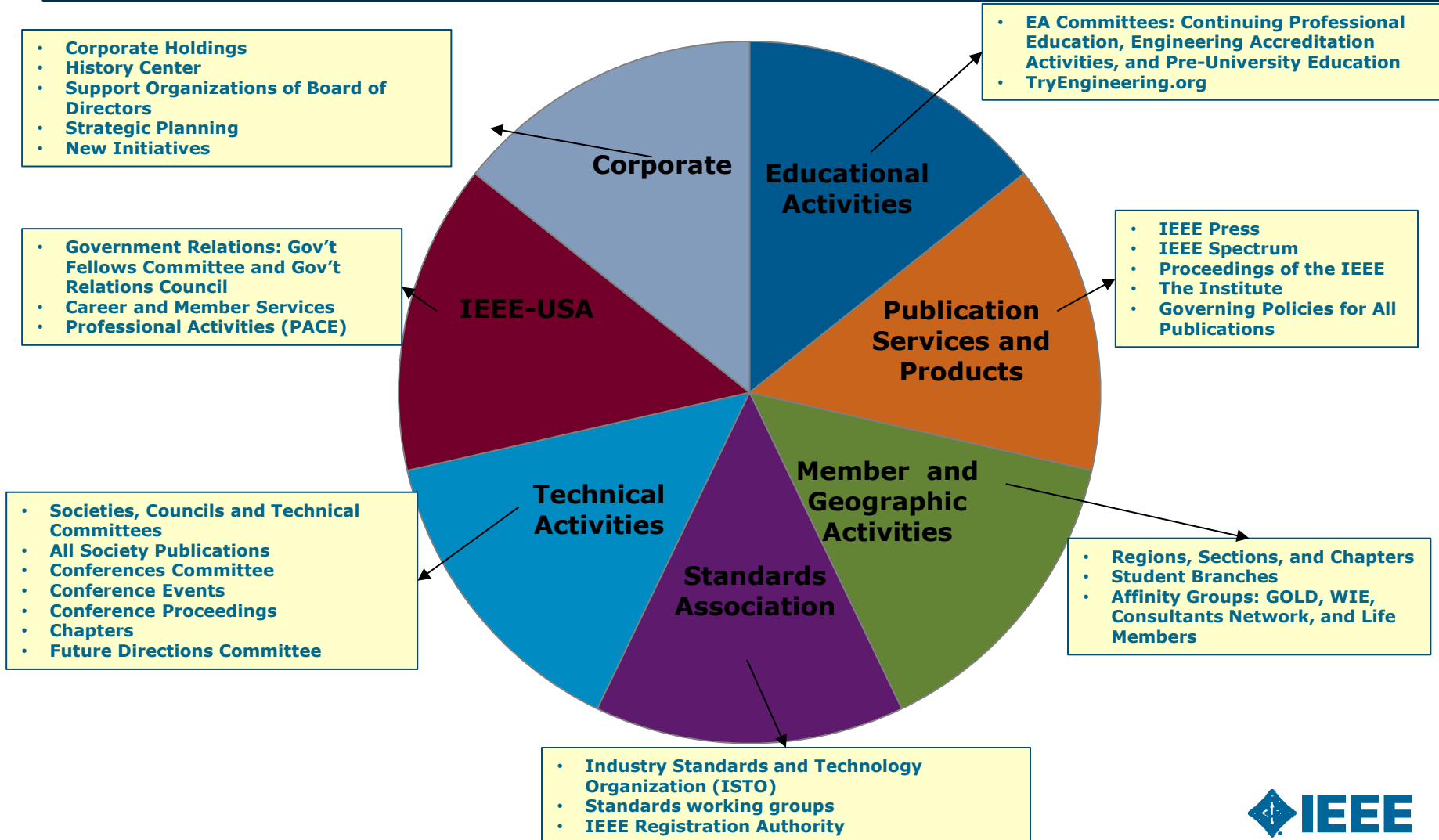




IEEE Global Structure



Origin of the International Registration Project in 2009

The Situation

- Independently registered with local authorities
- Sections had independently formed local corporations or partnerships to conduct IEEE activities
 - Assets not reverting to IEEE upon dissolution
- Sections purchased or leased real estate and/or hired employees

History of the International Registration Project in 2009 (continued)

► Identified Risks

- IEEE (and any unauthorized local entity) could be in violation of local corporate, tax and/or employment laws
- IEEE volunteers could face personal tax or other legal liabilities for such violations
- IEEE volunteers ineligible for indemnification by IEEE in the event of a claim
- IEEE insurance would not protect assets or cover liability
- IEEE's charitable status could be jeopardized

