



PrimeGlobal

*The Association of Advisory
and Accounting Firms*



BYLAWS (LATIN AMERICA)

Effective from **July 1, 2022**

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PrimeGlobal – Latin America

BYLAWS

ARTICLE I

General

Section 1: Name and Structure

1.1 PrimeGlobal Latin America, Inc. (“Regional Member”) is a not-for-profit corporation incorporated under the laws of the State of Delaware in the United States of America. Regional Member is a regional member of PrimeGlobal, Inc., a Delaware not-for-profit corporation (“PrimeGlobal”), and is subject to, and bound by, the Bylaws of PrimeGlobal (“PrimeGlobal Bylaws”) which shall be considered together with these Bylaws. Firms or entities that qualify and accept membership in the Regional Member, as provided herein, are each referred to as an “Independent Member Firm” (“IMF”). IMFs may be collectively referred to as “the membership”.

Section 2: License of Marks

1.2 Regional Member shall from time to time enter into or renew a trademark/servicemark license agreement (the “License Agreement”) with PrimeGlobal, pursuant to which PrimeGlobal grants Regional Member the right to use and sub-license the names PrimeGlobal and any trademarks, service marks, commercial symbols and logos used in connection with the names are owned by PrimeGlobal (the name and such marks, symbols and logos being referred to herein collectively as the “Marks”) in accordance with the terms and conditions and in the territory stated from time to time in the License Agreement. In connection with the License Agreement and otherwise, Regional Member acknowledges and agrees that PrimeGlobal is the owner of all rights, title and interest to the Marks and that Regional Member’s right to use the Marks is derived solely from the License Agreement and limited to the conduct and operation of its business pursuant to and in compliance with the License Agreement.

Section 3: Purposes

1.3 The purposes of Regional Member are to:

- 1.3.1 promote the common interests of its IMFs, PrimeGlobal and the public accounting profession;
- 1.3.2 promote and maintain high professional standards and ethics among its IMFs;
- 1.3.3 assist in recruiting and advising on admitting prospective members;
- 1.3.4 encourage continual improvements in services and products of IMFs;
- 1.3.5 foster collegial relationships among its IMFs, and the IMFs of other regional members of PrimeGlobal;
- 1.3.6 assist in creating and achieving key strategic objectives of PrimeGlobal; and
- 1.3.7 further the purpose of PrimeGlobal as outlined in Article I, Section 2 of the PrimeGlobal Bylaws.

1.4 Regional Member shall have the power to promote the aforesaid purposes by any appropriate means that are not contrary to laws or inconsistent with these Bylaws or the PrimeGlobal Bylaws. In circumstances when laws are contrary to these Bylaws or the PrimeGlobal Bylaws,



PrimeGlobal shall be notified. To accomplish these purposes the Regional Member will establish a Regional Council to engage and represent the IMFs' views.

- 1.5 The Regional Member shall not render professional services and is not responsible for the professional services provided by its IMFs to their clients or to the clients of IMFs of the Regional Member or other regional members of PrimeGlobal.
- 1.6 All such aforesaid purposes are within the purview of Section 501(c)(6) of the Internal Revenue Code of 1986, as amended, which encompasses non-taxable business associations, such as PrimeGlobal and this Regional Member.
- 1.7 Nothing contained within these Bylaws may be construed as requiring or implying that the Regional Member operates as an entity other than an association of independent firms. Regional Member expressly denies that it is intended to act as a network as defined by the regulations promulgated by IFAC, CPA Canada, AICPA, EC and/or any other organization or regulatory body.

Section 4: Offices

- 1.8 The principal office of the Regional Member shall be located within the United States of America in a location to be determined by the Regional Member. Regional Member may have such other offices as the business of Regional Member may require from time to time. The registered office of Regional Member required by law to be maintained in the state of Missouri need not be the same as the principal office of Regional Member; the address of the registered office and the identity of the registered agent may be changed from time to time by the Regional Member.

Section 5: Limitation of Methods

- 1.9 Regional Member shall observe all laws and regulations applicable to it as a Missouri non-profit corporation recognized as a 501(c)(6) entity by the Internal Revenue Service. In addition, Regional Member agrees to be bound by, and will comply with, the Bylaws of PrimeGlobal.

Section 6: References to Governing Documents

- 1.10 Any reference in these Bylaws to the Certificate of Incorporation, Bylaws, License Agreements or Standards of PrimeGlobal or to the Articles of Incorporation or Bylaws of Regional Member shall be deemed to include any amendments to such documents adopted from time to time.

ARTICLE II

- 2.1 **Sub Licensing** Following Regional Member's entry into the License Agreement, Regional Member will from time to time enter into or renew a trademark/servicemark sublicense agreement (the "Sublicense Agreement") with its IMFs, as defined herein. The terms of the Sublicense Agreement may be incorporated into such other agreements with the IMFs as the Regional Member deems appropriate in its sole discretion. In addition to the other terms and conditions contained in such Sublicense Agreements, each IMF shall be required to observe the provisions of these Bylaws, as amended from time to time. The Sublicense Agreements will grant the IMFs the right to use the Marks in accordance with the terms and conditions stated therein and in the territory stated therein.



