

BY-LAWS
OF
THE STRATEGIC ECONOMIC CONSORTIUM, INC.

ARTICLE I

1.0. **NAME**

The name of the corporation shall be The Strategic Economic Consortium, Inc., doing business and conducting activities under the assumed name T-SEC. (the "Corporation"). The principal office shall be located in Orange County, New York. The Corporation may also establish offices in such other places from time to time to advance the purposes of the Corporation.

ARTICLE II

2.0 **PURPOSE**

The Corporation is a 501(c)(3) not-for-profit entity that provides small and medium-sized manufacturers with business and technical support, including arranging for sharing and use of manufacturing equipment and research & development facilities owned or operated by third parties, customized training programs, and related activities, to enable such businesses to grow and create good paying jobs.

ARTICLE III

3.0 **NO MEMBERS**

3.1 The Corporation shall have no members, as this term is defined by Article 6 of the New York Not-for-Profit Corporation Law, and the Corporation shall have no capital stock. The Corporation shall be governed solely by a self-perpetuating Board of Directors.

ARTICLE IV

4.0. **BOARD OF DIRECTORS**

4.1 **Powers and Duties.**

The Board shall have general power to manage and control the affairs and property of the Corporation and shall have overall responsibility for financial oversight of the Corporation. It shall have full power to adopt rules and regulations governing the action of the Board and shall have full and complete authority with respect to the distribution and payment of monies received by the Corporation from time to time,

provided that the fundamental purposes and operating restrictions of the Corporation, as expressed in the Certificate of Incorporation and these By-Laws, shall not thereby be violated or amended. The Board must also ensure that a multi-year strategic plan is in place and that it is consistent with the mission and purpose of the Corporation.

4.2 Directors - Number, Election, Term.

The number of Directors shall be not fewer than 3 nor more than 15. Directors shall be elected by majority vote of all Directors and each shall continue in office for a term of three (3) years or for a term length as shall be decided by the Chair and approved by majority vote of all Directors. The term length shall commence at the date of election and end on the date of the third succeeding year's Annual Meeting of the Board of Directors or succeeding year's Annual Meeting as decided by the Chair and approved by majority vote of all Directors at the time of the Director's election. Directors may be elected to succeeding terms.

4.3 Directors – Discharge of Duties.

Directors shall discharge their duties in good faith and with that degree of diligence, care and skill, which ordinarily prudent people would exercise under similar circumstances in like positions. In discharging their duties, Directors, when acting in good faith, may rely upon financial statements of the Corporation represented to them to be correct by the Chair of the Board or the Treasurer of the Corporation, or stated in a written report by the Independent Auditor to fairly reflect the financial condition of the Corporation.

4.4. Attendance

Directors may attend board and committee meetings in person or by conference telephone or similar communications equipment. Any one or more members of the Board of Directors or any committee thereof may participate in a meeting of such Board or committee by means of a conference telephone, electronic video screen communication equipment or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

4.5. Vacancies.

In case of any vacancy in the Board, a successor to fill the unexpired portion of the term may be elected by a majority vote of all Directors, or the position may be left vacant until the next Annual Meeting of the Board, as shall be decided by the Chair, or by the Vice Chair if the vacated position is Chair of the Board.

4.6. Resignation.

Any Director may resign at any time by giving written notice of such resignation to the Chair of the Board.

Unless otherwise specified within, such resignation shall take effect upon receipt thereof.

4.7. Removal.

Any Director may be removed with or without cause at any time by majority vote of all Directors. A Director who fails to attend 3 consecutive regularly scheduled meetings of the Board or seventy-five percent (75%) of the regularly scheduled meetings in any given year may be removed without recourse upon approval by a majority of all Directors.

4.8. Compensation and Fees.

By resolution of the Board, a fixed sum for expenses of attendance may be allowed for attendance at each regular or special meeting of the Board. In addition, the Board shall have the power, in its discretion, to pay to Directors a fixed sum for attendance at each meeting of the Board, or alternatively, a reasonable compensation or fee as allowed under Section 4941 of the Internal Revenue Code of 1986, as amended (the "Code"). No such payment shall preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor. Members of the Executive Committee may be permitted like reimbursement of expenses and compensation for attending meetings of the Executive Committee.

4.9. Place of Meetings.

The Board may hold meetings at such place or places and at such times as the Board may from time to time determine. Directors will always be afforded the option of attending a meeting in person or by conference telephone or similar communications equipment.

4.10. Regular Meetings: Notice.

Regular meetings of the Board shall be held on dates and at times fixed by the Board with notice of such time and place as may be determined by the Board.

4.11. Special Meetings: Notice.

Special meetings of the Board may be held at any time and place upon the call of the Chair of the Board, or one-third (1/3) of the Directors then in office. Three (3) days' written notice of the time, place and purpose of every special meeting of the Board shall be given by the Secretary to each Director.

4.12. Annual Meeting: Notice.

The annual meeting of the Board for the appointment of Directors and Officers shall be held at such time and place as may be determined by the Board with notice given in a manner similar to notice of a regular meeting.

4.13. Books.

There shall be kept at the principal office of the Corporation correct books of account of the activities and transactions of the Corporation, including a minute book, which shall contain a copy of the Certificate of Incorporation, a copy of these By-laws and all minutes of the meetings of the Board.

4.14. Quorum: Adjournment of Meetings.

A simple majority of the Directors in office present in person, or by conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time, shall constitute a quorum for the transaction of business. However, if at any meeting of the Board there shall be less than a quorum present, the Directors present may adjourn the meeting from time to time until a quorum is obtained. At any such reconvened meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. To the extent permitted by law, a resolution in writing, signed by all of the Directors, shall be as valid as if it had been passed at a meeting of the Directors duly called and constituted.

4.15. Voting.

The act of a simple majority of the Directors present in person, or by conference telephone or similar communications equipment as provided in Section 4.4 above, at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by law or elsewhere in these By-Laws.

4.16. Notice and Waiver of Notice

Written notice for any meeting shall include delivery by first class mail, electronic mail, facsimile or hand-delivery. Waiver of a meeting notice by a Director may be written or electronic. If written, it shall be signed and a facsimile signature is acceptable. If electronic, the waiver may be sent by email and be submitted with information from which it can reasonably be determined that the transmission was authorized by the Director granting the waiver.

4.17. Action by Directors without a Meeting

Any action required to be taken at a meeting of the Directors, or any action which may be taken at a meeting of the Directors, may be taken without a meeting if, prior to taking said action, written consent setting forth the action is obtained from each of the Directors.

ARTICLE V

5.0. BOARD OFFICERS

5.1. Number and Qualifications.

The Board of Directors shall elect a Chair, Vice Chair, Secretary and Treasurer, and such other officers as it may determine, who shall be given such duties, powers and functions as hereinafter provided. Any two or more Board offices may be simultaneously held by the same person, except Chair and Secretary. The Board of Directors may also appoint certain individuals, including the founder(s) of the Corporation or long-serving directors, to serve as an Emeritus Trustee. An Emeritus Trustee shall have no ability to vote, hold office or chair committees but shall be invited to attend and participate in Board meetings and to serve on committees.

5.2. Appointment and Term of Office.

The officers of the Board shall be elected at the Annual Meeting of the Board. Each officer shall hold office until the next succeeding Annual Meeting of the Board, or until his or her successor has been duly elected and qualified, or until his or her death, or until he or she shall resign or removed in accordance with these By-laws.