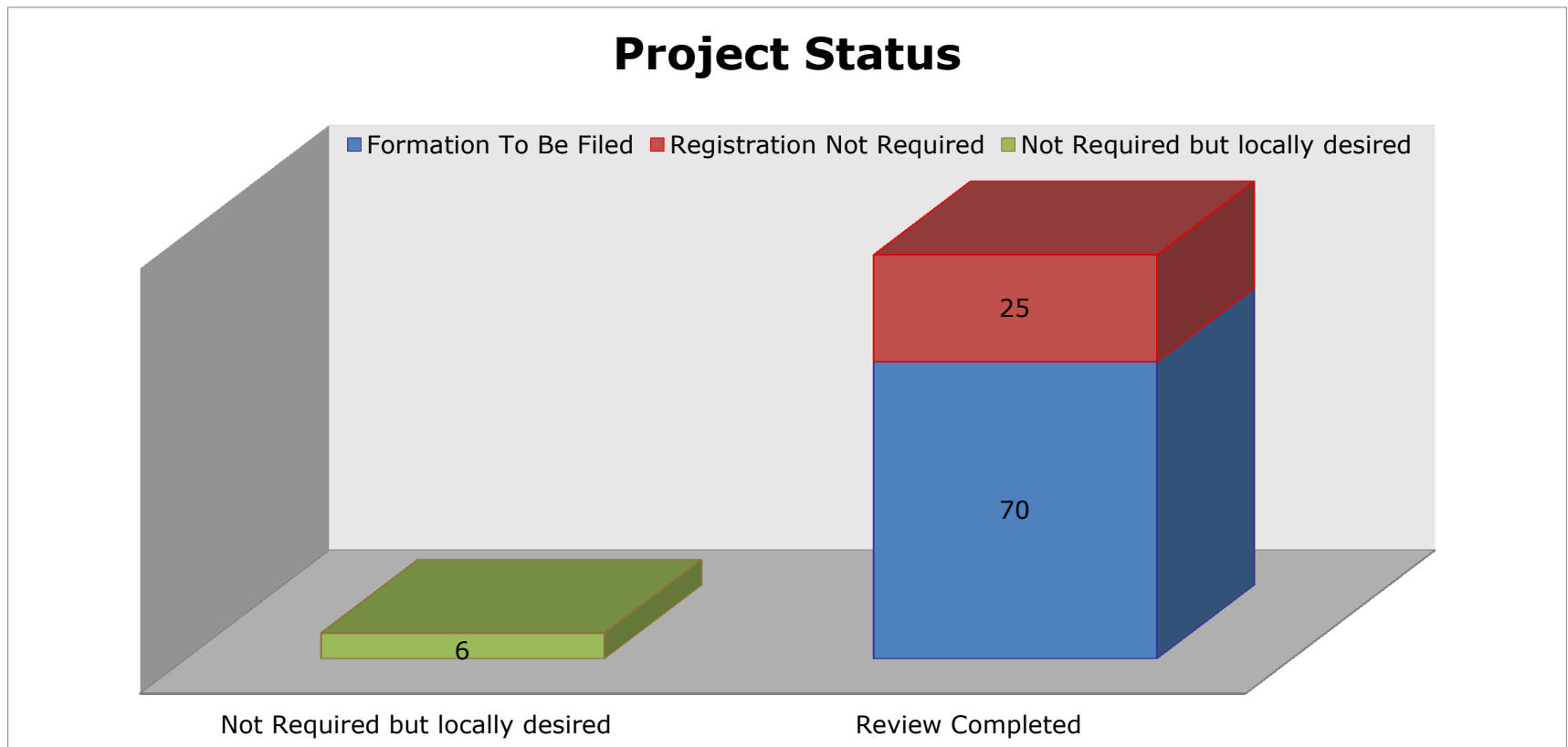
Worldwide Legal Status Project Today

- ▶ Methodology Modified in November 2012
 - Local legal counsel reviews operations and proposes options based on level of activity (Matrix)
 - Review of corporate formation options (Matrix) with **local Section Chairs**, MGA and Tax Staff
 - **Choose a local lead coordinator**
 - Coordinate with local lead coordinator to effect the required and desired registrations **based on consensus decision-making**

Benefit of Registration to Local Sections and the Institute

- ▶ IEEE units worldwide can conduct a **full range of activities** as authorized by the laws of the particular country
- ▶ Preferred forms **protect individuals** and provide a framework for **financial and accounting compliance**
- ▶ As a **multinational** organization, enhances IEEE's local presence as a good corporate **citizen**
- ▶ Helps to protect IEEE **global brand** and **intellectual property**
- ▶ **Mitigates** IEEE's **risk** of liability for unauthorized activities