ARTICLE III

3.1 Membership Membership requirements for the Regional Member's IMFs shall be in accordance with the requirements of PrimeGlobal's Bylaws - Article IV which relate to:

- 3.1.1 Qualifications for Membership;
- 3.1.2 Requirements for Continued Membership;
- 3.1.3 Application and Admissions Procedure, and Recruiting Guidelines;
- 3.1.4 Membership Dues and Initiation Fees;
- 3.1.5 Termination of Membership;
- 3.1.6 Significant Change in Membership; and
- 3.1.7 Regional Member meetings.

3.2 At any membership meeting of the Regional Member, no less than one-half (1/2) of the total membership who are entitled to vote on the matters to be discussed at the meeting represented in person or by proxy, shall constitute a quorum.

3.3 A meeting of the IMFs in the Regional Member may be held in person, by electronic means, or telephonically as determined by the Directors of the Regional Member.

ARTICLE IV

4.1 **Directors** Directors of the Regional Member shall be appointed in accordance with local legislation and practice as required by PrimeGlobal's Bylaws – Article III (Regional Membership), section 3 (Requirements for Continued Membership by regional members) obligation 2.

ARTICLE V

5.1 **Regional Council** Regional Member is required to establish and maintain a Regional Council in accordance with the requirements of PrimeGlobal's Bylaws - Article III (Regional Membership), section 3 (Requirements for Continued Membership by regional members) obligation 4. The Regional Council can add additional requirements to their Regional Council Charter on the condition that the requirements do not conflict with PrimeGlobal's Bylaws and annexes. Additions shall be agreed with the Chief Executive Officer of PrimeGlobal ("the CEO"). The Regional Council Charter – Latin America is included in Annex 1.



ARTICLE VI

- 6.1 **Finances** Regional Member is required to adopt an accounting year and maintain accounting records in accordance with the requirements of PrimeGlobal's Bylaws - Article VIII, section 2.

ARTICLE VII

- 7.1 **Indemnification** Each Director of the Regional Member shall be indemnified as described in PrimeGlobal's Bylaws Article IX.

ARTICLE VIII

- 8.1 **Amendments to Regional and PrimeGlobal Bylaws** - These Bylaws may be amended or repealed, or new Bylaws adopted, if recommended by the PrimeGlobal Board of Directors and approved by simple majority vote of IMFs present at any meeting at which a quorum is present; provided, however, that notice of such proposed action, together with copies of the proposals, or a summary of the changes, to be effected thereby, shall have been given to the IMFs at least sixty (60) days before such a meeting, unless a shorter notice period is required by local law.
- 8.2 PrimeGlobal's Bylaws may be amended or repealed, or new Bylaws adopted by agreement of all regional members. The Regional Member may only agree to such changes after obtaining confirmation from their IMFs at a member meeting where a quorum is present; provided, however, that notice of such proposed action, together with copies of the proposals, or a summary of the changes, to be effected thereby, shall have been given to the IMFs at least sixty (60) days before such a meeting, unless a shorter notice period is required by local law.



Annex 1 - Regional Council Charter - Latin America

Section 1. Purposes of the Regional Council and Charter

The Regional Council is a representative body, which contributes to the formulation and development of PrimeGlobal's strategy and plans by increasing engagement with IMFs and ensuring the strategy reflects and is relevant to their challenges and opportunities.

The purposes of the Regional Council are to:

1. Liaise with the IMFs to identify candidates to stand for election as Directors to the PrimeGlobal Board of Directors ("the Board of Directors");
2. Elect such number of Directors as required by PrimeGlobal Bylaws to the Board of Directors;
3. Remove a member of the Board of Directors who has been elected by the Regional Council when this is deemed necessary;
4. Guide the Executive Management Team in determining PrimeGlobal's strategy based on feedback from the IMFs;
5. Guide and support the Regional Executive Director with how PrimeGlobal seeks to meet IMFs' needs including events, benchmarking and exchanging of ideas;
6. Review and advise on PrimeGlobal's performance globally and regionally;
7. Support and advise the Regional Executive Director with the implementation of global strategies in the region;
8. Support the Regional Executive Director with increasing communication and engagement with IMFs; and
9. Support the search for entities meeting the qualification criteria for membership to become IMFs.

Section 2. Regional Council Members

The Council will be composed of six (6) persons and shall be constructed, as nearly as possible, so that the terms of no more than two (2) Council Members end on the same year.

Section 3. Amendments

The Regional Council can add additional requirements to the Regional Council Charter as long as the additional requirements do not conflict with Annex 3 of the PrimeGlobal Bylaws. Additions shall be agreed upon in advance with the Chief Executive Officer of PrimeGlobal ("CEO").

