

BYLAWS OF SOUTHEASTERN CONNECTICUT
ENTERPRISE REGION CORPORATION

Amended by vote of the Board of Directors, October 30th, 2024.

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ARTICLE I: Purpose

The purpose of the Southeastern Connecticut Enterprise Region Corporation (hereinafter "Corporation") shall be to stimulate and support economic development within the Southeastern Connecticut region of the State of Connecticut. In furtherance of the foregoing purpose, but without limitation, the activities of the Corporation shall include the promotion and coordination of economic development within the region, the retention of existing businesses, the creation of new businesses, the creation of jobs, the promotion of the region and the fostering of a strong business climate, by means of programs and activities authorized by the Corporation's Board of Directors ("Board"), including the making of loans to businesses within the Southeastern Connecticut and the Northeastern Connecticut Regions (defined below, together the "Regions"), operation throughout the state of a the APEX Accelerator Program, and various other activities intended to boost economic development within the Regions.

ARTICLE II: Geographic Definitions

For purposes of its corporate structure, the Southeastern Connecticut Region is defined to include all towns, cities, and boroughs within the Southeastern Connecticut Council of Governments region of the State of Connecticut ("Southeastern Region"). For purposes of carrying out its mission, the Corporation's geographic area(s) of operation shall be defined by the terms of federal or state laws or regulations and by grant or service contracts or agreements with governmental or other entities, and shall include both the Southeastern Region and, for purposes of the Corporation's loan program, all towns, cities, and boroughs within the Northeastern Connecticut Council of Governments region of the state of Connecticut ("Northeastern Region").

ARTICLE III: Office

The principal office of the Corporation shall be at such place in the Southeastern Region as the Board of Directors (hereinafter the "Board") shall from time to time designate.

ARTICLE IV: Directors

Section 1. Election, Term Limits, and Voting Privileges.

(a) The Board shall elect or re-elect Directors to three-year terms at annual meeting in any calendar year or as needed to fill the unexpired terms of Directors who have left the Board. The terms shall commence on January 1 of the new year and shall be staggered so that the terms of approximately one-third of the Directors shall expire each year. The term of a successor elected under this section shall expire three years from the date on which the predecessor's term expired.

(b) Directors shall not serve more than three (3) consecutive three-year terms but may be re-elected to the Board following an absence of at least one year.

(c) Each Director shall have one vote on any matter before the Board.

(d) There shall be no proxy voting.

Section 2. Powers. The Board may exercise all the powers of the Corporation, within the limits of the purpose of the Corporation. The Board may delegate any and all such powers as it sees fit, subject to any restrictions imposed by state and federal law, the Certificate of Incorporation, and these bylaws.

Section 3. Number of Directors; Representation of Stakeholders.

(a) The Board shall consist of not fewer than fifteen (15) or more than thirty (30) Directors

(b) In nominating candidates for election to the Board, the Nominating Committee shall endeavor to provide a diverse cross section of the population of Southeastern Connecticut and for the representation of major regional stakeholders. These may include but are not limited to chambers of commerce, businesses, utilities, the tourism industry, organized labor, federally recognized Native American tribal nations within the Southeastern Region, community and service organizations, higher educational institutions, the Southeastern Connecticut Council of Governments, the Eastern Connecticut Workforce Investment Board, and municipal, state, and federal governments.

Section 4. Resignation and Removals.

(a) Any Director may resign at any time by giving written or electronic notice to the Secretary of the Corporation. Such resignation shall take effect at the time specified in the notice or, if no time is specified, then upon receipt. Unless otherwise specified in the notice, acceptance of the resignation shall not be necessary to make it effective.

(b) Any member of the Board may be removed for cause at any time at a duly called meeting following a recommendation by the Executive Committee of the Board at which a quorum is present by a majority vote of the Directors present, provided the affected Director is notified in advance of the meeting and the consideration of such removal is included on the meeting agenda.

Section 5. Vacancies. Vacancies on the Board that occur by reason of death, resignation or removal between annual meetings may be filled in accordance with these bylaws for the unexpired terms by the remaining Directors.

Section 6. Compensation. Directors shall not receive any compensation for their services in such capacity but may be reimbursed by the Corporation for their reasonable expenses on behalf of the Corporation. Directors may be compensated, upon approval by the Board, for services provided to the Corporation in a capacity other than as Director.

Section 7. Documents Available for Inspection. Each Director shall have the right to inspect Corporation records and documents within a reasonable time after notifying the Executive Director of her/his intent to do so.