5.3. Compensation.

Officers shall serve with such reasonable compensation, if any, as is agreed upon by the Board and as is consistent with compensation as allowed under Section 4941 of the Code.

5.4. Duties Applicable to All Officers.

a) All officers shall discharge the duties of their respective positions in good faith and with that degree of diligence, care and skill which ordinarily prudent people would exercise under similar circumstances in like positions.

b) In discharging their duties, officers, when acting in good faith, may rely upon financial statements of the Corporation, represented to them to be correct by the President/CEO or the Treasurer of the Corporation, or stated in a written report by the Independent Auditor fairly to reflect the financial condition of the Corporation.

5.5. Chair.

a) The Chairman of the Board of the Corporation shall call, preside at and conduct all meetings of the Board of Directors. The Chair shall prepare the order of business for all meetings with due regard for expediting the business of the meeting and including therein, any matters which may be ordered by the Board of Directors. In accordance with Section 519 of the Not-For-Profit Corporation Law, and these By-

laws, the Chair shall together with the Treasurer, present and verify an annual report to the Board of Directors at its annual meeting. Such report shall be filed with the minutes of the annual meeting of the Board of Directors. The Chair shall verify all reports of the Board of Directors, have discretionary power to act on behalf of the Corporation under any circumstances appearing to be an emergency or of urgent necessity and generally perform all other acts required by law incidental to the office of the Chair.

b) The Chair shall be a member of the Executive Committee and shall serve as Chair of that Committee. The Chair shall also be an ex-officio member of all standing committees with the right to vote unless such right is otherwise limited to Independent Directors or otherwise by these By-Laws.

5.6. Vice Chair.

a) If the office of Chair is temporarily vacant, or in the temporary absence or disability of the Chair, the Vice Chair of the Board shall do and perform the duties and have and exercise the powers of the Chair during such temporary vacancy, absence or disability, subject to the further order of the Board of Directors.

b) The Vice Chair shall be a member of the Executive Committee and shall serve as Vice-Chair of that Committee. The Vice Chair shall do and perform such other duties as may be assigned by these By-laws, or the Chair of the Board.

5.7. Secretary.

a) It shall be the duty of the Secretary to attend and keep the minutes of all meetings of the Board; to issue proper notices of all meetings; to perform all other duties which are incident to the office of Secretary; and to perform such other duties as the Board or the Chair may from time to time prescribe. The Secretary shall have custody of the minute book of the Corporation and the corporate seal of the Corporation, and the Secretary shall have authority to affix the seal to any instrument requiring it, and when so affixed it may be attested by the signature of the Secretary. The Board may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by such officer's signature. The Secretary may also attest all instruments signed by the President/CEO of the Corporation.

b) The Secretary shall be a member of the Executive Committee.

5.8. Treasurer.

a) The Treasurer shall serve as Chair of the Finance/Audit Committee and shall have oversight of all funds of the Corporation. The Treasurer, in consultation with the Finance/Audit Committee, shall cause an annual audit of all financial operations of the Corporation during the past year to be made by the

Corporation's Independent Auditor and shall prepare and present an annual report of financial conditions of the Corporation to the Board at its Annual Meeting, or as soon as possible thereafter. He or she shall perform all other duties which are incident to the office of Treasurer and shall perform such other duties as the Board or Chair may from time to time prescribe.

b) The Secretary shall be a member of the Executive Committee.

5.9. Other Officers.

Pursuant to Section 5.1 hereof, the Board may appoint from time to time such other Board officers as it shall deem necessary. These officers shall have such authority, perform such duties, and receive such reasonable compensation, if any, as the Board may from time to time determine, so far as may be consistent with these By-Laws and to the extent authorized or permitted by law.

5.10. Removal.

Any Board officer may be removed without cause by a vote of three-quarters (3/4) of the Board then in office or with cause by a majority vote of the Board then in office. In the event that there are three Directors or fewer, removal without cause requires a unanimous vote.

ARTICLE VI

6.0. CORPORATE EXECUTIVE EMPLOYEES

6.1. Number and Qualifications.

The Board of Directors may retain a President/CEO as the executive director of the Corporation, and such other key employees as it may determine, who shall be given such duties, powers and functions as hereinafter provided. The title of Executive Vice-President may be assigned to individuals as determined by the President/CEO. The President/CEO of the Corporation may not serve as the Chair of the Board or hold any other title with similar responsibilities, unless the Board approves such individual by a two-thirds vote of the entire Board and contemporaneously documents, in writing, the basis for the Board approval; provided, however, no such individual shall be considered an Independent Director pursuant to the Conflict of Interest Policy attached as Appendix A.

6.2. Appointment and Term of Office.

As at-will employees of the Corporation, the President/CEO, and such other key employees of the Corporation shall not be subject to annual reappointment but shall serve at the pleasure and discretion of the Board. The Board of Directors shall have sole authority to hire, supervise, discipline and terminate such employees. The appointment or termination of such key employees shall require a two-thirds (2/3)

majority vote of the Board. Such key employees shall act subject to overall control by the Board and shall regularly make reports to the Board, the Chair and Vice-Chair, as appropriate, or as otherwise directed by the Board.

6.3. President/CEO.

The President/CEO shall have general charge, oversight and direction of the business and affairs of the Corporation subject to the overall control and direction of the Board. He/she shall be responsible for carrying out the directions of the Board and ensuring that the policies and objectives of the Corporation are carried out. He/she shall perform all duties usually incident to the office of "Chief Executive Officer," including the employment, supervision and discharge of such personnel. The President/CEO shall provide executive leadership for the Corporation by working with the Board to establish long-range strategies, plans and policies to achieve the Corporation's mission. The President/CEO shall also develop and strengthen strategic relationships with key constituencies, namely, individuals and organizations whose support is integral to the success of the Corporation. Within the limits of Corporate policies, these By-laws and mandates of the law, the President/CEO shall have the authority to execute instruments and agreements and incur obligations on behalf of the Corporation.

6.4. Compensation.

a) Executive employees of the Corporation may receive such reasonable compensation and reimbursement for reasonably incurred expenses, if any, as is agreed upon by the Board. From time to time, with such frequency as the Board of Directors shall deem necessary, the Board of Directors shall engage in a compensation analysis of each executive employee, which may run concurrently with the performance evaluation of such employee(s). In order to determine the reasonableness of compensation as it applies to the Corporation, this compensation analysis shall confirm that the compensation to be authorized and awarded is reasonable for the services to be provided to the Corporation.

b) A meeting where the compensation deliberation is being made by the Board of Directors shall take place without the executive employee of the Corporation being present. The Board shall have described to it, in a form acceptable to the Board, the total compensation of the key employee, as well as any changes that have been made throughout the year. The Board shall, after due deliberation and discussion regarding the total compensation, render a determination regarding whether the compensation is reasonable and whether sufficient, comparative information existed from like or similar entities, to conclude that the total compensation of the officer(s) is reasonable.

6.5. Duties Applicable to All Executive Employees.

a) All executive employees shall discharge the duties of their respective positions in good faith and with

that degree of diligence, care and skill which ordinarily prudent people would exercise under similar circumstances in like positions.

b) In discharging their duties, executive employees, when acting in good faith, may rely upon financial statements of the Corporation, represented to them to be correct by the President/CEO or the Treasurer of the Corporation, or stated in a written report by the Independent Auditor, fairly to reflect the financial condition of the Corporation.

