
Rhode Island Infrastructure Bank By-Laws

ARTICLE I

RHODE ISLAND CLEAN WATER FINANCE AGENCY

These By-laws, the powers of the Rhode Island Clean Water Finance Agency (the “Agency”) and of its directors, and all matters concerning the conduct and regulation of the business of the Agency shall be subject to such provisions in regard thereto as are set forth in the “Rhode Island Clean Water Finance Agency Act”, being Chapter 12.2 of Title 46 of the General Laws of Rhode Island, as such Act may be amended from time to time (the “Agency Act”), the “Water Projects Revolving Loan Fund” being Chapter 12.8 of Title 46 of the General Laws of Rhode Island as such Act may be amended from time to time (the “Drinking Water Act”), and the “Municipal Road and Bridge Revolving Fund”, being Chapter 18 of Title 24 of the General Laws of Rhode Island, as such Act may be amended from time to time (the “Road and Bridge Act”), (collectively, the “Acts”).

ARTICLE II

DIRECTORS AND OFFICERS

1). Board of Directors. The Board of Directors shall consist of five (5) members and shall have, and may exercise, all of the powers of the Agency. The Board of Directors shall be appointed and serve as provided in the Agency Act.

2). Officers – Appointment and Election. The officers of the Agency shall be as follows:

(a). Chairperson. The Chairperson shall be the member of the Board of Directors designated by the Governor to serve as Chairperson and shall serve in such capacity during his or her term as a member of the Board of Directors

(b). Vice-Chairperson. The Vice-Chairperson shall be a member of the Board of Directors and shall be elected by the Board of Directors annually at its annual meeting to serve at the pleasure of the Board of Directors until his or her successor is elected.

(c). Executive Director. The Executive Director shall be appointed by the Board of Directors for a term not to exceed three (3) years and shall serve until his or her successor is appointed and qualified. The Executive Director shall be eligible to be reappointed for successive terms not to exceed three (3) years each. Upon the recommendation of the Executive Director, the Board of Directors may from time to time appoint such additional officers as it shall deem reasonable and necessary, including, but not limited to, a Chief Financial Officer.

(d). Secretary. The Secretary shall be appointed by the Board of Directors at its annual meeting to serve at the pleasure of the Board of Directors and shall serve until his or her successor is appointed.

(e). Treasurer. The Treasurer shall be appointed by the Board of Directors at its annual meeting to serve at the pleasure of the Board of Directors and shall serve until his or her successor is appointed.

(f). Assistant Secretary and Assistant Treasurer. The Board of Directors may appoint an Assistant Secretary and/or an Assistant Treasurer in who may be vested any of the powers of the Secretary or the Treasurer, respectively.

3). Authority and Duties. Except as may be otherwise provided by the Acts or other provisions of law, by vote of the Board of Directors, by the terms of any indenture securing bonds issued by the Agency, or by these By-laws, the officers of the Agency shall have the following duties and powers:

(a). Chairperson. The Chairperson shall preside at meetings of the Board of Directors and shall exercise the powers and perform the duties set forth in these By-laws, the Acts, and such other duties as usually devolve upon the presiding officer of a deliberative body.

(b). Vice-Chairperson. In the absence of the Chairperson, the Vice-Chairperson shall perform the duties of the Chairperson. The Vice-Chairperson shall perform such further duties as shall be from time to time assigned by the Chairperson and the Board of Directors.

(c). Executive Director. The Executive Director shall be the chief executive officer of the Agency and shall administer, direct, and supervise the affairs of the Agency under the supervision of the Board of Directors in accordance with such authorization as the Board of Directors may from time to time adopt. The Executive Director shall have such further powers and responsibilities as contained in the Acts

(d). Secretary. The Secretary, under the supervision of the Executive Director, shall be the custodian of the seal and the books and records of the Agency and shall keep a record of the proceedings of the Board of Directors. The Secretary may cause copies to be made of all minutes and other records and documents of the Agency and may give certificates under its official seal to the effect that such copies are true copies and all persons dealing with the Agency may rely upon such certificates. The Secretary shall perform all acts incident to the office of the Secretary

and shall have such other powers and perform such other duties as may be prescribed by these By-laws, the Acts, other provisions of law, or by the Board of Directors.