ARTICLE V: Meetings

Section 1. Meetings. The Board shall hold no fewer than six regular/special meetings per calendar year at such times and places within the Southeastern Region as it shall select and shall hold special meetings upon the call of the Chair or upon the written (including electronic) request of six (6) or more Directors. The annual meeting for the election of Directors, officers, and for the transaction of any other business shall be held during the fourth quarter of the calendar year following the conclusion of the annual audit and prior to the start of the new board members. The annual meeting shall be a general meeting and shall be open for the transaction of any business within the powers of the Corporation without special notice of such business, except in any case where special notice is required by law or these bylaws.

Section 2. Notice of Meetings. Written or electronic notice of meetings of the Board or its committees and a copy of the proposed agenda shall be provided to each Director or member of the relevant committee not less than five business (5) days in advance of each meeting.

Section 3. Attendance. If a Director fails to attend three (3) consecutive meetings within a year, he/she is deemed to have resigned from the Board unless a leave of absence for good cause is requested and approved by the Chair. The Chair shall notify the affected Director of his/her impending deemed resignation and give him/her a chance to explain the reason for having missed the meetings. If the Chair does not hear from the Director or does not determine the explanation given by the Director is sufficient, the Chair shall notify the Director in writing of his/her removal and seek a replacement in accordance with the provisions of these bylaws.

Section 4. Quorum and Manner of Acting. Unless otherwise required by law or these bylaws, the quorum necessary for the transaction of routine business shall consist of a majority of the entire current roster of the Board or members of a committee for both regular and special meetings. A vote of a majority of Directors or members of a committee present at a meeting at which a quorum is present shall be the act of the Board or committee, unless the act of a greater number is required by statute or these bylaws. In the absence of a quorum, a majority of Directors or committee members present may adjourn the meeting. If a majority of the Directors or committee members severally or collectively consent in writing or electronically to any action taken or to be taken by the Corporation, the action shall be valid as though it had been authorized at a meeting of the Board or committee.

Section 5. Participation by Electronic Technologies. A Director or a member of a committee of the Board may participate in a meeting of the Board or of such committee by means of electronic communications equipment enabling all Directors or committee members participating to hear one another. Such participation shall constitute presence in person at such meeting.

Section 6. Procedures. Except as herein provided, the most current edition of *Robert's Rules of Order* shall govern the parliamentary procedure of the Board and its committees.

ARTICLE VI: Officers, Staff, Agents, and Bonding

Section 1. Election, Term of Office, and Duties. The officers of the Corporation shall be elected by the Board at its annual meeting to one-year terms, commencing on the first of January of the succeeding year. The officers shall be: Chair, First Vice Chair, Second Vice Chair (optional), Treasurer, Secretary, and such other officers as the Board may deem appropriate. The duties of the officers shall be such as described in these bylaws and as may be prescribed by the Board.

Section 2. Chair. The Chair shall preside at all meetings of the Board and the Executive Committee and shall perform all duties incident to that office.

Section 3. First Vice Chair. In the absence or disability of the Chair, the First Vice Chair shall perform the duties and have the powers of the Chair. The First Vice Chair shall have such other powers and perform such other duties as may be delegated to them or they by the Board or the Chair.

Section 4. Second Vice Chair (optional). To ensure sustainability of the Corporation and Chair succession planning, the selection/identification of a Second Vice Chair may be considered by the Nominating Committee. If a Second Vice Chair is identified, then, In the absence or disability of the Chair and the First Vice Chair, the Second Vice Chair shall perform the duties and have the powers of the Chair. The Second Vice Chair shall have such other powers and perform such other duties as may be delegated to them or they by the Board or the Chair.

Section 5. Secretary. The Secretary shall record the minutes of the proceedings of all meetings of the Board, shall issue all notices required by law or these bylaws, and shall discharge all other duties required of such officer by law or designated the Board or as are incident to the office of Secretary. The Secretary shall have the custody of the seal of the Corporation and all books, records, and papers of Corporation, except as shall be in charge of the Treasurer or of some other person authorized to have custody and possession thereof by a resolution of the Board. In the absence or disability of the Chair, Vice Chair, the Secretary shall perform the duties and have the powers of the Chair. In the absence of the Secretary, the Chair shall appoint a Secretary *pro tem*.