ARTICLE VII

7.0. COMMITTEES

7.1. Committees of the Board.

The Board shall form and appoint all members of an Executive Committee and a Finance/Audit Committee, which shall be standing committees, and such special committees as it may from time to time deem advisable. Except as provided below, membership on these committees shall not be limited to Board members. With the exception of the Executive Committee, and as set forth in these By-laws, no committee shall have power to act for the Board or its officers unless expressly so authorized by the Board.

7.2 Committee Member Appointment and Vote

a) Committee Chair

Except as specifically required by these By-laws, the chair of each Board committee shall be nominated by the Executive Committee and appointed by the Board.

b) Committee Members

At least three (3) members of a committee of the Corporation shall be Directors. Directors and non-directors seeking to serve on a committee of the Corporation shall be nominated by the chair of the committee and approved by the Board. All committee members shall be made known to the Board. Employees of the Corporation may be assigned by the Executive Committee or Board to assist a committee as a Committee Advisor but may not be a member of the committee unless so approved as a full committee member by the Board.

c) Committee Vote

All committee members shall have one vote in the decisions of the committee. Committee Advisors shall not have a vote in the decisions of the committee.

7.3 Executive Committee.

a) Membership.

(1) The Executive Committee shall consist of the Chair, Vice Chair, Secretary and Treasurer of the Board, and other Directors designated by the Chair and appointed by majority vote of the entire Board. Only Directors may serve on the Executive Committee. The President/CEO may not serve as a voting member of the Executive Committee but is permitted to attend meetings thereof.

(2) The Chair of the Board of Directors of the Corporation shall be the Chair of the Executive Committee. The Vice-Chair of the Board of Directors of the Corporation shall be the Vice-Chair of the Executive Committee.

b) Functions.

(1) In order to provide continuity of governing control, the Executive Committee shall exercise the authority of the Board in the supervision and control of the affairs of the Corporation in the interval between meetings of the Board, subject to limitations listed in Paragraph (2) below, as well as any prior limitations imposed by the Board. It shall also make such regulations during any interim period that it shall deem necessary to carry out the objectives of the Corporation, provided such regulations are not inconsistent with those adopted by the Board.

(2) Except as otherwise provided in these By-laws or by statute, the Executive Committee shall have all of the authority of the Board, except as to the following matters, as well as any other restrictions imposed by the Board:

- (i) The filling of vacancies in the Board or in any committee.
- (ii) The fixing of compensation of the Directors for serving on the Board or on any committee.
- (iii) The amendment or repeal of the By-laws or the adoption of new by-laws.
- (iv) The amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repealable.
- (v) The election or removal of Officers and Directors.
- (vi) The approval of a merger or plan of dissolution.
- (vii) The adoption of a resolution recommending authorization of the sale, lease, exchange or other disposition of all or substantially all the assets of the Corporation.
- (viii) The approval of amendments to the Certificate of Incorporation.

(3) The Executive Committee shall have special charge of all matters not expressly assigned to some other committee.

(4) The Executive Committee shall meet upon the call of its Chair, or in his or her absence, of any other one of its members, as frequently as necessary to carry on the business affairs of the Corporation.

7.4. Finance/Audit Committee.

a) Membership. The Finance/Audit Committee shall consist of at least three (3) Directors, all of whom must be Independent Directors (as defined in the Corporation's Conflict of Interest and Disclosure Policy).

b) Functions. The Finance/Audit Committee shall:

(i) annually review or retain the independent auditor, if one is retained by the Corporation, and upon completion of the audit review, the results of the audit and any related management letter with the independent auditor;

(ii) be responsible for overseeing the implementation of the Whistleblower Policy (Appendix D);

(iii) advise the Treasurer and the Board in regard to the investments and general fiscal policy of the Corporation in accordance with the Fund Management and Investment Policy (the "Fund Management and Investment Policy") adopted by the Corporation and attached hereto as Appendix B;

(iv) review the Corporation's financial reporting, focusing on the organization's financial statements and adherence to current budget in addition to assessing the organization's long-term financial needs, devising alternative forms of financing, budgeting and planning for capital expenditures; and

(v) provide oversight over the financial budgets for project grants, as well as the financial reporting and controls to administer each grant program secured by the organization.

c) Meetings. The Finance/Audit Committee shall meet upon the call of its Chair, at least once every three (3) months. The President/CEO and Executive Vice President(s) shall be notified of such meetings in a manner similar to notice of a regular meeting, and each may attend at his or her discretion, but shall have no ability to vote on Finance/Audit Committee matters.

ARTICLE VIII

8.0 CONFLICT OF INTEREST

Directors, officers, committee members, key employees, and agents of the Corporation are required to comply with the Conflict of Interest and Disclosure Policy as adopted by the Board. Any potential conflict of interest that could result in a direct or indirect financial or personal benefit to any Director, Officer or agent of the Corporation shall be disclosed in good faith or made known to the Board and resolved in

accordance with the Conflict of Interest and Disclosure Policy attached hereto as **Appendix A**.

ARTICLE IX

9.0 NON-DISCRIMINATION; EQUAL OPPORTUNITY.

In all of the Corporation's operations, neither the Corporation nor any of its duly authorized Directors, Officers, committee members, or agents shall discriminate against any individual or group for reasons of race, color, creed, sex, age, ethnicity, national origin, marital status, family status, sexual orientation, disability, military status, domestic violence victim status or predisposing genetic characteristics or any other protected classification under Federal or State law.

The Corporation is an equal opportunity employer and prohibits discriminatory employment actions against, and treatment of, its employees and applicants for employment based on actual or perceived race, color, creed, sex, age, ethnicity, national origin, marital status, family status, sexual orientation, disability, military status, domestic violence victim status or predisposing genetic characteristics or any other protected classification under Federal or State law.

Directors, Officers, committee members, key employees, and agents of the Corporation are required to comply with the Minority or Women-Owned Business Enterprises Policy adopted by the Board and attached hereto as **Appendix B**.

ARTICLE X

10.0 OTHER PROVISIONS

10.1. Agents/Representatives.

The Board may appoint agents and representatives of the Corporation with powers to perform acts or duties on behalf of the Corporation as the Board may see fit.

10.2. Contracts.

The Board may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to a specific instance. Unless otherwise required by law, all monetary commitments of the Corporation shall be made in accordance with these by-laws, along with Fund Management Investment Policy attached as **Appendix C**.

10.3. Budget.

The Board shall approve a budget for the Corporation prior to the start of each fiscal year. The budget may not be exceeded unless the Board votes to amend it.

10.4. Deposits.

The funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories approved by the Board.

10.5 Whistleblower Policy.

The Board has adopted a Whistleblower Policy, which it distributes to its Directors, Officers, employees, and regular volunteers, which provides that any of those individuals who, in good faith, reports any action or suspected action taken by or within Corporation that is illegal, fraudulent or in violation of any adopted policy of Corporation shall not suffer intimidation, harassment, discrimination or any other retaliation or, in the case of employees, any adverse employment consequence. This policy may be updated from time to time by the Finance/Audit Committee or the Board. A copy of the current version of the Whistleblower Policy is attached hereto as **Appendix D**.

