

**POLICIES AND PROCEDURES  
OF  
LOWCOUNTRY ECONOMIC ALLIANCE, INC.**

**INTRODUCTORY STATEMENT**

The Board of Directors (the “Board”) of the Lowcountry Economic Alliance, Inc. (the “Alliance”) has approved these Policies and Procedures (the “Policies and Procedures”) to govern the designation of investor classes, admission of investors, nomination and election of officers and directors, appointment and operation of committees, and related corporate governance matters. These Policies and Procedures are intended to compliment and supplement the provisions of the Alliance’s Articles of Incorporation (the “Articles”) and Bylaws (the “Bylaws”), and not to supersede the Articles or Bylaws. The approval of these Policies and Procedures by resolution duly adopted on March 6, 2012, at a duly called, noticed, and held meeting of the Board are an exercise of the Board’s authority under the provisions of Section 33-31-801 of the South Carolina Nonprofit Corporation Act.

**ARTICLE I.  
INVESTORS**

**SECTION 1.1**      Classes of Investors. The Alliance will have classes of investors (each an “Investor Class”), as designated by the Board, from time to time, in their sole discretion, by duly adopted resolutions. The members of each Investor Class shall be referred to collectively as the “Investors” and each an “Investor.”

**SECTION 1.2**      Admission of Investors. All persons and entities (private sector and governmental) desiring to participate in the Alliance as an Investor must submit a written application to the Board for its consideration at its next regularly scheduled meeting. An affirmative vote of two-thirds (2/3) of the Directors (as defined below) shall be required for the admission of a new Investor.

**SECTION 1.3**      Investors not Members under the Nonprofit Corporation Act. The Alliance shall have Investors; provided, however, that “Investor” shall not mean “member” as defined in Section 33-31-140(23) of the South Carolina Nonprofit Corporation Act (the “Act”). Except as expressly provided herein, Investors of the Alliance shall not be entitled to vote for Directors or for any other matter which, under the terms of the Act, would require approval of a Section 33-31-140(23) member. The rights and obligations of the Investors of the Alliance shall be determined in these Policies and Procedures and by resolution as determined from time to time by the Board.

**SECTION 1.4**      Investor Class Qualifications. Investors must (i) be an individual, corporation, company, or other form of business entity or governmental entity (each being referred to herein as a “Person”) and (ii) offer to and be able to satisfy one of the Investor Class requirements established annually by the Board to be eligible for admission to, and retaining membership in, the corresponding Investor Class as an Investor. The Board may establish Investor Classes based upon (i) governmental type (*i.e.*, county government, municipal

government, school district, etc.); (ii) amount of annual investment; (iii) number of years of investment commitment; or (iv) any other criteria selected by the Board.

1.4.1 Investors. A Person shall become eligible for admission to the Alliance as an Investor after offering to invest an annual amount within the range then established by the Board as the required annual investment for Investors, and for such a term as such range and term are amended from time to time by the Board in its discretion.

1.4.2 County Government Investors. Each county government in the Lowcountry Region may become eligible for admission to the Alliance as a “County Government Investor” after investing an annual amount of \$10,000 or such greater amount as approved by the Board and the respective County Councils which has been established by the Board as the required annual investment for County Government Investors.

1.4.3 Municipal Government Investors. Each municipal government in the Lowcountry Region may become eligible for admission to the Alliance as a “Municipal Government Investor” after investing an annual amount of at least \$10,000, which has been established by the Board as the required annual investment for Municipal Government Investors, as such amount is amended from time to time by resolution of the Board in its discretion.

1.4.4 School District Investors. Each school district in the Lowcountry Region may become eligible for admission to the Alliance as a “School District Investor” after offering to invest an annual amount greater than or equal to the amount then established by the Board as the required annual investment for School District Investors, as such amount is amended from time to time by the Board in its discretion.

1.4.5 Chamber Investors. Each chamber of commerce conducting business in the Lowcountry Region may become eligible for admission to the Alliance as a “Chamber Investor” after offering to invest an annual amount greater than or equal to the amount then established by the Board as the required annual investment for Chamber Investors, as such amount is amended from time to time by the Board in its discretion.

