

# **B Y L A W S**

**Federal  
Reserve  
Bank of  
Dallas**

BYLAWS  
FEDERAL RESERVE BANK OF DALLAS

ARTICLE I - BOARD OF DIRECTORS

Section 1 - POWERS

The business of the Bank shall be conducted under the supervision and control of its Board of Directors, subject to such supervision as is or may be vested by law in the Board of Governors of the Federal Reserve System. Subject to approvals as may be required by the Board of Governors and any other restrictions set forth in these Bylaws, the Board of Directors shall appoint, set compensation and may suspend or remove the officers of the Bank. At the discretion of the Board of Directors, the powers as set forth in this section are delegable subject to the provisions of the Federal Reserve Act, the Board of Directors' fiduciary responsibilities and any other provision of these Bylaws prohibiting such delegation. Bank procurement activities are generally conducted by management of the Bank within the budget guidance approved by the Board of Directors. The Board of Directors' powers and duties shall not extend to those activities falling exclusively within the statutory authority of the Board of Governors or any other federal agency including but not limited to activities pertaining to the supervision and regulation of financial institutions.

Class B directors, except those who are affiliated with a thrift holding company that is supervised by the Federal Reserve ("Affiliated Class B directors"), and Class C directors have the power to select and appoint the Bank's President and First Vice President subject to the approval of the Board of Governors, and the Executive or Senior Vice President in charge of the Banking Supervision function. No Class A and Affiliated Class B director shall receive or provide any information or advice regarding the appointment process except to the same extent as other Bankers. Class A, B and C directors shall review and approve the Bank's overall budget and expenditures; however, Class A and Affiliated Class B directors are prohibited from voting on or approving the salaries of senior officers whose primary duties involve Banking Supervision and that portion of the Bank's budget allocated to the Banking Supervision function.

The Board of Directors shall have the power to appoint the Bank's representative to the Federal Advisory Council, make recommendations on monetary policy and provide judgment and advice from a regional perspective on credit conditions of the District. The Directors shall also establish the Bank's discount rate every two weeks, subject to the approval by the Board of Governors, and are responsible for the internal audit program of the Bank.

Section 2 - CHAIRMAN

The Chairman of the Board shall exercise such powers as may be prescribed by law or by the Board of Governors of the Federal Reserve System and shall preside at all meetings of the Board of Directors.

Section 3 - DEPUTY CHAIRMAN

In the absence or disability of the Chairman of the Board or during a vacancy in that office, the Deputy Chairman shall preside at all meetings of the Board of Directors and shall exercise such other powers as may be prescribed by law or by the Board of Governors of the Federal

Reserve System.

#### Section 4 - CHAIRMAN PRO TEM

In the absence or disability of the Chairman of the Board and Deputy Chairman or during vacancies in those offices occurring at the same time, the remaining Class C Director shall preside at meetings of the Board of Directors. In the absence or disability of all Class C Directors or during vacancies in those offices, the Board of Directors shall elect one of its members to serve as Chairman Pro Tem.

#### Section 5 - MEETINGS

Except as otherwise provided, the Board shall adopt annually a schedule of in-person (“in-person”) meetings. In-person meetings will ordinarily be held eight times a year on a Thursday. Adoption of the schedule will be notice of such meetings to all directors. The Chairman of the Board may call a special meeting at any time and shall do so upon the written request of any three directors or of the President of the Bank. Reasonable notice of regular and special meetings shall be given by the Chairman or Secretary, either by transmittal of written material or by telephone, provided, however, that notice of any meeting may be dispensed with if a majority of the directors, in writing, waive such notice. Provided further that where notice is given as required herein, an Executive Committee meeting may be held in lieu of a Board meeting, as provided in Section 6 of this Article, and no notice shall be required. Meetings of the Board of Directors will be held in Dallas; provided, however, that in the discretion of the Board of Directors, meetings may be held in any other city designated by the Board of Directors.

#### Section 6 - QUORUM

Five of the directors shall constitute a quorum for the transaction of business, but if a quorum is not present at a duly called meeting of the Board, three or more directors may thereupon meet and act as the Executive Committee, and no further notice of such meeting shall be required. Action of the Board of Directors shall be upon vote of a majority of the directors present at any meeting of the Board.

#### Section 7 - MINUTES

The minutes of each meeting of the Board of Directors, or a summary thereof, shall be submitted to the Board of Directors at its next regular meeting.

#### Section 8 - COMMITTEES

Matters or subjects relating to the business of the Bank may be referred from time to time to committees appointed in such manner as the Board of Directors may prescribe. Such committees shall exercise such powers as the Board of Directors may delegate to them.