10.6 Sexual Harassment Policy.

The Board has adopted a Sexual Harassment Policy, which it distributes to its Directors, Officers, employees, and regular volunteers. A copy of the current version of the Sexual Harassment Policy is attached hereto as **Appendix E**.

10.6. Exempt Activities.

No Director, officer or agent of this Corporation shall engage in any activity not permitted by an organization exempt under Section 501(c)(3) of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended.

10.7. Dissolution.

Corporate dissolution shall be in accordance with the Corporation's Certificate of Incorporation.

ARTICLE XI

11.0 FISCAL YEAR

The Fiscal Year of the Corporation shall commence on January 1 of each year and end on December 31 of the same year.

ARTICLE XII

12.0 PROHIBITION AGAINST SHARING IN CORPORATE EARNINGS

No Director, officer, employee, or person connected with the Corporation, or member of any committee or panel, or any other private individual or entity shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation; provided, that this shall not prevent the payment to any such person or entity of such reasonable compensation for services rendered to or for the Corporation in furtherance of any of its purposes. No such person or entity shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Corporation.

ARTICLE XIII

13.0 INDEMNIFICATION AND INSURANCE

13.1 Indemnification

The Corporation shall, in accordance with Section 722 of the Not-for-Profit Corporation Law of the State of New York and to the full extent permitted by law, indemnify any Executive Director, Officer, Director or committee member against any and all judgment, fines, amounts paid in settling or otherwise disposing of actions or threatened actions, and reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection therewith or as a result of such action or proceeding, or any appeal thereof, to which he/she is made, or threatened to be made, a party by reason of the fact that he/she, his/her testator of an estate, is or was an Executive Director, Director or Officer or committee member of the Corporation, or any other corporation of any kind, domestic or foreign, which he/she served in any capacity at the request of the Corporation. The Corporation may, by action of the Board of Directors, provide indemnification for any other employees, agents, attorneys and representatives of the Corporation to the same extent as provided for Officers and Directors.

13.2 Insurance

Upon appropriate action by the Board of Directors, the Corporation, in accordance with Section 726 of the Not-for-Profit Corporation Law of the State of New York, may purchase and maintain insurance on behalf of any person who is or was an Executive Director, a Director, Officer, committee member, employee or agent of Corporation or is or was serving at the request of Corporation as a member, director, trustee, officers, committee member, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him/her or incurred by him/her in any such

capacity or arising out of his/her status as such, whether or not the Corporation would have the power to indemnify him/her against such liability.

ARTICLE XIV

14.0 AMENDMENTS; ORDER OF AUTHORITY

14.1. By-Law Amendments Allowed.

These By-Laws may be altered, amended or repealed (except as hereinafter provided in Section 2 of this Article XIV) at any regular or special meeting of the Board by the affirmative vote of two-thirds (2/3) of the Directors voting at a meeting at which a quorum is present and held in compliance with the provisions of Article NINTH of the Certificate of Incorporation.

14.2. By-Law Amendments Not Allowed.

The Directors shall not have power to alter or amend these By-Laws in such manner as to permit any Director, officer, agent or employee of the Corporation ever to receive any compensation or any pecuniary profit from the operations of the Corporation (except reasonable compensation for services actually rendered to the Corporation and reimbursement of expenditures incurred in effecting one or more of its purposes), or to receive any part of the property or assets of the Corporation upon its dissolution or termination.

14.3. Corporate Certificate of Incorporation Amendments.

The Certificate of Incorporation of the Corporation may be altered, amended or repealed by the affirmative vote of at least two thirds (2/3) of the entire Board at a meeting held in accordance with Article NINTH of the Certificate of Incorporation. No amendment, alteration or repeal shall be effected which would result in the denial of tax-exempt status under Section 501(c)(3) of the Code and the regulations thereunder.

14.4. Conflict between By-Laws and Certificate of Incorporation.

In the event of any conflict between a provision of these By-Laws and any provision of the Certificate of Incorporation, the Certificate of Incorporation shall be controlling.

APPENDIX A

CONFLICT OF INTEREST AND DISCLOSURE POLICY

ARTICLE 1: PURPOSE

The Strategic Economic Consortium, Inc. (hereinafter, the “Corporation”), as a commitment to the public at large, strives to maintain the highest ethical standards through the design, implementation and adherence to clearly articulated policies and procedures in an effort to avoid either actual or the appearance of improper or undisclosed conflict of interest. Each Director of the Corporation has a duty of loyalty to the Corporation, which requires those individuals to prefer the interests of the Corporation over their own.

The purpose of this policy (hereinafter the “Policy”) is to protect the interests of the Corporation when it is contemplating entering into a transaction or arrangement that might benefit the private interest, financial or otherwise, of a Director. The Corporation will not enter into any such transaction or arrangement unless it is determined by the Board in a manner described below to be fair, reasonable, and in the best interests of the Corporation at the time of such determination.

ARTICLE 2: DEFINITIONS

2.1 **“Affiliate.”** An affiliate of the Corporation is an entity that is controlled by, or in control of, the Corporation.

2.2 **“Directors” or “Board.”** The body responsible for the management and governance of the Corporation.

2.3 **“Conflict of Interest.”** Any situation in which a Director, Officer, or Key Person of the Corporation may be involved in a Related Party Transaction, an instance of nepotism, or such other situations as may be defined from time to time by the Board of the Corporation.

2.4 **“Financial Interest.”** A person has a Financial Interest if such person would receive an economic benefit, directly or indirectly, from any transaction, agreement, compensation agreement, including direct or indirect remuneration as well as gifts or favors that are not insubstantial or other arrangement involving Corporation.

2.5 **“Independent Auditor.”** Any independent certified public accountant performing the audit of the financial statements of the Corporation required by Section 172-b(1) of the New York Executive Law.

- 2.6 “Independent Director.” An individual serving on the Board of Directors who:
- a) Has not been an employee or Key Person of the Corporation or an Affiliate within the last three years;
 - b) Does not have a Relative who has been a Key Person of the Corporation or an Affiliate within the last three years;
 - c) Has not received more than \$10,000 in compensation (excluding reasonable reimbursements for expenses) directly from the Corporation or an Affiliate during one or more of the last three fiscal years;
 - d) Does not have a Relative who has received more than \$10,000 in compensation (excluding reasonable reimbursements for expenses) directly from the Corporation or an Affiliate during one or more of the last three fiscal years;
 - e) Does not have a substantial Financial Interest in and has not been an employee of, and does not have a Relative who has a substantial Financial Interest in or was an Officer of any entity that has made payments to or received payments from Corporation or an Affiliate of Corporation in excess of the lesser of (a) \$25,000 or (b) 2% of Corporations consolidated gross revenue over the last three years (payment does not include charitable contributions);
 - f) is not a current owner (whether wholly or partially), director, officer, or employee of the Corporation’s outside auditor;
 - g) has not worked on the Corporation’s audit at any time during the past three years;
 - h) does not have a Relative who is a current owner (whether wholly or partially), director, officer, or employee of the Corporation’s outside auditor; and
 - i) does not have a Relative who has worked on the Corporation’s audit at any time during the past three years.

- 2.7 “Key Person.” A Key Person means any person, other than a Director or Officer of the Corporation, whether or not an employee of the Corporation, who:
- a) has responsibilities, or exercises powers or influence over the Corporation as a whole similar to the responsibilities, powers, or influence of Directors and corporate officers;
 - b) manages the Corporation, or a segment of the Corporation that represents a substantial portion of the activities, assets, income or expenses of the Corporation; or
 - c) alone or with others controls or determines a substantial portion of the Corporation’s capital expenditures or operating budget.