**SECTION 1.5** Termination of Investor Participation. An Investor’s participation in the Alliance as provided herein may be terminated as provided below:

1.5.1 Causes for Termination. An Investor’s participation in the Alliance may be terminated only upon the occurrence of any one of the following events:

- (a) receipt by the Alliance of the written resignation of an Investor;
- (b) the failure of an Investor to pay its annual investment within ninety (90) days of the applicable due date;
- (c) the death or dissolution of the Investor; or

(d) the adoption of a resolution terminating such Investor's participation in the Alliance by the affirmative vote of at least two-thirds (2/3) of the Directors.

1.5.2 Procedure for Termination. Investor participation shall be terminated for any reason other than resignation upon duly adopted resolution by the Board in accordance with these Policies and Procedures. Upon termination, an Investor's voting rights, as represented by the individuals representing such Investor on the Board, if any, shall terminate. The termination of an Investor's participation in the Alliance shall not entitle the terminated Investor to any proration or refund of any amount previously paid to the Alliance.

**SECTION 1.6** Resignation. Any Investor may resign by filing a written resignation with the Alliance, but such resignation will not relieve the Investor from any obligations the Investor may have to the Alliance as a result of obligations incurred or commitments made before resignation. Upon resignation, an Investor's voting rights, as represented by the individuals representing such Investor on the Board, if any, shall terminate.

**SECTION 1.7** Reinstatement. Upon written request signed by a former Investor and filed with the Board, the Board may, by the affirmative vote of two-thirds (2/3) of the members of the Board, reinstate the former Investor upon such terms as the Board may deem appropriate.

**SECTION 1.8** Transfer of Investor's Participation. An Investor's participation rights in the Alliance are not transferable or assignable by the Investor.

## **ARTICLE II. BOARD OF DIRECTORS**

**SECTION 2.1** Director Qualifications. The Board shall consist of (i) the designated and appointed Directors as provided in Section 3.2 of the Bylaws (collectively, the "Designated and Appointed Directors") and (ii) the elected Directors as provided in Section 3.3 of the Bylaws (each, an "Elected Director"). As provided in the Act, all members of the Board (each a "Director") shall have one vote on all matters coming before the Board for action. Each Director shall be a natural person. All Elected Directors shall be at least eighteen (18) years of age or older and deemed by the Board to be qualified as to character, education, and experience. In addition, Elected Directors and all candidates for election to the Board as Elected Directors shall be subject to the following qualifications:

2.1.1 Investor Director Candidates. An individual must satisfy the following requirements to be eligible for election to the Board as an "Investor Director Candidate:" the individual must (i) be or represent an Investor who is investing a minimum annual amount of Ten Thousand Dollars (\$10,000) in the Alliance, and, (ii) if the Investor is an entity, be the chief executive officer or other appropriate senior officer of such entity.

2.1.2 Municipal Directors. One (1) Elected Director (each, a "Municipal Director") may be nominated by each Municipal Government Investor.

2.1.3 School District Directors. One (1) Elected Director (each, a “School District Director”) may be nominated by each School District Investor.

2.1.4 Chamber Directors. One (1) Elected Director (each, a “Chamber Director”) may be nominated by each Chamber Investor.

2.1.5 At-Large Directors. An At-Large Director must be an Elected Director who is or represents an Investor that is (i) investing a minimum annual amount of Five Hundred Dollars (\$500) in the Alliance, and (ii) selected by the Board as a potential At-Large Director.

**SECTION 2.2** Structure of the Board of Directors. The Alliance shall have a Board comprised of the following Directors:

2.2.1 Designated and Appointed Directors. The Board shall have the Designated and Appointed Directors as provided in Section 3.2 of the Bylaws. The Board notes that the designated position of Executive Director of the Lowcountry Economic Network does not exist, and consequently by operation of law, that designated position on the Board no longer exists.

