

SOUTH CAROLINA LOTTERY COMMISSION BYLAWS

Article 1 - General Provisions

Section 1. Name

The South Carolina Lottery Commission shall be referred to as the “South Carolina Education Lottery” (SCEL) and staff shall use the latter name in all communications and advertising as appropriate.

Section 2. Location

The Commission’s principal office is situated at 1333 Main Street, 4th Floor, City of Columbia, County of Richland, State of South Carolina, and may be moved as necessary upon a majority vote of the Commission. Its mailing address is Post Office Box 11949, Columbia, South Carolina, 29211-1949. The Commission shall, by resolution adopted at a regular or special meeting, provide and designate locations of such other offices as may be deemed necessary or useful in carrying out its purposes.

Section 3. Corporate Seal

The SCEL shall maintain an official corporate seal, which shall be in a form adopted by the Commission.

Article 2 – Governance

Section 1. Composition and General Powers of the Commission

SCEL is governed by a Commission appointed as provided in South Carolina Code Section 59-150-40 (1976, as amended). The Commission, which is a public commission and instrumentality of the state, shall exercise powers and duties as prescribed in Chapter 150 of Title 59, South Carolina Code, Annotated. The Commission shall exercise those powers necessary or convenient to carry out its statutory purpose, not in conflict with the Constitution and laws of the State and those that are generally exercised by commissions engaged in entrepreneurial pursuits on behalf of the State.

Section 2. Officers

A. Selection. The Commission shall elect a Chair, Vice-Chair, Treasurer, Secretary, and Executive Committee Member. The officers shall be elected annually at a regularly scheduled meeting or a special meeting called for that purpose, which meeting shall be held in the fourth quarter of each calendar year. In the absence or incapacity of the Chair, the Vice-Chair shall perform the duties of that office.

B. Term. The term of office shall begin on January 1 for a period of one year. The Commission may fill vacancies in these offices for any remaining term at any meeting.

Notwithstanding the provisions of Article 3, the provisions of this section may be waived upon an absolute majority, irrespective of vacancies.

Section 3. Committees of the Commission

A. Standing Committees. The standing committees of the Commission shall be the Executive Committee, the Audit Committee, the Legal and Security Committee, and the Marketing and Retailer Relations Committee. The members of the Executive Committee shall be the Chair, Vice Chair, Secretary, Treasurer, and Executive Committee Member. The members of the other standing committees shall be nominated by the Commissioners or recommended by the Chair of the Commission and elected by the Commission and shall perform such duties as the Commission may direct. The Chair shall appoint the chair of each standing committee and shall be an ex officio member of all committees.

Standing committees may address any item referred to it by the Commission or address any matter upon its own initiative that may reasonably relate to its title and subject matter generally reviewed by that standing committee through custom and practice. If needed, between meetings of the Commission, within this scope of authority, a Committee may act on behalf of the Commission.

Each standing committee shall keep minutes and, upon approval of the committee chair, the minutes shall be distributed to the entire Commission as soon as practicable.

B. Other Committees. The Chair or the Commission by majority vote may, from time to time, establish any other committee or committees for any purpose or purposes, and select the members thereof.

Section 3A was amended February 14, 2007.

Section 4. Meetings

A. Regular and Other Meetings and Notice Requirements.

(1) Regular meetings of the Commission shall be on the third Tuesday of every other month. The Commission may alter the time, place or location of a regularly scheduled meeting upon a simple majority vote. A special meeting may be called by the Chair or Vice-Chair or by majority vote of the Commission, upon proper notice as provided in subitem A(2). An emergency meeting may be called by the Chair or Vice-Chair and the public and media will be provided with notice to the extent practicable.

