

**AMENDED AND RESTATED
BYLAWS OF RURAL MISSOURI, INCORPORATED
Effective July 22, 2021**

ARTICLE I. NAME AND OFFICES

Section 1. Name

The name of the Corporation shall be Rural Missouri, Incorporated, a not for profit corporation organized under the laws of the State of Missouri, and the current fictitious name registration of "RMI" shall be maintained with the Missouri Secretary of State and in any other state within the Area of Operation requiring such registration.

Section 2. Offices

The principal office of the Corporation shall be located at 3324 Emerald Lane, Jefferson City, Missouri, 65109. RMI may have such other offices or headquarters as may , be deemed necessary or convenient by the U.S. Small Business Administration ("SBA") or the Board of Directors to carry on the purpose for which the Corporation is organized.

ARTICLE II. PURPOSE

Section 1. Purpose

The purpose of the Corporation is to further promote the economic and commercial development in states situated in the Midwest, especially as authorized by Title 15 of the United States Code, Section 697, and Title 7 of the United States Code, Section 1932, as such acts may be amended.

Section 2. SBA Participation

The Corporation may participate in any SBA program, economic development or other business development and financial activities permitted by the SBA's regulations. In its Area of Operation, the Corporation shall market the 504 Program, package and process 504 loan applications, close and service 504 loans, and if authorized by SBA, liquidate and litigate 504 loans. The Corporation must be independent and must not be affiliated with any entity except as permitted under SBA Regulations.

Section 3. Other Government-Sponsored Programs and Direct Lending

The Corporation may participate in other lending and relending programs sponsored or authorized by any federal, state or local governments, or private entities. The Corporation may also establish and maintain direct lending programs.

ARTICLE III. BOARD OF DIRECTORS

Section 1. Powers

The Board shall have and exercise all corporate powers and authority and be responsible for all corporate actions and business. The responsibilities of the Board shall include, but not be limited to the following:

- (a) Approving the mission, strategies, and priorities for the Corporation;
- (b) Hiring, firing, supervising, and evaluating the Executive Director;
- (c) Determining compensation of the Executive Director; and reviewing all salaries, which may be done by the Board as part of the budget review;
- (d) Ensuring that the structure and operation of the Corporation, as set forth in these bylaws, comply with the law, SBA's Loan Program Requirements, or the loan program requirements of any other governmental agency or any private entity;
- (e) Establishing and reviewing appropriate policies and procedures, including those identified in Article VII of these bylaws;
- (f) Protecting the Corporation's assets, including ensuring expenses are reasonable and customary, ensuring the Corporation maintains adequate reserves for operations, and adhering to the requirements outlined in Article VII of these bylaws;
- (g) Reviewing, at least semi-annually, the Corporation's portfolio performance, including but not be limited to, asset quality and industry concentration; and
- (h) Retaining accountability for all actions of the Corporation.
- (i) Providing credit approval for 504 loans greater than \$2,000,000.00.

Section 2. Number

The Board shall consist of not less than nine (9) and no more than twelve (12) voting Directors, which shall consist of not more than twelve (12) voting Directors and the Executive Director, with the Executive Director serving as an ex officio, non-voting member of the Board and not subject to election.

Section 3. Qualifications

- (a) **Expertise.** The Board must have Directors with background and expertise in internal controls, financial risk management, commercial lending, legal issues relating to commercial lending, and corporate governance. Directors may be currently employed or retired, and retirees may represent the field from which they are retired.
- (b) **Composition.** At least one (1) Director must represent the economic, community, or workforce development fields. At least two (2) Directors must have commercial lending experience. Directors from the commercial lending field must comprise less than 50% of the Board membership. No person on the Corporation's staff may be a voting Director of the Board.
- (c) **Affiliations.** For entities other than approved affiliations under 13 CFR 120.820, not more than one (1) Director may be employed by or serve on the board of directors of any other single entity (including the entity's affiliates), unless that entity is a civic,

charitable, or a comparable organization that is not involved in financial services or economic development activities. Directors may not serve on the board of another CDC.

Section 4. Nomination and Election of Directors

The Directors shall be elected by a majority vote of the Nominating Committee, which shall consist of the current Board President, the current Board Vice President, one (1) Director appointed to the Nominating Committee by the current Board President, and the Executive Director. The Nominating Committee will present the slate of new Directors to the Board at the Board meeting held before the commencement of the Corporation's next fiscal year. A quorum of the Directors shall ratify and approve the slate of new Directors, with the terms for such new Directors starting at the beginning of the Corporation's next fiscal year.