#### Section 9 - VACANCIES

As soon as practicable after the occurrence of any vacancy in the Class A and Class B membership of the Board of Directors, steps shall be taken to fill the vacancy in the manner provided by law.

## ARTICLE II - EXECUTIVE COMMITTEE

### Section 1 - MEMBERSHIP

There shall be an Executive Committee consisting of all members of the Board of Directors. The Chairman of the Board shall be Chairman of the Executive Committee. In the absence or disability of the Chairman of the Board or during a vacancy in that office, the Deputy Chairman of the Board shall serve as Chairman of the Committee. In the absence or disability of both the Chairman and the Deputy Chairman of the Board or during vacancies in those offices, the Committee shall elect one of its members to serve as Chairman Pro Tern.

### Section 2 - POWERS

Subject to the supervision and control of the Board of Directors, the Executive Committee shall have the power to conduct the business of the Bank in the interims between meetings of the Board of Directors, including the power to establish from time to time rates of discount in pursuance of the provisions of Section 14 of the Federal Reserve Act.

### Section 3 - MEETINGS

There shall be a regular meeting of the Executive Committee held bi-weekly between in-person meetings to comply with the Federal Reserve Act requirement that the discount rate be established every 14 days. If a regular meeting falls on a Bank holiday, the meeting will be held the preceding business day. The Chairman of the Committee may call a special meeting at any time and shall do so upon written request of any two members or of the President of the Bank. Reasonable notice of regular and special meetings shall be given by the Chairman or Secretary of the Executive Committee, either by transmittal of written material or by telephone.

Any meeting of the Executive Committee may be held by means of a telephone-conference hookup in which each participant may hear and be heard by each other participant, and any business may be transacted during such telephone-conference hookup which could have been transacted at any other meeting of the Executive Committee. Other than telephone-conference meetings, all others shall be held in Dallas or, in special circumstances, at such place as the Committee determines.

### Section 4 - QUORUM

Three members of the Committee shall constitute a quorum for the transaction of business, but less than a quorum may adjourn from time to time until a quorum is obtained. Action of the Executive Committee shall be upon vote of a majority of the directors present at or participating in any meeting of the Executive Committee.

### Section 5 - MINUTES

The minutes of each meeting of the Executive Committee, or a summary thereof, shall be submitted to the Board of Directors at its next regular meeting.

## ARTICLE III - DISCOUNT COMMITTEE

### Section 1 - MEMBERSHIP

There shall be a Discount Committee consisting of the President, the First Vice President, the Vice President having supervision of the Loan Department, and such other officers of the Bank as the President may designate. The President shall be Chairman of the Committee and in his absence from any meeting or during a vacancy in the office of President, the Chairman shall be the First Vice President, the Loan Department Vice President, in the order named, or in their absence, the senior officers present in the order designated by the President.

#### Section 2 - POWERS

Subject to supervision and control by the Board of Directors, the Discount Committee shall have the power to authorize, ratify, and approve any and all loans, discounts, and advances applied for under the provisions of the Federal Reserve Act and regulations issued pursuant thereto by the Board of Governors of the Federal Reserve System, and to authorize credit therefore, or to disapprove any loans, discounts, and advances applied for. The Chairman of the Discount Committee, or his designee, shall submit a report at each regular meeting of the Board of Directors or the Executive Committee showing the borrowing activities since the last report. Such report will be supplemented by any additional information requested by the directors.

#### Section 3 - MEETINGS

Meetings of the Committee shall be held from time to time at the call of the Chairman or, in his absence or disability, at the call of the officer acting as Chairman or at the call of any three members of the Committee.

#### Section 4 - QUORUM

Three members of the Committee shall constitute a quorum for the transaction of business. Action of the Discount Committee shall be upon vote of a majority of those present at any meeting of the Committee.

### ARTICLE IV - BANK OFFICERS

#### Section 1 - APPOINTMENT

The Board of Directors shall appoint a President, a First Vice President, a Secretary, a General Counsel, a General Auditor, and additional officers as it may from time to time determine to be necessary and appropriate for the conduct of the business of the Bank. Except with respect to the offices of President, First Vice President, and General Auditor, one person may hold more than one official position in the Bank, in the discretion of the Board of Directors. The President and First Vice President shall be selected and appointed by Class B and C directors, excluding Affiliated Class B directors, with the approval of the Board of Governors of the Federal Reserve System, each for a term of five years beginning March 1 of each fifth year. Class A and Affiliated Class B directors shall not participate in the selection and appointment process of senior officers whose primary duties involve Banking Supervision. All appointments are subject to the right of the Board of Directors at its pleasure to dismiss at any time any officer or officers appointed hereunder.