Section 6. Treasurer. The Treasurer, through the Executive Director and/or his/her staff, shall oversee the fiscal affairs of the Corporation, including the development of the overall fiscal policy for the Corporation, shall review the monthly financial reports and shall report them, with comments, to the Board at each monthly meeting, the Annual Meeting and at such times as may be required of him/her, and shall perform all other duties pertaining to his/her office as Treasurer and perform such other duties as may be assigned to him/her by the Board or as are incident to the office of Treasurer. The Treasurer shall also function as the Chair of the Finance Committee and shall be a voting member of the Special Assets Subcommittee of the Loan Administration Board.

Section 7. Removal/Vacancies. Any officer may be removed for cause at any time at a duly called meeting of the Board at which a quorum is present by a majority vote of the Directors present. The officer shall receive notice and shall have the right to speak at the meeting.

Vacancies among the officers by reason of death, resignation or other cause may be filled by the Board for the unexpired portion of the term of office in accordance with the provisions of these bylaws.

Section 8. Executive Director. The Executive Director shall be appointed and, subject to the terms of her/his employment agreement with the Corporation, may be removed for cause at a duly called meeting of the Board at which a quorum is present, by a majority vote of the Directors present. The Executive Director is responsible for the day-to-day management of the Corporation. Within the approved budget, the Executive Director shall appoint and manage all other staff, including hiring, promotion or demotion and disciplining or discharging such staff. In the hiring and management of staff, the Corporation shall operate as an Affirmative Action/Equal Opportunity Employer. The Board and the Directors shall deal with the employees solely through the Executive Director, except that the Board may call before it any employee for the purpose of investigation. The Executive Director shall recommend to the Board the hiring or termination of agents to provide such services to the Corporation as the Board may determine. At least monthly, the Executive Director shall report to the Board of Directors all grant seeking and fundraising activity.

ARTICLE VII: Committees

Section 1, Appointment of Committees: The Board shall by motion establish such committees or boards as it deems appropriate. These may be standing committees or *ad hoc* committees to deal with specific tasks of short duration. Except as provided elsewhere within these bylaws, Committee chairs shall be selected at a regular/special meeting of each committee to be held each January. Only Directors may chair Committees. Except as expressly provided by these bylaws, non-Directors may not be appointed to Committees or subcommittees. No employee of the Corporation may serve on any Committee.

Section 2. Executive Committee. There shall be an Executive Committee, chaired by the Chair of the Board, and composed of the First Vice Chair, the Second Vice Chair (optional), the Treasurer, the Secretary of the Board, and the immediate past Chair of the Board (who need not be a Director), and potentially other committee chairs appointed at the discretion of the Chair. Unless otherwise provided herein, the Executive Committee may act on behalf of the Board between meetings when it is not practical for the Board to meet, and the Executive Committee expressly finds that immediate action is in the interest of the Corporation. The only exceptions to this are related to final action(s) regarding the adoption or amendment of corporate budgets, the amendment of the Corporation's bylaws, the hiring and firing of the Executive Director, the election of Directors and officers, and the approval of leases, which actions are reserved to the Board as a whole. The Executive Committee shall exercise its good judgment in bringing to the Board any matters considered to be of such significance as to warrant action by the Board as a whole.

The Executive Committee or an *ad hoc* subcommittee thereof shall also serve as the Personnel Committee for the purpose of reviewing, reporting on and recommending to the Board personnel policies, performance evaluations, staffing and compensation.

Section 3. Nominating Committee. The Nominating Committee shall be a standing committee composed of an odd number of not less than three (3) but not more than seven (7) Directors.

Its purpose shall be to present to the Board at its annual meeting or at other times to fill vacancies, nominations for directorships, and officer positions. The Nominating Committee shall meet at least quarterly and otherwise as needed.

Section 4. Loan Administration Board. The Board shall designate a Loan Administration Board composed of not less than nine (9) individuals, a majority of whom are Directors, and of whom at least two (2) are or have been senior commercial lenders. A senior lender is an individual with 5 or more years of lending experience who is or was employed with a federally regulated institution or economic development lending company. These appointments shall be for two-year terms.

(a) The Corporation will make every effort to solicit members for appointment who represent the heterogeneous demographics of the Region including women, minorities, disabled individuals, and veterans. The Corporation also will make every effort to include members who represent those businesses and industries that have been recognized in the Regional Comprehensive Economic Development Strategy as economic drivers or clusters.

(b) The purpose of the Loan Administration Board shall be to determine and make policy decisions with respect to all loan programs sponsored, funded, and administered by the Corporation, including, but not limited to, being the final approval authority on all loans.

(c) All decisions of the Loan Administration Board shall be by a majority vote of the members present, with no less than five (5) affirmative votes required and with the provision that at least one (1) of those affirmative votes must be from a committee member who is a senior commercial lender.