- 2.8 “Related Party.” Persons who may be considered a Related Party of the Corporation under this Policy include:

(a) Directors, Officers, or Key Persons of the Corporation or an Affiliate;

(b) Relatives of Directors, Officers, or Key Persons of the Corporation or any Affiliate; and

(c) any entity in which a person described in (a) or (b) has a 35% or greater ownership or beneficial interest, or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

2.9 “Related Party Transaction.” Any transaction, agreement or any other arrangement in which a Related Party has a Financial Interest and in which the Corporation or an Affiliate is a participant; **except** that a transaction is not a Related Party Transaction if:

- a) the transaction or the Related Party's Financial Interest in the transaction is de minimis;
- b) the transaction would not customarily be reviewed by the Board or boards of similar organizations in the ordinary course of business and is available to others on the same or similar terms; or
- c) the transaction constitutes a benefit provided to a Related Party solely as a member of a class of the beneficiaries that the corporation intends to benefit as part of the accomplishment of its mission which benefit is available to all similarly situated members of the same class on the same terms.

2.10 “Relative.” A Relative is a:

- a) spouse;
- b) domestic partner¹;
- c) ancestor (parent, grand-parent, etc.);
- d) brothers and sisters (whether whole or half- blood);
- e) child (whether natural or adopted);
- f) grandchild;

¹ As defined in Section 2994-a of the New York Public Health Law, a “Domestic Partner” means a person who, with respect to another person:

- (a) is formally a party in a domestic partnership or similar relationship with the other person, entered into pursuant to the laws of the United States or of any state, local or foreign jurisdiction, or registered as the domestic partner of the other person with any registry maintained by the employer of either party or any state, municipality, or foreign jurisdiction; or
- (b) is formally recognized as a beneficiary or covered person under the other person's employment benefits or health insurance; or
- (c) is dependent or mutually interdependent on the other person for support, as evidenced by the totality of the circumstances indicating a mutual intent to be domestic partners including but not limited to: common ownership or joint leasing of real or personal property; common householding, shared income or shared expenses; children in common; signs of intent to marry or become domestic partners under paragraph (a) or (b) of this subdivision; or the length of the personal relationship of the persons.

Each party to a domestic partnership shall be considered to be the domestic partner of the other party. “Domestic partner” shall not include a person who is related to the other person by blood in a manner that would bar marriage to the other person in New York state. “Domestic partner” also shall not include any person who is less than eighteen years of age or who is the adopted child of the other person or who is related by blood in a manner that would bar marriage in New York state to a person who is the lawful spouse of the other person.

- g) great-grandchild;
- h) spouse or domestic partner of a brother, sister, child, grandchild, or great-grandchild;
- i) aunt or uncle;
- j) niece or nephew;
- k) cousin;
- l) guardian or ward;
- m) step, half, or in-law relation;
- n) a person living in one's household;
- o) any other person with such a close bond as to suggest conflict in the employment relationship (for example, a fiancé).

ARTICLE 3: POLICY AND PROCEDURES

3.1 **Duty to Disclose**: In connection with initial and annual disclosures under Article 6 of this Policy, Directors, Officers, and Key Persons must disclose the existence of any Financial Interest, Conflict of Interest, Related Party Transaction, or other interest and be given the opportunity to disclose in good faith all material facts to the Board. In addition to initial and annual disclosures, Directors, Officers, and Key Persons are under a continuing obligation to similarly disclose the material facts surrounding actual or possible Conflict of Interest and Related Party Transactions as they arise and may do so to the Board.

3.2 **Assessing a Related Party Transaction or Conflict of Interest**: The Corporation may not enter into any Related Party Transaction or transaction that involves a Conflict of Interest unless the transaction is determined by the Board to be fair, reasonable and in the Corporation's best interest at the time of the determination through the following procedures:

- a) prior to entering into the transaction, consider alternative transactions to the extent available;
- b) approve the transaction by not less than a majority vote of the Board of Directors; and
- c) contemporaneously document, in writing, the basis for the Board's approval, including its consideration of alternative transactions.

3.3 **Nepotism Policy**. The Corporation recognizes that Relatives of current Directors, Officers and Key Persons may seek employment, directly or indirectly, with the Corporation. To promote a productive environment, free from Conflict of Interest as well as favoritism and unfair advantage, whether perceived or real, the Corporation has adopted the following rules and guidelines related to employment of such Relatives.

- a) **Hiring of Relatives**.
 - (i) Relatives of Directors, Officers, or Key Persons seeking employment at the Corporation must use standard application channels. To avoid creating any barrier to equal

- opportunity, hiring of or contracting with such Relatives based exclusively on referrals will not be permitted.
- (ii) If the qualifications of any non-Relative seeking employment are demonstrably superior to those of a Relative of a Director, Officer or Key Person, such Relative may not be considered for employment with the Corporation.
 - (iii) The Corporation is committed to an equal employment opportunity workforce. All hiring decisions of Relatives must be reviewed by the Executive Committee to ensure compliance with the Corporation's policies and applicable non-discrimination laws.
- b) Working Relationship of Relatives. A Relative may not directly supervise another Relative of hers/his or occupy a position that has influence over such Relative's employment, transfer, promotion, compensation, or other management or personnel considerations.
 - c) Change in Relationship Status. If a Director, Officer or Key Person becomes a Relative of any Director, Officer, Key Person, employee, or individual doing business or affiliated with an entity doing business with the Corporation, they must report the change in status to the Board. The two individuals may not remain in any reporting relationship where one has influence over the other unless accommodations can be made to eliminate the potential conflict. The choice of which employee will remain in the previous role and which will modify the role as necessary to be in compliance with this policy is to be made by the two individuals in question.

3.4 Procedures for Addressing the Conflict of Interest: Directors, Officers and Key Persons are obligated to submit the disclosure statements set forth in Article 6 hereof. In addition, such persons are obligated to disclose to the Board all material facts regarding an actual or potential Conflict of Interest at any time such facts arise. Promptly following any disclosure, the Board shall hold a meeting to determine whether an actual or potential Conflict of Interest exists, and the affected Director, Officer and/or Key Person may attend such meeting. Such affected Director, Officer and/or Key Person may make a presentation regarding the matter at such meeting, but after such presentation, the affected Director, Officer and/or Key Person shall leave the meeting during any discussion of, and/or vote on the matter being addressed. Further, such affected Director, Officer and/or Key Person shall refrain from any attempts to improperly influence the deliberations and voting on the matter giving rise to the Conflict of Interest. The Board, by majority vote of Independent Directors, shall determine whether to refer the Conflict of Interest to the Board for further review and, if the Conflict of Interest involves a Related Party Transaction, keep all records of discussions and votes on the matter in accordance with Article 5 of this Policy.

3.5 Determining Whether a Conflict of Interest Exists: The Board of Directors shall promptly schedule a meeting to consider whether a Conflict of Interest exists. At the Board's discretion, the Director, Officer

or Key Person who is the subject of such Conflict of Interest may be permitted to make a presentation regarding the matter at such meeting, but after such presentation, the affected Director, Officer and/or Key Person shall leave the meeting during any discussion of, and/or vote on the matter being addressed. Further, such affected Director, Officer and/or Key Person shall refrain from any attempts to improperly influence the deliberations and voting on the matter giving rise to the Conflict of Interest. The remaining Board members shall decide, by majority vote, whether there has been or may be a violation of this Policy and, if so, what actions are to be taken to address the Conflict of Interest.

