

BY-LAWS OF THE MASSACHUSETTS STATE LOTTERY COMMISSION

Adopted January 31, 2012

Revised May 28, 2013

ARTICLE I

AUTHORITY

The Act.

The Massachusetts State Lottery Commission (the “Lottery”) is created by and exercises powers and responsibilities in accordance with the provisions of Massachusetts General Laws Chapter 10, §§ 22- 35, §§37-40, and §§56-58 and Chapter 271, §7A, as such laws may be amended from time to time (collectively, the “Enabling Act”). These by-laws have been adopted for the purpose of regulating the affairs of the Lottery’s governing body (the “Commission”) and the conduct of the Lottery’s business, pursuant to the Enabling Act.

ARTICLE II

OFFICES, BOOKS AND RECORDS, AND FISCAL YEAR

Section 1. Offices.

The principal office of the Lottery shall be in Braintree, Massachusetts. The Lottery may from time to time establish and maintain additional offices at such places within the Commonwealth as it may determine to be convenient or necessary for the purpose of conducting its business.

Section 2. Books and Records.

Except as may be otherwise required or permitted by the Commission, or as the business of the Lottery may from time to time require, all of the books, records, files, and other information and documentation of the Commission shall be kept at its principal office. Such books and records shall be available for inspection, upon request, by any member of the Commission.

Section 3. Fiscal Year.

The fiscal year of the “Lottery” shall commence on the first day of July and end on the ensuing thirtieth day of June.

ARTICLE III

ORGANIZATION OF THE COMMISSION

Section 1. Members.

The Commission shall consist of the State Treasurer, the Secretary of Public Safety or his or her designee, the State Comptroller or his or her designee, and two persons to be appointed by the Governor. No more than four Commission members shall be from the same political party. Appointments, terms and qualifications of the members of the Commission shall be governed by the provisions of M.G.L. c. 10, §23 and applicable law. Each member of the Commission serving *ex officio* may appoint a designee in accord with M.G.L. c. 10, §23 or as otherwise permitted by law, including but not limited to M.G.L. c. 30, §6A. Such designation shall be in writing to the Secretary, by email, mail or hand delivery, and shall authorize the designee to represent the designating member at meetings of the Commission, or committees thereof, with full powers to act and vote on his or her behalf. Any such designation shall be revocable at any time by the designating member of the Commission.

The Commission shall perform its duties as required by the Enabling Act, these by-laws and by resolution of the Commission. It shall, in coordination and cooperation with the Executive Director, as defined below in Section 4 of this Article III, set overall policy for the Lottery that reflects its mission and vision. The Commission shall advise and make recommendations to the Executive Director regarding the operation and administration of the Lottery. All members of the Commission shall be expected to perform their duties diligently, including the attendance of meetings, and to keep themselves informed about matters relating to and concerning the Commission.

Section 2. Chair.

The State Treasurer shall serve as Chair of the Commission. The Chair shall have such duties and powers as may be imposed upon him or her by law, as may be commonly incident to the office of the Chair, and as the Commission may from time to time delegate or determine. The Chair, in consultation with the Executive Director, shall establish the agenda for all meetings of the Commission and shall preside over all meetings of the Commission.

Section 3. Secretary.

The Executive Director shall serve as Secretary of the Commission. The Secretary shall have such duties and powers as may be imposed upon him or her by law or as the Commission may from time to time delegate. The Secretary shall ensure that a true and accurate record of the proceedings of the Commission is kept and maintained at the principal office of the Lottery, and shall be custodian of such minutes book and all books, documents and papers filed by the Commission, which shall be available for inspection by the Commission members upon request. The Secretary shall have authority to arrange for copies to be made of all minutes and other records and documents of the

Commission and to certify that such copies are true copies, and all persons dealing with the Commission may rely upon such certification. The Chair, in coordination with the Secretary, shall give notice of all meetings of the Commission as required by law or these by-laws. In the absence of the Secretary from any meeting of the Commission, a temporary secretary may be chosen and shall keep a true and accurate record of the proceedings.

Section 4. Executive Director.