(d) The Loan Administration Board may delegate specific authorities to subcommittees (e.g., the Special Assets Committee), as authorized by a majority of its members. Authorities of any subcommittee of the Loan Administration Board authorities are limited and shall be excluded from approving or denying loan requests.

Section 5. Economic Development Committee. The Economic Development Committee shall be a standing committee composed of three (3) or more Directors plus others who are involved in economic development, who need not be Directors. The primary purposes of the Economic Development Committee are:

- (a) to support the development and monitoring of seCTer's Comprehensive Economic Development Strategy (CEDS).
- (b) to coordinate activities related to economic development among public or private local, regional, and state economic development entities;
- (c) to advise staff on activities related to economic development;
- (d) to recommend to the Board policies, programs, and actions to strengthen the effectiveness of regional economic development efforts.

Section 6. Finance Committee. The Finance Committee shall be a standing committee composed of at least three (3) Directors and not more than seven (7) Directors. The Finance Committee shall be chaired by the Treasurer. The purposes of the Finance Committee are:

- (a) in consultation with the Executive Director, to develop and propose to the Executive Committee, for its recommendation to the Board, budgets for the Corporation's operations;
- (b) to oversee financial management and fund raising by the staff;
- (c) to report to the Board on matters relating to finance;
- (d) to recommend to the Board or its Executive Committee actions related to the Corporation's finances;
- (e) to oversee and manage the Corporation's investment program, in accordance with the provisions of Article IX, Finances; Section 4, Investments, of these bylaws and within a statement of investment policies adopted by the Board.

Section 7. Audit Committee. There shall be a standing Audit Committee composed of a chair who is a Director but is not a member of the Finance Committee plus two (2) or more individuals who are financial professionals and are not Directors. The Audit Committee shall meet at least annually and otherwise as needed. The purposes of the Audit Committee are:

- (a) to participate in the selection of auditors;
- (b) to confer with the auditor during the conduct of the annual audit;
- (c) to review the annual audit;
- (d) to report to the Board on any substantive financial issues documented during the audit.

Section 8. Strategic Planning / By Laws Committee. There shall be a standing Strategic Planning/By Laws Committee composed of not less than three (3) but not more than seven (7) directors. The Strategic Planning / By Laws Committee shall meet at least annually and/or in conjunction with the Comprehensive Economic Development Strategy (CEDS) update.

Section 9. Other Committees. The Board may establish such other committees as it shall deem appropriate. Any such committee shall have and may exercise such authority as shall be provided to it by resolution of the Board establishing the committee.

ARTICLE VIII: Conflict of Interest

The Corporation is committed to integrity as the guiding principle for all of its operations and affairs. This applies to all Corporation employees and Directors and those who act in its behalf. All duties performed on behalf of the Corporation shall be conducted in accordance with the letter and spirit of relevant laws and professional standards. Directors and employees shall avoid actual or apparent conflicts of interest and shall advise the Chair of the Board or, in his/her absence, the Executive Director of any potential conflicts. Accordingly, Directors and employees annually shall certify awareness of and compliance with the conflict of interest policy and procedures of the Corporation.

ARTICLE IX: Finances

Section 1. Fiscal Year. The fiscal year of the Corporation shall commence July 1.

Section 2. Funds. The funds of the Corporation shall be deposited in such account or accounts in banking or other financial institutions as may be designated by the Board. The Board shall designate by written resolution those personnel who are authorized signatories on such accounts.

Section 3. Contributions. Contributions, bequests, and gifts to the Corporation shall be accepted only upon the authorization of the Board and as provided in Section 170 of the Internal Revenue Code of 1954, as amended.

Section 4. Investments. The Board shall prepare and adopt a Statement of Investment Policies. Under such policies, the property, assets, and funds of the Corporation may be invested in support of the purposes of the Corporation, as set forth in its Certificate of Incorporation, as the Finance Committee may authorize and approve, without restriction or limitation by reason of any statute or rule of law.