Section 5. Terms and Term Limits of Directors

Each Director, except the Executive Director, shall serve a three-year term, with the possibility of re-election to a maximum of three full consecutive terms. Former Directors are not eligible for re-election to the Board for a period of one full year following completion of their third term.

Section 6. Removal

Any Director may be removed from such as office, with or without cause, by a majority vote of the Directors, excluding the Director sought to be removed, at any regular or special meeting of the Board.

Section 7. Resignations

A Director may resign at any time by giving written notice to the Board President and/or the Executive Director. Such resignation shall take effect at the time specified in the notice or, if no time is specified, then immediately.

Section 8. Vacancies

The Board may fill any Board vacancies by a majority vote of the remaining Directors for the unexpired term of any Director who has resigned or been removed.

Section 9. Compensation

The voting Directors of the Corporation shall serve without compensation, except for reasonable expenses incurred consistent with the Corporation's Expense Reimbursement Policy.

ARTICLE IV. OFFICERS

Section 1. Officers

There shall be three (3) elected officers: President, Vice President, and Secretary/Treasurer. The roles and qualifications of these Officers shall be determined by the Board. The Board may also appoint an assistant secretary, assistant treasurer, or other officers as it may deem necessary.

Section 2. Election and Appointment of Officers

The Officers shall be elected or appointed by the Directors from a slate of proposed officers presented to the Board by the Governance Committee at the meeting immediately following the

election of the Directors. The slate of elected officers should be drawn from the Directors; however, the appointed officers need not be Directors.

Section 3. Terms of Office

The Officers shall take office immediately following the close of the meeting at which they were elected and shall hold office for one year or until their respective successors have been duly elected.

Section 4. Resignation

Any Officer may resign at any time by giving written notice to the both the Board President and the Executive Director. Such resignation shall take effect at the time specified in the notice or, if no time is specified, then immediately.

Section 5. Removal

Any Officer may be removed from such office, with or without cause, by a majority vote of the Directors at any regular or special meeting of the Board.

Section 6. Vacancies

A vacancy in any office shall be filled by the Board for the unexpired term.

Section 7. President

The President shall be the principal officer of the Board. The President shall in general supervise and control all of the business and affairs of the Board. The President may sign, execute and deliver any deeds or other instruments of conveyance, mortgages, bonds, written agreements, contracts or other instruments which the Board has authorized to be executed except as required by law to be otherwise signed or executed.

Section 8. Vice President

In the absence of the President, or in the event of his or her death, inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such duties as may be delegated to him or her by the President or the Board.

Section 9. Secretary/Treasurer

The Secretary shall serve as the chair of the Finance and Investment Committee and shall perform such duties as may be delegated to him or her by the President or the Board. In the absence of the President and the Vice President, the Secretary/Treasurer shall perform the duties of the President. In addition, the Secretary/Treasurer shall:

- (a) Submit the minutes of the Board meetings, see that all notices are duly given in accordance with the provisions of these bylaws or as required by law, and ensure that staff members keep the corporate records;
- (b) Ensure that there is timely and adequate management of financial resources and reporting to enable the Board to monitor the Corporation's financial health, and shall advise the Board of any significant financial matters that require action by the Board; and

- (c) In general, perform all duties incident to the office of Secretary/Treasurer and such other duties as from time to time may be assigned to him or her by the President or the Board.

ARTICLE V. MEETINGS

Section 1. Regular Meetings of the Board

The Board shall meet at least quarterly and shall be responsible for the actions of the Corporation, staff decisions, and actions of committees established by the Board.

Section 2. Special Meetings of the Board

Special meetings of the Board may be called by the Executive Director, President, Vice President, Secretary/Treasurer, or by any three (3) Directors and shall be held at such date, place, and time designated in the notice thereof.

Section 3. Notice

Notice of the date, place, and time of any regular meeting of the Board shall be given in writing at least five (5) days in advance of the meeting. Notice of the date, place, and time of any special meeting of the Board shall be given in writing at least forty-eight (48) hours days in advance of the meeting. Notice of all meetings shall be given to each Director by the Executive Director, President, or Secretary/Treasurer by regular mail, electronic mail, telephone, or otherwise. Any Director may waive notice of any meeting by a written statement executed either before or after the meeting. Attendance and participation at a meeting without objection to notice shall also constitute a waiver of notice. A notice or waiver of notice of a meeting need not specify the purposes of the meeting.

Section 4. Quorum at Meetings

A quorum of Directors for the transaction of business shall be established if at least 50% of the Directors eligible to vote are present for the duration of any meeting of the Board to transact business.