(e). Treasurer. The Treasurer shall have charge of the books of account and accounting records of the Agency and shall be responsible, under the supervision of the Executive Director for financial control of the Agency. The Treasurer shall, in the discretion of the Board of Directors, give the Agency a bond in such sum, and with such surety or sureties as may be satisfactory to the Board of Directors, for the faithful discharge of the Treasurer's duties and for the restoration to the Agency in case of the Treasurer's death, resignation, retirement, or removal from office, of all books, papers, money, and property of whatever kind in the Treasurer's possession, or under the Treasurer's control, belonging to the Agency. The Treasurer shall make a report annually to the Board of Directors of the income and expenditures and of the condition of the treasury and funds of the Agency up to the end of the fiscal year. The Treasurer shall perform all acts incident to the office of the Treasurer and shall have such other powers and perform such other duties as may be prescribed by these By-laws, the Acts, other provisions of law, or by the Board of Directors.

4). Execution of Documents.

(a). Signing of Checks, Notes, Etc. All acceptances, checks, drafts, promissory notes, and other obligations of the Agency for the payment of money shall be signed by either the Chairperson, Vice-Chairperson, Executive Director, Chief Financial Officer, or Treasurer, and shall be in conformity with expense control procedures of the Agency as in effect from time to time, unless the Board of Directors shall generally, or in a particular case, otherwise order or provide.

(c). Execution of Conveyance and Contracts. All contracts, loan documents and all mortgages, leases, deeds, transfers, and other conveyances of the real or personal property

of the Agency shall be executed by either the Chairperson, Vice-Chairperson, Executive Director, or Chief Financial Officer, unless the Board of Directors shall generally, or in a particular case, otherwise order or provide.

5). Record Keeping. The Agency shall, at all times, keep full and accurate accounts of its receipts, expenditures, disbursements, assets and liabilities which shall be open to inspection by any officer or duly appointed agent of the state. The Agency shall submit an annual report, in writing, to the Governor, Speaker of the House of Representatives and President of the Senate. Said report shall include financial statements relating to the operations, properties, and expenditures of the Agency maintained in accordance with generally accepted government standards so far as applicable and audited by an independent certified public accountant firm.

6). Role and responsibilities of board members. Board members of the Agency shall:

(a) Execute oversight of the Agency, the chief executive, and other management in the effective and ethical management of the Agency;

(b) Understand, review, and monitor the implementation of fundamental financial and management controls and operational decisions of the Agency;

(c) Perform each of their duties as board members, including, but not limited to, those imposed by Chapter 155 of Title 42 of the Rhode Island General Laws, as amended, in good faith and with that degree of diligence, care, and skill that an ordinarily prudent person in like position would use under similar circumstances, and ultimately apply independent judgment in the best interest of the Agency, its mission, and the public.

(d) No board member shall serve in a paid capacity as an employee or consultant of the Agency.

ARTICLE III

MEETINGS

1). Annual Meeting. An annual meeting of the Board of Directors shall be held in the month of March within the State of Rhode Island, at a time and place established by the Board of Directors. At such annual meeting, the Board of Directors shall elect officers of the Agency, shall receive annual reports, and shall transact such other business as may properly be brought before the meeting.

2). Regular Meetings. In addition to the annual meeting, regular meetings may be held at such times as the Board of Directors shall from time to time determine. The Board of Directors shall meet at least eight (8) times annually. All meetings shall be held consistent with Chapter 42-46 of the Rhode Island General Laws (the "Open Meetings Act").

3). Special Meetings. Special meetings of the Board of Directors for any purpose or purposes may be called by the Chairperson. The Chairperson shall be required to call a special meeting upon the written request of two members of the Board of Directors at a time not later than fourteen days after receipt by the Chairperson of such request. Any such request shall state the purpose or purposes of the proposed special meeting.

4). Place of Meetings. All regular and special meetings of the Board of Directors shall be held at such place within the State of Rhode Island, and at such time, as shall be stated in the notice of such meeting.

5). Notice of Meetings. Notice of the annual meeting, or any regular meeting other than the annual meeting, and of each special meeting of the Board of Directors stating the date, time, place, and purpose thereof, shall be given by the Secretary to each member in person or by telephone, or sent by mail, email, or facsimile, postage and charges prepaid, addressed to the member at his or her last known residence or place of business. Such notice, if given by mail, shall be deposited in the mail at least five (5) days prior to the date of the meeting or, if given personally or by telephone, email or facsimile shall be given at least two (2) days prior to such date. The provisions of the previous sentence shall not apply to duly held emergency meetings.

In accordance with the notice provisions of the Rhode Island Open Meetings Act, the Secretary shall give supplemental written public notice of any meeting within a minimum of forty-eight (48) hours before the date of any meeting. The notice shall include, in addition to date, time, and place, a statement specifying the nature of the business to be discussed.