The State Treasurer shall appoint an Executive Director, subject to the approval of the Governor. The Executive Director shall serve at the pleasure of the State Treasurer and shall receive such compensation as the Commission may determine. The Executive Director shall be the chief executive, administrative and operational officer of the Lottery and shall have general direction, supervision, and control of the conduct of the business, property, personnel, and affairs of the Lottery. The Executive Director shall have charge of and be primarily responsible for the general management and day-to-day operation of the Lottery and the exercise of the Lottery's management powers. He or she shall confer regularly as necessary or desirable, and not less than once every month, with the Commission on the operation and administration of the Lottery. M.G.L. c. 10, §26.

The Executive Director shall supervise and administer the operation of the Lottery in accordance with the Enabling Act, and rules and regulations made thereunder. He or she shall have all the duties and powers set forth in M.G.L. c. 10, §26, as may be amended from time to time, such other duties and powers as are commonly incident to his or her office, and such duties and powers as may be imposed on him or her by law, by these by-laws, or as the Commission may from time to time specify by resolution.

Section 5. Delegation of Authority.

In connection with the operational and administrative control of the affairs of the Lottery, the Commission shall delegate to the Executive Director certain of its statutory powers, functions and responsibilities in order to create the necessary efficiencies for the Lottery to fulfill its founding mission and vision. Except as otherwise specifically authorized by resolution of the Commission, the Executive Director is authorized to take any and all actions necessary to manage, operate and oversee the Lottery, provided that such actions comply with the Enabling Act and all other applicable laws. In particular, the Executive Director is hereby authorized to enter into contracts for the operation of the Lottery on behalf of the Commission, without specific approval of the Commission, provided that such contracts do not exceed a maximum liability set by resolution of the Commission from time to time and that any such resolution is posted on the Lottery's website and available to the public. To the extent permissible under such resolution, the Executive Director is further authorized to employ such personnel as may be necessary. The Chair and the Commission hereby designate and authorize the Executive Director to take any and all actions necessary to manage, operate and oversee the game known as Keno, including the granting, revocation and suspension of Keno licenses, in accordance with M.G.L. c. 10, §27A. The Commission also hereby authorizes the Executive

Director to make such reports to the Governor, Attorney General and the General Court and conduct such studies as required of the Commission under the Enabling Act.

ARTICLE IV

ETHICS

Compliance with Chapter 268A.

Members of the Commission shall comply with all applicable rules and requirements under M.G.L. c. 268A – the state conflict of interest law, including the obligation to (i) make full disclosure pursuant to Chapter 268A of their financial interests, if any, in matters before the Commission by notifying the State Ethics Commission in writing, and (ii) abstain from voting on any matter before the Commission in which they have a financial interest, unless otherwise permitted by Chapter 268A.

ARTICLE V

MEETINGS

Section 1. Regular Meetings.

Regular meetings of the Commission for the transaction of any lawful business of the Commission shall be held each month at such dates and times as may be designated by the Chair. Meetings of the Commission shall be held at the Office of the State Treasurer and Receiver-General, the principal office of the Lottery or such other place as may be stated in the notice of the meeting. Any regularly scheduled meeting of the Commission may be dispensed with or rescheduled by the members at any prior meeting of the Commission. Failure to hold such regular meeting does not affect the validity of any action taken by the Lottery.

Section 2. Special Meetings.

Special meetings of the Commission may be held at any time and at any place within the Commonwealth when called by the Chair for the purpose of transacting any business. In addition to the notice required under Article V, Section 3 of these by-laws, reasonable notice of any special meeting shall be given to each member of the Commission by the Chair. Notice shall be deemed sufficient if sent (i) by mail at least 72 hours or (ii) by electronic mail, facsimile, telephone or hand delivery at least 48 hours before the time fixed for such special meeting, except when there are emergency circumstances at which time notice will be provided as soon as practicable. Notice of a Special Meeting shall include a listing of topics that the Chair reasonably anticipates will be discussed at the meeting. Special Meetings also may occur without call or formal notice, except as required under Article V, Section 3 of these by-laws, provided all members of the Commission are present or those not present shall have waived notice

thereof in a writing filed with the records of the meeting either before or within five (5) days after the meeting.

Section 3. Meeting Notice.