#### Section 2 - VACANCIES

Whenever a vacancy shall occur in the office held by an officer of the Bank, it shall be filled in the manner provided herein for original appointment of officers; provided, however, that

with respect to all officers other than the President and First Vice President, any such vacancy need not be filled if it should be determined that the proper conduct of the Bank's business does not require the vacancy to be filled. Any person appointed to fill a vacancy, as mentioned herein, shall hold office, unless otherwise specified, except in the case of the President and First Vice President subject to the pleasure of the President.

### Section 3 - PRESIDENT

Subject to supervision and control by the Board of Directors, the President shall be the chief executive officer of the Bank and shall have general charge and control of the business and affairs of the Bank. All other officers and all employees of the Bank are directly responsible to the President.

Under authority delegated by the Board of Directors, the President, and any officer(s) authorized by the President, has the authority to appoint, hire and promote officers and employees below the level of senior vice president, except the General Auditor, and to fix the compensation of such officers and employees within guidelines issued by the Board of Governors. The President, and any officer(s) authorized by the President, has the power to suspend or dismiss at pleasure any employee or officer, other than the First Vice President and the General Auditor.

The President has the power to prescribe, or to delegate to any other officer or officers to prescribe, the duties of other officers and of agents and employees of the bank where such duties are not specifically prescribed by law or by the Board of Directors or by the Executive Committee or by the By-laws; and shall have power to appoint such committees of officers of the bank and others as the President may from time to time deem advisable, and to prescribe the powers and duties of such committees where such powers and duties are not specifically prescribed by the Board of Directors or by the Executive Committee.

### Section 4 - FIRST VICE PRESIDENT

In the absence or disability of the President or during a vacancy in that office, the First Vice President shall serve as chief executive officer of the Bank. The duties of the First Vice President shall be in addition such as may be prescribed by the Board of Directors, the Executive Committee, or the President.

### Section 5 - SECRETARY

The Secretary shall keep the minutes of all meetings of the Board of Directors and of all committees thereof, unless some other person is designated to keep any such minutes. He shall have custody of the seal of the Bank, with authority to affix same to such instruments to which affixation of the seal may from time to time be required. The Secretary shall perform such other duties as may from time to time be prescribed by the Board of Directors, the Executive Committee, or the President or his designee.

### Section 6 - GENERAL COUNSEL

The General Counsel shall have general supervision of matters of a legal nature in which the Bank is involved or in connection with which the attention of counsel may be required or requested. In addition, he shall act as counsel to the Branches of the Bank and shall represent the Branches in such matters, and shall review all legal documents and may appoint special counsel to

represent the Bank or any of the Branches.

#### Section 7 - GENERAL AUDITOR

The General Auditor shall have supervision and charge of all auditing work of the Bank and Branches. His duties shall be such as usually belong or appertain to that office or such as may be prescribed from time to time by the Board of Directors. He shall submit to the Board of Directors periodic audit reports and such other reports as it may require or direct.

#### Section 8 - OTHER OFFICERS

The duties of the other officers shall be such as may be prescribed by the Board of Directors, the Executive Committee, the President, or his designee.

#### ARTICLE V- SUCCESSION OF COMMAND IN AN EMERGENCY

In the event of war or the proclamation of a national emergency by the President of the United States, the delegation of authority and succession of command for the Federal Reserve Bank of Dallas and its Branches of Boards of Directors; officers; and Assistant Federal Reserve Agent, Alternate Assistant Federal Reserve Agents, and Federal Reserve Agents' Representatives shall be that established, and as changed from time to time, by the Board of Directors.

#### ARTICLE VI - CERTIFICATES OF STOCK

Evidence of stock held in the Bank shall be in one of the following forms: certificates of stock of the Bank which shall be signed by the President or another officer and attested by the Secretary or an Assistant Secretary, and which shall bear the corporate seal of the Bank; or a certificate giving advice of holdings of stock of this Bank which shall be signed by the President or another officer designated by the President and which shall be issued to evidence an adjustment in stock ownership of a member bank and to evidence the holdings of stock of this Bank by the member bank.

#### ARTICLE VII - BUSINESS HOURS

The business hours to be observed by the Bank and each of the Branches shall be fixed, and from time to time may be changed, by the Board of Directors.

#### ARTICLE VIII - AMENDMENTS

These Bylaws may be amended at any regular or special meeting of the Board of Directors by a majority vote of the entire Board; provided, however, that a copy of the proposed amendment or amendments shall have been mailed to each member of the Board at least 10 days prior to such meeting; provided, further, that these Bylaws may be amended, without notice, at any regular or special meeting by a unanimous vote, if all of the directors holding office at the time shall be present at the meeting.