(2) At all times the Commission shall assert its best efforts to fully comply with all applicable provisions of the Freedom of Information Act (FOIA) set forth in the South Carolina Code with respect to notice of meetings and the conduct of meetings. The Commission shall give twenty-four (24) hours prior written public notice that shall include the date, time, place and agenda of all meetings. The notice for meetings shall be posted on the door outside the main entrance of the principal office of the Commission. The notice shall also be posted on the SCEL website, www.sceducationlottery.com, at least twenty-four (24) hours prior to the meeting time. The Commission shall notify local news media, or such other news media as may request notification, of the times, dates, places and agenda of all public meetings, whether scheduled, rescheduled or called, and the efforts made to comply with this requirement shall be noted in the minutes of the meetings.

B. Agendas

The agenda for regular or other Commission meetings will be prepared by the Chair, with input from the Commissioners, as the need may arise, and with assistance from the Executive Director or his designee. The Executive Director and/or any Commissioner may request that a specific matter be placed on the agenda for consideration. A copy of the agenda and any necessary briefing materials and the minutes from the prior meeting, if available, will be sent to each Commissioner prior to each meeting.

C. Conduct of Meetings and Order of Business

(1) The Chair, or in his absence, the Vice-Chair, shall preside over meetings of the Commission. In the absence of both the Chair and Vice-Chair, a meeting may be called to order at the appointed time by either the Secretary or Treasurer who shall then preside, assuming a quorum is present, pending the arrival of the Chair or Vice-Chair.

(2) Meetings of the Commission shall be conducted in accordance with general parliamentary law.

(3) At each regular meeting, the order of business shall be as follows:

- a. Call to order and determination of a quorum;
- b. Consideration and adoption of minutes from prior meeting(s);
- c. Presentation and consideration of items requiring action of the Commission;
- d. Committee reports where action of the Commission is not anticipated;
- e. Staff reports, as necessary;
- f. Executive Director Report;
- g. Consideration of matters carried over from a prior meeting;
- h. Other business; and
- i. Adjournment.

The Chair may abbreviate the order of business and set a specific or limited agenda for a special or emergency meeting. By majority vote or consensus, the Commission may consider other non-agenda matters after the disposition of the matter(s) for which the special or emergency meeting was convened.

(4) During the appropriate item of business, a Commissioner may direct a question to a Committee, Commissioner or staff or make any appropriate motion regarding the matter under consideration. During the presentation of reports or consideration of a matter not listed as an action item, a Commissioner may make a motion to adopt any matter, agree by consensus, or take any action as the Commission deems appropriate. Any matter that a Commissioner may wish to bring before the Commission not outlined in the meeting agenda should be raised, presented or decided during "other" business.

(3) Any matter considered by a Committee and presented for review and adoption of the Commission shall not require a second. All other motions presented for consideration must obtain a second prior to being considered by the Commission.

(4) Prior to the question of adopting a motion, a Commissioner may request and the mover must reduce the motion to writing prior to adoption.

D. Quorum

A majority of the members of the Commission, whether present in the meeting room or present via telephone, teleconference or similar technology, shall constitute a quorum for the transaction of business at any meeting of the Commission; but, if less than a majority is present at any meeting, a majority of the members present may fix the time in which to adjourn, recess, or take measures to obtain a quorum. A proxy may not be used for purposes of determining the presence of a quorum.

E. Proxy Voting

Proxy voting shall be allowed only under the following conditions:

- (1) the proxy shall be in writing and must:
 - (a) state that it is general and shall apply to any and all matters that may come before the Commission and that the Commissioner to which the proxy is given may vote that proxy as he or she deems appropriate; or
 - (b) state the specific issue(s) for which the proxy is given and shall specify the vote that is to be cast on that issue(s).

F. Minutes

Staff, in coordination with the Secretary, shall produce an accurate account of all Commission meetings. Upon approval by the Commission, the official record copy of meetings minutes shall be signed by the Secretary and Chair and held in a permanent file at the Commission's principal office and posted on the SCEL website. If the Commission amends the minutes, a copy of the minutes as approved must be sent to each Commissioner.