Worldwide Legal Status Project: Results through October 2013



International Project Total Countries

- ▶ Number of Countries Reviewed: 98
- ▶ Number of Countries IEEE Local Leadership Consulted: 70
- ▶ Number of Countries Requiring Registration or Change of Registration: 64
- ▶ Number of Countries Registration not Required: 25
 - 6 Countries still want to register
- ▶ Number of Countries with Review on Hold: 7
- ▶ Number of Countries with Review Pending with Local Leadership: 2
- ▶ Number of Countries with Consensus between Leadership and Counsel Reached: 42 out of 70
- ▶ Completed: 2 (Kenya and Benelux)
- ▶ Registration In Process: 5 (Finland, India, Portugal, Russia and Zambia)

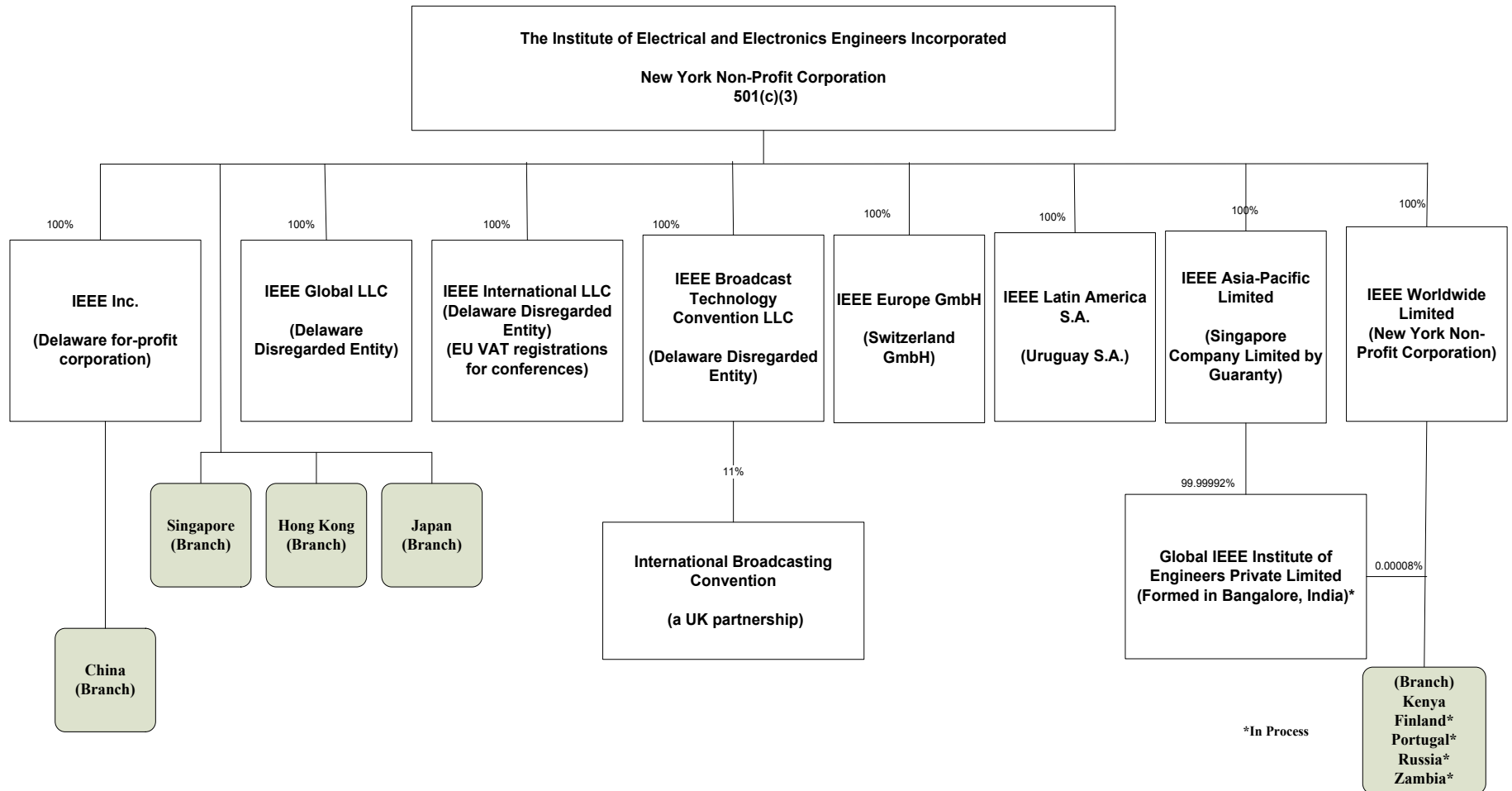
Modified Forms of “Registrations”

- ▶ Subsidiaries
- ▶ Branches
- ▶ Associations
- ▶ Societies
- ▶ Intercompany Agreement

Modified Forms of “Registrations” (continued)

- ▶ **Subsidiaries:** A corporation wholly owned by another corporation with no personal liability to the members. Preferred for large robust organizations with many assets.
- ▶ **Branches:** A division of a corporate parent operating in a separate country with no personal liability to the members. Appropriate for smaller but stable sections.