3.6 Violations of the Policy: If the Board determines that a Director, Officer, or Key Person has failed to disclose an actual or possible Financial Interest, Conflict of Interest, Related Party Transaction, Nepotism, or other interest, it shall inform such Director of the basis for such belief and afford the Director the opportunity to explain the alleged failure to disclose. If the Board determines the individual has failed to disclose an actual or possible Financial Interest, Conflict of Interest, Related Party Transaction, Nepotism, or other interest, the Board shall take appropriate disciplinary and corrective action, including but not limited to reprimand or removal of that Director, Officer or Key Person in accordance with the By-Laws. If the Conflict of Interest involves a Related Party Transaction, the Secretary of the Board all keep records of discussions and votes on the matter in accordance with Article 5 of this Policy.

ARTICLE 4: RECORD OF PROCEEDINGS REGARDING RELATED PARTY TRANSACTIONS

4.1 Related Party Records: Contents: The minutes of the Board and all Committee meetings at which a Related Party Transaction is considered shall contain:

- a) The name(s) of the persons who disclosed or otherwise were determined to have a potential or actual Financial Interest and/or Conflict of Interest, the nature of the potential or actual Financial Interest and/or Conflict of Interest, any action taken to determine whether a Financial Interest or Conflict of Interest exists (including the basis for the Board's approval and the Board's consideration of alternative transactions), and the Board's decision with respect to whether a Financial Interest and/or Conflict of Interest exists; and
- b) The names of the persons who were present for discussions and votes relating to any determinations under Article 3 above, including whether the Related Party (and any Directors not considered to be Independent Directors) left the room during any such discussions, the content of such discussions, including discussion of alternative transactions, and whether or not the transaction with the Related Party was approved by the Board.

4.2 Board Minutes. The Board minutes shall be documented contemporaneously to record the decision and discussion regarding the Related Party Transaction, including the Financial Interest or

Conflict of Interest.

ARTICLE 5: INITIAL AND ANNUAL DISCLOSURE STATEMENTS

5.1 Initial Disclosure Statement: Prior to a Director's initial election to the Board, such Directors shall sign and submit to the Secretary of Corporation a written statement identifying, to the best of his or her knowledge:

- a) Any entity of which such Director of the Board is an officer, director, trustee, member, owner, or employee and with which the Corporation has a relationship; and
- b) Any transaction in which the Corporation is a participant and in which such Director might have a Financial Interest, Conflict of Interest, Related Party Transaction or other interest.

5.2 Annual Disclosure Statement: An annual disclosure statement shall be circulated to and collected from the Directors, on an annual basis. The annual disclosure form shall be the same or similar in content to the Initial Disclosure Statement and shall remind Directors that disclosure is not only to be delivered annually through the disclosure form but must also be raised whenever a Financial Interest, Conflict of Interest, Related Party Transaction or other interest arises during the year. The annual disclosure statement shall affirm that the Director has received a copy of this Policy, has read and understands this Policy and has agreed to be bound by and comply with this Policy.

5.3 Records of Disclosure Statements: A copy of each disclosure statement shall be provided by the Secretary of the Corporation to the Chair of the Board and also kept in the Corporation's files and made available to any Director upon request. The Board shall promptly review and take action, in accordance with this Policy, with respect to every disclosure statement that is provided to the Corporation by a Director.

APPENDIX B

Minority or Women-Owned Business Enterprises (“M/WBE”) Policy

The Strategic Economic Consortium, Inc. (the “Corporation”) shall and shall cause its Directors, Officers, employees, and agents to take good faith actions to assist M/WBEs, as defined in New York State Executive Law Article 15-A, §310, by taking the following steps:

- (1) Establish goals for participation by qualified and certified M/WBEs in the Corporation’s activities.
 - (2) Actively seek out qualified and certified M/WBEs and M/WBE professional associations and affirmatively distribute information regarding the Corporation’s programs and opportunities for M/WBE participation.
 - (3) When feasible and permitted by applicable law, make good faith efforts to procure contracted labor, services (including legal, financial, and professional services), supplies, equipment, and materials from qualified and certified M/WBEs.
 - (4) Document and maintain records of solicitations, including those from M/WBEs, and the results thereof. The Corporation will also maintain records of actions that its affiliates (if any) have taken toward meeting M/WBE participation goals.
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APPENDIX C

Fund Management and Investment Policy

I. Purpose

The purpose of this Fund Management and Investment Policy (the "Policy") is to set forth the standards and guidelines governing the investment and management of the Corporation's financial assets. This Policy is intended to be in accordance with the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). Any terms not defined herein shall have the meanings set forth in the By-Laws or Conflict of Interest Policy of the Corporation.

II. Financial Assets of the Corporation

The Corporation's financial assets consist of (a) funds intended to be used to cover its short-term operating (the "Operating Fund"), (b) reserve funds, which are funds to be held in reserve to support the Corporation's future operations, serve as a resource during economic downturns or provide an additional source of income to support and further the Corporation's mission (the "Reserve Funds"), (c) funds which have been restricted by the donor or the Corporation's Board of Directors (the "Board of Directors" or the "Board") for a specific purpose, but which do not have a restriction as to the timing of their expenditure (the "Restricted Funds"), and (d) funds received by the Corporation pursuant to a gift instrument that are not wholly expendable by the Corporation on a current basis (the "Endowment Funds" and together with the "Operating Fund," the "Reserve Funds" and the "Restricted Funds," the "Funds").

Financial assets subject to a specific donor restriction as to the investment, management, use or expenditure of such assets shall be invested, managed, used and spent in accordance with the donor's restriction.

III. Investment and Management Objectives and Guidelines

(a) Operating Fund: The Operating Fund shall be invested with the objective of preserving its assets to cover operating expenses and realizing earnings in a way that allows for immediate liquidity to meet the Corporation's ongoing operational needs. Operating Fund assets may be maintained in the checking account that the Corporation uses for day-to-day operations and may be invested in other cash-equivalent investments, such as savings accounts, money market accounts, certificates of deposit with maturities appropriate for expected needs, Treasury bills and other investments that are relatively easy to liquidate. The Corporation's professional staff from time to time will review the allocation (or the methodology of allocation) of Operating Fund assets between the Corporation's checking account and its other cash-equivalent investments, determining the appropriate allocation based on the Corporation's cash-flow needs, and regularly report such

allocation to the Board. The Board may direct that changes be made to such allocation and will also consider from time to time whether the Corporation's Operating Fund assets are sufficient to allow for the designation of a portion of such assets to the Reserve Funds.

(b) Reserve Funds: The Reserve Funds shall be invested with the objective of preserving the long-term real purchasing power of the Funds' assets while realizing appropriate investment income. Reserve Funds' assets may be invested in certificates of deposit, Treasury bills, mutual funds, exchange traded funds, equities, fixed income securities and, as to an appropriate portion, cash equivalent investments. The asset allocation of each of the Reserve Funds shall be determined from time to time by the Board of Directors, in consultation with any managers or advisors if desired (unless it delegates such task to an external manager), which allocation shall reflect a proper balance of such Fund's investment objective, any risk tolerance standard and the need for liquidity.