G. Executive Session

(1) After the convening of a Commission or committee meeting in public session, the Commission or a committee may meet in an executive session closed to the public as authorized by the Freedom of Information Act (Chapter 4 of Title 30 of the South Carolina Code, as amended). Prior to going into such executive session, the Commission or committee shall vote on the question in a regular, special or emergency meeting and when such vote is favorable, the Chair shall announce the specific purpose of the executive session. "Specific purpose" means a description of the matter to be discussed as presented in Subitem (2). When the executive session is held pursuant to Subitem (2) (a) below, the identity of the individual or entity being discussed is not required to be disclosed to satisfy the requirement that the specific purpose must be stated. No action may be taken in the executive session except to adjourn or return to public session. The Commission or Committee may not commit the commission or committee to a course of action by polling the members in executive session.

(2) The purposes for which an executive session may be closed to the public under this section are as follows:

- a. Discussion of employment, performance review of employees, appointment, compensation, promotion, demotion, discipline, or release of an employee, or person regulated by the Commission.
- b. Discussion of negotiations incident to proposed contractual arrangements and proposed sale or purchase of property, the receipt of legal advice, settlement of legal claims, or the position of the Commission in other adversary situations involving the assertion against the Commission of a claim or Commission claims against others.
- c. Discussion regarding the development of security procedures, initiatives or devices.
- d. Investigative proceedings regarding allegations of criminal misconduct

Section 5. Ethics

Commissioners shall address real or apparent conflicts of interest as dictated by the State Ethics Act. The Commission, by majority vote, may adopt policies and procedures in addition to those provided in the State Ethics Act. The Executive Director may establish ethics and conflicts of interest policies and procedures applicable to employees.

Section 6. Executive Director

The Executive Director or his designee is responsible for carrying out all adopted policy decisions, directions, and instructions on behalf of the Commission. The Executive Director shall act as the chief executive officer of the business operation of the SCEL, and shall exercise the authority and discretion routinely and customarily enjoyed by chief executive officers in corporate governance, including but not limited to administering and supervising the internal operations and management of SCEL, modifying game rules as needed, establishing “second chance” drawings, effectuating promotional activities, employing and discharging SCEL employees (other than the Internal Auditor), and engaging outside legal counsel. Prior to engaging outside legal counsel, the Executive Director shall notify the Chair of the Commission and the members of the Legal Committee. The Chair or a member of the Legal Committee may request a meeting to discuss the selection of outside legal counsel and the Executive Director may not engage outside legal counsel if such a request is made. No multi-state or multi-sovereign agreement may be executed without approval of the Commission. The Executive Director shall maintain an updated organizational structure for appropriate review by the Commission, and shall regularly communicate with and inform the Commission regarding SCEL operations and activities. At all times the Executive Director shall act consistently with South Carolina law and policy adopted by the Commission.

Section 7. Internal Auditor

The Internal Auditor shall report exclusively to the Commission. Unless otherwise directed by the Commission, the Internal Auditor shall report to the Administrative/Audit/Operations Committee which shall set the direction, responsibilities and duties of this individual.

Upon a vacancy in this position, the Administrative/Audit/Operations Committee is responsible for interviewing candidates and reporting one or more individuals to the Commission for its review and consideration.

Section 8. Indemnification

The Commission, in addition to tort liability coverage offered by the state, may acquire errors and omissions coverage and other liability insurance as it deems appropriate. The Commission may also establish policies and procedures relating to indemnification.

Article 3 – Amendments to Bylaws

Unless otherwise provided herein, the bylaws may be amended by six (6) affirmative votes at a regular or special meeting of the Commission at which a quorum is present. Any proposed amendment to these bylaws shall be sent to each Commissioner ten (10) days prior to the meeting at which the amendment will be considered.

/s/
Timothy E. Madden, Chairman

February 14, 2007

Originally Adopted October 1, 2003. Revised As Noted February 14, 2007.