Section 5. Action at Meetings

- (a) **Voting.** At any meeting at which a quorum is present, the action on any matter brought before the meeting shall be decided by vote of a majority of those present, unless otherwise provided by law, the Articles of Incorporation, or these bylaws. Each Director shall have one vote. Voting by proxy shall not be permitted.
- (b) **Loan Approval.** When the Board votes on SBA loan approval or servicing actions, at least two (2) Directors with commercial loan experience, other than the Executive Director, must be present and vote.

Section 6. Action by Unanimous Written Consent

Any action by the Board may be taken without a meeting if written consent is signed by all of the Directors.

Section 7. Meeting Participation

Directors may participate in any meeting of the Board by any format permitted by law in the State of Missouri, which shall include, without limitation, conference telephone, electronic communication, or other equipment provided that all persons participating in such meeting can hear each other at the same time. Participation by such means shall constitute in-person attendance for purpose of determining if a quorum is present.

ARTICLE VI. COMMITTEES

Section 1. Committees and Task Forces

The Board may designate and appoint one or more standing committees, ad hoc committees, and/or task forces as it shall deem appropriate for the conduct of the business of the Corporation. Such committees and task forces shall have the power and duties designated by the Board. However, no committee shall have the authority to amend or repeal these bylaws; elect or remove any officer or director; adopt a plan of merger; or authorize the voluntary dissolution of the Corporation.

Section 2. Committee Members

Each committee and task force, with the exception of the Loan Committee, shall include at least two (2) Directors and may include persons who are not Directors. The members of the committees and task forces shall be recommended by the Executive Director and approved by the Board to serve a one-year term without limitation.

Section 3. Committee Rules

Each committee and task force may adopt rules for its meetings not inconsistent with these bylaws or with any rules adopted by the Board.

Section 4. Standing Committees

- (a) **Finance and Investment Committee.** The Finance and Investment Committee shall be responsible for protecting and strengthening the financial health and integrity of the Corporation. It shall recommend financial policies and plans to the board, and regularly review financial statements and performance.
- (b) **Governance Committee.** The Governance Committee shall be responsible for board structures and leadership. It shall establish and implement policies, practices, and procedures related to board member responsibilities, elections, onboarding, and succession planning.
- (c) **Marketing and Development Committee.** The Marketing and Development Committee shall be responsible for supporting efforts to promote RMI. It shall provide input and guidance to staff on matters related to communications, marketing, business development, and membership.

Section 5. Loan Committees

- (a) **State Loan Committees.** The Corporation shall have a separate Loan Committee for each state in which it operates.

- (b) **Authority.** The Loan Committee reports to the Board and may exercise authority as follows:
 - (i) For loans of \$50,000 to \$2,000,000, provide credit approval with the ratification of the Board prior to Debenture closing.
 - (ii) For loans of \$1,000,000 to \$2,000,000, the Loan Committee's action must be ratified by the Board prior to Debenture closing.
 - (iii) Only the Board may provide credit approval for 504 loans greater than \$2,000,000.
- (c) **Appointment.** Loan Committee Members shall be appointed by the Board at any regular or special meeting of the Board.
- (d) **Membership.** The members serving on the Loan Committee shall include Directors and non-Director committee members, provided that each Loan Committee:
 - (i) Consists of members who live or work in the Area of Operations of the State where the 504 project they are voting on is located, unless the project falls under one of the exceptions listed in 13 CFR §120.839;
 - (ii) Includes at least two (2) committee members with commercial lending experience, not including the Executive Director;
 - (iii) Not include the staff or Executive Director of the Corporation;
 - (iv) Adheres to the Corporation's conflict of interest policies and procedures as outlined in Article IX.
- (e) **Committee Action.** In order to transact business, the Loan Committee must have a quorum of at least five (5) committee members authorized to vote for the duration of the meeting. When the Loan Committee votes on SBA loan approval or servicing actions, at least two (2) committee members with commercial loan experience, other than the Executive Director, must be present and vote.

ARTICLE VII. OPERATIONS AND INTERNAL CONTROLS

Section 1. Fiscal Year

The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year.

Section 2. Loan Policies and Procedures

The Board is responsible for ensuring that the Corporation is in compliance with SBA regulations, including the following:

- (a) That the Corporation invests in economic development in its Area of Operation in accordance with 13 CFR 120.823;
- (b) That the Board provides credit approval for loans greater than \$2,000,000, in accordance with 120.823(d)(4)(i); and
- (c) That the Corporation has a policy manual detailing its credit approval process and that all 504 loan applications have credit approval prior to submission to the SBA, in accordance with 120.823(d)(4)(ii).

Section 3. Internal Controls

In accordance with 13 CFR 120.826, and revised 13 CFR 120.823, the Board of Directors shall adopt an internal control policy that provides adequate direction to the Corporation for effective control over and accountability for operations, programs and resources.