IEEE First Tier Subsidiary Organizational Chart 2013 – Region 8 Overview



Modified Forms of “Registrations” (continued)

- ▶ Associations and Societies: The act of a number of persons who unite or join together for some special purpose or business. Often with personal liability and no IEEE protection. Ability to modify governing documents.
- ▶ Intercompany Agreement: Stand alone contracts with rights and responsibilities of the parties. No legal ability to modify governing documents.

Proposed Provisions for Society/Association Bylaws and Intercompany Agreements

- ▶ License to use IEEE trademarks, know-how in accordance with IEEE Brand Identity Guidelines
- ▶ Agreement to adhere to IEEE Policies and Guidelines and Manuals, MGA Operations Manual, and Regional Manual
- ▶ Notice provisions on lawsuits, dissolution
- ▶ Governance provisions relating to voting and representation depending on structure

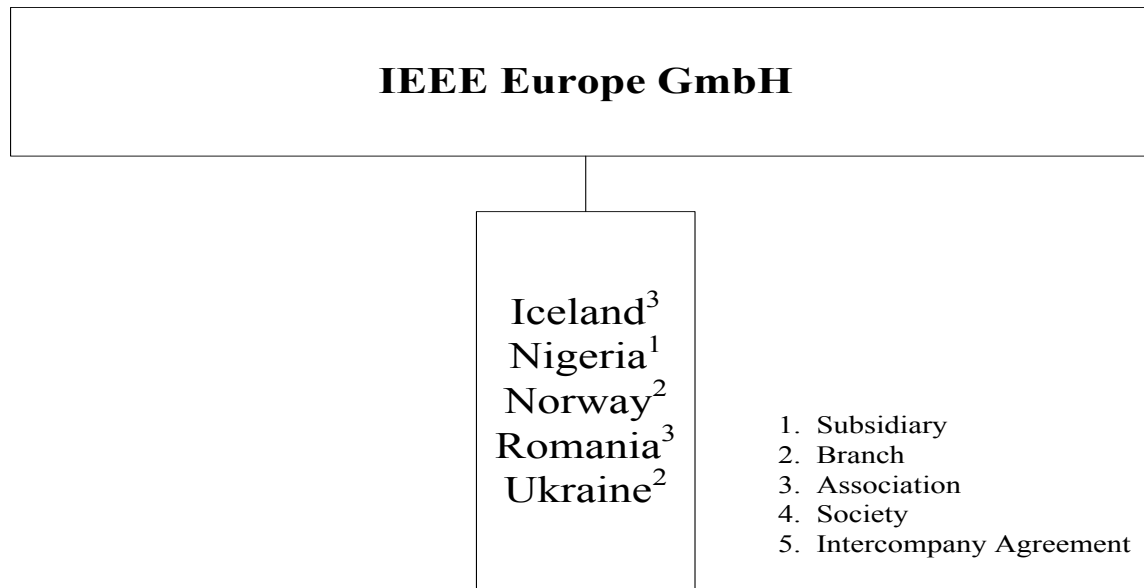
Intellectual Property

- ▶ During the term of this Agreement, IEEE grants the use of royalty-free, worldwide license to use certain IEEE intellectual property.
- ▶ Intellectual Property belongs to IEEE and cannot be transferred.
- ▶ Intellectual Property shall be used in an appropriate fashion in accordance with the IEEE Brand Identity guidelines.

Proposed by Holding Company



Proposed by Holding Company (continued)



Region 8 Countries Pending or On Hold

- ▶ Austria
- ▶ Bahrain
- ▶ Botswana
- ▶ Croatia
- ▶ Czech Republic
- ▶ France
- ▶ Ghana
- ▶ Iraq
- ▶ Israel
- ▶ Italy
- ▶ Jordan
- ▶ Kuwait
- ▶ Lebanon
- ▶ Macedonia
- ▶ Malta
- ▶ Morocco
- ▶ Oman
- ▶ Qatar
- ▶ Saudi Arabia
- ▶ Serbia
- ▶ Slovenia
- ▶ South Africa
- ▶ Tanzania
- ▶ Tunisia
- ▶ U.A.E.

Region 8 Countries Not Required

- ▶ Belarus
- ▶ Belgium
- ▶ Bulgaria
- ▶ Denmark
- ▶ Estonia
- ▶ Germany
- ▶ Greece
- ▶ Hungary
- ▶ Ireland
- ▶ Iran
- ▶ Latvia
- ▶ Lithuania
- ▶ Luxembourg
- ▶ Netherlands
- ▶ Palestine
- ▶ Poland
- ▶ United Kingdom

Discussion