Section 5. Budgeting. The process for preparing and adopting the annual budget or any budget amendments thereto shall consist of the following:

- (a) the Executive Director or his/her staff shall prepare a draft budget or amendment and submit this to the Finance Committee;
- (b) the Finance Committee shall review the draft budget or amendment, revise it as deemed appropriate, and forward a proposed budget or amendment to the Executive Committee;
- (c) the Executive Committee shall review the proposed budget or amendment, revise it as deemed appropriate, and forward a recommended budget or amendment to the Board for its action;
- (d) annual budgets shall be acted on by the Board at its May meeting or at a special meeting to be held prior to June 30;
- (e) the Board may amend an adopted budget at any time, following the process set forth herein;

(f) transfers between budget line items shall be made in accordance with policies and procedures established by the Finance Committee; and,

(g) only the Board may commit the corporation to grant other contracts or agreements that are not in line with the annual budget, i.e., that require unbudgeted corporation resources to execute.

Section 6. Annual Audit. The Corporation annually shall have prepared an independent audit for each fiscal year, beginning July 1. Not less than once every five years the Board shall select a Certified Public Accountant to audit annually the accounts of the Corporation. Said selection shall be based on a recommendation from the Treasurer and the Audit Subcommittee of the Finance Committee.

Section 7. Financial Reports. The Treasurer shall provide a financial report at each meeting of the Board in a format approved by the Board.

ARTICLE X: Indemnification and Liability

Section 1. Indemnification. The Corporation shall indemnify Directors and officers of the Corporation to the fullest extent permitted by the General Statutes of the State of Connecticut. Indemnification shall be based upon a determination that it is warranted under the applicable standard of conduct set forth in said statutes. Indemnification provided for under this Article shall apply to individuals serving as Directors or officers of the Corporation and to those who have ceased to hold these positions. Indemnification shall extend to the benefit of heirs, executors and administrators of eligible Directors or officers.

Section 2. Liability. Liability of the Directors shall be limited and governed by the provisions of the State of Connecticut General Statutes, as amended. The Corporation shall maintain Directors insurance limiting Directors' liability for Corporation activities.

ARTICLE XI: Dissolution

Upon the termination, dissolution or final liquidation of the Corporation in any manner or for any reason, the Board shall, after paying or making provision for payment of all liabilities and obligations of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, (or the corresponding provision of any future Internal Revenue Law) for a public purpose, as the Board shall determine. Any such assets not so disposed of shall be disposed of by the Superior Court of the Judicial District in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations as are organized and operated exclusively for such purposes, or to such governmental unit or units for a public purpose as said court shall determine.

ARTICLE XII: Non-Profit/IRS Exempt Status

Section 1. Non-profit. The Corporation was incorporated on December 9th, 1987, as a non-stock, non-profit organization under the statutes of the State of Connecticut. It was ruled to be a tax-exempt organization under Section 501(c)(3) of the United States Internal Revenue Code of 1954 by a determination letter dated May 1989. The Corporation is not organized for a pecuniary profit. It shall not have any power to issue certificates of stock or declare dividends, and no part of its net earnings shall inure to the benefit of any member, Director or individual

Section 2. IRS 501(c)(3) Criteria. Notwithstanding any other provisions of these bylaws, the Corporation shall not carry on any other activities not permitted to be carried on: (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or; (b) by a corporation, contributions to which are deductible under Section 170 (c) (2) of the Internal revenue Code of 1954 (or the corresponding provision of any future United States Internal revenue Law).

Section 3. Restricted Activities. The Corporation shall not participate in or intervene (including the publishing or distribution of statements) in any political campaign on behalf of any candidate for public office.

ARTICLE XIII: Amendments

Section 1. General Powers. These bylaws may be amended, repealed or added to and new bylaws, not inconsistent with the purposes described in the Certificate of Incorporation of the Corporation, its classification as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, or any law, may be adopted at a duly called meeting of the Board by a two-thirds vote of those Directors present, a quorum being present. Notice of a proposed amendment shall be submitted in writing or via electronic means to all Directors not less than five business (5) days prior to the date of the meeting. No amendment shall be effective, which shall cause the Corporation to lose its position as a tax-qualified organization, as, provided for in the Certificate of Incorporation.

Section 2. Restrictions. The Board shall have no power to amend or repeal these bylaws in such manner as to permit any Director, officer, agent, attorney or employee of the Corporation ever to receive any compensation or pecuniary profit from the operations of the Corporation (except reasonable compensation for services actually rendered to the Corporation in effecting one or more of its purposes) or to receive any part of the property or assets of the Corporation upon dissolution or termination, or otherwise.

CERTIFICATION: The undersigned hereby certifies that the foregoing is a true, complete, and accurate copy of the bylaws of the Southeastern Connecticut Enterprise Region Corporation adopted by the Corporation Directors at a duly constituted meeting on October 30th, 2024.

Signed and dated at Groton, Connecticut on October 31, 2024.


Catherine Young, Secretary