Section 4. Independent Audit

The Board shall hire an independent certified public accountant with financial institution experience to audit its financial statements annually.

Section 5. Deposits

All funds of the Corporation, not otherwise employed, shall be deposited from time to time to the credit of the Corporation in such banks, investment firms or other depositories as the Board shall select.

Section 6. Loans

No moneys shall be borrowed on behalf of the Corporation and no evidences of such indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

ARTICLE VIII. RECORDS AND REPORTING

Section 1. Inspection of Records

Books, accounts, documents and records of the Corporation shall be open to inspection by any Director at all times during the usual hours of business. The original, or attested copies, of the Articles of Incorporation, bylaws and records of all meetings of the incorporators and Directors, and records which shall contain the names of all Directors and their record addresses, shall be kept in Missouri at the principal office of the corporation, or at an office of the Secretary/Treasurer, or the resident agent, if any, of the Corporation. Said copies and records need not all be kept in the same office.

Section 2. SBA Reporting

- (a) **Annual Report.** The Corporation shall supply to SBA current and actual information about all certification and operational requirements, and maintain the records and submit all reports, as and when required by SBA.

- (b) **Economic Development Investment Report.** The Corporation shall invest in economic development in each state in which it has been given multi-state status. A written report will be provided for each state in which the Corporation has an outstanding 504 loan.
- (c) **Annual Director Certification.** Each Director shall certify annually that they have read and understand 13 CFR 120.823 of SBA's regulations. Copies of this certification shall be included in the Annual Report to the SBA.

ARTICLE IX. CONFLICTS OF INTEREST

Section 1. Conflict of Interest Policy

Any actual, apparent, or potential conflict of interest of any Director, Officer, or Committee Member, shall be disclosed in the manner set forth in a written policy on conflict of interest adopted by the Board.

Section 2. Voting

Directors, Officers, and Committee members determined in accordance with such policy to have an actual, apparent or potential conflict of interest with respect to a matter cannot vote on any such matter or be counted in determining the quorum for the meeting at which action is proposed with respect to such matter, even when permitted by law. The Director may state his or her position on the matter or answer questions. Meeting minutes shall reflect the disclosure, quorum, and voting abstention.

Section 3. Annual Disclosure

Each Directors, Officers, and Committee member shall annually sign and submit to the Secretary/Treasurer a disclosure statement as required by the Board policy on conflicts of interest.

ARTICLE X. INDEMNIFICATION

Section 1. Liability of Officers and Directors

Unless otherwise prohibited by law, the Corporation shall indemnify any director or officer or any former director or officer, and may by resolution of the Board of Directors indemnify any employee, against any and all expenses and liabilities incurred by him or her in connection with any claim, action, suit, or proceeding to which he or she is made a party by reason of being a director, officer, or employee. However, there shall be no indemnification in relation to matters as to which he or she shall be adjudged to be guilty of a criminal offense or liable to the Corporation for damages arising out of his or her own gross negligence in the performance of a duty to the Corporation.

Amounts paid in indemnification of expenses and liabilities may include, but shall not be limited to, legal counsel fees, litigation expenses, court costs, and other fees; costs and disbursements; and judgments, fines, and penalties against, and amounts paid in settlement by, such director, officer, or employee. The Corporation may advance expenses or where appropriate may itself undertake the defense of any director, officer, or employee. However, such director, officer, or

employee shall repay such expenses if it should be ultimately determined that he or she is not entitled to indemnification under this Article.

Section 2. Insurance

The Corporation shall maintain Directors and Officers liability insurance and Errors and Omissions insurance, at least in amounts established by the SBA, on behalf of any director, officer, employee, or other agent against any liability incurred by him which arises out of such person's status as a director, officer, employee, or agent, whether or not the Corporation would have the power to indemnify the person against that liability under law.

ARTICLE XI. AMENDMENTS

These bylaws may be amended at any regular or special meeting of the Board by a two-thirds majority vote of the Directors present, provided that notice of the proposed amendments is given at least ten (10) days in advance of such meeting.

***** Intentionally Blank; Certification of Corporate Secretary Follows on Page 13*****

CERTIFICATE OF SECRETARY

I, the undersigned, to hereby certify:

1. That I am the duly elected and acting Secretary of Rural Missouri, Incorporated,

2. That the foregoing bylaws constitute the Bylaws of the Corporation as duly adopted and approved on July 22, 2021, by the Board of Directors.

IN WITNESS WHEREOF, the undersigned has executives this Certificate of Secretary this 22nd day of July, 2021.

Signature: Shayna Lane
Name: Shayna Lane
Secretary