2.2.2 Municipal Directors. There shall be one (1) Municipal Director seat for each Municipal Government Investor.

2.2.3 School District Directors. There shall be one (1) School District Director seat for each School District Investor.

2.2.4 Chamber Directors. There shall be one (1) Chamber Director seat for each Chamber Investor.

2.2.5 Investor Directors. In addition to the Municipal Directors, the School District Directors, the Chamber Directors, and At-Large Directors, the Board shall have up to thirty (30) elected Investor Directors. The number of Investor Directors may be increased or decreased from time to time by the Board, provided, however, that no reduction in the number of Investor Directors shall have the effect of shortening the term of any incumbent Investor Director. For the purposes of these Policies and Procedures, an “Investor Director” must be an individual who is an Investor Director Candidate.

2.2.6 At-Large Directors. The Board may elect as many as four (4) “At-Large Directors” or as few as zero (0) At-Large Directors. The maximum number of At-Large Directors may be increased or decreased from time to time by the Board, provided, however, that no reduction in the number of At-Large Directors shall have the effect of shortening the term of any incumbent At-Large Director.

**SECTION 2.3** Nomination Process for Elected Directors and Officers.

2.3.1 Nomination of Investor Directors and At-Large Directors. The Leadership Development Committee (as described below), functioning as a nominating committee, shall

recommend, no later than April 1 of each year, a slate of candidates to replace any Investor Directors and At-Large Directors whose terms are expiring, and to fill any Investor Director or At-Large Director seat which is vacant for any reason. Each candidate must have agreed to accept the responsibilities of becoming a member of the Board.

2.3.2 Nomination of Municipal Government, School District, and Chamber Directors. No later than April 1 of each year, each Municipal Government Investor, each School District Investor, and each Chamber Investor shall nominate a candidate to replace its respective Elected Director whose term is expiring, and to fill any respective Elected Director seat which is vacant for any reason. Each candidate must have agreed to accept the responsibilities of becoming a member of the Board.

2.3.3 Nomination and Election of Officers. The Leadership Development Committee shall recommend a slate of candidates for the offices of Chair, Secretary, and Treasurer. At the meeting of the Board immediately prior to July 1, the Board shall elect officers and new members to the Board with terms beginning on July 1.

**SECTION 2.4** Election of Elected Directors. From the nominations received from the Leadership Development Committee and the respective Municipal Government Investors, School District Investors, and Chamber Investors, the Elected Directors shall be elected to the Board at a regular meeting of the Board by a two-thirds majority of the members of the Board as provided in Section 3.3 of the Bylaws.

**SECTION 2.5** Chair and Immediate Past Chair: The Board shall elect for a one-year term one (1) Director as “Chair” of the Board. At the completion of any one-year (1) term the Chair may be re-elected by the Board. At the completion of the Chair’s final term, the Chair may serve one (1) additional year as “Immediate Past Chair.” The Chair may serve any number of consecutive terms in the same position.

**SECTION 2.6** Terms of Directors.

2.6.1 Elected Directors. As provided in Section 3.3 of the Bylaws, each Elected Director shall serve a three-year term on the Board. Elected Directors may be elected for subsequent or consecutive terms.

2.6.2 Designated and Appointed Directors. In accordance with Section 3.2 of the Bylaws and the Act, the Designated and Appointed Directors shall serve a term of one (1) year or such lesser period of time that such Director holds the office designated in Section 3.2 of the Bylaws.

**SECTION 2.7** Vacancies. Any vacancy occurring on the Board shall be filled as follows:

2.7.1 Investor Directors and At-Large Directors. If a seat held by an Investor Director or an At-Large Director shall become vacant, a new Director shall be elected by a two-thirds majority vote of the Board to fill the vacancy subject to the same restrictions and qualifications

applicable to the Director whose removal, resignation, death, or newly created directorship created the vacancy. Notwithstanding anything to the contrary herein, a replacement Director shall be eligible at the end of any resulting shortened term for immediate re-election and such Director may serve a full three-year (3) term thereafter.

2.7.2 Designated and Appointed Directors. A vacancy in a seat held by a Designated or Appointed Director shall be filled by the applicable authority as provided in Section 3.2 of the Bylaws.

2.7.3 Municipal Directors. A vacancy in a seat held by a Municipal Director shall be filled by election by a two-thirds majority vote of the Board from one or more nominations submitted by the applicable Municipal Government Investor.