Upon an affirmative vote of the majority of the members of the Board of Directors, an emergency meeting may be held when the Board of Directors deems it necessary where the public welfare so requires. If an emergency meeting is called, a meeting notice and agenda shall be posted by the Secretary as soon as practicable.

6). Quorum. Three members of the Board of Directors shall constitute a quorum and the affirmative vote of three (3) members shall be necessary and shall suffice for any action taken by the Board of Directors. If a quorum is not present, the members of the Board of Directors then present shall have the power to adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum shall be present. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been

transacted at the meeting as originally called. If the adjournment is for more than ten days, a notice of the adjourned meeting shall be given to each member of the Board of Directors. A vacancy in the membership of the Board of Directors shall not impair the right of a quorum to exercise all the rights and perform all the duties of the Agency.

7). Waivers of Notice. Whenever any notice is required to be given to a member of the Board of Directors under the provisions of the laws of Rhode island, or of these By-laws, a waiver thereof in writing, signed by the member or members entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance of a member of the Board of Directors at a meeting shall constitute a waiver of notice of such meeting, except when the member attends the meeting for the express purpose of objecting to the action of any business because the meeting is not lawfully called or conveyed.

8). Agendas. Except as hereinafter specifically provided, the agenda for each meeting of the Board of Directors shall be prepared by the Executive Director. With the consent of a majority of the members of the Board of Directors, and in compliance with the Open Meetings Act, a matter not on the agenda may be considered at any regular or special meeting of the Board of Directors.

ARTICLE IV

COMMITTEES

1). The Board of Directors may designate from among its members one or more committees each of which, to the extent authorized by the Board of Directors, shall have such powers, not inconsistent herewith or with law, as the Board of Directors shall determine.

2). In accordance with Chapter 155 of Title 42 of the Rhode Island General Laws, and effective January 1, 2015, the Board of Directors shall establish a committee on executive compensation comprised solely of board members. The committee shall recommend to the full board the compensation packages of executive and senior management of the Agency. The compensation packages shall be based on a comprehensive and objective analysis of comparable compensation of similar officers of state government, other authorities, quasi-public corporations, and private-sector employees with similar functions and responsibilities. The committee shall also prepare job descriptions and written job expectations, conduct job performance reviews, and negotiate the employment contract of the Executive Director which shall be approved by the full board.

ARTICLE V

GRANTS, CHARITABLE AND CIVIC DONATIONS AND/OR CONTRIBUTIONS

Any award of grants and/or charitable or civic donations shall be voted on by the full board during an open meeting and the vote shall be recorded in the minutes of the meeting together with the citation to the specific state statute authorizing the action; an explanation of how the grant, donation or contribution relates to the agency's mission; the identity of any board member or employee, if any, who will receive any benefit as a result of the donation including

without limitation tickets to events, meals, or golf; and any disclosure required by Chapter 14 of Title 36. Each such grant, donation, or contribution shall be clearly identified in the financial statements of the corporation.

ARTICLE VI

MARKETING AND LOBBYING ACTIVITIES

Any expenditure of the Agency for the purposes of marketing or lobbying shall be at the discretion of the Executive Director, and shall be in compliance with any and all State and Federal laws and regulations applicable thereto. In keeping with the Agency's policy on record keeping, records of these expenditures which shall be open to inspection by any officer or duly appointed agent of the state.

ARTICLE VII

INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

1). Agreement of Agency. In order to induce the directors, officers and employees of the Agency to serve as such; the Agency adopts this Article and agrees to provide the directors, officers and employees of the Agency with the benefits contemplated hereby.

2). Acceptance of Director, Officer or Employee. This Article will apply, and the benefits hereof will be available, to each director, officer and employee of the Agency who by accepting his or her respective position and serving on behalf of the Agency will be deemed to have accepted the provisions of this Article and agreed to abide by the terms contained herein. Each director, officer and employee shall be indemnified to the full extent allowable under section 7-6-6 of the Rhode Island General Laws, notwithstanding any limiting language herein to the contrary.

3). Definitions. As used herein, the following terms will have the following respective meanings:

(a). “Covered Act” means any act or omission by the Indemnified Person in the Indemnified Person’s official capacity with the Agency and while serving as such or while serving at the request of the Agency as a member of the governing body, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(b). “Excluded Claim” has the meaning set forth in Section 6, hereof.