(c) Restricted Funds: The Restricted Funds shall be invested with the objective of preserving and enhancing the purchasing power of the Funds' assets while ensuring that liquidity requirements can be met. Restricted Funds' assets may be invested in certificates of deposit, Treasury bills, mutual funds, exchange traded funds, equities, fixed income securities and, as to an appropriate portion, cash equivalent investments. The asset allocation of each of the Restricted Funds shall be determined from time to time by the Board of Directors, in consultation with any managers or advisors if desired (unless it delegates such task to an external manager), which allocation shall reflect a proper balance of such Fund's investment objective, any risk tolerance standard and the need for liquidity.

(d) Endowment Funds: The Endowment Funds shall be invested with the objective of preserving the long-term real purchasing power of the Funds' assets while realizing appropriate investment income. Endowment Fund assets may be invested in certificates of deposit, Treasury bills, commercial paper, bankers acceptances, repurchase agreements, mutual funds, exchange traded funds, equities (including common stock, preferred stock, convertible securities and other equities, whether traded on an exchange or not publicly traded), fixed income securities, real estate, commodities, natural-resource related stock, hedge funds, derivatives, alternate investment vehicles and, as to an appropriate portion, cash equivalent investments. The asset allocation of each of the Endowment Funds shall be determined from time to time by the Board of Directors, in consultation with any managers or advisors if desired (unless the Board delegates such task to an external manager), which allocation shall reflect a proper balance of such Fund's investment objective, any risk tolerance standard and the need for liquidity.

IV. Diversification

Investments of each Fund will be diversified to limit the risk of loss resulting from the concentration of

assets in a specific type of investment, specific maturity, specific issuer or sector unless the Board prudently determines that, because of special circumstances, the purposes of the Fund are better served without diversification. The Board shall review the diversification strategy periodically, provided, however, that it shall review any decision to not diversify as frequently as circumstances require but, at a minimum, annually.

V. Responsibilities of the Board of Directors in Managing and Investing the Corporation's Financial Assets

(a) Duty of Care. In managing the financial assets of the Corporation, the Board of Directors will act in good faith and with the care an ordinarily prudent person in like position would exercise under similar circumstances. When making investment and management decisions, the Board shall consider the Corporation's purposes, as well as the purposes of the specific Funds.

(b) Factors. In making decisions regarding management and investment of the Corporation's financial assets, the Board of Directors, as required by applicable law, shall consider the following factors, if relevant:

- (1) general economic conditions;
- (2) the possible effect of inflation or deflation;
- (3) the expected tax consequences, if any, of investment decisions or strategies;
- (4) the role that each investment or course of action plays within the overall investment portfolio of the specific Fund;
- (5) the expected total return from income and the appreciation of its investments;
- (6) other resources of the Corporation;
- (7) the needs of the Corporation and the specific Fund to make distributions and to preserve capital; and
- (8) an asset's special relationship or special value, if any, to the purposes of the Corporation.

(c) Decisions Made in Context. The Board of Directors shall not make management and investment decisions regarding an individual asset in isolation but rather in the context of the specific Fund's portfolio of investments as a whole and as part of an overall investment strategy having risk and return objectives reasonably suited to the Fund and the Corporation. The Board shall make reasonable efforts to verify facts relevant to the management and investment of the Funds and may incur only costs that are appropriate and reasonable in relation to the assets, the purpose of the Corporation and the skills available to the Corporation.

(d) Duty to Act Promptly. Within a reasonable time after the Corporation's receipt of a gift of property or other financial assets, the Board shall make and carry out decisions regarding retaining or disposing of the property, or the rebalancing of the Fund or Funds applicable to such gift in order to ensure compliance with the purposes, terms, and distribution requirements of the Corporation

(including the diversification requirements and other aspects of this Policy) as necessary to meet other circumstances of the Corporation and the requirements of applicable law, subject to any restrictions imposed by the terms of the gift.

(e) Delegation to Finance/Audit Committee. With respect to the management and investment of the Corporation's financial assets, the Corporation shall delegate such functions to its Finance/Audit Committee, who may further delegate certain responsibilities to a financial advisor. The Finance/Audit Committee shall report to the Board on a regular basis and shall be subject to direction by the Board. The rights and obligations set forth in this Policy applicable to the Board (other than the right to amend this Policy) shall also apply to such Finance/Audit Committee or financial advisor, subject to the right of the Board to review and revise any decision of the Finance/Audit Committee or advisor, and reports required under this Policy to be made to the Board may instead be made to the Finance/Audit Committee or advisor, which or who shall in turn report to the Board on a regular basis.

VI. Delegation of Management and Investment Authority to an External Agent

(a) Choosing an Advisor. To the extent it considers prudent, the Finance/Audit Committee may delegate management and investment decisions to one or more external agents, such as a bank, investment advisor, investment manager or custodian, except where prohibited by the terms of a gift instrument. The Finance/Audit Committee will act in good faith and with the care an ordinarily prudent person in like position would exercise under similar circumstances in (i) selecting, continuing or terminating any external agent (including assessing the agent's independence, including any Conflict of Interest such agent has or may have; (ii) establishing the scope and terms of the delegation, including the compensation to be paid; and (iii) monitoring the agent's performance and compliance with the scope and terms of the delegation. The Finance/Audit Committee, in making the decision as to whether to delegate such functions to a specific external agent, shall conduct such due diligence as the Finance/Audit Committee deems appropriate, such as reviewing information regarding the external agent's experience, personnel, track record and proposed compensation as compared to appropriate peers. Any external agent to which management and investment authority is delegated owes a duty to the Corporation to exercise reasonable care, skill and caution to comply with the scope and terms of the delegation.

(b) Reports. Any external agents shall provide the Board with reports on investment performance on a quarterly basis, at a minimum, and more frequently if so requested by the Board. The Finance/Audit Committee and Board will assess at least annually the performance and independence of any external agent, including any Conflict of Interest it may have. Any actual or potential Conflict of Interest involving a Director of the Board or officer or Key Employee of the Corporation with respect to the external agent must be disclosed and resolved pursuant to the

Corporation's Conflict of Interest Policy and any Conflict of Interest the agent may have involving service to the Corporation must also be disclosed to the Corporation. Any contract between the Corporation and an external agent involving delegation of investment authority shall be terminable by the Corporation at any time, without penalty, upon no more than 60 days' notice.

(c) Review of Costs. The Board of Directors will also review from time to time the Corporation's arrangements with any investment managers, investment advisors, custodians and the banks and other entities with which the Corporation maintains its financial assets to ensure that the costs and fees associated with each such arrangement are appropriate and reasonable in relation to the assets, the Corporation's purposes and the skills available to the Corporation.

(d) Guidelines. The Corporation will seek to ensure that any investment managers retained by the Corporation invest the Corporation's investment assets in accordance with this Policy and any specific guidelines for the investment manager established by the Board of Directors or Finance/Audit Committee, which may include return and risk expectations, asset allocations and investment strategies (including allowed and prohibited investments). Specific guidelines established for investment managers will be reviewed from time to time by the Finance/Audit Committee or Board of Directors and revised as necessary. Decisions as to the selection of individual investments, security size and quality, number of industries and holdings shall be left to the broad discretion of the investment manager, within the limits set forth in this Policy and any specific guidelines established by the Board, and subject to the prudence standards under NYPMIFA.