Section 4. Regional Council obligations

1. Regional IMFs shall elect Regional Council members in accordance with the requirements of this Charter. The process to elect Regional Council members shall be agreed with the CEO. Requests for nominations to the Regional Council shall be sent to IMFs to identify candidates;
2. Only persons who are proprietors, partners, members, shareholders or members of the C-suite of equivalent status (e.g. Chief Executive Officer, Chief Operating Officer, Managing Director) of an IMF in good standing are eligible to be elected and serve as Regional Council members;



3. There shall in no case be more than one Regional Council member from an IMF serving on the Council and Board of Directors at any one time - in exceptional circumstances, the Board of Directors has the right to allow an IMF to have more than one representative. Exceptional circumstances will be transitional arrangements, or when a Regional Council is unable to elect a candidate meeting the eligibility requirements, or circumstances approved by PrimeGlobal's Board of Directors;
4. A Regional Council member may be removed from their position by a 75% vote of the entire Regional Council, at a duly called and convened meeting whenever in its judgment the best interests of PrimeGlobal will be served thereby. The Regional Council member who is being considered for removal is not entitled to vote. In the event of such removal, the vacancy so created shall be filled in accordance with the Regional Council Charter;
5. Regional Council membership shall adequately reflect the composition of membership in the region – considering geography, firm size, scope of practice, service lines – as relevant to each region;
6. Regional Council members shall be elected by their IMFs to one three (3)-year term ("Normal First Term"). A Regional Council member can serve on the Regional Council for additional term(s) up to a maximum of an additional three (3) years (maximum total time as a Regional Council member six (6) years). A term will start on the 1 June and finish on the 31 May to align with PrimeGlobal's reporting year. Anything contained herein to the contrary notwithstanding, all Regional Council members shall hold office until their successors are elected and assume office;
7. Regional Council members' terms shall be phased, so that the terms of no more than one third (1/3) of the total number of Regional Council members end at the same time;
8. Any temporary vacancy occurring on the Regional Council, shall be filled by an appointment by PrimeGlobal's Regional Executive Director after taking advice from the Regional Council. A Regional Council member so appointed shall stand for election by their IMFs with effect from the following 1 June. A Regional Council member so elected by the IMFs shall serve one Normal Term of three (3) years and shall be eligible for election for additional terms up to a maximum of three (3) years;
9. Regional Council members shall select a Regional Council member to chair their meetings. The Chair's role is to facilitate meetings and to act as a first point of contact for the Executive Management Team. The agendas for Regional Council meetings are set by the Regional Executive Director following discussions with the Chair. The Chair shall be replaced at a minimum every two (2) years. The Chair's tenure is included within their term of office as a member of the Regional Council;
10. In the case when a Chair is unable to attend a Regional Council meeting, the Regional Council shall select an alternative Regional Council member to Chair that meeting;
11. At a minimum, there will be two (2) meetings annually aligned to the requirements of PrimeGlobal's planning and budgeting timetable. The Regional Executive Director will seek adhoc advice and support from the Regional Council as they deem appropriate;
12. Members of the Board of Directors elected by the Regional Council have the right to attend their Regional Council meetings and are encouraged to do so;
13. Regional Council members shall not receive any compensation for their services as Regional Council members; provided that nothing herein contained shall be construed



to preclude any Regional Council member from servicing PrimeGlobal or the Regional Member in any other capacity and from receiving compensation for such services rendered;

14. Regional Council members expenses will be reimbursed in accordance with PrimeGlobal's global expense policy;
15. The size of a Regional Council can only be changed if approved by the CEO;

Additional requirements added by the Latin America Regional Council

16. The composition of the Regional Council shall be elected by (and the principal office of whose member firm shall be located within) the sub-regions of Latin America as identified, varied or determined by the Regional Council, and approved by the CEO, from time to time (the "Sub-Regions", each a "Sub-Region"). Sub-Regions exist for the purpose of ensuring that the Regional Council has representatives from a proportionate geographical spread of IMFs; and
17. Regional Council members shall be elected by their Sub-Regions to one (1) three (3) year term. The term can be extended by one (1) additional term of three (3) years if the Regional Council member is elected by their Sub Region, to a maximum total time as a Council member of six (6) years. The Sub Regions in Latin America are:
 1. Central America & Caribbean;
 2. Southern cone;
 3. Andes; and
 4. Mexico.

Section 4. Regional Council members' skills criteria / attributes

Regional Council members shall:

1. Demonstrate a strong commitment to the global nature of PrimeGlobal's positioning;
2. Be of good standing and his/her IMF be in the same geographic region as the Regional Council;
3. Demonstrate personal engagement and involvement in PrimeGlobal activities;
4. Demonstrate knowledge, and sensitivity, to different perspectives and backgrounds; and
5. Be an excellent communicator and listener.