for CLE is appropriate.

Partnerships and Sponsorships

I.   General

We want chapters to consider and accept sponsorships from local and national partners, where it makes sense for a specific program, the Society, and the other parties. The National Office has longstanding and established relationships with many prominent law firms and service providers in the corporate governance community. A number of those have expressed an interest in broadening their engagement with the Society and the National Office can help facilitate that.

We are aware of and appreciative of other service providers with more local contacts and a footprint at a chapter level. We do not want to disrupt those relationships, but closer collaboration between National and

chapters can provide beneficial for all.

If a chapter is contemplating sponsorship opportunities for a meeting, please do speak to the National Office in advance, as we may already have some funding allocated from our primary organizational sponsors that may be used.

II. Engaging with Sponsors

Service provider support of chapter activities can take many forms, e.g. providing space for a meeting, providing refreshments or supplies, or funding a particular meal, function or social event. In all cases where chapters are soliciting contributions or sponsorships from service partners or any other Society member, the Society National office must be informed in advance.

IRS regulations provide that vendor advertising in programs specifically generates taxable income to an association. As such, chapters must get permission in advance from the National Office to accept any such advertising, as we are required to treat this in a particular manner in the Society's annual tax return, which is filed on a consolidated basis including chapter activities. As an alternative, chapters might offer conference sponsors the ability to welcome members to introduce a panel. Any digital or printed advertising must only use the vendor logo or name and address.

The Society strictly prohibits pay-to-play (that is, where a speaker is placed on a panel because of a financial or other contribution they have made). Speakers should be chosen because of substantive knowledge and experience they can share at a program. Having said that, there is no prohibition from having an individual from a sponsoring firm speak on a program. In any event, speakers should not use their position to promote or market their firm's services.

Chapter Financials

I. General

The Society's National Office ultimately controls all funds raised by the chapters. However, to provide an incentive for chapters to manage their programming in a fiscally responsible manner, and consistent with the historic degree of autonomy enjoyed by our chapters, the National Office tracks the amount of funds attributed to each chapter. Chapters, with the approval of the National Office, have significant latitude in determining how to raise and spend funds held in their name.

Chapter funds are held in a single 'parent' account at Bank of America, separate from National Office funds. The National Office manages the bank account. This enables the National Office to actively monitor banking activity and for fraud and manage reports necessary for accounting and auditing. Chapter financial transactions are determined by chapter officers but facilitated by National Office staff.

Prior to 2018, each chapter held a separate local bank account, with the oversight responsibility residing with the Chapter Treasurer. Due to increased fraud attempts (not limited to the Society), the Society Board of Directors decided to close such accounts and consolidate to a single account, to eliminate risks and offer real-time reporting on the Society's financials, given our tax reporting requirements.

The Society uses Bill, a secure online system, for all vendor payments and out-of-pocket expense reimbursements. Vendor payments will be routed via Bill for payment, tracking and reporting, with chapter officers working with the National Office. Any expense incurred by a chapter officer should be reported to the National Office via email, with an explanation of the circumstances and copy receipts. If not in the Bill system, the recipient will be established in Bill and a payment sent within 3 to 5 days of approval.

Although a Treasurer is no longer a required role at a chapter level (nor at the National level) given the centralization of banking accounts, the National Office will provide an updated chapter account balance to the chapter Treasurer, if such position exists, or President after transactions are processed, so chapter leadership is aware of the chapter financial status. Statements can otherwise be requested at any time.

The National office withholds an administrative fee of 2.5% for chapter meeting dues collected through iMIS. This fee offsets credit card fees charged on registration transactions, which can range from 2.5% - 4%. The National Office receives the registration fees via online registration and then distributes the fees back to the chapter, less the 2.5% administrative fee, after the meeting has concluded.

If a chapter is considering use of a hotel or other facility other than for a social/networking event, please contact the National Office in advance. Our Events staff can assist in identifying potential locations/hotels by way of our network of hotel and conference relationships.

Any contract or written agreement for any conference location must be reviewed by the Society's General Counsel prior to execution to ensure the Society is suitably and consistently protected.

II.   Insurance Coverage

The Society has $2.0 million nonprofit organization/association professional liability insurance policy coverage. The chapters are also specifically included in the Society's general liability policy coverage for $2.0 million each occurrence. An umbrella policy provides coverage of an additional $3.0 million each occurrence. The professional liability insurance policy is separate from the Society's D&O policy, which does not cover chapter officers.

Any chapter planning to host an event which requires insurance must contact the National Office. The Society's general liability policy includes host liquor coverage if the Society or its chapters sponsors a function where liquor is served. It also provides for special event binders if these should be required by venues where chapter functions might be held. Arrangements for a special event binder should be made at least one month in advance.

Chapter Map

Pacific Northwest

Twin Cities

Milwaukee

Detroit

Eastern
New England

New York

Hartford

Pittsburgh

Fairfield-
Westchester

Northern
California,
Hawaii &
Nevada

Rocky Mountain

Chicago

Ohio

Middle
Atlantic

Kansas
City

St. Louis

Southern
California

Phoenix

Dallas

Southeastern

Houston