(e) Review of Investment Policy. The Board or Finance/Audit Committee will review this Policy, and shall amend the Policy, from time to time as necessary to reflect developments affecting the Corporation's finances and activities.

APPENDIX D

WHISTLEBLOWER POLICY

The Finance/Audit Committee shall be responsible for overseeing the implementation of this Whistleblower Policy.

All directors, officers, employees and volunteers of The Strategic Economic Consortium, Inc. (the "Organization") are expected to act in accordance with all applicable laws and regulations and with the policies of the Organization at all times and to assist in ensuring that the Organization conducts its business and affairs accordingly.

Any director, officer, employee or volunteer with the Organization who has engaged in, or who in good faith suspects any other director, officer, employee, volunteer, or consultant of the Organization engaging in any violation of the law, regulations, ethical rules or any policy of the Organization must report such activity as soon as possible. Such activity may include, but is not limited to, financial wrongdoing (including circumvention of internal controls or violation of the accounting policies of the Organization), fraud, harassment, or any other conduct the potential reporter believes in good faith may be illegal, not in keeping with the Organization's rules or policies, or unethical.

Reports may be made by writing to the Chair of the Finance/Audit Committee or the Chair of the Board. Alternatively, employees or volunteers may make a report to their supervisor, where appropriate. Any person receiving such a report must refer it to the Chair of the Finance/Audit Committee, or, if the subject of the report is the Chair of the Finance/Audit Committee, to the Chair of the Board, as soon as practicable. Reports may be made anonymously; however, the obligation to report a violation of a law, regulation or policy of the Organization is not satisfied by the individual reporting his or her own violation anonymously.

Directors who are employees may not participate in any Board or Committee deliberations or voting relating to administration of this Whistleblower Policy. The person who is the subject of a whistleblower complaint may not be present or participate in Board or Committee deliberations or vote on the matter relating to such complaint, provided that the Board or Committee may request from that person information as background or answer questions at a Committee or Board meeting prior to the commencement of deliberations or voting related thereto.

All reports will be investigated and handled in a timely and sensitive manner by the Finance/Audit Committee, excluding any member of the Finance/Audit Committee who is a subject of the report. Confidentiality will be maintained throughout the investigation to the extent reasonable and practicable under the circumstances, and consistent with appropriate investigative and corrective action. The Finance/Audit Committee may engage separate legal counsel or other experts as it deems necessary and in accordance with any other applicable Organization policy.

There will be no adverse employment action or other retaliation against any individual based upon the fact of his or her reporting a suspected violation or assisting in an investigation, except in those instances where the Organization determines that a false report was made with intent to harm the Organization or an individual within the Organization.

Intimidation, coercion, threats or discrimination against any individual who reports suspected wrongdoing is prohibited and will be subject to appropriate disciplinary action, up to and including termination of services.

APPENDIX E

SEXUAL HARASSMENT POLICY

The Strategic Economic Consortium, Inc. (the "Corporation") is committed to providing a safe environment for all its directors, officers, and employees, free from harassment, including sexual harassment. The Corporation will operate a zero-tolerance policy for any form of sexual harassment, treat all incidents seriously, and promptly investigate all allegations of sexual harassment as described herein.

Sexual Harassment

Definition.

Sexual harassment is unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when, for example a) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment or participation; b) submission to or rejection of such conduct by an individual is used as the basis for decisions affecting such individual; or c) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive environment.

Examples.

Sexual harassment may include a range of behaviors and may involve individuals of the same or different gender. Depending on the circumstances, these behaviors may include unwanted sexual advances or requests for sexual favors; sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual's body, sexual prowess or sexual deficiencies; leering, whistling or touching; insulting or obscene comments or gestures; display in the workplace of sexually suggestive objects or pictures; and other physical, verbal or visual conduct of a sexual nature.

Individuals and Conduct Covered.

These policies apply to all applicants, employees, directors, and officers of the Corporation, whether related to conduct engaged in by fellow employees, directors, or officers, or by someone not directly connected to the Corporation (e.g., an outside vendor, consultant or patron). Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace, such as during meetings and related social events.

Complaint Process.

An employee should report any conduct prohibited by this policy statement, whether the employee was the target or the conduct or if the employee witnessed such conduct. The report should be made to [REDACTED] or if that person is involved in the conduct, then the report should be made to the President/CEO. Any reported allegations of harassment will be investigated promptly. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge. The Corporation will prepare a written report, at the conclusion of the investigation, which includes factual findings, a summary of witness statements, a determination of whether the policy has been violated, the resolution of the complaint and any corrective actions recommended or taken.

Confidentiality.

Confidentiality will be maintained throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action.

Discipline.

Sexual harassment is considered a form of employee misconduct and sanctions will be enforced against individuals engaging in sexual harassment and against supervisory and managerial personnel who knowingly allow such behavior to continue. If an investigation of any allegation shows that harassment

has occurred by an employee, director, or officer, such person violating the policy will be subject to disciplinary action up to and including termination.

Retaliation.

Retaliation against individuals who complain of sexual harassment or who testify or assist in any proceeding under the law is unlawful. No employee will be retaliated against for making any good faith complaint regarding a violation of these policies or for participating in an investigation hereunder. Any claim of retaliation should also be reported as set forth above. Retaliation against an individual for reporting harassment or for participating in an investigation of a claim of harassment is a violation of this policy and, like harassment itself, will be subject to disciplinary action. Acts of retaliation should be reported immediately and will be promptly investigated and addressed.

False Reports.

False and malicious complaints of harassment, discrimination or retaliation will be the subject of appropriate disciplinary action up to and including termination.

Workplace Guidance.

Sexual harassment in the workplace is prohibited consistent with the guidance currently under development by the NY Department of Labor and Division of Human Rights (the "Guidance"). The Corporation will comply with all terms and conditions contained in the Guidance. If there is conflict between any provision of this policy and the Guidance, the terms and conditions in the Guidance will prevail. The Guidance will: (a) give examples of prohibited conduct that would constitute sexual harassment; (b) provide information concerning the federal and state statutory provisions concerning sexual harassment and remedies available to victims of sexual harassment; (c) include a standard complaint form that may be used by employees to file a complaint of sexual harassment; (d) include a procedure for the timely and confidential investigation of complaints and ensure due process for all parties; and (e) inform employees of their rights of redress and all available forums for adjudicating sexual harassment complaints administratively and judicially.

When it is made available, Corporation will provide to all employees, in writing, a copy of the Guidance and the Guidance shall be posted on the websites of both the NY Department of Labor and Division of Human Rights.

Workplace Training.

The NY Department of Labor and Division of Human Rights will also develop an interactive sexual harassment training program (the "Training Program") that will include (i) an explanation of sexual harassment consistent with the Guidance; (ii) examples of conduct that constitute unlawful sexual harassment; (iii) information concerning the federal and state statutory provisions concerning sexual harassment and remedies available to victims of sexual harassment; (iv) information on employee rights of redress and all available forums for adjudicating sexual harassment complaints administratively and judicially; and (v) addressing conduct by supervisors and any additional responsibilities for such supervisors.

When it is made available, the Corporation will utilize the Training Program for all employees. All Corporation employees will be required to complete the Training Program on an annual basis.