(c). “Expenses” means any reasonable expenses incurred by the Indemnified Person in connection with the defense of any claim made against Indemnified Person for Covered Acts including, without being limited to, legal, accounting or investigative fees and expenses (including the expense of bonds necessary to pursue an appeal of an adverse judgment).

(d). “Indemnified Person” means any director, officer or employee of the Agency who accepts election or appointment as a director, officer or employee and agrees to serve as such in the manner provided in Section 2 hereof.

(e). “Loss” means any amount which the Indemnified Person is legally obligated to pay as a result of any claim made against the Indemnified Person for Covered Acts including, without being limited to, judgments for, and awards of, damages, amounts paid in settlement of any claim, any fine or penalty or, with respect to an employee benefit plan, any excise tax or penalty.

(f). “Proceeding” means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

4). Indemnification. Subject to the exclusions hereinafter set forth, the Agency will indemnify the Indemnified Person against and hold the Indemnified Person harmless from any Loss or Expenses.

5). Advance Payment of Expenses. The Agency will pay the Expense of the Indemnified Person in advance of the final disposition of any Proceeding except to the extent that the defense of a claim against the Indemnified Person is undertaken pursuant to any directors', officers' or employees' liability insurance (or equivalent insurance known by another term) maintained by the Agency. The advance payment of Expenses will be subject to the Indemnified Person' first agreeing in writing with the Agency to repay the sums paid by it hereunder if it is thereafter determined that the Proceeding involved an Excluded Claim or that the Indemnified Person was otherwise not entitled to indemnity under these By-laws.

6). Exclusions. The Agency will not be liable to pay any Loss or Expenses incurred by an Indemnified Person (an "Excluded Claim") unless:

(a). The Indemnified Person conducted himself or herself in good faith; and

(b). The Indemnified Person reasonably believed:

i. In the case of conduct in his or her official capacity with the Agency, that his or her conduct was in the Agency's best interests, and

ii. In all other cases, that his or her conduct as at least not opposed to the Agency's best interests; and

(c). In the case of any criminal proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful; or

(d). If a final, non-appealable judgment or other adjudication by a court of competent jurisdiction determines that such payment is unlawful.

7). Notice to Agency; Insurance. Promptly after receipt by the Indemnified Person of notice of the commencement of or the threat of commencement of any Proceeding, the Indemnified Person will, if indemnification with respect thereto may be sought from the Agency under these By-laws, notify the Agency of the commencement thereof. Failure to promptly notify the Agency will not adversely affect the Indemnified Person's right to indemnification hereunder unless and only to the extent that the Agency is materially prejudiced in its ability to defend against the Proceeding by reason of such failure. If, at the time of the receipt of such notice, the Agency has any directors', officers' or employees' liability insurance in effect, the Agency will give prompt notice of the commencement of such Proceeding to the insurer in accordance with the procedures set forth in the policy or policies in favor of the Indemnified Person. The Agency will thereafter take all the necessary or desirable action to cause such insurer to pay, on behalf of the Indemnified Person, all Loss and Expenses payable as a result of such Proceeding in accordance with the terms of such policies.

8). Indemnification Procedures.

(a). Payments on account of the Agency's indemnity against Loss will be made by the Treasurer of the Agency except if, in the specific case, a determination is made that the indemnification of the Indemnified Person is not proper in the circumstances because such Loss results from a claim which is an Excluded Claim. If the Agency so determines that the Loss results from an Excluded Claim (although no such determination is required by the Agency hereunder prior to payment of a Loss by the Treasurer), the determination shall be made:

(i). By the Board of Directors by a majority vote of a quorum consisting of directors not at the time parties to the Proceeding; or

(ii). If a quorum cannot be obtained for purposes of clause (i) of this subsection (a) then by a majority vote of a committee of the Board of Directors duly designated to act in the matter by a majority vote of the full Board (in which designation directors who are parties to the Proceeding may participate) consisting solely of three or more directors not at the time parties to the Proceeding; or

(iii). By independent legal counsel designated: (A) by the Board of Directors in the manner described in clause (i) of this subsection (a), or by a committee of the Board of Directors established in the manner described in clause (ii) of this subsection (a), or (B) if the requisite quorum of the full Board cannot be obtained therefore and a committee cannot be so established, by a majority vote of the full Board (in which designation directors who are parties to the Proceeding may participate). If made, any such determination permitted to be made by this subsection (a) will be made within 60 days of the Indemnified Person's written request for payment of a Loss.

(b). Payment of an Indemnified Person's Expenses in advance of the final disposition of any Proceeding will be made by the treasurer of the Agency except if, in the specific case, a determination is made pursuant to Section 8(a) above that indemnification of the Indemnified Person is not proper in the circumstances because the Proceeding involved an Excluded Claim.