Public notice of meetings of the Commission shall be given by the Chair, in accordance with M.G.L. c. 30A, §20. Except in emergencies, such notice, unless otherwise required by law or regulation, shall be posted on the Lottery's website, and a copy thereof also shall be sent by first class or electronic mail to the Secretary of State's Regulations Division, at least 48 hours (excluding Saturdays, Sundays and legal holidays) before the meeting. The notice shall include the date, time, and place of the meeting and a listing of topics that the Chair reasonably anticipates will be discussed at the meeting.

Section 4. Conduct of Meetings.

Meetings of the Commission shall be conducted in accordance with M.G.L. c. 30A, §§ 18 -25 (the "Open Meeting Law"), as may be amended from time to time. Meetings shall be open to the public, except as otherwise provided by the Open Meeting Law.

Section 5. Executive Session.

The Chair may call for an executive session at any regular or special meeting in accordance with the Open Meeting Law. The Chair shall state publicly the purpose or purposes for the executive session, which must be one or more of the purposes set forth in the Open Meeting Law, as amended from time to time. Upon motion to convene in executive session, the Chair shall then direct that a roll call vote be taken and the Secretary shall record the vote of each Commission member. The Chair shall state publicly whether the Commission will reconvene in open session after the conclusion of the executive session. Minutes of the executive session shall be taken by the Secretary, including a record of any votes taken. These minutes shall become public when the circumstances originally authorizing the executive session no longer exist.

Section 6. Transaction of Business.

Except as otherwise expressly provided in these by-laws, the Commission may consider and act upon any business described in the notice of the meeting at any regular or special meeting. At all meetings of the Commission, the following order of business shall be observed so far as is consistent with the purpose or purposes of the meeting:

- (a) Approval of the minutes of the preceding meeting;
- (b) Executive Director's report; and
- (c) Other agenda items.

Section 7. Quorum.

The Chair and two other members of the Commission shall constitute a quorum and the concurrence of the Chair and of not less than two other members of the Commission shall be required for all official actions of the Commission. No vacancy in the membership of the Commission shall impair the right of a quorum to exercise all the rights and perform all the duties of the Commission.

Section 8. Procedure.

Any Commission member, other than the Commission member making a motion, may second it. When determined by the Chair, a meeting shall be conducted in accordance with Robert’s Rules of Order, the edition then in effect.

Section 9. Remote Participation by Telephone or Telecommunications Device

Members of the Commission may participate in a meeting of the Commission by means of remote participation as permitted by 940 CMR 29.10 et seq. A quorum of the members of the Commission, including the Chair (or his or her designee), must be physically present at the meeting location, M.G.L. c. 30A, §20(d), and all present at the meeting location and those participating remotely must be clearly audible to each other.

Section 10. Committees.

From time to time, the Commission may form by resolution committees of the Commission as well as designate committee chairs and members. Committee chairs shall set the time and place of committee meetings after consultation with committee members and shall meet in accordance with the Open Meeting Law. Committees shall report regularly on their activities and make recommendations to the members of the Commission in accordance with the Open Meeting Law and all notice requirements set forth in Article V, Section 3.

ARTICLE VI

MISCELLANEOUS

Section 1. Indemnification.

By resolution of the Commission, as permitted by law, including, without limitation, M.G.L. c. 268A, members, their designees, the Secretary/Executive Director and employees of the Lottery may be indemnified to the extent permitted by law, including, without limitation, M.G.L. c. 258, §9.

Section 2. Amendment.

These by-laws may be amended, added to, altered or repealed in whole or in part by resolution of the Commission at any meeting of the Commission, provided that the notice of such meeting made pursuant to Article V, Section 3 herein shall specify the subject matter of the proposed amendment, addition, alteration or repeal and the Article or Articles of these by-laws to be affected thereby.

Section 3. Conflict of Law.

The laws of the Commonwealth of Massachusetts govern all matters arising out of or relating to these by-laws including, without limitation, their validity, interpretation, construction, performance and enforcement. To the extent that any provision herein conflicts with the Enabling Act or any law of the Commonwealth of Massachusetts, such Enabling Act or Massachusetts law shall control, but only to the extent of such conflict and the remaining provisions herein shall remain in full force and effect.

Section 4. Severability.

If any clause or provision herein shall be adjudged invalid or unenforceable by any court of competent jurisdiction or by operation of any applicable law, such provision shall be ineffective only to the extent of such invalidity or unenforceability and all remaining clauses or provisions shall remain in full force and effect.