2.7.4 School District Directors. A vacancy in a seat held by a School District Director shall be filled by election by a two-thirds majority vote of the Board from one or more nominations submitted by the applicable School District Investor.

2.7.5 Chamber Directors. A vacancy in a seat held by a Chamber Director shall be filled by election by a two-thirds majority vote of the Board from one or more nominations submitted by the applicable Chamber Director.

**SECTION 2.8** Removal. In accordance with the Act, any Elected Director may be removed from office, with or without cause, by the Board if the number of votes cast to remove the Director would be sufficient to elect the Director at a meeting to elect Directors.

**SECTION 2.9** Regular and Special Meetings. Regular meetings of the Board shall be called and held at least monthly. Special meetings of the Board may be called at any time by the Chair of the Board or one-third of the then current members of the Board. Written notice of the time, place and object of every special meeting of the Board shall be given in accordance with Section 3.7 of the Bylaws to each Director at least three (3) days prior to the day named for the meeting and no business shall be considered except such as is stated in the notice of meeting. In accordance with Section 3.6 of the Bylaws, special meetings may only be held within the Lowcountry Region.

**SECTION 2.10** Quorum. As provided in Section 3.5 of the Bylaws, a majority of the Directors in office immediately before the meeting shall constitute a quorum for the transaction of business at any meeting of the Board. If a quorum shall not be present at any meeting of the Board, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

**SECTION 2.11** Action. The Board shall take action pursuant to resolutions adopted by the affirmative vote of a majority of the Directors participating in a meeting at which a quorum is present, or the affirmative vote of a greater number of Directors where required by the Articles, these Policies and Procedures, the Bylaws, the Act, or otherwise by law.

**SECTION 2.12** Action Without Meeting. To the fullest extent permitted by the Act, the Board (and any committee created under these Policies and Procedures or the Bylaws) may take action without a meeting by written consent as to such matters and in accordance with such requirements and procedures authorized by the Act. Unless otherwise permitted by the Act, such written consent must be signed by all Directors and included in the minutes filed with the corporate records reflecting the action taken.

### **ARTICLE III. RESPONSIBILITIES AND DUTIES OF BOARD**

**SECTION 3.1** Responsibilities and Duties of Board. In addition to the responsibilities and duties of individual Directors under the Act, the Board and all Directors shall have the following responsibilities and duties:

3.1.1 The Board shall have the overall responsibility for determining and overseeing the implementation of the stated policies, programs and operating procedures of the Alliance. The Board shall have full and final authority to (i) hire the professional staff of the Alliance (which may include a chief executive officer or executive director), set the positions' salary, and conduct regular reviews of the incumbents' performance; (ii) set overall program goals and objectives; (iii) review and approve the Alliance's annual program of work and budget; (iv) monitor Alliance program and fiscal performance throughout the year; (v) approve all contracts for professional and other services; (vi) maintain communication links with all Alliance sponsoring organizations; and (vii) promote continuing community support for the Alliance and its programs. The Board, through its Chair, shall formally report on no less than an annual basis, to each of the Investors. In addition, the Designated and Appointed Directors representing each County Government Investor shall report informally to such entity on a quarterly basis. The Board shall be responsible for the preparation of an annual budget.

3.1.2 Board members whether appointed, designated, or elected, are accountable for the overall effectiveness of the Alliance's long range economic development strategies for new and expanded job growth in the Lowcountry Region and for developing and administering sound development policies.

3.1.3 Board members are expected to attend all Board meetings and shall maintain the confidentiality of all discussions. Three unexcused absences of an Elected Director in any year (as determined by the Chair) shall constitute a resignation and the resulting vacancy shall be immediately filled as provided in the Bylaws and these Policies and Procedures.

3.1.4 Board members shall discharge their duties (individually and collectively), including duties as a member of a committee in good faith; with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner he or she reasonably believes to be in the best interests of the Alliance.

3.1.5 Board members shall be considerate of the entire region's needs for economic development and not, in any way, limit actions, interests and concerns to the geographical area in

which they reside, are engaged in a business or profession, or represent in their capacity as a Board member.