(c). The Agency will have the power to purchase and maintain insurance on behalf of any Indemnified Person against liability asserted against him or her with respect to any

Covered Act, whether or not the Agency would have the power to indemnify such Indemnified Person against such liability under the provisions of this Article. The Agency will be subrogated to the rights of such Indemnified Person to the extent that the Agency has made any payments to such Indemnified Person in respect to any Loss or Expense as provided herein.

9). Settlement. The Agency will have no obligation to indemnify the Indemnified Person under this Article for any amounts paid in settlement of any Proceeding affected without the Agency's prior written consent. The Agency will not unreasonably withhold or delay its consent to any proposed settlement. If the Agency so consents to the settlement of any Proceeding, or unreasonably withholds or delays such consent, it will be conclusively and irrebuttably presumed for all purposes that the Loss or Expense does not constitute an Excluded Claim. If the Agency reasonably withholds its consent solely on the ground that the Proceeding constitutes an Excluded Claim, the Indemnified Person may accept the settlement without the consent of the Agency, without prejudice to the Indemnified Person's rights to indemnification in the event the Agency does not ultimately prevail on the issue of whether the Proceeding constitutes an Excluded Claim.

10). Rights Not Exclusive. The rights provided hereunder will not be deemed exclusive of any other rights to which the Indemnified Person may be entitled under any agreement, vote of disinterested directors or otherwise, both as to action in the Indemnified Person's official capacity and as to action in any other capacity while holding such office, and will continue after the Indemnified Person ceases to serve the Agency as an Indemnified Person.

11). Enforcement.

(a). The Indemnified Person's right to indemnification hereunder will be enforceable by the Indemnified Person in any court of competent jurisdiction and will be enforceable notwithstanding that an adverse determination has been made as provided in Section 8). Hereof.

(b). In the event that any action is instituted by the Indemnified Person under these By-laws, the Indemnified Person will be entitled to be paid all court costs and expenses, including reasonable attorneys' fees, incurred by the Indemnified Person with respect to such action, unless the court determines that each of the material assertions made by the Indemnified Person as a basis for such section was not made in good faith or was frivolous.

12). Severability. If any provision of this Article is determined by a court to require the Agency to perform or to fail to perform an act which is in violation of applicable law, this Article shall be limited or modified in its application to the minimum extent necessary to avoid a violation of law, and, as so limited or modified, this Article shall be enforceable in accordance with its terms.

13). Successor and Assigns. The provisions of this Article will be (a) binding upon all successors and assigns of the Agency (including any transferee of all or substantially all of its assets) and (b) binding on and inure to the benefit of the heirs, executors, administrators, and other personal representatives of the Indemnified Person.

ARTICLE VIII

ADMINISTRATIVE PROCEDURES

The Agency shall be subject to the requirements governing Administrative Procedures prescribed by Chapter 35 of Title 42 of the Rhode Island General Laws, as may be amended from time to time.

ARTICLE IX

EXEMPTION FROM LIABILITY OF DIRECTORS AND OFFICERS

Pursuant and subject to the limitations of Section 9-1-31.1 of the General Laws of the State of Rhode Island as amended, and as such section may be amended from time to time, any person who at any time serves or shall have served without compensation as a qualified member of the Agency, whether or not in office at the time, shall not be held civilly liable for any breach of his or her duties as such qualified member provided that nothing herein contained shall eliminate or limit the liability of such qualified member: (1) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or (2) for any transaction from which such qualified member derived an improper personal benefit; or (3) for any malicious, willful or wanton act.

ARTICLE X

CONFLICTS OF INTERESTS/ETHICS

All members, directors, officers, and employees shall comply with the requirements of the Rhode Island Code of Ethics prescribed in Chapter 14 of Title 36 of the Rhode Island General Laws, as amended from time to time as well as any Code of Ethics adopted by the Board of Directors.

ARTICLE XI

SEAL

The seal of the Agency shall be in the form of a circle with the words “Rhode Island Clean Water Finance Agency Incorporated 1989, Rhode Island”. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE XII

AMENDMENT

1). Amendment. These By-laws may be altered, amended or repealed and new By-laws may be adopted at any regular or special meeting of the Board of Directors by an affirmative vote of the majority of the members of the Board of Directors; provided, however, that notice of any such proposed alteration, amendment, repeal or adoption of new By-laws and the full text of the same shall accompany the notice of such meeting.