3.1.6 No Director or employee of the Alliance shall have or shall acquire any interest, direct or indirect, in any project which the Alliance is promoting, or in any contract for materials or services or in any lease, mortgage, sale or contract of any nature whatever relating to any such project or to the Alliance, without forthwith making written disclosure to the Alliance of the nature and extent of his interest to obtain Board approval. Such disclosure and approval shall be entered in writing upon the minute books of the Alliance. No Director who has such an interest shall vote on any matter relating to such interest.

3.1.7 Board members shall recognize that confidentiality is the prerogative of a prospect and its agent and that when information, advice, and service regarding a prospect or project is stated to be of a confidential nature, it will be the responsibility of each Board member to maintain the confidentiality of the prospect or project until released from the obligation by the maker of the request.

3.1.8 Board members shall accept, where possible, the responsibilities of a group leader, committee chair, or task force member.

3.1.9 Board members shall evaluate current year activities and assist in the determination and administration of the Alliance's strategic plan.

3.5.1.10 Board members shall participate on a strictly confidential basis in prospect visitations and prospect-related activities when possible and on an as-needed basis.

#### **ARTICLE IV. OFFICER DUTIES**

**SECTION 4.1** Chair. The Chair shall preside at all meetings of the Board. The Chair shall coordinate with the professional staff of the Alliance the program of work and financial support necessary to carry out the annual program and plan of the Alliance. The Chair shall serve as an ex-officio member of all Alliance committees. The Chair may appoint such committees (other than Standing Committees) as deemed necessary to fulfil the goals of the Alliance, and such appointments shall terminate when the term of the Chair expires, unless otherwise provided by the Board. The Chair, at his discretion, may, along with the Immediate Past Chair, and professional staff, represent the Alliance on ceremonial occasions in activities which affect the Alliance on the local, state, and national levels. The Chair, at his discretion, may serve as the chief spokesman for the Alliance, or may delegate that responsibility to others.

**SECTION 4.2** Vice Chair. The Board may elect a Vice Chair with such duties as shall be determined by the Board.

**SECTION 4.3** Secretary. The Board shall elect a Secretary with such duties as shall be determined by the Board.

**SECTION 4.4** Treasurer. The Board shall elect a Treasurer with such duties as shall be determined by the Board.

## **ARTICLE V. STANDING COMMITTEES**

**SECTION 5.1** Established Standing Committees. The Board may from time to time, by duly adopted resolution, designate and delegate authority to any one or more of the following standing committees (each a “Standing Committee”):

5.1.1 The Investor Development Committee,

5.1.2 The Finance Committee, and

5.1.3 The Leadership Development Committee.

**SECTION 5.2** Duration; Creation of Additional Standing Committees. The Standing Committees shall continue in existence until abolished by amendment to these Policies and Procedures. No other Standing Committee shall be created unless established by amendment to these Policies and Procedures.

**SECTION 5.3** Authority of Standing Committees. The duties, constitution, and procedures of the Standing Committees shall be as prescribed by the Board. The Chair shall designate, subject to Board approval, one member of each Standing Committee as its chairman. A Standing Committee may not authorize distributions; approve or recommend dissolution, merger, or the sale, pledge, or transfer of all or substantially all the Alliance’s assets; elect, appoint, or remove Directors or fill vacancies on the board or on any committee; or adopt, repeal, or amend the Articles, the Bylaws, or these Policies and Procedures.

**SECTION 5.4** Election of Members. The initial members of the Leadership Development Committee shall be all members of the Board. Subsequently, the members of each Standing Committee shall be recommended by the Leadership Development Committee and elected annually by a majority of all Directors in office when the election occurs. Non-directors, appointed by the committee chairman, may also serve on a Standing Committee in an advisory, non-voting, capacity.

**SECTION 5.5** Meetings. The Standing Committees shall meet as needed. Meetings of a Standing Committee shall be called at the direction of the respective committee chairman or the Chair. Notice of the time and place of every meeting of each Standing Committee shall be given to each member thereof at least two (2) days prior to the day named for the meeting.

**SECTION 5.6** Quorum. A majority of each Standing Committee’s voting members shall constitute a quorum for the transaction of business by such committee.

**ARTICLE VI.  
OTHER COMMITTEES**

The Board or Chair may create additional advisory committees from time to time by duly adopted resolutions. The operation of any created committee shall be governed by these Policies and Procedures, the Bylaws, and the Act. Any committee created by resolution of the Board shall be automatically discontinued at the end of the fiscal year unless the need for its continued existence is established and approved by a resolution of the Board.

**ARTICLE VII.  
ECONOMIC LEADERSHIP COUNCIL**

**SECTION 7.1**      Composition and Term. The Economic Leadership Council (the “Council”) of the Alliance shall be composed of Investors (or their appointed individual representatives) elected by a majority of the membership of the Board

**SECTION 7.2**      Function. The Council shall have no fiduciary or governmental responsibilities to the Alliance or any rights or authority to act for or on behalf of the Board or the Alliance. The Council shall be charged with providing strategic guidance and counsel to the Board and assisting the Alliance and its Board in establishing and implementing the Alliance’s economic development agenda, priorities, and funding.

**ARTICLE VIII.  
PROFESSIONAL STAFF**

In accordance with Section 3.1.1 hereof, Section 3.1 of the Bylaws, and Section 33-31-801 of the Act, the Board shall have full and final authority to determine what professional staff is necessary for the Alliance (including but not limited to the need for an executive director or chief executive officer) for the management of the Alliance's day-to-day operations and implementation of policies, programs and operating procedures established by the Board.

**ARTICLE IX.  
FUNDING AND TERMINATION**

**SECTION 9.1**      Funding. All funding for the Alliance will be provided through its public sector Investors and through private sector fundraising.

The private sector funding will be provided through private sector fund raising conducted by the Alliance.

The Alliance may also apply for grants from federal and state government agencies and from private non-profit charitable foundations.

**SECTION 9.2**      Termination of Investor Rights. An Investor’s voting rights, as represented by any members of the Board representing such Investor, shall be suspended for

failure to comply with the funding requirements set forth in these Policies and Procedures and established by the Board. A funding entity may subsequently be expelled from participation in the activities of the Alliance provided said entity is given: (i) not less than fifteen days prior written notice of the expulsion or termination and the reasons therefor; and (ii) an opportunity for the entity to be heard, orally or in writing, not less than five days before the effective day of the expulsion or termination, by the Board. Notwithstanding anything herein to the contrary, the powers and authority of the Jasper County Council and the Beaufort County Council to appoint or designate Directors pursuant to Section 3.2 of the Bylaws shall in no way be diminished or terminated by the suspension or termination of either County's rights as an Investor hereunder for any reason whatsoever.

## **ARTICLE X. MISCELLANEOUS**

**SECTION 10.1**      Office Location. The Alliance Board shall determine where the Alliance office will be located.

**SECTION 10.2**      Fiscal Year. The fiscal year of the Alliance shall begin on July 1 of each year and conclude on June 30 of the following year.

**SECTION 10.3**      Banking. All funds of the Alliance shall be deposited in such banking institutions and shall be disbursed by checks signed by such officer or officers of the Alliance as the Board shall, from time-to-time, determine.

All funds derived from the public sector will be deposited in an account separate from the account in which funds derived from the private sector are deposited.

**SECTION 10.4**      Annual Audit. An annual audit shall be made of the Alliance's financial accounts and records at least once each year by a certified public accountant selected by the Board.

**SECTION 10.5**      Waivers Of Notice. Whenever any written notice is required to be given by the Act or by these Policies and Procedures to any Director or member of any committee, a waiver thereof (in writing) signed by the person or persons entitled to such notices, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except in the case of a special meeting, neither the nature of the business to be transacted, nor the purpose of the meeting need be specified in the waiver of notice of such meeting. The attendance of a Director at a Director's meeting shall constitute a waiver of notice of that meeting, except where the Director upon arriving at the meeting or prior to the vote on a matter not noticed in conformity with the Act and these Policies and Procedures, objects to lack of notice and does not thereafter vote or assent to the objected action.

**SECTION 10.6**      Parliamentary Authority. The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Alliance in all cases in which they are applicable except where there may be a conflict with these Policies and Procedures, the Bylaws, the Articles, or the Act.